UNIVERSAL REGISTRATION DOCUMENT AND ANNUAL FINANCIAL REPORT **2021**

CONTENTS

Information required for Annual financial report, pursuant to Article L. 451-1-2 of the Monetary and Financial Code are identified in the correspondence table in Chapter 9.4 page 389.

Universal Registration Document

& Annual Financial Report 2021

€8,059 million
2021 SALES

+15.5%
ORGANIC SALES GROWTH

€454 million
2021 NET RESULT

33,000
EMPLOYEES WORLDWIDE

The world leader in Small Domestic Equipment

Groupe SEB pursues a **multi-specialist** strategy with top-ranking positions in small electrical appliances and a strong global leadership in cookware. Its mission is **making consumers' everyday lives easier and more enjoyable and contributing to better living all around the world**.

Operating in nearly 150 countries, Groupe SEB has built strong positions across continents through a product offering, both global and local, addressing consumer expectations throughout the world.

This offering is enhanced by an **exceptional brand portfolio**.

On top of the Consumer business, Groupe SEB has developed over the past few years into the professional segment, and in particular the professional coffee market.

The Group's success is rooted in its **long-term vision**, committed to achieving the **right balance between growth and competitiveness** in order to create value for all its stakeholders.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document has been filed on April 7, 2022 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document is a reproduction of the official version of the Universal Registration Document including the 2021 annual financial report, which has been prepared in XHTML and is available on the websites of the AMF (www.amf-france.org) and Groupe SEB (www.groupeseb.com).

Message from the Chairman and CEO

What is your view on the year 2021?

While we thought the health crisis was over, the significant uncertainties surrounding the outcome of this unprecedented crisis have been a lever for driving and accelerating change and Groupe SEB has demonstrated its resilience in the face of the crisis.

The year 2021 ended in a context still marked by the pandemic and will certainly be remembered as a year of constraints in our relations with others, but also of strong moments of friendship, solidarity and hope.

One thing is certain: we have all learned from this crisis and have been able to cope. For more than 160 years, the Group has been able to adapt and tack to avoid obstacles while staying on course.

Its long-standing family shareholding and strong corporate culture have enabled us not only to overcome many challenges but also to grow in order to be the world leader in our industry today.

Groupe SEB has announced a record year in 2021. What is your reading of such performance?

2021 will indeed be remembered as the year in which Groupe SEB achieved a record performance with sales exceeding €8 billion for the first time! All our geographic zones and product lines contributed to this exceptional growth.

Our Consumer business benefited from sustained demand from consumers, whose behavior has changed, particularly since the health crisis, with the notion of the "cocoon economy", where "the home" has become a safe haven. The Group has consolidated its world leadership in small domestic equipment with sales of €7,431 million, up 16% at constant scope and exchange rates.

The Professional Services business enjoyed a gradual recovery from the second half of the year to reach €628 million, up 10.2% like-for-like, after a difficult year in 2020, which was marked by the almost complete shutdown of the hotel and restaurant sector.

This result - better than expected and in excess of 1 billion euro - reflects the relevance of our model and strongly committed teams. We are proud of these results and continue our trajectory of strong, profitable growth, demonstrating the robustness and dynamism of our business model. SEB is doing well, SEB is strong!

What is the recipe for success?

Without hesitation, innovation. Our strategy has never been so offensive to conquer new consumers by anticipating their needs and the trends of our time.

We have continued to maintain this dynamic of product innovation, but also to pursue our production operations, to keep a close link with our customers and to ensure the delivery of all our products, despite the constraints. But we have not been content to simply resist, we have carried out our projects with ambition, constancy and determination, relying on our committed and mobilized employees who have all contributed to getting through this crisis.

The Group resolutely pursued its investment and acquisition policy, relying in particular on its investment structure SEB Alliance, which celebrated its 10th anniversary in 2021. We started the year by acquiring a stake in Chefclub, the world's fastest growing FoodTech brand on social networks. In line with our commitment to reparability, we also invested in BackMarket, the leading marketplace for refurbished products, and strengthened our presence in Africa with the signature of a joint venture with the Moroccan company Preciber.

> "Groupe SEB celebrates its 165th anniversary in 2022. SEB is doing well, SEB is strong!"

This year of 2021, extraordinary in every way, has demonstrated the strength of the collective and the incredible commitment of Groupe SEB employees who have shown great agility and determination. Finally, we would like to thank all our stakeholders and shareholders, who have placed their trust in us throughout the year.

What can we wish you for 2022?

2022 has started with the hope to really see the end of the pandemic but also unfortunately with new worries.

The health and safety of our employees has always been and will continue to be a priority.

Groupe SEB is deeply concerned by the situation in Ukraine and stands by its teams and their families to help them. The Group has also mobilized, wishing to contribute to the international solidarity movement, by seeking ways to help and support the Ukrainian population. We decided to contribute to humanitarian efforts to provide aid and support to Ukrainian refugees; Groupe SEB made an initial cash donation of €500,000. We have also made on-the-ground donations of health and medical supplies (including 75 MakAir respirators at the request of the Ukrainian government), and we won't stop there.

We will need to be resilient once again as we continue to move forward through these uncertain times.

Finally, in 2022, Groupe SEB will celebrate its 165th anniversary. So more than ever, let's stay united and mobilized to continue our great history together! SEB, SEBO, SEBON, c'est bien. This slogan has not aged a bit. Proof that in order to be able to stand the test of time and duration, it is good to rest on our fundamentals.

T de la T d'A

Thierry DE LA TOUR D'ARTAISE
Chairman and Chief Executive Officer

An **extensive and diversified** offering

KITCHEN ELECTRICS

Electrical cooking: deep fryers, rice cookers, electrical pressure cookers, informal meal appliances, waffle makers, grills, toasters, multicookers…

Beverage preparation: coffee makers (filter and pod), espresso machines, electrical kettles, home beer-taps, soy milk makers…

Food preparation: blenders, cooking food processors, kitchen machines, mixers, beaters…

HOME AND PERSONAL CARE

Linen care: irons and steam generators, garment steamers...

Home care: canister vacuum cleaners with or without dust bag, steam and upright vacuum cleaners, vacuum sweepers, versatile vacuums, robots…

Home comfort: fans, heaters, air purifiers…

Personal care: hair care appliances, depilators, electrical beard trimmers and hair clippers, bathroom scales...

COOKWARE

Frying pans, saucepans, woks, pressure cookers, bakeware, kitchen utensils, food storage containers, vacuum flasks and mugs...

CONSUMER BRANDS

GLOBAL

Tefal · Rowenta · Moulinex · KRUPS

REGIONAL

SUPOR · DASH · T-fal · ARNO · IMUSA · SEB · Calor · emsa

Original KAISER · MAHARAJA WHITELINE · ASIA · MIRRO · WearEver · PANEX

OBH NORDICA · samurai · Rochedo · clock · umco

PREMIUM BRANDS

WMF · Lagostina · All-Clad METALCRAFTERS LLC CANONSBURG, PA USA · Silit

PROFESSIONAL BRANDS

WMF · schaerer swiss coffee competence · HEPP · Curtis · Krampouz

PROFESSIONAL BUSINESS

Coffee machines

Other professional equipments

Business model

OUR RESOURCES [1]

STAFF

Nearly **33,000** employees

16 hours/year of training per employee in average

40% female managers

INNOVATION AND DIGITAL

> 1,500 people in the innovation community

3.3% of sales reinvested in innovation [2]

> 60% of media investment in digital

INDUSTRY AND PURCHASING

~2/3 of products manufactured in-house

23% of production based in Europe

€2.2bn direct purchasing

€213m invested[3] i.e. **2.6%** of sales

FINANCES AND SHAREHOLDING

Sales of: **€8,059m**, ORFA of: **€813m**

and profit of: **€454m**

Net debt/Adjusted EBITDA: **1.5** at 31 December 2021

Long-term reference shareholders

SOCIETY AND ENVIRONMENT

100% of sites ISO 14001 certified

~ €3m per year spent on philanthropy

1 Code of Ethics with **18** sections, translated into **11** languages

Focus on growth

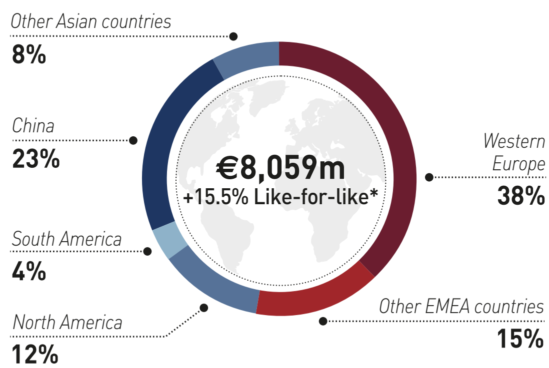
- Strength and complementarity of our brands
- Product innovation
- International expansion

2021

€8,059m Sales

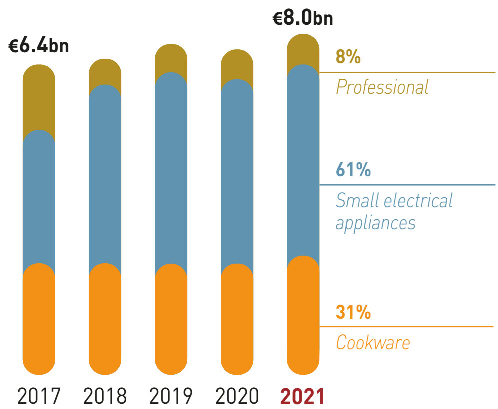
+15.5% Organic growth

A GLOBAL...



* Like-for-like: at constant exchange rates and scope.

ACTIVITIES WITH STRONG POTENTIAL



Optimize our industrial facilities...

- Optimize purchasing and logistics
- Improve industrial productivity
- Simplify structures and processes

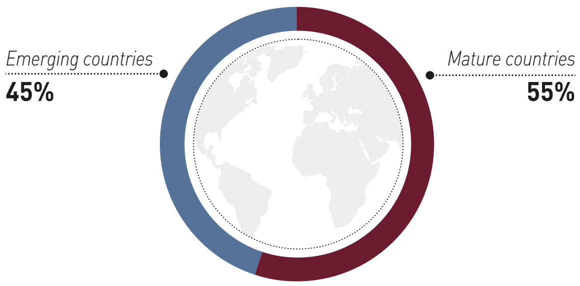
(1) Data 2021. (2) Net investments in R&D, strategic marketing and design. (3) Cash outflows for purchase of PP&E and intangible assets.

Groupe SEB is the world leader in Small Domestic Equipment.
Its consumer markets are steadily growing, estimated at over €75bn in 2021: **over €50bn** for Small Electrical Appliances, over €25bn for Cookware.

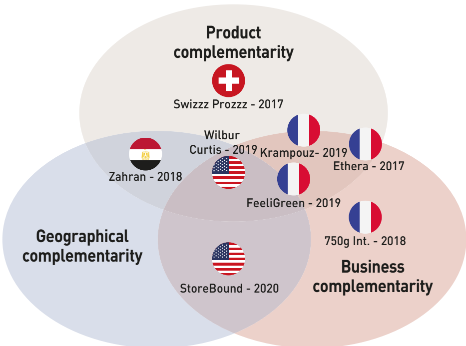
- Multi-channel distribution strategy
- Development in the professional market
- Active acquisition policy

Presence in nearly **150 countries**
Leadership positions in over **25 countries**

...AND BALANCED PRESENCE



TARGETED ACQUISITIONS TO STRENGTHEN ITS LEADERSHIP*



* *Acquisitions of the last 5 years.*

Strengthen **our competitiveness**

... and develop our assets

- High value technological products manufactured in mature countries
- Basic products outsourced
- Focus on the circular economy

(4) Lost-time accidents.

OUR ADVANCES (1)

STAFF

1 global social protection floor

Workplace accidents (4) halved in 5 years

INNOVATION AND DIGITAL

436 patents filed

Around **39%** of consumer sales through e-commerce

INDUSTRY AND PURCHASING

More than **250 millions** products manufactured

72% of direct purchasing covered by the supplier panel

FINANCES AND SHAREHOLDING

Annual organic sales growth of **6%** in 5 years

10.1% operating margin

Annual net profit growth of **5%** in 5 years

SOCIETY AND ENVIRONMENT

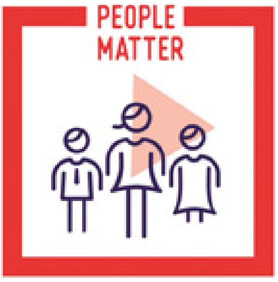
> 500 projects supported by the Fonds Groupe SEB in 10 years

> 90% of domestic electrical appliances are mostly repairable

-22% carbon intensity for our plants (scopes 1 & 2) between 2016 and 2021

Corporate Social Responsibility

A committed Group



Demonstrate on a daily basis our respect for everyone and our utility to society

- Ethics, Human Rights and governance
- Responsible purchasings
- Responsible employment policy
  - Working conditions
  - Social dialogue
- Citizenship engagement

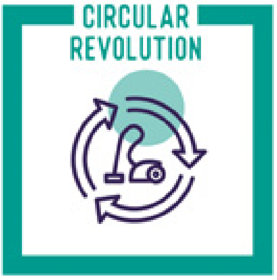
Empower our customers to have sustainable livings with our products and services

Make healthy and tasty homemade food accessible to everyone

- Products safety
- Home made for all
- Healthy eating & social dining
- Sustainable cooking

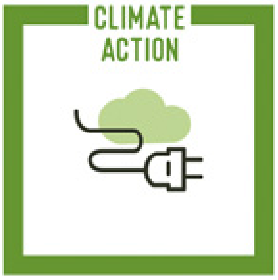
Help everyone to live better in a healthy home, regardless of their age and health

- Inclusive-design products
- A healthy home



Put our products and services at the heart of the circular economy

- Quality et sustainability
- Repairability
- Recycled materials
- Second life
- Shared use
- Recycling



Contribute to the fight against climate change thanks to our low-carbon strategy

- Eco-design
- Eco-manufacturing
- Eco-logistics
- Eco-friendly workplace

Board of **Directors** at 31 December 2021

THIERRY DE LA TOUR D'ARTAISE
Chairman and Chief Executive Officer

DELPHINE BERTRAND
Director – member of the Founder Group, member of FÉDÉRACTIVE

NORA BEY
Director Representing Employees

VENELLE INVESTISSEMENT
Director – member of the Founder Group

DAMARYS BRAIDA
Permanent representative of VENELLE INVESTISSEMENT on the Board of Directors

JEAN-PIERRE DUPRIEU
Independent director

GENERACTION
Director – member of the Founder Group

CAROLINE CHEVALLEY
Permanent representative of GÉNÉRACTION on the Board of Directors

YSEULYS COSTES
Independent director

WILLIAM GAIRARD
Director – member of the Founder Group, member of VENELLE INVESTISSEMENT

PEUGEOT INVEST ASSETS *
Independent director

BERTRAND FINET
Permanent representative of Peugeot Invest Assets on the Board of Directors

BRIGITTE FORESTIER
Director representing employee shareholders

JÉRÔME LESCURE
Director – member of the Founder Group, member of VENELLE INVESTISSEMENT

LAURENT HENRY
Director Representing Employees

JEAN-NOËL LABROUE
Independent director

FONDS STRATÉGIQUE DE PARTICIPATIONS (FSP)
Independent director

CATHERINE POURRE
Permanent representative of FSP on the Board of Directors

THIERRY LESCURE
Director – member of the Founder Group, member of GÉNÉRACTION

AUDE DE VASSART
Director, member of the Founder Group, member of VENELLE INVESTISSEMENT

Member of the Audit and Compliance Committee
Member of the Governance and Remuneration Committee

Family directors
Independent directors
Employee directors

* *Formerly FFP Invest*

16	>1/3	46%	9	99%
members	independent directors	of women	meetings in 2021 with 5 were held remotly	attendance rate

Since 1995, the Board of Directors has had two specialized Committees to help it in areas for which specific skills and meetings are required.

Audit and Compliance Committee

3 members
Independent chairperson

5
Meetings in 2021
all in physics

100%
attendance rate

Governance and Remuneration Committee

4 members
Independent chairperson

7
Meetings in 2021
with 3 in physics

100%
attendance rate

CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2021

During the last year, the Annual General Meeting of 20 May 2021 reappointed for a four-year term:

- the independent directorship of Yseulys Costes;
- the independent directorship of PEUGEOT INVEST ASSETS;
- the term of office of Brigitte Forestier as the director representing employee shareholders – this reappointment was approved by the Supervisory Board of the SEB1 FCPE (company investment fund) at its meeting on 27 January 2021, in accordance with the provisions of Article 16 of the company's bylaws.

Furthermore, the Ordinary General Meeting of SEB S.A. on 6 August 2021, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the report of the Board of Directors (available on the company's website), and having noted that FÉDÉRACTIVE was permitted to submit its comments at the Annual General Meeting, proceeded to remove the directorship of FÉDÉRACTIVE with immediate effect in accordance with Resolution 1.

As such the directorship of FÉDÉRACTIVE ended on 6 August 2021.

Since the Ordinary General Meeting of SEB S.A. on 6 August 2021, the company's Board of Directors has been composed of 16 members.

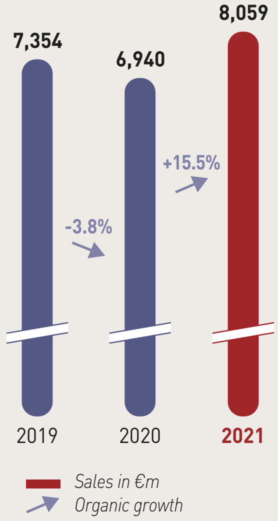
CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2022

The proposals relating to changes in the composition of the Board (renewal and/or appointment), as recommended by the Governance and Compensation Committee, to be submitted to the General Meeting of 19 May, 2022 are presented in chapter 8 of this Universal Registration Document.

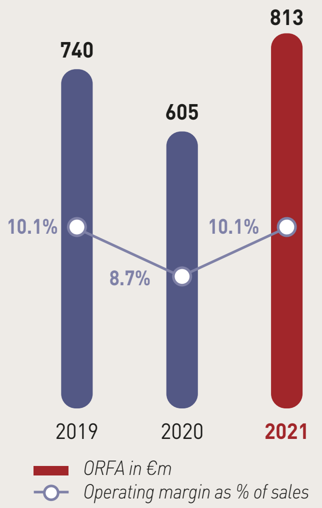
Key figures
2021

Financial **performance**

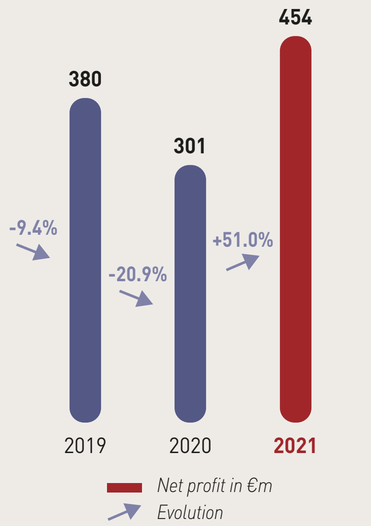
SALES AND ORGANIC GROWTH



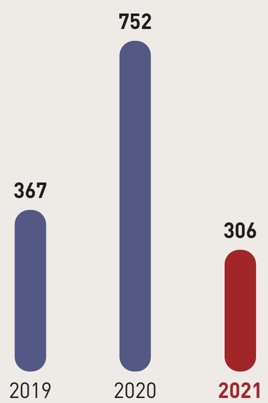
OPERATING RESULT FROM ACTIVITY AND OPERATING MARGIN



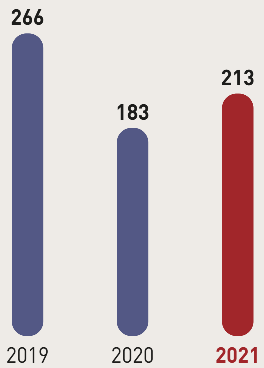
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT



FREE CASH FLOW (IN €M)

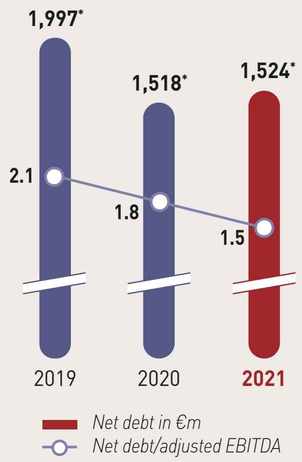


INVESTMENTS* (IN €M)



* Cash outflows for purchase of PP&E and intangible assets.

NET DEBT AND DEBT RATIO AT 31/12

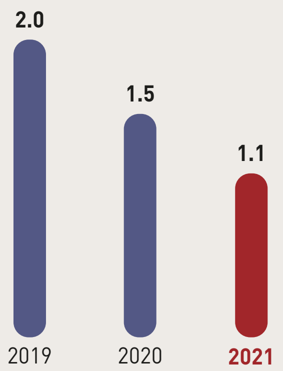


* Incl. respectively €334m of IFRS 16 in 2019, €339m in 2020 and €335m in 2021.

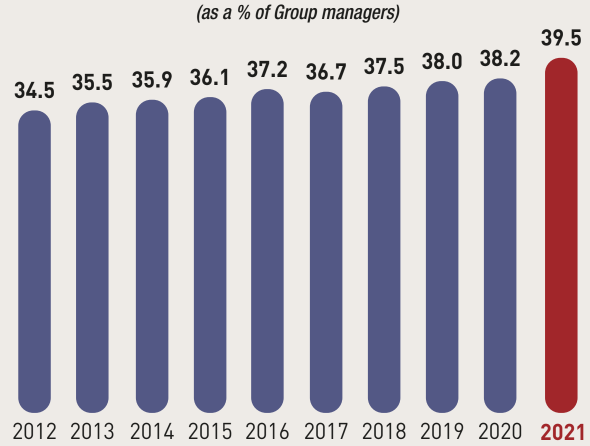
Extra-financial **performance**

Social performance

EVOLUTION OF THE LTIRi*



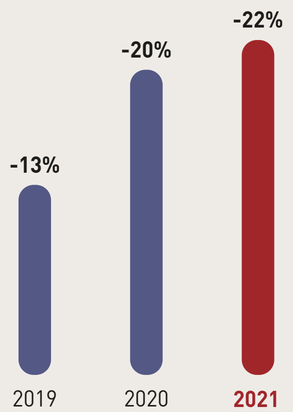
EVOLUTION IN THE NUMBER OF WOMEN MANAGERS
(as a % of Group managers)



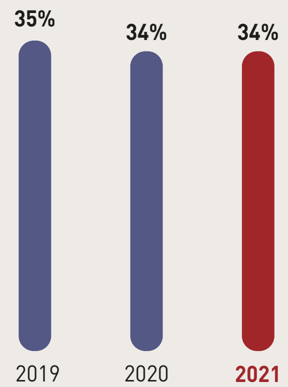
** Lost Time Injury Rate temporary employees included.*

Environmental performance and commitment to corporate responsibility

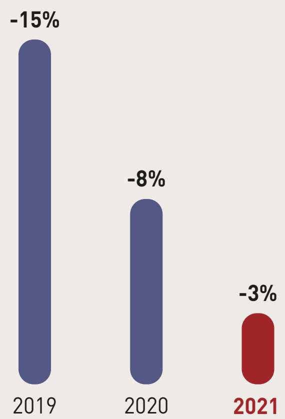
ECO-MANUFACTURING
(evolution of carbon intensity of our plants - scopes 1 & 2 - base year 2016)



USE OF RECYCLED MATERIALS

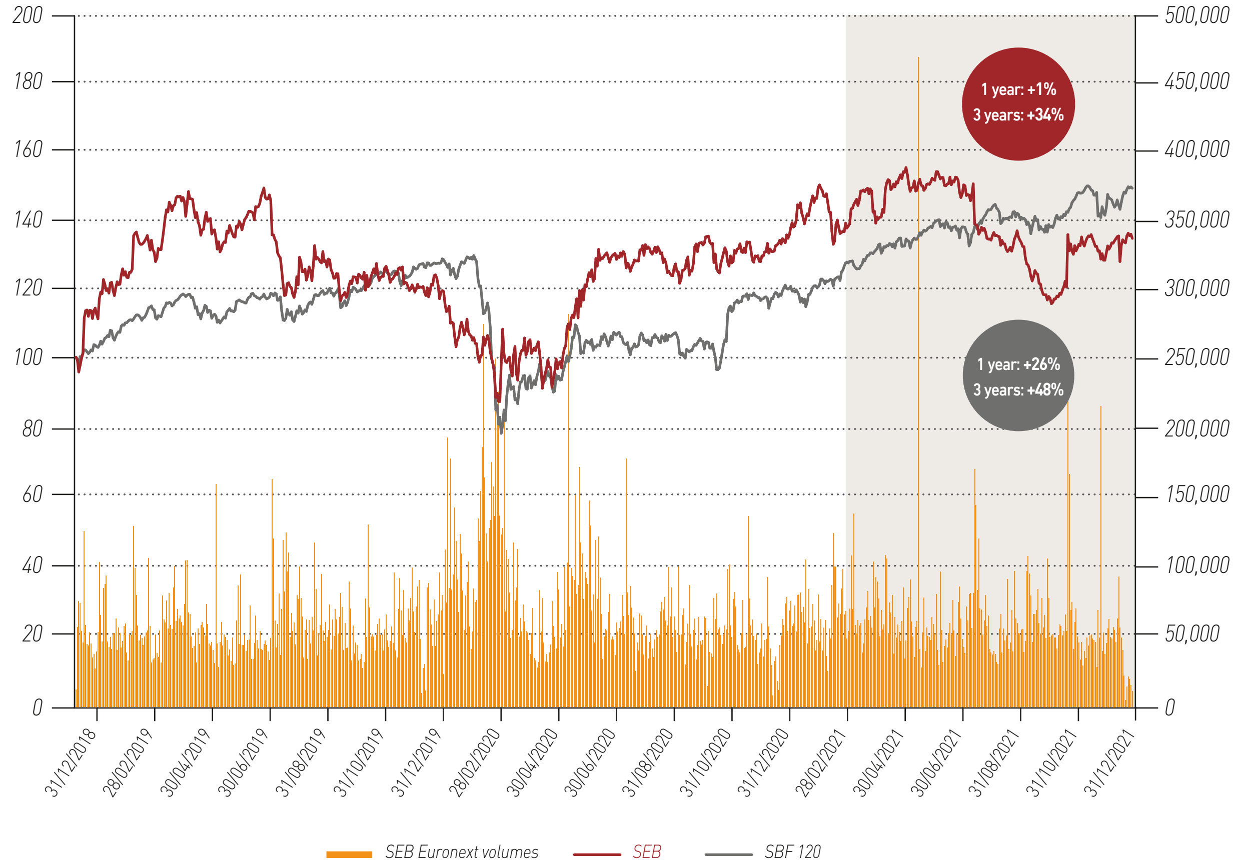


ECO-LOGISTICS
(evolution of carbon intensity for product transportation, base year 2016)



Stock market **performance**

EVOLUTION IN THE SHARE PRICE SINCE 31/12/2018



DATA SHEET

LISTING
Euronext Paris, Compartment A

ISIN CODE
FR0000121709

LEI CODE
969500WP61NBK098AC47

LISTING DATE
27 May 1975

NUMBER OF SHARES
55,337,770 shares with a par value of €1 *

STOCK MARKET INDEXES
CAC®Mid 60, SBF® 120, CAC® Mid & Small, CAC® All-Tradable, STOXX® Europe 600, Vigeo Europe 120, MSCI Global, FTSE4Good Euronext CDP Environment France
Euronext Family Business

OTHER INFORMATION
Eligible in SRD

TICKERS
Reuters: SEBF.PA
Bloomberg: SK.FP

PERFORMANCE 2021

Closing price at 31/12/2021: **€136.90**

Stock Market Capitalization at 31/12/2021 .... **€7,576m**

Highest price mid-session: .. **€159.20**

Lowest price mid-session:... **€115.40**

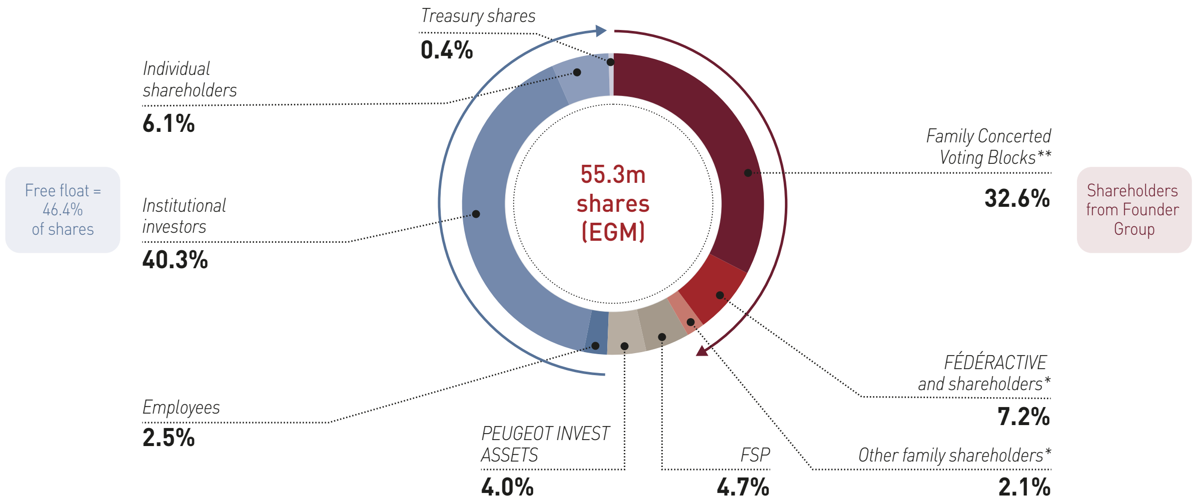
Average for the year (closing price): **€141.08**

Average of the last 30 prices for 2021 .... **€134.98**

Average daily trading volume (number of shares): **64,434**

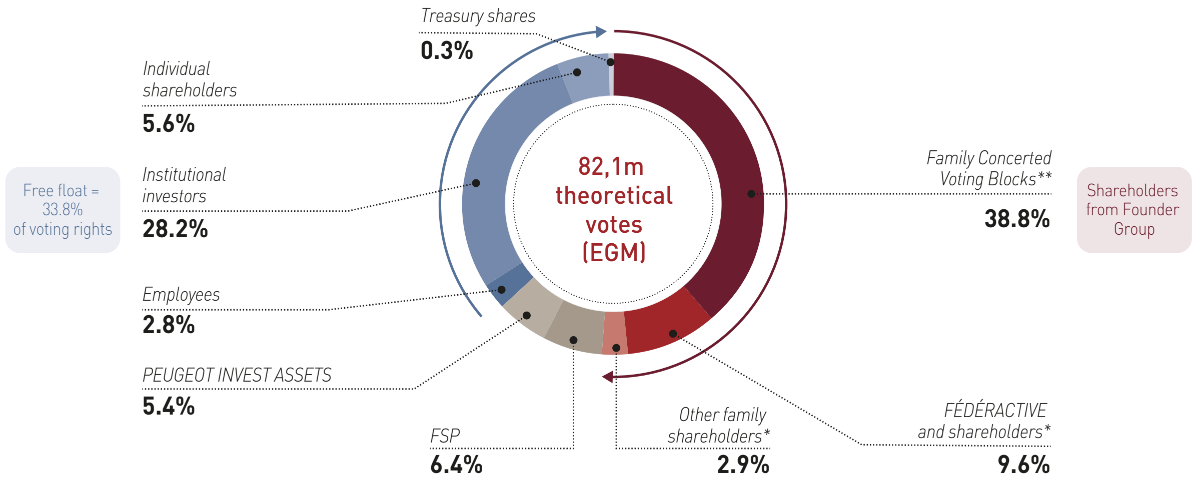
* *After free allocation of 1 new share per 10 existing.*

BREAKDOWN OF SHAREHOLDING AT 31/12/2021



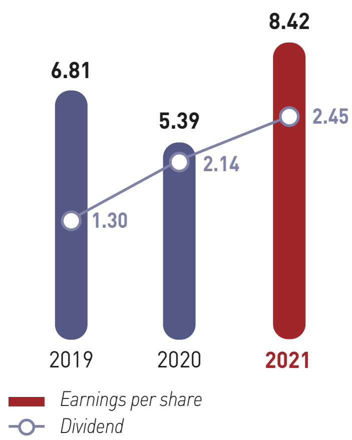
*Shareholders from Founder Group.
**Shareholders from Founder Group continuing the initial Concerted Voting Block (Agreement of Feb. 27th, 2019) including VENELLE INVESTISSEMENT, GÉNÉRACTION, HRC and other family shareholders.

BREAKDOWN OF VOTING RIGHTS AT 31/12/2021



*Shareholders from Founder Group.
**Shareholders from Founder Group continuing the initial Concerted Voting Block (Agreement of Feb. 27th, 2019) including VENELLE INVESTISSEMENT, GÉNÉRACTION, HRC and other family shareholders.

EARNINGS PER SHARE AND DIVIDEND *(in €)*



Historical data restated

1 Introduction to the Group

1.1 Business sector

OUR CONSUMER MARKET

THE WORLDWIDE SMALL DOMESTIC EQUIPMENT MARKET

Over the years, Groupe SEB has forged **a leadership position and acquired a status as a global leader in Small Domestic Equipment.** This sector covers **Small Electrical Appliances and Cookware**, accounting respectively for approximately 65% and 35% of its Consumer sales.

Based on the latest available statistics and Group assumptions, the size of the market addressed is currently estimated at over €50 billion for Small Electrical Appliances and more than €25 billion for Cookware (including kitchen utensils).

THE SMALL ELECTRICAL APPLIANCES MARKET

The Small Electrical Appliances market targeted by Groupe SEB includes several segments varying considerably in size, and ranked below in decreasing order of their importance in the Group's revenue:

>€50bn *
GLOBAL MARKET 2021

€4.9bn
2021 SALES

65%
OF CONSUMER SALES

KITCHEN ELECTRICS

- **electrical cooking:** deep fryers, rice cookers, electrical pressure cookers, informal meal appliances, waffle makers, grills, toasters, multi-cookers, etc.;
- **beverage preparation:** coffee makers (filter and pod), espresso machines, electrical kettles, home beer-taps, soy milk makers, etc.;
- **food preparation:** blenders, cooking food processors, kitchen machines, mixers, beaters, etc.

1

≈45%
OF CONSUMER SALES

HOME CARE, LINEN CARE AND PERSONAL CARE

- **linen care:** irons and steam generators, garment steamers, etc.;
- **home care:** canister vacuum cleaners with or without dust bag, steam and upright vacuum cleaners, vacuum sweepers, versatile vacuums, robots, etc.;
- **home comfort:** fans, heaters, air purifiers, etc.;
- **personal care:** hair care appliances, hair removal devices, electrical beard trimmers and hair clippers, bathroom scales, etc.

1
Linen care

≈20%
OF CONSUMER SALES

* *Based on the latest available statistics and panels (GfK, Euromonitor, etc.) restated and Group estimates.*

THE COOKWARE AND KITCHEN UTENSIL MARKET

The market is split fairly evenly between these two segments. For cookware (mainly frying pans, saucepans, stewing pots, pressure cookers, woks, bakeware and oven dishes) Groupe SEB is the undisputed global leader and is continuing to expand its product offering by regularly introducing new materials. The kitchen utensil and accessories market includes, for example, kitchen knives, insulated flasks and mugs, food storage boxes and containers, spatulas, ladles, skimmers, etc. Groupe SEB ranks among the top five global players in this segment. However, its share remains limited in this highly fragmented but extremely promising market.

>€25bn *
GLOBAL MARKET, 2021

€2.5bn
2021 SALES

35%
OF CONSUMER SALES

1
Cookware

MARKET TRENDS AND OUTLOOK

The global Small Domestic Equipment market is divided into many distinct national and regional markets with their own local consumer cooking, eating and product utilization habits. It also lacks comprehensive coverage by research panels (primarily GFK) or other market research bodies. This, at times, makes it difficult to reconcile industry figures (inclusion of new categories or geographic segments, for example) in order to produce a global picture of the sector.

At worldwide level and from a long-term perspective, **the Small Domestic Equipment sector has demonstrated its resilience during periods of crisis and solid growth within a neutral or positive economic environment**. This performance reflects the combined impact of various factors:

- global consumption trends driven by the development of "homemade" cooking and a growing interest in health and well-being;
- moderate but steady growth in most of the mature markets, characterized by:
  - a high equipment rate, though unevenly spread across product families,
  - responsiveness to innovation,
  - a robust replacement market and a trading up trend reflecting demand for more functional and connected products, which favors duplication of equipment.

At the same time, the entry-level segment, driven by demand for basic, low-priced products typically produced in China has remained steady;

- overall solid but more volatile growth in emerging markets, according to the general environment and events. These markets are experiencing significant growth in their gross domestic product and are currently in high demand. The buoyant growth is fueled by rising consumption stemming from a booming middle class, increasing urbanization and the development of modern retail channels, including e-commerce;
- the co-existence of "global" products addressing universal needs or easy to tailor by region with a product offering adapted to specific lifestyles and consumption habits (particularly in relation to food) in local markets;
- an average sale price of around €60 for a small electrical appliance in Western Europe, for example, largely affordable by the general public and requiring no credit or a limited use of credit;
- a certain amount of seasonality, shared by all market players, largely linked to the high percentage of products sold during holiday periods or for special events (Christmas, Chinese New Year, Ramadan, Singles' Day in China, Prime Day, Mother's Day, Candlemas, etc.);
- contributions for many years from products and solutions developed in partnership with major consumer goods players backed by strong advertising resources, like with single-serve coffee making, for example.

In addition to these specific features, there have been significant **changes in distribution** in recent years.

Growth in the market is currently being largely driven by e-commerce: major national or international specialists (pure players like Amazon, Tmall, JD.com, Cnova, etc.) as well as the websites of initially offline retailers ("click-and-mortar" retailers).

The Covid-19 crisis catalyzed this phenomenon, sharply accelerating the development of online sales and the transformation of traditional distributors. This change confirmed the blurring of the boundaries between physical retail and e-commerce. The trend is now towards omni-channel distribution, which gives consumers a much broader range of options.

* *Based on the latest available statistics and panels (GfK, Euromonitor, etc.) restated and Group estimates.*

MULTIPLE FORMS OF COMPETITION

In a worldwide perspective, the very nature of the Small Domestic Equipment market requires **a strategy that is both global and local** in order to effectively address the expectations of consumers around the globe. The expansion of international brands, which can in some cases be marketed under strong local/regional brands in their domestic market, falls in line with this two-pronged approach and offers economies of scale.

On this basis, Groupe SEB is the only player boasting **such broad international reach**, supported by a portfolio containing a wealth of global brands and brands with local leadership positions. This gives it a strategic advantage versus a very disparate range of competitors consisting of:

- **large global groups, generalists or specialists in one or two small electrical appliance categories:** Philips and Electrolux have a diversified product offering, while Dyson and Vorwerk focus on a high-end positioning in a few product segments. These highly international players are joined by, for example, Spectrum Brands and Conair, which market their ranges primarily in the United States and Europe; Bosch-Siemens and Braun (Procter & Gamble), which are mainly active in Europe; and J.S Global, which deploys its brands in China (Joyoung, Shark), the United States (Shark and Ninja) and more recently in Europe (particularly in the United Kingdom). Furthermore, De'Longhi, a major player in coffee and food preparation (De'Longhi and Kenwood), is gradually broadening its sectoral and international presence;
- **major cookware and kitchen utensil manufacturers** with a regional and international presence, such as the German companies Fissler and Zwilling-Staub, Tramontina in North and South America, the US group Meyer, Tupperware, Rubbermaid (Newell Brands), Ikea, Oxo (Helen of Troy);
- **groups or companies operating primarily in their domestic markets or a small number of reference markets:** Magimix, Taurus, Imetec, Severin, in particular, in several European countries; Arcelik in Turkey; Bork and Polaris in Russia; Newell Brands, which is present in North America, Hamilton Beach Brands; Mallory, Mondial, Britania in South America; and Panasonic, Midea and Joyoung in Asia;
- **leading players in the high-end segment concentrating on a single product category:** in small electrical appliances with innovative technologies, such as iRobot (vacuum cleaners), or with high-end positioning, such as Jura (coffee machines); and in cookware, for example the French company Le Creuset, which specializes in cast iron products;
- **private labels or white label goods** in large part focused on aggressively priced entry-level products from Chinese sub-contractors which, however, have a market share that is weak overall in terms of small electrical appliances. Conversely, in cookware, the Group's main competitors internationally are often private labels;
- Asian players gaining traction in their domestic but also international markets (Xiaomi) and new businesses – often specializing in a region and a range of products – being launched on the internet first (Instant Pot, Cecotec);
- companies which have activities and brands in both B2B and consumer segments, as in the cases of KitchenAid (Whirlpool), Magimix (Robot-Coupe), Jura and Vorwerk, for example.

OUR PROFESSIONAL MARKET

Groupe SEB operates in the Professional segment through its Professional Coffee business (which accounts for more than 90% of revenue for this segment), its Hotel unit (supply of professional equipment for hotels) and its subsidiary Krampouz, which was acquired in 2019 and which specializes in professional crêpe-makers and planchas.

PROFESSIONAL COFFEE MACHINES

GLOBAL MARKET (2019 ESTIMATES)

€9bn

€628m *

2021 SALES

8%

OF GROUP SALES

1

Automatic espresso machines

The acquisition of WMF in 2016 represented a great opportunity for Groupe SEB to enter the highly attractive market of professional automatic coffee machines for hotels, restaurants, cafés, coffee shops, bakeries and convenience stores, sometimes in partnership with coffee roasters. At the same time, it represents a complementary strategic diversification from the consumer business focused on the Small Domestic Equipment market.

Through its two brands, WMF and Schaerer, Groupe SEB is the world leader in the highly concentrated market of fully automatic espresso machines, in which Franke, Thermoplan and Melitta are also international players. Certain brands such as Jura hold strong positions in specific segments.

Concerning the specific segment of automatic espresso machines, after a 25% economic decline in 2020 due to the Covid pandemic, market growth resumed, reaching around 10% in 2021, with the momentum varying strongly from one regionto another. However, the market did not return to its 2019 level, given the restrictions that were still in place.

The underlying long-term growth, based on the global development of out-of-home coffee consumption, as well as the consolidation of the market and its premiumization, however, remain sustainable trends.

On top of a core business that is generally steady, by significant equipment or machine replacement contracts add momentum. Signed with major fast food chains, convenience stores or service stations, they generate an accelerator effect on growth but also create volatility.

Through the acquisition of Wilbur Curtis in the United States in early 2019, the Group has also gained a foothold in the professional filter coffee segment, a mature market which is still a major coffee consumption benchmark in the US. Wilbur Curtis' recognized expertise, its very broad customer portfolio and its vast US presence have made it the number two in the professional US filter coffee segment, with around one-quarter of the market.

* *Including sales from other professional activities (Hotel, Krampouz).*

1.2 A profitable growth strategy

A LONG-TIME COMMITMENT TO INNOVATION

The Group's history is one of continual innovations and breakthroughs incorporating unique concepts, new features and ingenious discoveries. These innovations have been reflected in tangible advances in the everyday life of consumers.

1950 Flagship products such as the Seb pressure cooker and the Moulinex food mill paved the way for the first electrical products in the 1950s: irons, coffee grinders, etc.

First Seb pressure cooker

1960 The development of products that make everyday life easier and eliminate tedious tasks continued at a faster pace in the 1960s, with new steam irons, vacuum cleaners and food preparation equipment as well as the launch of odorless deep fryers by Seb.

First odorless electric fryer

1970 The period from 1970 to 1990 saw continuous technical progress and the introduction of color in kitchen appliances, together with the arrival of user-friendly devices and the launch of numerous electronically enhanced products: bathroom scales, programmable coffee makers, cookers with electric timers, and so on.

Any-slice toaster Seb

1990 In the 1990s, both Groupe SEB and Moulinex brought new simplicity to the world of small domestic appliances, including pressure cookers with easy closing mechanisms, removable handles for frying pans and saucepans, compact vacuum cleaners with triangular-shaped heads, etc.

*Dymbo,
the first compact vacuum cleaner,
Rowenta*

DIGITALIZATION & CONNECTIVITY

The development of connected products helps to improve the consumer experience. The availability of associated services as part of a comprehensive ecosystem takes various forms: access to updated recipes on mobile apps, tutorials, shopping list management, and more.

The user experience is being continually enhanced and refined in this area; the launch of the Cookeo Touch and i-Companion XL Touch models in March 2020, with WiFi connectivity, is raising the bar in terms of use and meal preparation, range of recipes, intuitiveness and multi-functionality.

Through these product/application pairings, the Group now has a community of over 4 million active members. Groupe SEB Media adds to this with its own community of more than 10 million Facebook fans, 450,000 members and 5,000 bloggers. Its role focuses on several key areas: digital content publishing technologies, a portfolio of nearly 100,000 recipes in five languages, plus a number of services such as the creation of original culinary content on major digital platforms. This determined focus on social media is also the approach adopted by StoreBound, a US company in which the Group acquired a majority stake in July 2020.

THE TECHNOLOGICAL SPRINGBOARD

*WMF
Kitchen-MINIS
Blender*

*Calor
Care for You
Automatic steamer*

*Ingenio
Stackable
cookware*

*Krups Evidence
Fully automatic
espresso machine*

*Rowenta
X-Ô
Cordless canister
vacuum cleaner*

*WMF
Kitchen-MINIS
Toaster*

In October 2021, the Group launched its Global Innovation Center at its head office in Ecully, France. It centralizes the innovation teams, thereby speeding up the processes for launching new products and services. It has been designed to provide even greater strength and structure to the Group's breakthrough innovation capacity and to unite the multi-disciplinary forces involved (engineering, marketing, UX design, etc.).

The focus is on observing and understanding consumer behavior. In addition to harnessing new technologies, this has become a key challenge in the innovation process. The Center will be pivotal in enhancing the Group's ability to design concepts that will capture consumer trends and the integration of new technologies.

OF THE 2000s...

Companion Touch Connected and tactile cooking food processor

ActiFry Oil-free fryer

Vacuum Nutrition Plus Blender SUPOR

Cookeo Touch Connected multicooker

Tefal Resource Frying pan made of recycled aluminum

Supor Infrared rice cooker

COMMITTED TO HIGH-QUALITY FOOD

2010

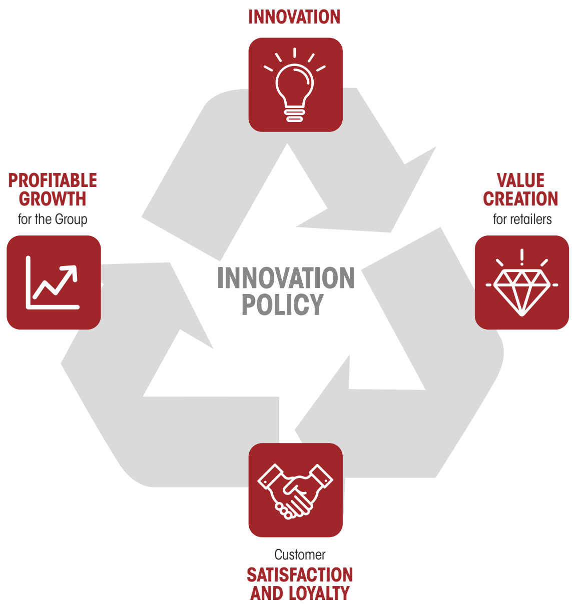
The Group's innovation strategy fully incorporates issues surrounding sustainability and major societal trends, such as efforts to combat food waste, daily practices with a reduced environmental impact, energy efficiency, and repairability and recyclability.

A global player in the culinary sector, the Group is committed to firmly encouraging a high-quality diet that is healthy, tasty and responsible all at the same time. This responsibility comes under the "Cooking for Good" pillar of the Group's sustainable development strategy, which recommends home-made food over processed products.

This commitment to "healthy eating" takes the form of both initiatives to raise consumer awareness of nutrition, which our brands conduct in various countries, and numerous research projects in which the Group participates, primarily in Europe with the InnoLife European consortium, the EIT Health program, the Cook2Health project or the consumer-activist project (in association with the City of Dijon).

2020

A VIRTUOUS STRATEGY...



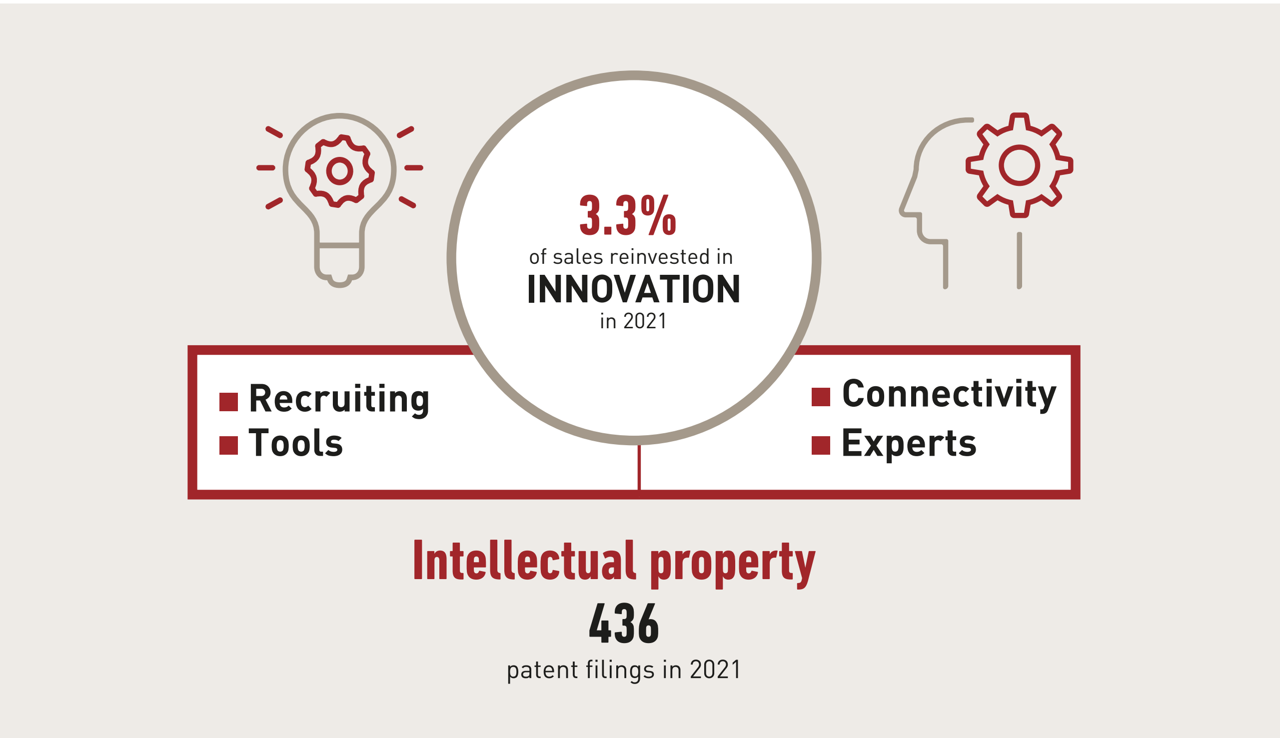
In keeping with its mission to facilitate and improve the daily life of consumers around the world, and to contribute to better living, Groupe SEB's innovation strategy is consistent with a pragmatic approach to creating the product offering. Launching new products is the result of listening closely to what consumers want, conducting an in-depth analysis of their needs (both expressed and latent), inventing breakthrough concepts or unprecedented functionality, using new technologies and creating one-of-a-kind designs.

The Group's objective is to enhance the consumer experience, particularly through the availability of related services as part of a comprehensive ecosystem. Furthermore, right from the product design phase, we incorporate social and environmental responsibility into all processes throughout the life cycle, focusing in particular on:

- energy consumption during manufacture and use;
- repairability, recyclability or second-hand use, use of recycled materials; and
- ergonomics and inclusive design, etc.

For Groupe SEB, innovation is part of a virtuous cycle: as a creator of value for customers/retailers and a source of progress, satisfaction and commitment for consumers, it generates profitable growth, which is key for supporting innovation efforts, etc.

...SUPPORTED BY INVESTMENT



A STRUCTURED INTERNAL ORGANIZATION...

The Group articulates its approach around 2 major hubs:

- **A Global Innovation Hub at the Group's head office for its small electrical appliance business** accelerates the development and launch of its new products.
- **A global innovation center in Rumilly for cookware.**

Two SEBLabs, testing ground dedicated to creativity and bringing new products to life, are home to interdisciplinary project teams, bringing together members from marketing, research and design with in-house and external experts. Their objective is to generate and more quickly select the ideas with the most potential.

Intellectual property, tasked with protecting the Group's intellectual assets by way of patents, active protection against infringement and competitive intelligence.

... OPEN TO OUTSIDE COLLABORATION

Partnerships in a broad range of fields, such as materials, information and communications technologies, electrical engineering, food science:

- Universities/Schools/Engineering Firms.
- Research Institutes/Testing Laboratories.
- European institutions: through the EIT program.
- Innovation Community. The objective is to collaborate with specialized companies (in food processing, consumer goods, digital transition) to anticipate new food-related trends.

Innovate with SEB, a website for inventors, scientists, researchers and designers who want to innovate with the Group to pitch their inventions.

SEB&You is a nearly 5,000-strong community launched in 2015 to encourage consumers to contribute to the Group's innovation process and to test new product ideas: more than 5,000 products tested. SEB & You is present in both France and Germany.

Communities: the Group incorporates feedback from users of its products into its innovation process by listening closely to the members of our various communities: apps (4 million active members), social media (11 million followers on nearly 500 active pages), and through our consumer service.

SEB ALLIANCE: FINANCING AND PARTNERING WITH INNOVATIVE START-UPS

In May 2011, the Group created an investment company, SEB Alliance, to improve its technology monitoring system by investing in innovative, technology-focused companies in areas such as connected home and digital applications, robotics, well-being and population aging, and reducing the environmental footprint.

In this context, SEB Alliance favors acquiring minority stakes. SEB Alliance has invested directly in around 20 companies since it was created, in areas that are consistent with Groupe SEB's strategic areas for innovation, and could result in consumer applications, such as:

- digital/Big Data with Salsify (formerly Alkemics), which specializes in product information exchange between brands and retailers; another brain, which specializes in bio-inspired artificial intelligence;
- beauty/health with Feeligreen, which has developed active and passive patch technologies for cosmetic and therapeutic applications and IEVA, connected beauty player, which designs and offers personalized products and services;
- the internet of Things or connected robotic products with RobArt (smart navigation solutions) and Lumi (Aqara brand home automation products) and SeniorAdom (home automation solutions for the elderly);
- air purification with Ethera, which has developed solutions to measure and purify indoor air;
- water filtration with Castalie, who designs and offers micro-filtered water fountains for businesses and restaurants;
- foodtech with Click & Grow, specialized in solutions for indoor vegetable gardens, Glovo, specializing in home delivery (meals and food products) and ChefClub leader in the production and broadcasting of culinary content.

These companies provide technological "bricks" that the Group can use to accelerate in certain areas of innovation. For example, the collaboration with Ethera has resulted in the creation of a new range of air purifiers (Intense Pure Air by Rowenta) or recently Rowenta's new range of robot vacuum cleaners were launched incorporating RobArt's navigation technology.

Impact investing:

Recently, SEB Alliance has also become involved in "impact" companies, which place the positive, social, societal or environmental notion at the heart of their economic model. This is the case in particular for Angell (electric bicycle, soft mobility), Castalie (water fountains) – whose manifesto is the fight against "the madness of single-use plastic" – and Back Market in the second-hand refurbished market.

GROUPE SEB PARTNERS UP WITH BACK MARKET

On 22 July 2021, Groupe SEB entered into partnership with Back Market, the leading marketplace for refurbished devices. This partnership is accompanied by the acquisition of an indirect stake through its investment vehicle SEB Alliance. It reflects both players' strong commitment to giving products a second life.

Groupe SEB's Spanish subsidiary began to market its own reconditioned small domestic appliances under the brands Rowenta, Moulinex and Krups. They are sold on Back Market platforms in France, Spain and Portugal.

This new high-potential sales channel is meeting increasing consumer demand for a circular economy.

At the same time, SEB Alliance is working to identify new business models, the activation of which could allow the Group to strengthen itself in certain areas that it does not directly target.

To that end, Groupe SEB finalized the acquisition of a minority stake in Chefclub via SEB Alliance in December 2020, signing a partnership agreement. A "Chefclub by Tefal" brand license was launched in France and internationally, and is marketed via all offline and online distribution channels as well as directly to customers (DTC) on the Tefal and Chefclub brand sites. Chefclub now has access to recognized industrial expertise, the renown of the Tefal brand and a broader retail network, which will enable its community to discover its products via the Group's retail channels.

To further expand the scope of its watch and its ecosystem in the United States, in China and in very specific sectors, SEB Alliance has also forged strategic partnerships with innovation investment funds (Cathay Innovation, Innovacom, Xange, Kreaxi, SOSV, BtoV, Daphni, Sofimac) that the company may support as a co-investor.

SEB ALLIANCE

SINCE 2011

21 minority direct investments

>200 startup dossiers received

10 partners funds*

* SEB Alliance is a strategic financial investor in these funds

3 main target sectors

Digital and connected home
Wellbeing and population ageing
Reducing the environmental footprint

Watch Shared technology

R&D collaboration
International scope
of which Europe,
the US and China

R&D and Business Collaboration

Prototypes and studies
Co-development
Commercial partnerships

A PORTFOLIO OF DIFFERENTIATED AND COMPLEMENTARY BRANDS

The Group has a portfolio of 31 brands, the largest in its industry, which it operates worldwide. Its unique portfolio sets the Group apart from its rivals and is a powerful vehicle for accelerating market penetration and sustainable organic growth. This multi-brand strategy, which has been strengthened by acquisitions over the years, gives it both broad and deep coverage of its markets.

Each brand has a clearly defined identity that is expressed through its product selection, functionalities and the look of its products, or its communication platform.

The Group's brands are also fully committed to raising consumer awareness of sustainable and responsible development: healthy eating, combating food waste, air quality, repairability, recyclability and inclusiveness of our products.

Our brands fall into three major sub-groups:

- **Consumer** brands that are very well known. Some of these are global brands (Tefal, Rowenta, Moulinex and Krups), while others, the majority of our brands, are regional (Arno in Brazil, Supor in China, Imusa in Colombia, SEB and Calor in France, etc.) and their strength lies in their suitability for local consumption habits. These brands' coverage may vary greatly depending on the product family; from specialist brands (such as Moulinex and Krups in small electrical appliances and cookware, and Rowenta in non-cookware electrics for example) to more general brands (Tefal and Supor).
- ***Premium*** brands (WMF, Lagostina, All-Clad and Silit), distributed through channels in a more selective way. These are managed in a specific way, guaranteeing strong, uniform expression of their identity and values (communication, design, pricing policy, etc.).
- **BtoB** brands (WMF, Schaerer, Wilbur Curtis, Hepp, Krampouz) sell coffee machines, hotel equipment and professional products B2B only and mainly to hotels, large restaurant chains and convenience stores.

The Group's digitization strategy is fully integrated with the positioning and communication of these brands in their markets.

Groupe SEB supports its brands and products through significant investment in marketing and advertising:

€572m in 2021, representing approx. **7%** of sales, more than **60%** of which was in digital.

In addition to the management of its brand portfolio, the Group pursues a strategy of partnerships to develop new concepts and step up its sales through the co-branding of two high-profile brands. Accounting for between 5% and 10% of revenue, these partnerships are major drivers of innovation and growth for the Group. Joint development agreements have also been signed with major names in the food industry, such as Nestlé for Nespresso and Dolce Gusto, and Heineken for BeerTender and The SUB, and in the cosmetics industry, such as L'Oréal for Steampod. Some partnerships also improve our corporate image, associating our products with other brands or organizations (WWF, etc.), under licensing agreements with brands, or with endorsement contracts, like cookware lines developed in collaboration with renowned chefs such as Jamie Oliver or Pierre Gagnaire (Tefal). The Group extended this partnership policy, particularly in the digital and community domains, with ChefClub and, in the circular economy domain, with Back Market.

In 2021, the Group also significantly expanded its partnership with Jamie Oliver, which marries Jamie's food passion and knowledge with Tefal's technology and expertise. From now on, a broader range of kitchen electrical products will be available to our consumers worldwide, under the *Jamie Oliver by Tefal* label.

A GLOBAL AND DIVERSIFIED PRESENCE

Small Domestic Equipment (Consumer) is Groupe SEB's core business. Over the last 40 years, the Group has successfully developed strong positions across all continents with a commercial presence in nearly 150 countries. This unique global footprint is the result of an expansion strategy that combines internal growth with acquisitions.

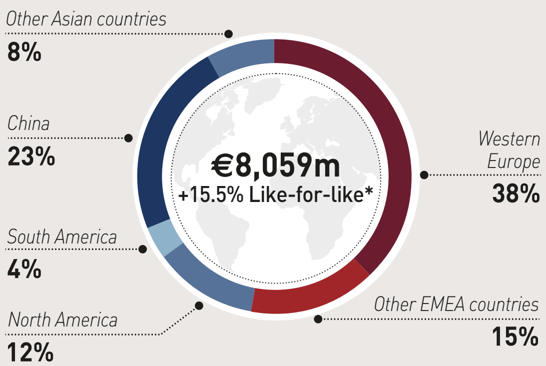
The scope of its constantly expanding product offering and its ability to adapt to the specific needs of different markets while relying on the power of its brand portfolio, has helped the Group build strong local positions. It has leadership positions in Western Europe, Central Europe, Turkey, China, Japan, Colombia, Mexico, etc. Nearly three-quarters of the Group's sales are generated in countries where it has a leadership position.

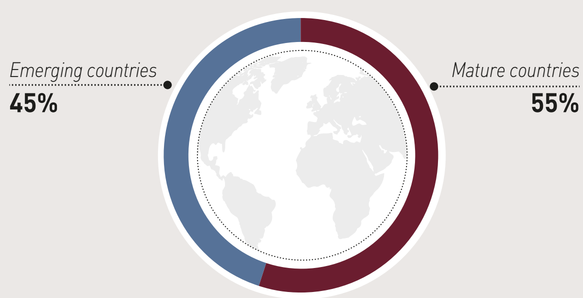
This "multi-local" presence thus enables the Group to diversify its exposure to different economies and to seize opportunities for growth in the countries in which it has a presence, depending on the varying levels to which households are equipped with small electrical appliances and cookware. This provides the Group with long-term drivers for growth that range from renewal, duplication of equipment and upgrading in mature markets, to the high potential of emerging markets, particularly with the rise of the middle class, increased purchasing power and rapid urbanization that brings with it changing behaviors in daily life.

Over the years, Groupe SEB has significantly increased its critical mass in its historic markets while incubating business in countries enjoying rapid growth (Central Europe, Egypt, Colombia, Thailand, Malaysia, etc.).

Representing 8% of the Group's total sales in 2021, the Professional business is based on the expertise and strength of WMF and Schaerer in German-speaking countries. While it is gradually expanding internationally, at present it is still predominantly located in "mature markets".

A GLOBAL BUSINESS, WELL-BALANCED BETWEEN MATURE AND EMERGING MARKETS





* Like-for-like: at constant exchange rates and scope.

A MULTI-CHANNEL DISTRIBUTION STRATEGY

The Group's Consumer business relies on a large, diversified network of distributors, giving it a solid commercial base. Combined with a multi-brand and multi-product strategy, this network enables the Group to build constructive long-term relationships with customers on the basis of a varied range of offerings.

Although it can differ from country to country as a result of the specific features of the local retail markets, the Group's exposure is relatively balanced between:

- mass food retailers, with which the Group has established and maintains long-standing partner relationships;
- specialist retailers (specialized in electrical equipment, household appliances, etc.), key clients for the Group whose expertise has been a mutual driver for growth over the years;
- traditional stores/convenience stores or groups of independents, which still play an important role in many emerging markets;
- E-commerce (pure players, either directly or via marketplaces, and the online sales platforms of bricks-and-mortar customers, Click & Mortar, etc.). Initially led by China, the rapid rise of e-commerce in recent years is now being fueled by all markets.

In addition, the Group also has a network of stores, operated either directly or under franchise, or via exclusive distribution. The network was totalling more than 1,250 stores at the end of 2021, in various formats. Their positioning may be multi-brand (Home & Cook and Tefal Shops) or mono-brand (Supor Lifestores and WMF). This network, which is the Group's biggest customer, represents more than 5% of consumer sales.

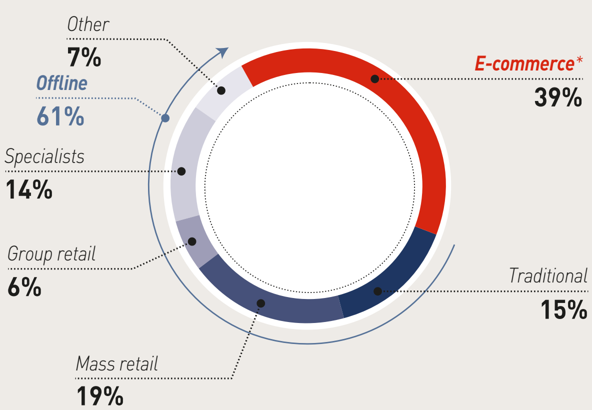
This approach is complemented by the Group's commitment to a direct online sales strategy (online DTC), which combines brands' own websites with marketplaces. After WMF and France, this has more recently been extended to other European countries, particularly in Eastern Europe.

In recent years, the retail environment has undergone profound changes related to the explosion of e-commerce (pure players and Click & Mortar traders). This disrupts the sector's strategic segmentation, due to the immediacy of e-commerce and its offering founded on the optimum combination of choice, price and service. It also capitalizes on consumer data, making it possible to conduct extremely effective targeted marketing that generates sales.

The Covid-19 crisis (successive lock-downs and stay-at-home orders, curfews, store closures, etc.) intensified the growth of online sales, which accelerated sharply. For the Group, this resulted in an increased weighting of e-commerce in its retail sales, which continued to increase in 2021.

This crisis confirmed the blurring of the boundaries between physical retail and e-commerce; the trend is now towards omni-channel distribution.

CONSUMER SALES BY DISTRIBUTION CHANEL



* Pure players and Click & Mortar

(Group's estimates at 31/12/2021)

In this changing environment, Groupe SEB is committed to enhancing its access to consumers by:

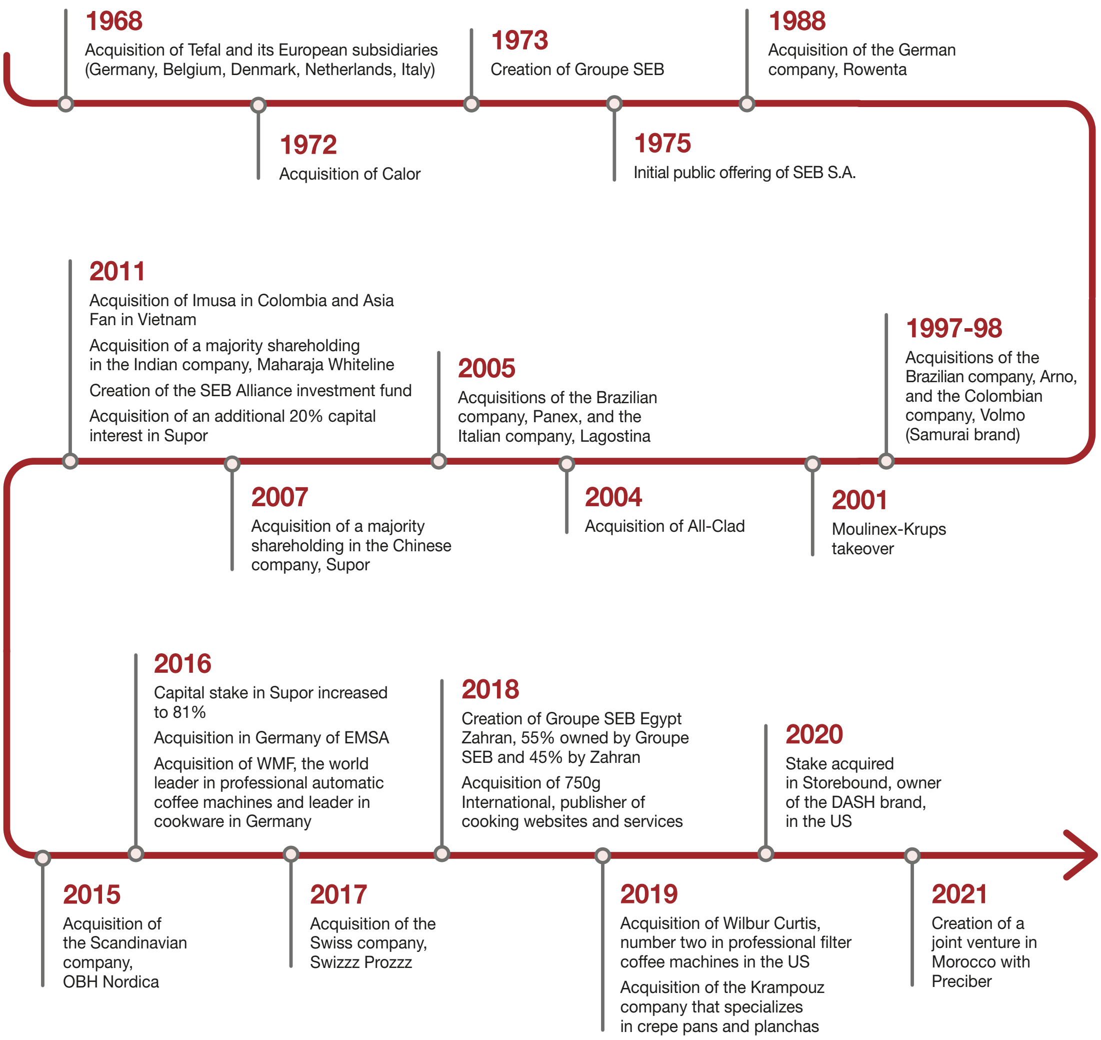
- ramping up our digital marketing policy (brand websites, digital campaigns, data marketing, live streaming, etc.) to increase the number of points of contact we have with consumers, millennials in particular. For example, digital accounted for over 60% of the Group's direct media investments in 2021 (compared to 25% in 2015);
- increasing consumer engagement around our products and brands by developing ecosystems such as apps, being active in online communities and social networks, etc.;
- delivering the best in-store execution – through category management, effective merchandising, the creation of dedicated shop-in-shops and promotional events – as well as for e-commerce;

AN ACTIVE ACQUISITION POLICY

Acquisitions complement the Group's organic growth strategy and provide a catalyst for expansion. As an operator in the Small Domestic Equipment market, which is still highly fragmented, in recent years Groupe SEB has positioned itself as a consolidator in this sector. The acquisitions it has made have enabled it to achieve leadership status in many countries and product categories, helping the Group to forge its global leadership positions. In addition to a number of large-scale, strategic transactions, such as the acquisitions of **Supor** or **WMF** (see below), the Group has conducted numerous targeted acquisitions with the aim of strengthening its market position.

Groupe SEB's acquisition strategy is based on the principle of complementarity, whether in terms of geographical location, category, brand or business model. This was the prevailing principle in the takeovers of **Arno** in Brazil (market penetration), **Lagostina** and **All-Clad** (Italian and US premium cookware brands), **Imusa** in Colombia (cookware, in addition to the Samurai brand of small electrical appliances) and **EMSA**, a German brand specializing in kitchen utensils and accessories. In July 2020, Groupe SEB completed the acquisition of a majority stake in **StoreBound**, owner of the **DASH** kitchen products brand. At the end of 2021, the Group signed an agreement with **Preciber**, leading to the creation of the joint venture **Groupe SEB Maroc**, which is 55% controlled by Groupe SEB.

In Professional Coffee, complementarity was also behind the 2019 takeover of Wilbur Curtis, the second largest filter coffee machine manufacturer in the US, which strengthened the Group's presence in the coffee machine sector, established with **Schaerer**.



In addition to accurately identifying the target company and having the necessary financial capacity to conduct the transaction, external growth requires an ability to integrate new acquisitions effectively and to generate synergies. Over the years, as our acquisitions have increased in number, Groupe SEB has built up considerable experience in integrating acquired companies, which is often a complex exercise, given the many issues at stake. Integration Committees are set up, with members who represent the management and operational teams of both entities. These Committees draw up the master plan for the merger and set the objectives, monitor the progress of projects and measure the synergies created.

TWO STRATEGIC ACQUISITIONS THAT HAVE TRANSFORMED THE GROUP

2007: Acquisition of Supor

At the end of 2007, the Group took control of Chinese company **Supor**.

This operation was complex due to the specific issues it involved: geographical and cultural remoteness, language barrier, more complex integration, coordination of communication between two listed companies, etc.

Subsequently, the Group increased its controlling interest in several stages (+20% in December 2011, +1.6% in January 2015, and +7.91% in June 2016) for a current holding of 82.44%.

Since the acquisition in 2007, Supor's development momentum has been extremely robust, reflecting both a booming Chinese Small Domestic Equipment market and Supor's conquest strategy. This was based on the strength of the brand as well as on a resolute policy of innovation, continuous expansion of the product offering, expansion on Chinese territory and an omni-channel presence. It allowed Supor's leadership in cookware to be strengthened and significant market share gains in small kitchen appliances, where Supor became number 2 behind Midea.

2016: acquisition of WMF

In 2016, the Group acquired **WMF**, a flagship of the German industry with two major business lines: professional coffee machines and catering equipment, as well as Small Domestic Equipment (cookware and small electrical appliances). Through this strategic acquisition, Groupe SEB:

- acquired a solid worldwide leadership in the very attractive professional automatic espresso machines market characterized by strong growth, normative earnings and significant recurring revenue, reflecting important contributions from after-sales operations;
- considerably strengthened our position in the cookware segment by becoming the leader in Germany, with, in particular, a high-end stainless steel product offering;
- accessed a network of nearly 200 retail outlets in Germany, providing a powerful vehicle for promoting our image and sales.

OPENING-UP TO NEW BUSINESS MODELS

In July 2020, Groupe SEB completed the acquisition of a majority stake in **StoreBound**, owner of the **DASH** kitchen products brand.

Founded in 2010, StoreBound is a New York company specialized in developing kitchenware designed for better everyday living. Its omni-channel distribution model combines bricks-and-mortar retail, e-commerce and social media. StoreBound has developed unparalleled know-how in digital marketing based both on its expertise in community management (product development, marketing) and on the priority given to the consumer experience.

With great visibility on social networks, both in direct and by relying on major partnerships with brands, chefs or influencers with hundreds of thousands of followers, the Dash brand has built solid positions on the American market and is popular among millennials.

StoreBound's business model is therefore very complementary to that of the Group. The company achieved sales of over $150 million in 2021 and is continuing its very rapid growth.

Between accelerated international deployment of the Dash model thanks to the global presence of the Group and access to StoreBound's expertise in digital marketing, the synergies identified are numerous and will be quickly implemented.

THE NEED FOR COMPETITIVENESS

Groupe SEB takes a long-term view when thinking about its competitiveness. It is structured around several fundamental principles: providing the best service to its customers, ensuring profitable growth, optimizing costs and generating cash flow, while strengthening the skills of its employees and safeguarding the planet.

The Group is committed to:

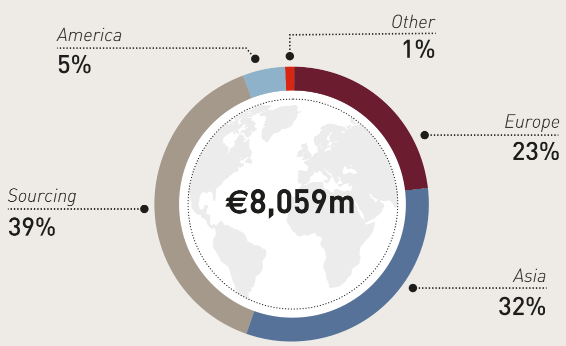
- deploying the best industrial practices in order to continue improving the productivity of its sites and the capital employed;
- optimizing its logistics chain so that it is tailored to the types of customers it serves and supported by solid planning;
- relying on flexible and streamlined structures, thanks in particular to increased digitization of its processes.

As part of its social and environmental responsibility, Groupe SEB has, for many years, been committed to a virtuous approach based around the circular economy (eco-design, eco-production, eco-logistics, collection and recycling of products at the end of their useful life) and, more broadly, to reducing the carbon footprint of its business.

A POWERFUL AND VERSATILE MANUFACTURING BASE

In a competitive environment where business models are mainly based on outsourcing production, Groupe SEB is claiming its status as a manufacturing company, which gives it major competitive advantages. This status is built on a powerful and versatile manufacturing base, made up of 38 sites around the world. The locations of these sites have been chosen so as to respond efficiently to the specific features of the markets:

DISTRIBUTION OF SALES PRODUCTION 2021



- European manufacturing targets mainly mature markets. French and European plants specialize in product lines for which the Group is a market leader. They rely on expertise and tailored technologies (product designs, automated processes, workflows, etc.) and produce volumes that guarantee a critical size;
- manufacturing in emerging markets focuses on the needs of these (local) markets and, for mature markets, on products for which the Group wishes to retain control of its specific technologies (concerning products and process) at lower production costs;
- outsourcing (of production) for common products or products for which the Group does not have a strong differentiating factor internally. The choice of what to outsource is based on a systematic "make or buy" judgement process that decides between investing in production and using subcontracting (primarily based in China).

In 2021, our 38 industrial sites manufactured approximately two-thirds of the products marketed by the Group worldwide.

THE SUPPLY CHAIN AS A PRODUCTIVITY LEVER

Groupe SEB manages its manufacturing facilities with flexibility and discipline, with its sights set on constantly improving product quality, customer service, personal safety and environmental protection. With this in mind, it has deployed SEB standards for production processes at all of its sites. These specifically relate to:

- the PCO (Product Cost Optimization) project, which aims to reduce the cost price of existing products, optimize the future product offering, and increase perceived value;
- the OPS (Opération Performance SEB) global program of industrial and operational excellence, which materialized in a global, fully collaborative process, and which has enabled the Group to guarantee a high level of quality, both in its processes and in its products.

Improvement projects are systematically supported by a health-and-safety approach, and the number of workplace accidents was halved between 2018 and 2021 (more details are given in Chapter 3 on “Social, societal and environmental responsibility” on pages 133 to 211).

In particular, the Group is committed to combating musculoskeletal disorders (MSDs), which are often caused by repetitive movements at certain workstations. In order to prevent these from occurring and to halt their progression, the Group has prioritized the ergonomics of the workstations, automation, awareness-raising and training of the employees affected, and the integration of MSD prevention from the product design stage. Furthermore, the assessments carried out as part of the Group’s International Health Plan at all industrial and logistical sites have identified the main health risks (dust, noise, repetitive work, etc.). This review was the starting point for the implementation of Group standards and the setting of health targets, with monitoring indicators. This progress contributed significantly to improvements in industrial performance.

The Group also prudently manages its production capacity, targets its capital expenditure and continues to adapt its production facilities on a regular basis. It takes account of economic market realities by adjusting volumes or rescaling sites, transferring operations from one entity to another, refitting sites, maintaining strict control of manufacturing costs, refocusing production, and outsourcing as required.

Technology platforms – vehicles for competitiveness

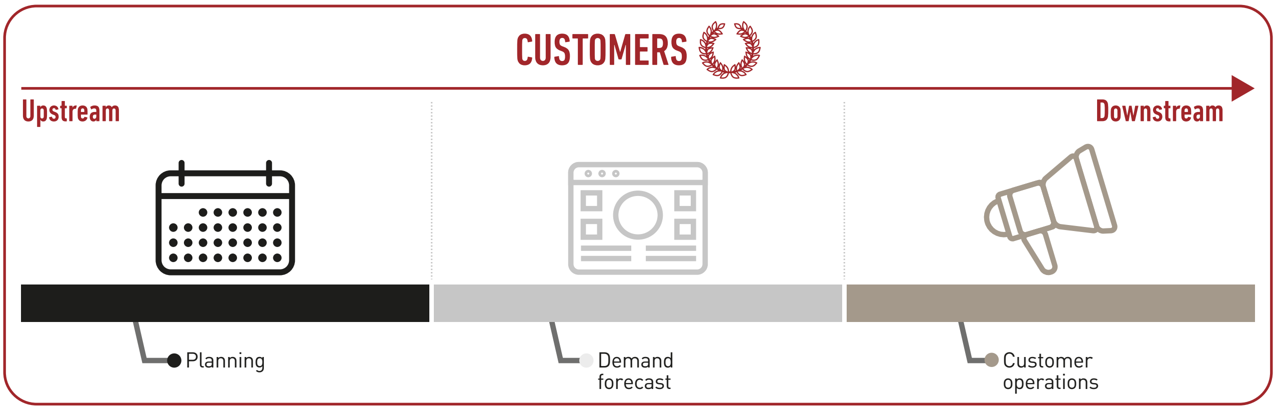
These represent the technological foundations for developing new products. They bring together all the Group's know-how and use it to assist certain product families by:

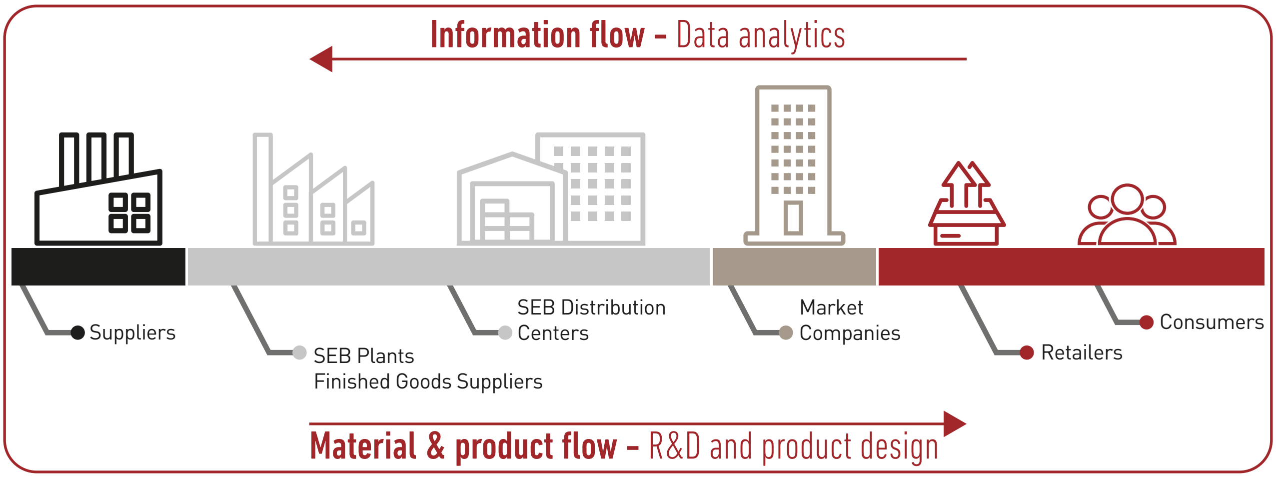
- cutting down the time-to-market for new products, through shortening development periods;
- using acquired experience to ensure quality of new products;
- contributing to standardization and economies of scale;
- facilitating a high level of flexibility in product versioning so as to meet our customers' needs as quickly as possible.

The Industry of the Future will also help us to reach a new milestone in terms of our industrial and logistical performance in order to improve how we serve our customers' needs. One of the key projects, involving both the industrial and information systems teams, is the establishment of a futuristic factory model using supervisory and data processing systems to improve performance, the availability of means of production, anticipation of breakdowns, but also quality, traceability and optimization of energy consumption. At the same time, the Group is developing new, more economical and flexible automation models, using collaborative robots (cobots) and auto-guided vehicles (AGV) to reduce the difficulty of tasks. Lastly, augmented reality systems will help operators achieve their goals and improve performance.

Beyond managing the specific supply chain challenges, the continuous optimization of our industrial and logistical footprint resulted, in 2021, in:

- the effective start-up at the Selongey (France) and Omegna (Italy) sites of the production of stainless steel kitchenware, which was transferred from Geislingen, where manufacturing was stopped;
- the announcement of the closure, as of 30 June 2022, of the Erbach site in Germany, which specializes in linen care products, and the redeployment of the industrial ironing activity, mainly to Pont-Evêque plant in France;
- the continuation of the productivity, simplification and rationalization plans within the plants (Pont-Evêque, Rumilly, etc.) as well as logistical reorganization aimed at reducing structural costs and optimizing cash use, while reducing leadtime and optimizing flexibility in responding to customers;
- the continuation of investments: in capacity, to better serve markets (China, Egypt, etc.); in adapting the product mix (Rumilly, etc.); and in automation (increased robotization in Rumilly, Selongey, Emsdetten, Pont-Evêque, etc.). Total capital expenditure was **€213m** in 2021, compared to €183m in 2020, an unusual year due to the Covid crisis, which put many projects on hold;
- the announcement of the construction of a **100,000 m² logistics center** in Bully-les-Mines (Hauts-de-France) for **€85m**. The warehouse will be dedicated to the Northern European markets and will start operations in spring 2023.





Crucial links in the supply chain, planning and logistics are managed at the global level in order to ensure that deliveries to our customers arrive within the required deadlines, while also optimizing transport and storage costs, as well as our finished product inventory. To achieve this, the Group has modernized its transversal and collaborative S&OP (Sales and Operating Planning) process, from sales forecasting in market companies to capacity planning, production and delivery to the customer.

At the same time, the project to optimize the logistics chain has been successfully completed, and a Supply Chain Academy has been set up to develop the skills of our dedicated teams.

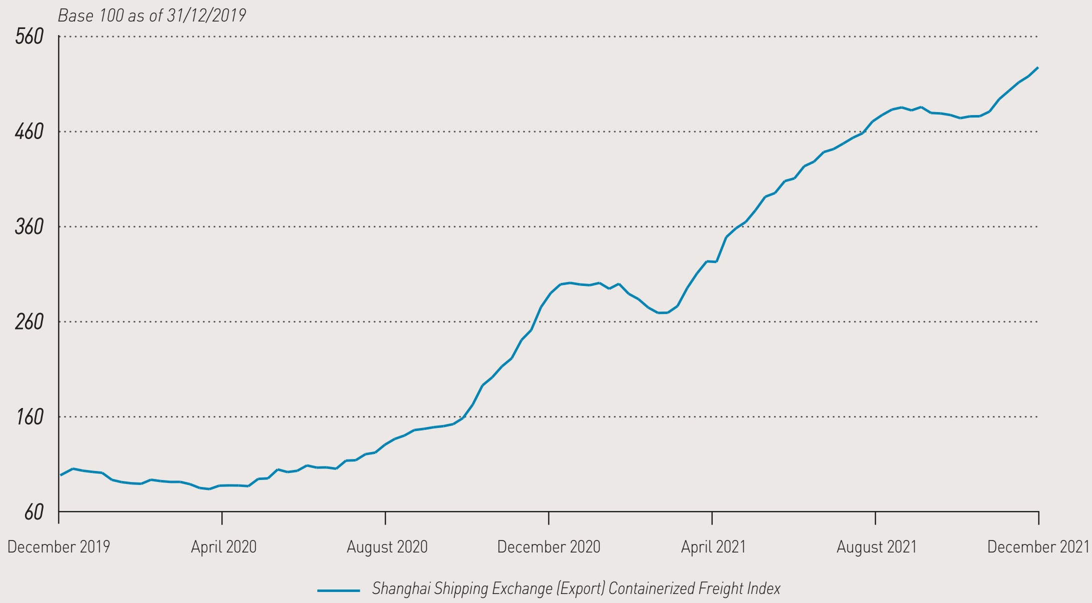
As part of its optimization process, the Group keeps the entire value chain under continuous review, to streamline and accelerate flows, ultimately improving the service rate. The Group regularly reviews the geographical location of certain suppliers, particularly suppliers of components and sub-assemblies, with the aim of increasing their proximity to its plants to facilitate delayed differentiation and improve responsiveness.

In 2021, limited and often unpredictable availability of materials, components or transportation led the Group to develop more long-term partnerships, to place orders far upstream of its needs and to intensify the process of diversifying its sources of supply.

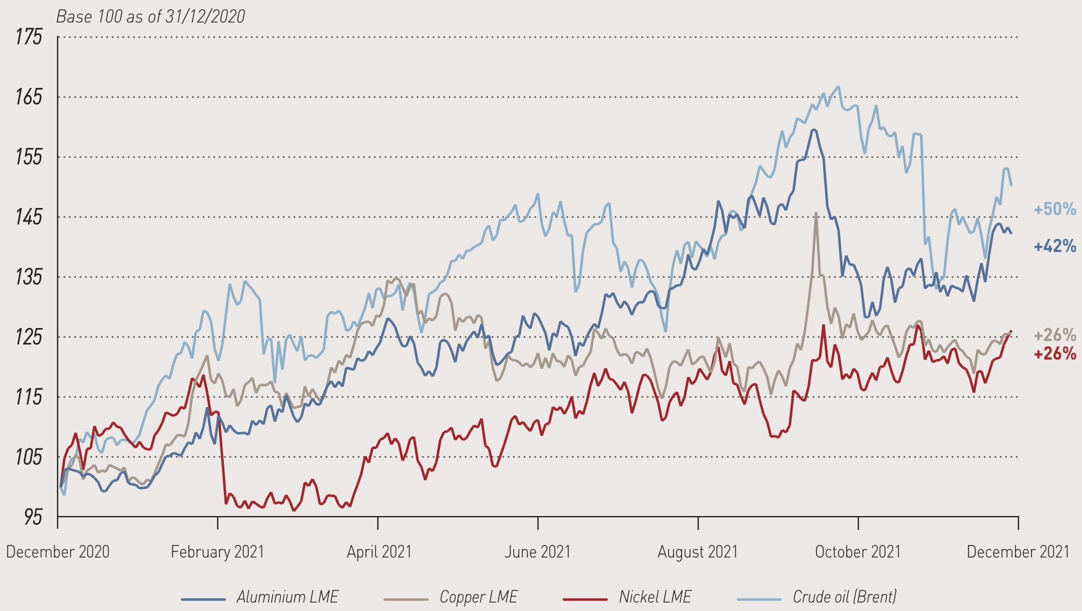
2021: resilience of industrial operations despite significant disruptions to supply chain

In 2021, the global economic recovery faced an unprecedented supply chain crisis. This was compounded by major disruptions resulting from shortages of raw materials (aluminum, stainless steel, packaging, etc.) and electronic components, sea containers and vessels, truck drivers, etc. This situation caused a sharp rise in raw material prices and freight costs.

SEA FREIGHT PRICE EVOLUTION SINCE END-2019 (IN DOLLARS)



RAW MATERIAL PRICE EVOLUTION IN 2021 VS 2020 (IN DOLLARS)



In this context, the Group was able to anticipate the supply risks and adjusted its purchasing policy for materials, components and freight early on. The aim was to keep disruptions to a minimum, in order to guarantee that activity could continue at our plants around the world and to be able to provide the best possible service to our customers.

Under the supervision of the executive Committee, a Crisis Committee was set up. Its priorities were:

- to make spot purchases to cover some of the immediate needs;
- to place medium- to long-term orders, including up to the end of 2022;
- upstream, to integrate suppliers into our search for solutions;
- to identify a large number of alternative sources.

A RIGOROUS AND RESPONSIBLE PURCHASING POLICY

Reporting to the General Management for Industry, the Purchasing department implements the Group's purchasing policy in compliance with the requirements of standards and regulations. It seeks to secure supplies, optimize purchasing conditions and standardize practices within the Group. The purchases include both:

- production purchases, which cover the needs for materials (metals, plastics, paper/cardboard for packaging, etc.) and components (parts, sub-assemblies, etc.) for industry;
- non-production purchases (transport and logistics, services, information systems, travel, etc.);
- purchases of externally sourced finished products.

Generally speaking, they are mainly managed at Group level, through a panel of approved suppliers and the use of shared global product family platforms at the global level. This approach enables the Group to buy in bulk and standardize materials and components. It also allows optimal conditions for negotiations (price, quality, punctuality, etc.) and purchase pooling to be implemented. This pooling led to even greater flexibility between industrial sites and increased synergies within the Group.

Suppliers are selected in accordance with a strict process, which assesses their competitiveness and their ability to fulfill the Group's requirements in terms of quality, delivery timescales and compliance with the Group's ethical standards with respect to corporate social responsibility. More generally, since 2012, purchasing has been governed by the Group-wide Responsible Purchasing Charter.

For **direct purchases**, the Group seeks the best balance between cost, quality and availability. It selects the most competitive suppliers that are best positioned and most capable of implementing the innovation process internally and meeting the quality standards that are required by the Group. The Group is also committed to establishing and maintaining a real partnership with the best-performing suppliers and to closely involving them in the improvement process and the Group's objectives in terms of competitiveness. In 2021, the panel of suppliers for production supplies comprised **545** suppliers (494 in 2020) with global purchasing coverage of **72%** (74% in 2020).

Non-production purchases cover a very broad spectrum of expenditure with an ever-increasing international scope. For this reason, our policy aims to better identify the characteristics of our approved suppliers and to build a Group purchasing methodology in a cross-border manner. Calls for tender are launched on a regular basis and cross-functional teams thoroughly rework our specifications to optimize purchasing in new fields.

The organizational arrangements for **outsourced finished products** help to maintain quality processes and a responsible approach by providing suppliers with technical and methodological assistance from Group teams. At the same time, it demonstrates the Group's desire for upstream integration of suppliers in the product development processes in order to foster greater fluidity in creating the product offering. The Group has approximately **500** suppliers, **70** of which represent **80%** of purchases.

1.3 Organization and internal control

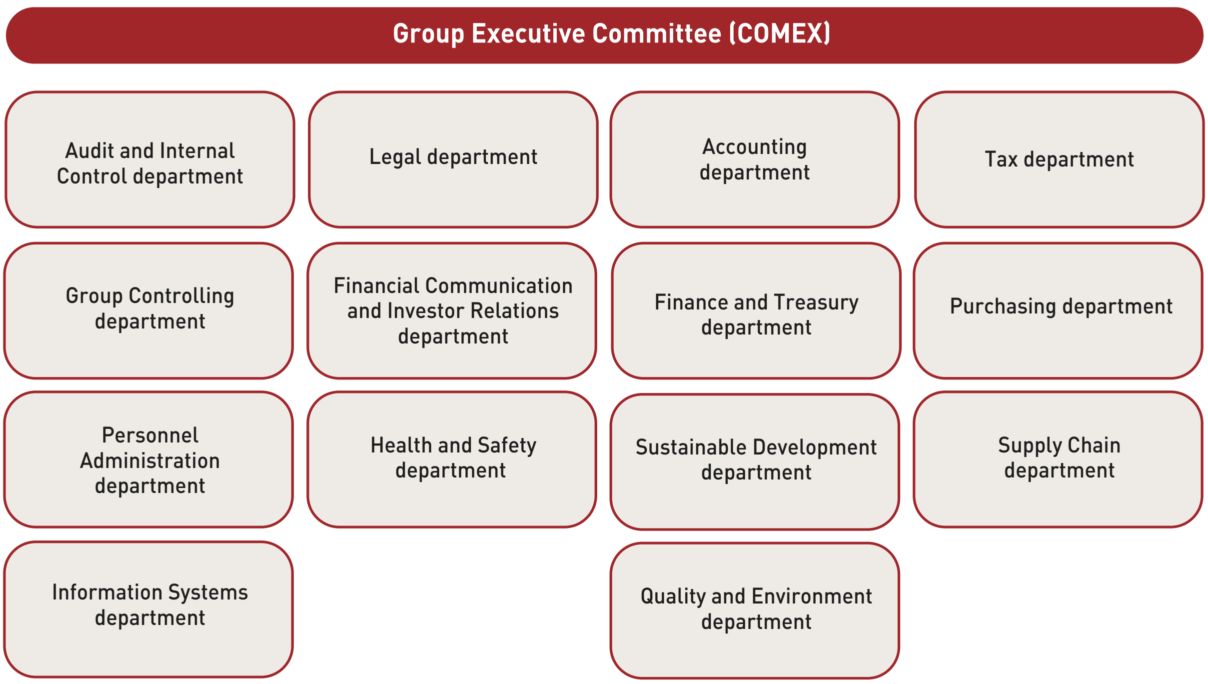
The scope of application of internal control and risk management procedures encompasses all of the Group's companies and employees, from governance bodies to individual employees. The operational and functional management structures are responsible for implementing these procedures.

Groupe SEB is an international entity, organized primarily into geographical zones by continent, each with their own ranges of products to sell. In addition, operations are managed by activity, covering a group of product lines and trademarks. Lastly, functional management supports operations transversally across all of the Group's businesses. The primary aim of this functional management is to ensure that activities are consistent and effective and to oversee the control functions (e.g. by means of financial standards, IT tools, quality rules, etc.).

The Group's conduct and operational processes are based on two key documents: the Group's Code of Ethics and the Internal Control Manual, which sets out what is expected of employees.

ORGANIZATION OF INTERNAL CONTROL AND KEY PLAYERS

The key control activities are identified within the functional departments described below, which report directly to a member of the Group Executive Committee.



Audit and Internal Control department

The Audit and Internal Control department is tasked with evaluating compliance with the Group's internal rules and procedures and detecting non-compliance with legislation. This department is also required to evaluate the efficient conduct of operations and to ensure that business risks are identified and mitigated.

To achieve this, the Audit and Internal Control department is focused on three parallel activities:

- **defining and rolling out internal control procedures** ("Internal Control Manual"). This document covers all of the Group's control processes. It is distributed to all Group entities once a year. This document is updated annually by Internal Control, in order to adjust the control environment in response to changes in operations, regulations and management systems;
- **implementation of a multi-year audit plan**, based on prioritizing the processes and organizations to be covered according to a combination of parameters: risk assessment (size of the subsidiary, geography, information system, environmental factors, etc.); frequency of audit coverage; and the score from the most recent audit. The plan is approved by the Audit and Compliance Committee each year;
- **coordination and oversight of risk mapping.** The Group's risk map is updated every year using the process described on page 49 "Risk identification and control process".

The Group's Audit and Internal Control team consisted of eleven auditors, three internal controllers and one Head of Audit and Internal Control as at 31 December, 2021.

Legal department

The role of the Legal department is to ensure compliance with any legal and regulatory requirements that affect the Group in the various countries and fields in which it operates, to protect its assets (particularly its intangible and intellectual assets) and its businesses as a whole. It also ensures that the Group's interests are protected through good risk management, litigation management, awareness-raising and training. The Legal department is led by the General Counsel, who is a member of the Group Executive Committee and Secretary of the Board of Directors of SEB S.A.

Its main tasks are based on the following activities:

- **legal support for operations,** on all types of regulations, drafting and updating of the contractual strategy directly or indirectly related to the manufacturing, marketing and promotion of the Group's products (purchase of goods and services, general conditions of sale, after-sales service, etc.), negotiation support, management of external consultancies, agreement management, legal monitoring, coordination of all the Group's legal experts;
- **protection, management and defense** of intangible assets, product protection strategies (trademarks, graphics and models), management of domain names, oversight of intellectual property litigation internationally, combating offline and online counterfeiting;
- **compliance:** implementation of the Group's compliance policy, including in particular the anti-corruption policy and the protection of personal data in relation to all the Group's support, operational and continental management structures;
- **corporate governance:** overseeing around 150 subsidiaries, including two listed companies, SEB S.A. and Supor, ensuring compliance with stock market regulations, particularly in terms of preventing insider trading, managing shareholder services, negotiating finance contracts and supporting the Group's real estate projects;
- **coordination of the global insurance program,** detailed on page 64, "Insurance", which ensures adequate insurance coverage for the Group's activities and risks, steering of Groupe SEB Ré, a captive reinsurance company launched in 2021;
- **participation in the Group's acquisition strategy and external growth:** preparatory agreements, merger control, contract negotiation, post-acquisition restructuring, and support for SEB Alliance, the Group's investment company.

Financial Communication and Investor Relations department

The Financial Communication and Investor Relations department works closely with the other departments within the Finance Function, with the operational, support and continental management structures, and with the Sustainable Development and Corporate Communications departments in order to carry out two key tasks related to the status of SEB S.A. as a listed company:

- **developing and disseminating the Group's financial communications**. This communication takes place according to a specific timetable and in compliance with the regulatory framework (AMF *, ESMA *, etc.), ensuring in particular the dissemination of clear, accurate, precise and true financial information, as well as conformity to the principles of equal treatment of investors and consistency of information. The documents and materials produced, published and circulated (Universal Registration Document, the AGM convening notice, press releases, the finance section of the Group website www.groupeseb.com, analyst and investor presentations, letters to shareholders, etc.) undergo a structured, traceable, production process and are prepared in close collaboration with the Group's various functions. They are reviewed by concerned Business Managers and finally approved by the Executive Committee. The Financial Communication department, in conjunction with the Legal department, coordinates the MAR (Market Abuse regulation) Committee described on page 47;
- **identifying the shareholder base and investor relations throughout the year**, through physical or telephone conferences, roadshows, analyst/investor days or individual meetings. These exchanges are intended to give the market information about the Group's strategy, performance and outlook, and to maintain and fuel interest in the stock. In 2021, nearly all events took place remotely, due to the health crisis. These events led to meeting more than 600 investors.

Finance and Treasury department

The Group's Finance and Treasury department is tasked with ensuring the liquidity of Group operations, the security, transparency and efficiency of treasury and finance operations, and hedging against all financial risks. Its areas of work are as follows:

- **managing financial resources to ensure the Group's liquidity;**
- **managing and securing cash flows, and optimizing cash management;**
- **quantifying and hedging against financial risks** (particularly currency, interest rates and raw materials risks);
- **monitoring relations with banks;**
- **financing projects**, particularly acquisitions;
- **overseeing strategies for hedging customer risk**.

Group Controlling department

The Group Controlling department coordinates budget planning and control, using a handbook of management procedures and rules applicable to all entities, including Group budgeting, re-projections and management reporting methods.

Its key oversight responsibilities are as follows:

- **budgeting process**. Guidelines and recommendations are circulated to the various entities for budgeting purposes. The Group Controlling department consolidates and oversees the various budgetary adjustments before a budget is approved by the Executive Committee and the Board of Directors;
- **re-projections:** throughout the year, as the Group's business evolves, the Group Controlling department alerts the Executive Committee in the event of a deviation from the budget, quantifies the impact of corrective measures and coordinates re-projections at key times during the year. These are then consolidated and approved at the Executive Committee level;
- reporting **and analysis of operational performance:** every month, to enable effective Group oversight, the Group Controlling department consolidates all information from a single, centralized management tool to establish dashboards for the Executive Committee and Group management. The dashboards include appropriate analyses of significant deviations and trends.

Accounting department

The Accounting department is responsible for **ensuring that the Group's accounting principles and standards are compliant** with commonly accepted international accounting standards. It defines the Group's accounting standards and oversees their distribution and application, particularly through training courses. **It is responsible for preparing the Group's Consolidated Financial Statements and closes the Group's Financial Statements**, in collaboration with the entities, in a timely manner.

Tax department

The Group's Tax department is responsible for the **Group's tax policy at the global level**. Its responsibilities include ensuring compliance with tax rules (local laws, international agreements) in all countries in which the Group operates.

It is primarily responsible for:

- ensuring consistency in the tax procedures used by the different entities;
- verifying that the Group's main activities are compliant with current legislation;
- monitoring tax inspections carried out by tax authorities in all of the Group's entities.

To perform its duties, it relies on a network of tax advisers in France and abroad.

Sustainable Development department

The Sustainable Development department drives **and coordinates the sustainable development policy**. It documents and rolls out short- and medium-term action plans, in line with the Group's priority criteria, in each division and on every continent, thus promoting appropriate conduct.

In addition, the Sustainable Development department is responsible **for the content of the Group's Code of Ethics** and ensures that it is properly circulated and understood in all the entities. As the principles of the Code of Ethics are included in the Internal Control Manual, the ethical compliance of our subsidiaries is regularly checked on site by the internal audit teams.

Conformity to the values mentioned in the Code of Ethics does not stop with the company: the Sustainable Development department also monitors the **application of these principles by suppliers**, by means of a Responsible Purchasing Charter, which is circulated to and signed by all its partners, and regular outsourced audits. This last measure is fully in keeping with our action plans for compliance with the "SAPIN II" and "Duty of Vigilance" laws.

Each of the Group's plants is organized to prevent any pollution (of air, water, or soil) or environmental accidents and to reduce its carbon and environmental impact (particularly in terms of energy, water, and waste). To achieve this, **each plant complies with local environmental regulations** as well as standards shared by all Group sites. The regulations, and changes in them, are monitored locally by Health, Safety and Environment coordinators.

Measures to assess risks, prevent pollution and reduce environmental impact are implemented locally and coordinated at Group head office: a dedicated staff member is responsible for setting environmental goals and defining shared standards. The Sustainable Development department **also ensures the implementation of performance indicators**, which are then monitored and consolidated.

Environmental risk is overseen by a dedicated Group team which regularly monitors changes in regulations and transcribes these regulations into the Group's standards. The processes are then rolled out to the plants.

As part of its **compliance** policy, the Sustainable Development department appoints an external service provider to audit the Group's industrial sites in countries presenting ethical, social and environmental risks.

Personnel Administration department

The Group had nearly 33,000 employees at 31 December 2021, divided between more than 100 operational entities worldwide. The Personnel Administration department is responsible for ensuring the consistency of personnel management processes. It is organized around the following main areas:

- **defining personnel management rules applicable** to all of the Group's businesses, in line with local regulations: management of working time and leave, business expenses, tools available to personnel (computers, telephones, cars, etc.), and the payroll process (checks, approval and security);
- **rolling out and overseeing a single personnel** management tool at Group level, in accordance with local personal data protection regulations. This includes the administrative process related to employee entry, performance monitoring, and exit;
- **managing the Shared Service Center dedicated to payroll for all French entities**, ensuring the division of tasks and a strict level of control. The Personnel Administration department also reviews the standard processes for setting up outsourced payroll management;
- **keeping people safe:** the Personnel Administration department is responsible for drawing up safety rules, particularly in countries identified as risky (Ministry of Foreign Affairs) and coordinates the monitoring of traveling employees with an external partner to ensure their safety.

Purchasing department

The Group has two purchasing departments, one which manages the purchasing of components and raw materials required to manufacture products, as well as indirect purchases, and the other that manages the purchasing of finished products. The scale of the financial flows involved means that the Purchasing department is central to the Group's internal control process:

- **managing centralized purchasing**, one department based at head office in France and the other close to our suppliers in Asia for finished products. Both departments use the same organizational principles: operational buyers located close to where the need is (plants, R&D centers, markets) and category buyers, who determine the Group's purchasing strategy. This centralized oversight begins with the implementation of standard processes and strict rules on how to manage purchases (calls for tenders, purchase requests, approvals, etc.);
- **overseeing suppliers,** mainly by category managers, through performance indicators and reviews and audits of suppliers, relating not only to operational aspects (quality, supply chain, etc.) but also responsibility and ethical, social and environmental compliance, in partnership with the Sustainable Development department;
- **monitoring purchasing performance**: establishing purchasing strategies, objectives and analysis to optimize efficiency and strengthen control. A dashboard makes it possible to accurately monitor key indicators and adjust the action to be taken.

Information Systems department

Groupe SEB's information systems are designed to guarantee the security, integrity, availability and traceability of information.

Several priority areas within the Information Systems department help to improve the Group's control environment, including:

- **operational tools (ERP, business software, office automation, communication, etc.)**: the Information Systems department oversees operations for the Group's tools and participates in an Information Systems Steering Committee, described on page 47;
- **network architecture**: the Information Systems department ensures the consistency, availability, and integrity of the Group's networks;
- **information systems security and personal data protection:** the IT Security department sets the strategy and defines changes to the security system already in place. Proposals for changes to the system are linked to the strategy, the emergence of new risks and regulatory compliance. The security system follows the standard defined by the French National Cybersecurity Agency (Agence Nationale de la Sécurité des Systèmes d'Information – ANSSI) based on four areas: Identification, Protection, Detection and Response Capacity.

  The role of the department is to define the IT security strategy in order to address the cybersecurity challenges the organization faces. He ensures that the mapping of cyber risk is up to date and that adequate protection measures and systems are in place to address the various risks identified. In charge of IT systems security, it defines and implements the Group's security policy, oversees the Group's key security indicators, monitors the implementation of security rules in projects, and takes the necessary information, awareness and risk-prevention measures. This activity is supported by an Information Systems Security Committee (described on page 47). With regard to personal data protection requirements, the Chief Information Security Officer works with the Head of Personal Data Protection and the Legal and Personnel Administration departments: this cross-functional organization is described on page 56 ("Cybersecurity and Information Systems failure risk");
- **digital applications**: the Information Systems department ensures the implementation of software components and infrastructure to ensure the quality, security and availability of the service provided to consumers: downloadable applications on mobile phones and tablets to facilitate the use of connected products and give access to digital content, photos, recipes, etc.

Supply Chain department

The distribution of the Group's businesses across all continents requires constant optimization of the production process, flows, procurement and logistics.

The role of the Supply Chain department is to ensure customers are satisfied and products are available, while optimizing costs and inventories. To achieve this, the department must have a comprehensive overview of the issues, from our suppliers to our customers and use sales forecasts to control scheduling, to provide a high level of customer service. Specifically, this involves:

- **reviewing our optimal logistical footprint between** our industrial facilities and our customers, as well as the global deployment of our OPS program, which enables us to guarantee high quality at optimum cost, in the drive for continuous improvement of our performance;
- **defining and rolling out stock management procedures** that apply to all the Group's warehouses, outsourced or not, including a receipt and dispatch management process, an inventory management process and security requirements at storage sites;
- **oversight of product flows:** defining and optimizing product flows (with a view to improving the flexibility of industrial sites) in line with international regulations and in compliance with customs regulations.

With a view to continually improving customer service, the Group is in the process of changing the structure of its supply chain, which will be organized along three key principles:

- centralized calculation of demand, based on market data and the use of statistical forecasting tools, as well as centralized management of logistics centers to optimize our distribution network;
- maintaining the structures required to serve our customers on continents and within markets. These structures will define our logistics offerings by customer type and implement them, from taking orders to delivery;
- centralizing the «Planning» function in our Business Units which, based on demand calculated by the central function, will schedule production and supplies to service the markets. The BUs are also responsible for product offerings, plants and marketing plans.

Industrial Efficiency department

Ensuring the competitiveness of our industrial operations has always been a central concern for the Group. Groupe SEB has implemented a system for the continuous improvement of industrial performance, known as OPS, which has for many years been used in all the Group's plants. In recent years we have also been working on adopting the latest digital techniques to improve our plants using cutting-edge technology.

This department is responsible for the following processes:

- **OPS, a performance management process that includes procedures**, tools and methods for the smooth running of our plants, based on the principle of seeking excellence and continuous improvement;
- **a "factory of the future" program** that sets out the new digital tools and methods to be deployed to improve our plants by means of industrial IT;
- continual evaluation of the need to progress our industrial footprint and our industrial strategy.

Quality & Environment department

Improving the quality of its products and processes has always been a central concern for Groupe SEB. Groupe SEB uses a Quality and Environment Management System, a key pillar of any business, implemented through a shared tool available on the Group intranet.

This system includes all the procedures, tools and methods relating to the Group's key processes:

- **management procedures with the definition of Group policy,** strategic planning, continuous quality improvement, safeguarding of the environment, and the Group's health-and-safety policy;
- **operational processes,** including R&D, sales and marketing, customer order processing and production, and industrial performance;
- **operational support functions,** covering human resources, information systems, purchasing, finance, after-sales service, customer assistance, and finance;
- **monthly reporting** allows the Quality department to accurately track key indicators and adjust its actions.

Health and Safety department

Employee health and safety within the Group is our number one priority and everyone's responsibility, whether they work in industry, on logistics platforms, commercial subsidiaries, or at headquarters.

The Health and Safety policy is coordinated by the Group Health and Safety department, which is responsible for managing it. It is structured around five focus areas that are communicated to the sites continuously:

- **ensuring that health and safety is always seen as our number one priority**;
- **focusing on one ambitious objective**, monitored with indicators on site and at Group level;
- **taking every serious accident or incident into consideration** and making it a learning opportunity;
- **sharing the same level of skills and requirements** based on shared standards;
- **acting promptly on any recorded non-compliance** to address it rapidly.

A Group-wide Strategic Health/Safety Committee is described on page 47.

Alongside these departments overseeing the Group's control activities, Committees have been set up spanning various control topics. These Committees meet two to four times a year and involve managers from the aforementioned departments. Each are responsible for identifying, in their respective areas, any situations requiring action at the central level (regulatory changes, evolution of the market context, etc.). In this case, each Committee will report to the Group Executive Committee.

GROUP SEB EXECUTIVE COMMITTEE (COMEX)

Thierry de La Tour d'Artaise	**Chairman and Chief Executive Officer**
Stanislas de Gramont	**Chief Operating Officer**
Nathalie Lomon	**Senior Executive Vice-president, Finance**
Delphine Segura Vaylet	**Senior Executive Vice-president, Human Resources**
Philippe Schaillee	**Senior Executive Vice-president, Products and Innovation**
Alain Leroy	**Executive Vice-president, Industrial Operations**
Pierre-Armand Lemoine	**Executive Vice-president, Cookware**
Olivier Naccache	**Executive Vice-president, Small Electrical Appliances**
Oliver Kastalio	**Chief Executive Officer WMF**
Vincent Rouiller	**Executive Vice-president, Research**
Cathy Pianon	**Executive Vice-president, Public Affairs & Communication**
Philippe Sumeire	**Executive Vice-president, Legal, Secretary of the Board of Directors**
Cyril Buxtorf	**Executive Vice-president, EMEA**
Martin Zouhar	**Executive Vice-president, SEB Professional**
Vincent Tai	**Executive Vice-president, Asia - Executive Vice-president, EMEA**

Compliance Committee

- Audit and Internal Control department
- Legal department
- Human Resources department
- Sustainable Development department
- Finance and Treasury department

MAR (Market Abuse Regulation) Committee

- Chairman and Chief Executive Officer
- Chief Operating Officer
- Senior Executive Vice-president, Finance
- Legal department
- Financial Communication and Investor Relations department

Information Systems Steering Committee

- Information Systems department
- Continental departments
- Products & Innovation department
- General Finance department
- General Human Resources department

Information Systems Security Committee

- Information Systems department
- Audit and Internal Control department
- Human Resources department

Sustainable Development Steering Committee

- Sustainable Development department
- Audit and Internal Control department
- Human Resources department
- Quality & Environment department
- Research department
- Brands department
- Marketing department
- Sales department
- Strategy department
- Legal department
- Customer Satisfaction department
- Industrial department
- Purchasing department

Health and Safety Committee

- Chairman and Chief Executive Officer
- Chief Operating Officer
- Senior Executive Vice-president, Human Ressources
- Group Communication department
- Directors of Industrial Activities
- Group Health/Safety department

In particular, the Compliance Committee implements measures relating to recent regulatory developments. A cross-functional action plan involving several Group departments has been drawn up to address the requirements of the SAPIN II law and the Duty of Vigilance law relating to parent companies and principals.

This action plan focuses on the following key points, most of which are already in place:

- Code of Conduct;
- internal whistle-blowing system;
- corruption risks mapping;
- customer and supplier assessment procedures;
- internal and external accounting control procedures;
- training system;
- disciplinary system;
- internal system to control the implementation of the above measures.

Lastly, to ensure efficient overall management, Groupe SEB relies on the decentralization of operational responsibilities and clearly defined rules of operation and delegation. It also benefits from a well-established corporate culture, rooted in shared fundamental human values that foster an ethical working environment: Entrepreneurial drive, Passion for innovation, Professionalism, Group spirit, and Respect for people.

Groupe SEB has been a signatory of the Global Compact since 2003 and supports the values set out in this document, promoting them throughout the company. The Group Human Resources department states in its guiding principles: "The Group is a community of men and women who share the same objectives and values."

The Code of Ethics, published in September 2012, serves as the frame of reference for Groupe SEB's values and standards. It defines individual and collective rules of conduct to guide the actions and inspire the decisions of each employee. It is supplemented by a whistle-blowing system that allows any employee to report a serious violation of the Code of Ethics.

More details on the whistle-blowing system are provided in Chapter 3.4, page 146.

1.4 Risk factors and management

MAIN RISK FACTORS

PRESENTATION OF THE MAIN RISKS

RISKS INVOLVING NON-FINANCIAL ISSUES (DESCRIBED IN CHAPTER 3,"CORPORATE SOCIAL RESPONSIBILITY")

Strategic risks

Degree 3

- Market competition and concentration for Small Domestic Equipment market
- Changes in the distribution industry
- Innovation and intellectual property
- Image and reputation

Operational risks

Degree 2

- Business volatility and competitiveness
- Talent attraction and retention
- Macroeconomics, geopolitics and regulations
- Compliance

Degree 3

- Cybersecurity and Information Systems failures

Industrial and environmental risks

Degree 1

- Product quality and consumer safety

Degree 2

- Business continuity
- Employee health and safety and environment

INTRODUCTION

The nature of Groupe SEB's business and its large international presence opens up significant development opportunities, but also exposes it to various types of internal and external risks. These could have a negative effect on the Group's ability to implement its strategy and achieve its objectives. More specifically, they may adversely affect the Group's activities, results, financial position or assets, or have consequences for its various stakeholders – consumers, employees, shareholders, customers, suppliers, partners, the local ecosystem (public authorities and civil society), etc.

The Group implements a range of measures to identify risks, measure their potential impacts and assess their probability of occurrence. These risks are then managed according to risk control plans that are regularly reviewed and involve the players concerned in the Group's various departments. As with any control system, however, it cannot provide an absolute guarantee of total control or elimination of all risks.

RISK IDENTIFICATION AND CONTROL PROCESS

In accordance with regulation (EU) 2017/1129 and its delegated regulation (EU) 2019/980, which took effect on 21 July 2019, this section outlines, in a limited number of categories, the most significant risks in terms of materiality and specificities in relation to the Group's activities.

Within each category, the most significant risk factors are presented first.

The risk identification and control process is an ongoing process incorporated within the Group's operations. In order to provide comprehensive information, the various stages of collecting and processing information were defined as follows: operational approach, consolidation by key theme, review by the Executive Committee.

COLLECTION OF OPERATIONAL RISKS

Operational risks – risks related to operations, legal affairs, the industrial side of the business and the environment – are identified and reviewed annually by means of interviews with key divisional managers.

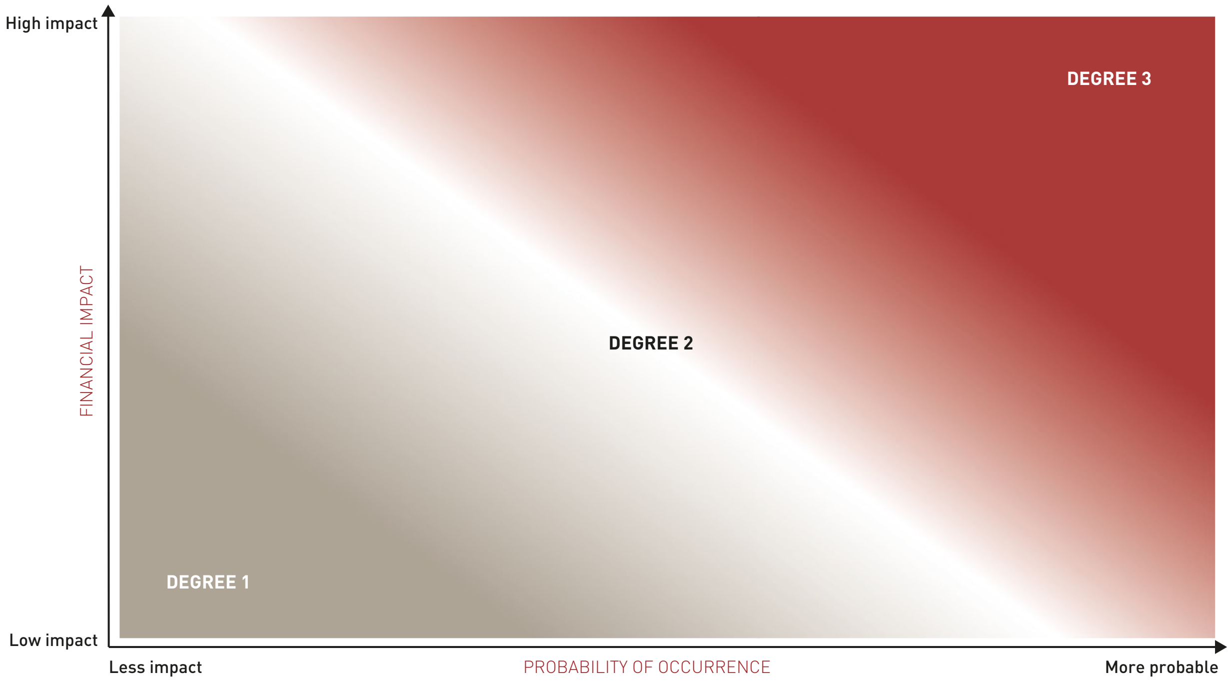
Risk forms are then created and consolidated by the Audit and Internal Control department to identify the main issues by theme.

On the basis of this consolidation, each function director meets individually with the Audit and Internal Control department so as to assess thoroughly the main risks and associated risk management plans.

CONSOLIDATION AT GROUP LEVEL

An annual working meeting is held with the Executive Committee members on the basis of the above elements. This meeting covers all the information from the operational collection. Each risk is reviewed in detail, to evaluate how it has evolved and its relevance in terms of both potential impact for the Group and probability of occurrence.

For each residual risk, after taking mitigation measures into account, a degree of exposure is defined, with level 1 corresponding to the risks to which the Group is least exposed, and level 3 to the risks to which the Group is most exposed.



Lastly, the review of the Group's risk mapping activity is included as a specific agenda item at an Annual Meeting of the Audit and Compliance Committee (review of methodology, risks, their assessment by Group management and the associated action plans).

1.4.1 STRATEGIC RISKS

RISK RELATED TO COMPETITION AND CONCENTRATION IN THE SMALL DOMESTIC EQUIPMENT MARKET – LEVEL 3

Description of risk

The Small Domestic Equipment market is buoyant, but it is still fragmented on a global level, particularly in certain segments or geographic areas.

As explained in Chapter 1, page 22, there are a large number of competitors, and particularly:

- large global groups, generalists or specialists, with global brands in one or more product categories;
- groups operating primarily in their domestic markets or in a small number of reference markets;
- leading players concentrating on a single product category;
- companies selling their products under retailer brands or without a brand name.

Also, with some Asian companies gaining traction in their domestic and international markets and with new 100% online BtoC business models popping up, some brands are quickly gaining market share in targeted categories at the expense of the Group.

This large number of players, combined with pressures on retail, results in intense competition, which usually creates an environment driven by sales promotions. In this context, differentiation and competitiveness are crucial.

Furthermore, in addition to its organic growth targets, for decades the Group has implemented an external growth strategy to accelerate its expansion and consolidate its market positions. This strategy has resulted in major strategic acquisitions (Moulinex in 2001, Supor in 2007, WMF in 2016) and more targeted acquisitions (All-Clad, Imusa, Krampouz, StoreBound, etc.). Therefore, missing an acquisition opportunity could be detrimental to the Group. Likewise, if our competitors ramp up their acquisitions policies, they could bolster their positions in the markets concerned – small electrical appliances, cookware or the BtoB market (coffee in particular). Such gains on their part could undermine the competitive advantage the Group derives from its size and leadership positions, particularly its bargaining power with distributors.

Finally, each of these acquisitions has specific features in terms of corporate culture, structure, operational processes and distribution channels. Failing to identify these or not taking them into account could have an adverse effect on the integration process and the value creation expected from these operations.

Management of risk

- With regard to competition risk and the need to be competitive, the Group serves its customers to the best of its ability by relying on:
  - the widest range available on the market, fueled by an ongoing approach to innovation that makes it stand out from the crowd,
  - its unique portfolio of brands,
  - a presence in all distribution networks and,
  - an effective and versatile manufacturing base. In particular, the Group has an industrial base in Asia through its subsidiary Supor, which, in addition to the Chinese domestic market, supplies the Group's international markets.
- Market fragmentation can also be a strategic opportunity. With a long-standing commitment to consolidating the market, and in its position as market leader, the Group actively and continuously watches the markets to identify companies that could become good acquisition targets. This watch prioritizes the most strategic sectors/geographic areas.
- In fact, the Group's acquisitions policy is based on complementarity and supports its organic growth strategy. It focuses on strategic and structuring acquisitions or more targeted acquisitions that provide synergies in terms of products, geographic area, business sector or business model. The Group's cash position also makes it a player in market consolidation.
- Where new acquisitions are concerned, over the years the Group has built up real experience and strong skills in integration. An ad hoc structure has been set up, which combines post-acquisition due diligence processes and the creation of an Integration Committee. Its role is to oversee, support and coordinate each integration process between all the stakeholders involved (the acquired company, the relevant Business Units within Groupe SEB and the markets affected by the acquisition). The integration of employees of the new entity, the rollout of Group processes (e.g. financial reporting), the harmonization of IT tools, and the performance of audits, in particular, are carried out by the various departments in question (Strategy, Human Resources, Management Control, Information Systems, Audit and Internal Control, etc.).

RISK ASSOCIATED WITH CHANGES IN THE DISTRIBUTION INDUSTRY – LEVEL 3

Description of risk

The distribution industry has experienced some major changes over the past few years. These changes have had a lasting impact on the Group's business: sector consolidation (through acquisitions or by setting up central buying organizations). The rapid emergence and success of e-commerce specialists have radically transformed the business environment as well. Similarly, new digital companies have appeared, shattering traditional distribution models.

Since 2020, as a result of the restrictive measures implemented worldwide to halt the spread of Covid-19 (including temporary store closures), the growth of online sales has accelerated sharply. More generally, this crisis confirmed the blurring of the boundaries between physical retail and e-commerce. The trend is now towards omni-channel distribution, affecting almost all retailers.

However, some brands have not made this shift to online sales, or not sufficiently so, and are being forced to make significant structural changes in order to offset declining in-store footfall. These reorganizations could affect us in various ways: shifts within the portfolio of products sold, major discounts to attract customers, lean inventory management, limited re-stocking, reductions in the store network, or even bankruptcies.

As a result, this profound transformation within the distribution industry may spill over onto the Group and adversely impact sales and/or market share, or even unpaid debts. As a result, we need to adjust our relationships with retailers.

In a world where it has become increasingly vital to interact directly with consumers, the Group has complemented its own store network with online platforms and sales outlets. The development of this new online DTC activity requires i) specific skills, ii) changes in the cost structure of accessing consumers, iii) the management of a large volume of data, in compliance with GDPR requirements.

Management of risk

- The Group strives to grow in a balanced and sustainable way, using all existing distribution networks in order to optimize its global exposure and diversify its risks. In fact, in 2021, the Group's largest customer accounted for just over 5% of consolidated revenue, but in some countries the weighting of a given distributor can be significantly more. In essence, these are long-term partners with whom the Group is keen to maintain a solid, trustworthy business relationship. However, the Group closely monitors the performance of each customer and each market.
- Our organization is structured so as to fulfil the various requirements of our clients, both offline and online. It is therefore able to manage the flows of large-volume orders from retail clients at the same time as smaller, more frequent orders from online players. As a result, the supply chain has been adjusted to ensure all our customers receive the best possible service.
- The Group's e-commerce sales account for around 39% of consumer sales and have been rising steadily for several years. The same has been true for pure players and Click & Mortar stores. To support this sharp growth in e-commerce in our business, we have added to our teams to ensure they are capable of meeting the specific needs of this distribution method (sales, logistics, marketing, digital technology, etc.).
- In direct to consumer, the Group generated more than 5% of its consumer sales through its network of directly operated stores (Home & Cook, WMF, Supor Life Stores, etc.). These sales are further boosted by online sales, through:
  - brand websites and marketplaces,
  - the roll-out of centralized client relationship management tools,
  - dedicated teams of experts in digital technology and marketing,
  - the use of consumer data, under the supervision of a data protection specialist.

RISK RELATED TO INNOVATION AND INTELLECTUAL PROPERTY – LEVEL 3

Description of risk

In a Small Domestic Equipment market traditionally driven by supply, innovation is a crucial driver for differentiating the Group from its competitors. As a result, the Group has to regularly renew our product portfolio through innovations. Innovations are designed to satisfy consumers' new needs and take the form of improvements to existing products or services, breakthrough innovations or the launch of new product categories.

Over the past few years, product life cycles have shortened, and agile players have emerged with short-lived product offerings (even mono-products) delivered through an innovative marketing and distribution approach. This phenomenon is in tune with new consumer trends and rapid technological developments, especially "digital" and "sustainable" products, connected products and related services.

Adapting to these new trends and understanding new consumer habits is therefore a key challenge for the Group. If the Group fails to innovate and update its product ranges on a regular basis, there is a risk that its sales and market share could be eroded, impacting its competitiveness and margins.

The Group's brands and innovations are world-renowned. This leads to various types of intellectual property right infringements (patents, trademarks, designs), which can hurt its sales and create image risks.

All of the Group's innovations must therefore be protected through patent, design and model filings along with other intellectual property assets including a portfolio of registered brands.

Conversely, the Group's active innovation approach is liable to be in conflict with a patent or a design already filed by a competitor. This would result in a litigation, reputational or financial risk in the event of a recall of the product concerned.

Management of risk

- Innovation has been a major part of the Group's strategy since the very beginning. That's why we invest considerable human and financial resources to support it (€266 million or 3.3% of sales in 2021). In particular, the Group has a global innovation hub at its head office. It has been designed to provide structure to the Group's ability to anticipate changes in consumer trends and to integrate technological developments, thereby strengthening its capacity for disruptive innovation. Centralizing the innovation teams in this way allows the Group to prioritize innovation and development efforts, thereby helping to achieve more impact when launching new products. Offering a product range that stands out from the crowd, with fast factory to shelf time are major advantages that can add momentum to the business and win market share.
- Understanding consumer trends and habits, in addition to harnessing new technologies, has become a key challenge for innovation. The Group actively monitors competitor innovations and other business sectors, amongst other things, to inform its thinking on how to develop its own range of products and the ecosystems that support them. Over the past few years, the Group has emphasized digital innovations with the development of connected products. These help to enhance the consumer experience, particularly through the availability of related services as part of a comprehensive ecosystem. Furthermore, from the design phase, our products reflect our commitment to social and environmental responsibility throughout their life cycle:
  - energy consumption, during manufacture and use,
  - repairability, recyclability or second-hand use, use of recycled materials,
  - ergonomics and inclusive design, etc.
- The Group allocates the budgets required to protect and develop our key intangible assets such as trademarks and innovation, and to combat counterfeiting. It uses a strategy of targeted registration of trademarks, designs and patents, taking into account the sales outlook and high-risk countries.
- The Group monitors risk of intellectual property right infringement online and in the field:
  - anti-counterfeiting measures are being systematically applied in the field, primarily in high-risk regions such as China and the Middle East as well as in high-stake trading countries. These measures include monitoring trade fairs, where investigations are carried out that may lead to customs seizures, legal action and destruction of molds and inventories,
  - on the internet (marketplaces, websites), measures are being taken thanks to a global monitoring system that generates regular reports and makes it possible to take rapid action to have online copies removed and combat trademark infringement and cybersquatting.
- The Group also monitors risk of third parties having their intellectual property infringed upon due to actions integrated into the product innovation and development process. As a result, product launch projects are subject to a freedom to operate analysis of the trademarks, designs and patents before validation and launch. However, the probability remains that a prior industrial property right may not have been identified. In this case, the Group may have to:
  - modify the technical or aesthetic construction of a product to eliminate any risk of litigation,
  - negotiate an amicable settlement of a potential dispute,
  - defend itself if the prior industrial property right is a priori invalid or if the alleged infringement is not proven.

IMAGE AND REPUTATIONAL RISK – LEVEL 3

Description of risk

Groupe SEB relies on a unique portfolio of around 30 brands that hold leadership positions around the world in their respective domestic market. The reputation of these brands is based on product quality and their distribution method, as well as on the marketing and advertising policies they implement.

Products or communication that is inappropriate to the image of the brands, improper conduct by the Group's brand ambassadors, employees, distributors or suppliers, as well as the circulation of damaging information in the media could affect the brand's reputation, have an adverse effect on sales or negatively impact the brands' valuation on the balance sheet (over €1 billion at 31 December 2021).

In times where information circulates more and more rapidly (through internet sites, instant messaging, social networks, etc.), any negative overtones may have an impact on the Group's image, at a country, a region, or even global level, with repercussions on sales and profit.

Risk can emerge based on founded or unfounded information and/or rumors and can cover a wide array of subjects – product quality or safety, material safety (especially food), manufacturing processes, environmental impact, business practices, ethical values or compliance with regulations (tax, labor).

Management of risk

Groupe SEB supports and builds up the reputation of our brands by collaborating with reputable professionals in their fields (communication agencies, ambassadors, influencers etc.), to respect and promote the personality of each brand.

At the same time, the Group actively protects our brands' reputation using a three-level protection mechanism:

- the first level of protection against image risk is preventative and consists in not creating a situation that could lead to negative communication about the Group. This is achieved by conforming to the Group's values and the Code of Ethics, and complying with internal processes (particularly quality, financial reporting, internal control, safety, etc.). All Group employees are regularly reminded of these key principles: when they are hired, and during long-term training and communications. They are alerted to compliance with ethical rules at all levels and some employees receive training in digital technology and social networks and how to use them;
- the second protection consists in setting up a response system for monitoring information: in addition to conventional means for monitoring traditional media, the Group uses an e-reputation tracking tool on social networks, alongside an internal (feedback to management, decision-making) and external (crisis management and procedure unit) communication process;
- lastly, the Group applies measures to secure information-sharing processes to limit the risks of fraudulent communication and identity theft.

1.4.2 OPERATIONAL RISKS

CYBERSECURITY AND INFORMATION SYSTEMS FAILURE RISK – LEVEL 3

Description of risk

Information systems are embedded within the Group's businesses, in terms of both operational processes (production management, accounting, reporting, etc.) and means of communication (email, networks, telephones, tablets and connected objects).

If these systems break down or are disrupted, it would have a potentially significant impact on the Group's operations. A failure could come from a cyber-attack, an intentional or unintentional system contamination by a computer virus or by exploiting weaknesses in our systems' security.

Moreover, the sharp increase in the volume of information processed and the development of connected objects are making data management processes and tools more complex and more technical. Combined with the reinforcement of international regulations on personal data protection (particularly in Europe with the General Data Protection regulation), this significantly increases the impact that a security breach could have on data. A data breach involving our customers, suppliers, consumers or employees, for instance, could have a major long-term impact on the Group's business.

In addition, the Group's expansion (geography, size, business sector) frequently requires us to upgrade or develop our infrastructures, our management systems (ERP), and our applications. This may necessitate minor (adaptation of systems in place) or major changes (definition, construction and implementation of a new system). Each of these developments causes complexity and disruption in the existing IT environment with, in particular, risks to the resources affected by implementation and to operations, if the migration is not effective.

These two risks can produce substantial costs and can expose the Group's business and performance to risk.

Management of risk

- Regarding cybersecurity risk and systems failure, a coordinated watch with several suppliers specializing in systems protection and security aims to monitor developments and actions to counter cybercrime (antivirus, firewalls, and user identification processes). The Information Systems department draws up an annual IT risk map, in collaboration with the Audit and Internal Control department.
- The Group has a highly centralized information systems management policy to guarantee consistency in the security and management of tools. Most of our application servers and data servers are hosted by third parties located in France, in highly secure and redundant environments, enabling business continuity without loss of data. Backup and filtering solutions (antivirus, antispam, web filtering, etc.) are continuously reinforced.
- Lastly, the Group has taken out insurance policies specifically covering cyber-attacks. The policy also covers personal data breaches.
- Resources are specifically dedicated to these issues and are structured internally (reporting to the Chief Information Security Officer (CISO) and the Information Systems Security Committee) and externally (e.g. an intrusion detection specialist).
- Generally speaking, however, the Group is responsible for making all employees accountable: specialists (developers, network administrators, etc.) or end-users (password protection, procedures for opening emails, compliance with the IS Usage Charter included in an annex to the internal rules).
- In terms of personal data protection (GDPR), a procedure in the event of security breaches of our IT applications that affects personal data has been defined and rolled out in order to comply with the notification obligations as set out by the personal data regulations. In 2021, the Group carried out a crisis management exercise to raise awareness among and train stakeholders and to identify in advance the internal and external communications that would be needed in connection with an information leak.
- When tools are developed and new businesses integrated, the Information Systems department, in collaboration with the Group Controlling department, sets up dedicated transition/project teams to ramp up new systems while maintaining existing systems to ensure a smooth and seamless transition.
- The Group minimizes these changes as much as possible over the same time period or geographic area. On average, in one year, less than 20% of subsidiaries are affected by an upgrade or change in management system.
- Next, each management system roll-out is supported by specialized service providers, enabling correct definition of needs and configuration of the management tools, minimizing operational risk when the tool is launched.
- Lastly, the Group makes sure to employ extra resources internally during the start-up phases to reduce the impact on local teams and ensure the solid, stable launch of new solutions.

COMPLIANCE – LEVEL 2

Description of risk

Increasingly complex regulations, the Group's expansion into new geographical areas, changes in technology, and growing competitive pressure are all factors that increase the chances that the following risks will occur:

- fraud, whether originating internally or externally;
- non-compliance with domestic or international regulations;
- non-compliance with the Group's in-house rules.

Compliance and corruption risks are factored into the mapping of Group risks.

Despite our sophisticated and regular internal control and audit process (internal and external), the Group is not immune from violations, whether material or modest, intentional or otherwise.

These violations may carry a risk of administrative or legal proceedings alongside financial and/or reputational risk.

Management of risk

- Compliance with international and local regulations is a Group priority set out in our Code of Ethics.
- The Group conducts continuous regulatory monitoring and is gradually designing training courses adapted to regulatory developments, as part of a Global Compliance training program. This program includes a "Code of Ethics" training course as a starting point, as well as more specific training ("Antitrust", "Anti-corruption" or indeed "Personal data protection").
- It has strengthened its internal control and monitoring systems. It has therefore created a specific compliance entity that includes, in particular, a "personal data protection" unit (GDPR regulation), supervised by a data protection specialist.
- In terms of tax regulations, the Group cooperates and has an open relationship with the tax authorities and endeavors to comply with and implement tax regulations in all the countries in which it operates.

Regulatory changes are monitored by the Accounting and Tax department and local finance departments.

The Group's Code of Ethics also sets out the principles governing its tax policy:

- "We pay all taxes due in the countries in which we operate."
- "We endeavor to ensure that the accounting and tax filings we make to the authorities are exhaustive and reflect the real picture in each subsidiary."

The Group also applies OECD transfer pricing recommendations and is regularly audited by the relevant tax authorities.

- With respect to the fight against external fraud, a process of systematically reporting information on attempted fraud to the Audit and Internal Control department allows the Group to analyze these situations, inform all entities of the risks and respond quickly by implementing new checks (particularly updating our firewalls). A major initiative to raise awareness among financial employees and the systematic implementation of dual checks, for example, have enabled the Group to fight against attempts of identity theft of customers, suppliers and Group senior managers through technological means.
- The policy for managing the risk of corruption is presented in the Non-Financial Performance Statement in Chapter 3 "Corporate Social Responsibility".

RISK LINKED TO THE VOLATILITY OF OUR BUSINESS AND TO COMPETITIVENESS – LEVEL 2

Description of risk

The Group's business activity is somewhat volatile, as a result of:

- the significance of special events (Black Friday, Christmas, Chinese New Year, Singles' Day in China, Mother's Day, Shrove Tuesday, etc.) with sales and results being heavily concentrated in the fourth quarter;
- the variance in the dates of these events, which may occur twice or not at all, depending on the year;
- strong seasonality and the fact that for some products, such as fans, sales depend on weather conditions;
- retailers' loyalty programs, whether ongoing or one-off, which can represent a high basis for comparison from one year to the next;
- in Professional Coffee, signing and executing major contracts with certain customers (large restaurant chains, convenience stores, gas station chains, etc.) for equipment or to replace machines can lead to sales volatility. These deals can represent a high basis for comparison from one year to the next.

The number of products sold, and therefore the Group's revenue and operating result, can fluctuate considerably over a quarter, a half-year or over a year.

In addition, the Group must be able to streamline the productivity of its facilities in order to remain competitive, which involves:

- flexibility on the part of its plants and logistics centers in response to this business volatility;
- shifting between in-house and outsourced production, managing industrial investments and manufacturing costs, simplifying processes and flows, optimizing the supply chain and related inventories (components, work in progress, finished products), etc.;
- speeding up throughput over the entire value chain to better respond to customers' expectations;
- streamlining product diversity and complexity (by delayed differentiation, in particular);
- taking into consideration changes in external factors, such as the price of raw materials, transportation costs and exchange rates.

Management of risk

- Business during high resale periods are planned in conjunction with our major distribution partners to reduce unknown risks. Sales and promotional campaigns remain aggressive during the low season to spread out revenue a little more evenly throughout the year. The Group's geographic diversification also reduces the risk of volatility caused by seasonal products sold due to weather conditions.

  As far as loyalty programs are concerned, this process is accompanied by monitoring throughout the campaign with the different stakeholders, to secure volumes and procurement.

  Regarding our professional coffee machines business, the Group makes every effort to have a growing list of contracts – including the smaller contracts – that it manages in an order book, to offset the impact from huge one-off deals from one year to another.
- As a manufacturing company, Groupe SEB constantly has to decide between internal or outsourced production. Against this backdrop, around two thirds of the Group's products are manufactured internally:

  For in-house production, our local and central/cross-functional manufacturing teams continuously strive to improve the competitiveness of our sites, specifically through the rollout of continuous improvement programs. At the same time, the production teams have put in place an industrial flexibility program using diverse technological platforms to improve our responsiveness and adaptability to market need, as well as to potential rapid developments in market conditions (currencies, customs fees, raw materials, etc.).

  The Group's currency position is short in dollars and yuan and long in all other currencies. The Group is required to adjust its pricing policy to offset fluctuations in exchange rates, which are sometimes sudden and significant, freight costs and raw materials. In addition, Groupe SEB addresses exposure to currencies and raw materials with a hedging policy that is described in Note 25 of the financial statements.

RISK RELATED TO ATTRACTING AND RETAINING TALENT – LEVEL 2

Description of risk

When the company is experiencing sustained growth in a market that's in constant flux, we have to constantly shape our human resources and expand our expertise within the Group.

Our Consumer markets (small electrical appliances and cookware) and BtoB are largely impacted by major societal trends (consumption patterns, and especially food, environmental impact from the business, robotics, digitization, etc.). The Group is keeping up with these trends with a strong commitment and major investments – in innovation, supply chain, data, digital technology – requiring increasingly specialized and qualified employees.

For some of these key profiles, shortages and/or increasing competition could make it difficult to attract and retain talents. This could cause delays in integrating expertise needed to develop and manufacture Group products.

Certain geographic areas, or certain areas of the Group's expertise, are particularly prone to this risk.

Management of risk

In broad terms, the management policy for this risk is presented in the Non-Financial Performance Statement in Chapter 3 "Corporate Social Responsibility". In particular, it sets out the Group's global policy regarding human resource management, and more specifically:

- measures taken to attract young talent (schools programs, graduate schemes);
- raising the profile of the Group on digital platforms;
- opportunities for career development.

MACROECONOMIC, GEOPOLITICAL AND REGULATORY RISKS – LEVEL 2

Description of risk

Since the Group operates in nearly 150 countries, we are exposed to various outside risks that are beyond our control. These outside risks go beyond currency risk – the Group must deal with political, economic or social instability, particularly in developing countries where we achieve a significant portion of our sales.

This instability may adversely impact consumer confidence and thus household consumption. If there is a proven and prolonged recession, the Group's business could suffer from currency depreciation for the local currency combined with an upsurge in inflation.

The Group also has to face geopolitical risks which could result in economic sanctions between countries – embargoes or high taxes on certain goods or commodities, which could include our products – or they could result in open conflict. The Group may decide to pass on a portion of these taxes onto the product's sale price, which risks losing a competitive edge compared to competitors that may not be subject to the tax, or we can keep prices the same and lose profit margin.

Lastly, regulatory and / or tax changes (corporate income tax, VAT, withholdings, tax agreements, etc.) may impact the Group's operations in the countries concerned.

Management of risk

- The Group's international presence – both commercial and industrial – helps to diversify risks, as they can be offset between countries and geographical areas.
- A risk map is also drawn up each year by the Audit and Internal Control department, in collaboration with the management teams of the entities concerned, to assess changes in risks (political, social, economic, etc.) for each country.
- Constantly adapting to changes in the markets is an integral part of the Group's know-how. When the Group was going through the financial crisis, we knew we needed to adjust our structures and prices quickly to reduce impacts from local currency depreciation as quickly as possible and adjust our cost bases to a reduction in sales.
- The Group's powerful and versatile manufacturing base gives the Group some flexibility in how to supply different markets and potentially transfer the manufacturing base if necessary.
- Continual monitoring of activity in all the countries where the Group operates means it can react quickly to circumstances that may arise.

1.4.3 INDUSTRIAL AND ENVIRONMENTAL RISKS

RISK OF BUSINESS INTERRUPTION – LEVEL 2

Description of risk

Because of its size and product diversity, Groupe SEB manages an increasingly complex procurement process that includes raw materials, components and finished products.

It is subject to several factors that could have an impact on the Group's business continuity:

- As a manufacturer, the Group manufactures 2/3 of the products we sell in our own plants. Our ability to forecast sales and adjust our production schedule, and our ability to correctly deliver our contracts are therefore crucial.
- Every year the Group purchases significant volumes of raw materials, components, finished products, etc. Having an excessive concentration of suppliers could lead to dependency with a high risk to business continuity if there is ever a disruption (delivery delay, business interruption, business relationship gone sour, bankruptcy, major incident such as fire, etc.).
- As the Group operates on a global scale, the supply chain in place is increasingly complex. The way our plants, suppliers and markets are spread out leads to a high dependence on certain logistics routes (China to Europe, China to the United States, Europe to the Middle East or the Americas, etc.). These routes could be disrupted, especially if natural or geopolitical risks arise, significantly impacting our operations.
- The Group has to face natural risks (fires, floods, landslides) or epidemics that can affect our plants, warehouses or a geographic area where the Group operates and could affect industrial operations at the site or in the area concerned.
- The Group is exposed to industrial risks (accidents, pollution emissions, fires), which may affect its 38 plants worldwide.

Finally and exceptionally, the world is experiencing a health crisis that is disrupting the supply chain worldwide, including:

- The manufacturing base, when the health situation requires closure of the Group's sites, or those of its suppliers and sub-contractors.
- Raw materials, components and finished products, which are under significant pressures following the simultaneous resumption of production in the world's major economies.
- Freight (sea, air, road), with the main roads also being overloaded as a result of the recovery of the global economy.

Management of risk

- Planning and logistics are managed at the global level. The Group has rolled out a group-wide and collaborative S&OP (Sales and Operating Planning) process, from sales forecasting in market companies to capacity planning, production and delivery to the customer.
- The Group is particularly vigilant about diversifying risks and limiting dependence in terms of component, raw material and finished product supplies. Its priority is to ensure continuity of production under optimum economic conditions, while conforming to ethical principles, and to have alternatives at its disposal within a single product family or for a specific technology.
- With regard to logistics routes, there is no systematic alternative for all shipments; however, the Group encourages alternative routes as much as possible, such as river transportation.
- Concerning the continuity of our industrial operations, each of the Group's plants complies with international standards and uses specific industrial processes, if necessary. All the Group's production sites undergo an annual assessment of local risks and prevention plans are put in place. Additionally, the Group has applied an active approach to industrial risk prevention by conducting regular audits, investing in maintenance and optimizing certain processes to limit the probability of such risks occurring. The European, US and Chinese sites are generally not, or only slightly, exposed to major natural risks (hurricanes, floods, earthquakes, etc.), and the same is true of the warehouses.
- The risk of a pandemic is included in our international health plan "Health in SEB" and in each site's business continuity plan. Details of the "Health in SEB" plan are given in Chapter 3, page 159.

Specifically, in 2021, almost all of the Group's plants were able to operate normally, albeit under appropriate health conditions. Measures such as (i) mandatory mask-wearing (ii) availability of alcohol-based disinfectant gel (iii) increased spacing between workstations, were implemented in line with the Group's priority concern for the health and safety of its employees.

Supplies of raw materials and components were secured with all available suppliers in order to optimize the operation of our production lines. The Group went much further up its supply chain, forged closer relationships with its suppliers and opted for alternative sources of supply.

The Group secured its freight contracts, particularly shipping, as far as possible. In addition, it also had to swap large, low-added-value products for products with high added value.

Improved industrial absorption partly helped to offset the excessive charges incurred on various items.

EMPLOYEE HEALTH AND SAFETY AND ENVIRONMENT RISK – LEVEL 2

Description of risk

The health and safety of its employees are among Groupe SEB's foremost concerns. Nonetheless, the risk of work-related illnesses, workplace accidents or physical injuries cannot be ruled out.

With nearly 33,000 employees spanning the globe, the risk of a workplace accident will always be present and it concerns all categories of employees (on site, in stores, at headquarters, etc.).

On the other hand, with 38 plants around the world, the Group is exposed to industrial risks (fires, accidents, pollution emission), which may affect the health of our employees and the environment.

As the Group operates in nearly 150 countries, we are also exposed to safety and security risk for our employees: operations in at-risk countries, frequent work travel in different areas where the Group operates, abrupt geopolitical changes in certain areas involving physical risks for local teams, etc.

And finally, for the past two years, the whole world has faced an unprecedented situation due to the Covid-19 pandemic. Despite the rollout of vaccination programs worldwide, the public health situation remains highly uncertain.

We cannot totally rule out these events from occurring and it could have an adverse impact on the Group's business and results, our human resources as well as our image and reputation.

Management of risk

Permanent measures are in place to protect the health and safety of employees. These are documented and training is delivered regularly, including via e-learning.

The management policy for this risk is presented in the Extra-Financial Performance Declaration in Chapter 3 "Corporate Social Responsibility".

In terms of managing risks associated with Covid-19, the health of the Group's employees has been, and remains, the top priority.

Health measures were put in place at all Group sites (plants, offices, warehouses, stores, etc.), including:

- protective measures in the workplace (provision of masks, social distancing, hygiene measures);
- isolation in the event of infection;
- organizational measures for telecommuting.

The Group has needed to, and may yet need to, temporarily close one or more of its sites (production sites, warehouses, commercial subsidiaries and administrative offices, retail stores etc.) due to the restrictions put in place by national governments.

PRODUCT QUALITY AND CONSUMER SAFETY RISK – LEVEL 1

Description of risk

Product quality and consumer safety are priorities for the Group. It therefore pays the utmost attention to the safety and security of raw materials, components and finished products.

However, instances of users being hurt when a product malfunctions or is used inappropriately cannot be ruled out. A product, whether manufactured internally or outsourced, may present (i) a design defect, or (ii) a manufacturing fault.

The Group may therefore have to accept liability or witness the image of its brands being tarnished.

It is exposed to risks of warranty or liability claims from customers and consumers. Product recalls may prove necessary in some cases.

At the same time, as a result of its global presence, the Group is also exposed to a variety of different regulations.

Regulations regarding food products and materials liable to create a health risk are constantly changing. They tend to tighten, and they are sometimes preceded by media campaigns about the harmfulness of certain materials. Any of these situations might generate a risk zone for the Group if one or more of the materials concerned were used in the production of our products.

Management of risk

- The Group's quality policy is fully incorporated into the design and manufacture of all products. The Group has implemented an internal and external quality control protocol for the products it markets. Each stage of product design is part of a standard quality process and is subject to successive approvals, particularly with regard to:
  - the components used,
  - the materials used,
  - the suppliers selected.
  - The products are subject to endurance tests, which simulate their operation under standard conditions of use for long periods of time.
- In addition, the Group also endeavors to include simple and accessible user information sheets with our products, and our electrical products in particular, to warn of potentially hazardous uses.
- In the markets, the Group uses a network (usually outsourced) of service centers, which manages product repair and follow-up. The employees/technicians in these service centers receive regular and comprehensive training from the Group to ensure they can provide optimum support to consumers should one of its products malfunction. The service centers are also authorized to handle customer complaints, repairs under and outside warranty, and the sale of spare parts and consumables, in order to provide the best level of service to our consumers.
- With regard to potential health risks, the Group has set up a regulatory and technical watch process (on all media, including the internet). This ensures that standards and restrictions in these areas (including the update following the European Directive on Dangerous Substances amongst other things) are rolled out to the R&D teams.
- The measures implemented by the Group to ensure consumer health and safety are set out in the Vigilance Plan in Chapter 3 "Corporate Social Responsibility".

1.4.4 INSURANCE

GROUP GENERAL INSURANCE COVER (EXCLUDING INSURANCE OF PERSONS)

Groupe SEB's policy concerning insurance coverage (Fire, Accidents and Miscellaneous Risks) is, on the one hand, to protect its assets against risks that could affect the Group and, on the other, to cover its liability for any damages caused to third parties. This transfer of risk to insurance companies is nonetheless accompanied by risk protection and prevention measures. For confidentiality reasons, the amount of the premiums is not disclosed. Acquired companies are incorporated into global insurance programs.

INTEGRATED WORLDWIDE COVERAGE

The Group has established worldwide insurance plans with major international insurers to protect itself against major risks, which include damage to property and loss of earnings, civil liability, environment, transport and inventory, cybercrime and customer risks.

DAMAGE TO ASSETS AND LOSS OF EARNINGS

Coverage for risk of property damage and consequent loss of earnings resulting from common risks (fire, flooding, etc.) amounts to €250 million per claim for factories and warehouses, with an additional €150 million for certain strategic sites.

This figure was calculated using the "Maximum Foreseeable Loss" hypothesis in consultation with the insurer and its assessors, who analyzed the impact of the total destruction of one of the Group's main production centers. Lower thresholds are in place for other types of more specific or localized risk, such as the risk of earthquake in certain regions where the Group operates abroad.

This policy takes into consideration additional risk protection measures at Group sites, which are regularly visited by specialist risk prevention assessors from the insurance companies concerned.

CIVIL LIABILITY

All the Group's subsidiaries are included in a worldwide civil liability insurance plan that covers liability relating to their operations and the products that they manufacture or distribute, as well as the cost of product recalls.

The amounts of coverage are based on the quantification of the risks to which the Group is exposed in view of its business.

The Group also covers its senior managers for civil liability under a specific insurance policy.

ENVIRONMENT

A multi-risk environmental insurance policy covers environmental risks on all Group sites.

Coverage applies to:

- accidental, historical and gradual pollution;
- damage to biodiversity;
- pollution clean-up costs.

TRANSPORT AND INVENTORY

The Group's transport insurance covers damage to transported merchandise for all types of transport: sea, road/rail or air transport anywhere in the world.

This insurance covers transport risks up to an amount of €10 million per occurrence.

It also covers incidents occurring at warehouses up to a maximum of €15 million, with any amount over this limit being covered by the policy for damage to property and loss of earnings.

CYBER

Financial protection held by Groupe SEB against attacks on its IT systems covers damage and liability for a total amount of €15 million. This broad-scope insurance policy also covers attacks on personal data.

CUSTOMER RISK

With rare exceptions relating to local issues, the Group's subsidiaries hold credit risk insurance under a Group plan to cover the majority of their risk on customer receivables.

LOCAL INSURANCE POLICIES

More specific insurance policies are taken out locally by each of the Group's companies, as appropriate.

2 Corporate governance

2.1 Implementation framework for corporate governance principles

Groupe SEB adheres to the January 2020 version of the AFEP-MEDEF Corporate Governance Code for listed companies (the "AFEP-MEDEF Code"), which can be consulted on the MEDEF website (https://afep.com/).

Pursuant to the recommendations of the AFEP-MEDEF Code, as well as Article L. 22-10-10 4° of the French Commercial Code, this chapter reports on the application of the provisions adopted and explains why some provisions were not applied. In accordance with Article L. 225-37, paragraph 6 of the French Commercial Code, this chapter includes a portion of the Corporate Governance Report, appended to the Management Report, as shown in the cross-reference table available on page 389.

It should be noted that the information referred to in Article L. 22-10-11 of the French Commercial Code and, in particular, information concerning the capital structure of the company and factors which could affect a hypothetical takeover bid, appears in Chapter 7, "Information concerning the company and its share capital".

2.2 Management structure

The methods of exercising The Group's General Management form part of an approach to protecting the Group's interests, and the chosen governance method should allow the Group's performance to be optimized while ensuring its long-term development.

MANAGEMENT STRUCTURE AS AT 31 DECEMBER 2021: UNIQUENESS OF THE ROLES OF CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

As at 31 December 2021, the company is managed by Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer. He is assisted by Stanislas de Gramont, Chief Operating Officer, who took office on 3 December 2018.

CHOICE OF UNITARY METHOD OF GENERAL MANAGEMENT

Each time Thierry de La Tour d'Artaise was reappointed, in 2004, 2008, 2012, 2016 and 2020, the Board of Directors confirmed this structure for the company's management authority, deemed to be the most appropriate given the company's organizational structure and operating methods, offering faster and more efficient decision-making.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In a unitary management structure, the Board of Directors is responsible for deciding whether or not the General Management of the company can be entrusted to the Chairman of the Board or to a third party, in accordance with Article L. 225-51-1 of the French Commercial Code and the recommendations of the AFEP-MEDEF Code.

During a meeting on 21 June 2002, the Board of Directors had unanimously decided that the General Management of the company would be assumed, under its responsibility, by the Chairman of the Board of Directors, Thierry de La Tour d'Artaise.

Moreover, the Board of Directors applied no limits to the powers of the Chairman and CEO, which are described on page 91.

CHIEF OPERATING OFFICER

Following its meeting of 10 October 2018, the Board of Directors, on the proposal of the Chairman and Chief Executive Officer and after studying the recommendations of the nominations and remunerations Committee (now called governance and remuneration Committee), appointed Stanislas de Gramont as Chief Operating Officer, replacing Bertrand Neuschwander.

As Chief Operating Officer, Stanislas de Gramont's role is to assist Thierry de La Tour d'Artaise in his Group management tasks, in accordance with the law and the Company's bylaws.

He has the same powers as Chairman and CEO Thierry de La Tour d'Artaise with respect to third parties.

At the several Governance and Remuneration Committee Meetings held specifically in connection with monitoring the succession plan, the scope of Stanislas de Gramont's duties and areas of operation was reviewed regularly and gradually extended.

MANAGEMENT STRUCTURE FROM 1 JULY 2022: SEPARATION OF THE ROLES OF CHAIRMAN OF THE BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

CHOICE OF DUAL METHOD OF GENERAL MANAGEMENT

From 1 July 2022, the company's Management will be exercised separately.

In fact, by decision of the Board of Directors on 10 February 2022, following the proposal of Thierry de La Tour d'Artaise and the recommendations of the Governance and Remuneration Committee, the Board decided to separate the functions of Chairman and Chief Executive Officer.

The Board of Directors firmly believes that the proposed change will ensure the sustainability of the Group's performance, values and commitments, as well as the quality of its governance.

This dual governance, based on the relationship of trust established between Thierry de La Tour d'Artaise and Stanislas de Gramont, will allow the Group to combine forward-looking prospects with operational excellence.

In accordance with the provisions of Article 22 of the Company's statutes, "The Board of Directors determines the term it intends to give the option chosen". The Board has chosen to reconcile the term of this choice with the next expiry of Thierry de La Tour d'Artaise's term of office as Director, i.e. at the close of the Annual General Meeting of May 2024 called to approve the financial statements for 2023.

CHAIRMAN OF THE BOARD OF DIRECTORS

At its meeting of 10 February 2022, the Board of Directors decided to renew its confidence in M. Thierry de La Tour d'Artaise and thus to renew his term of office as Chairman of the Board of Directors, a position he has held since 2000, as of July 1, 2022. The Board of Directors therefore wishes to continue relying on Thierry de La Tour d'Artaise as Chairman so that both the Board of Directors and Stanislas de Gramont may benefit from his expertise and extensive knowledge of the Group's business sector. The Board of Directors may rely on his knowledge of shareholding, expertise in governance to meet the growing expectations of stakeholders, his experience in acquisitions and his vision for sustainable development.

CHIEF EXECUTIVE OFFICER

At its meeting of 10 February 2022, the Board of Directors, on the recommendation of the Governance and Remuneration Committee, decided to appoint Stanislas de Gramont as Chief Executive Officer from 1 July 2022.

Stanislas de Gramont joined Groupe SEB in 2018 as Deputy CEO after managing Suntory's Europe Food and Beverage business; he had previously worked for most of his career with Danone Group in several countries and divisions.

Stanislas de Gramont, who has seen his responsibilities regularly widened as part of the active pairing Thierry de La Tour d'Artaise since joining the Group, will be able to use his qualities to the full by becoming the Group's Chief Executive Officer.

The Chief Executive Officer represents the company in its relations with third parties. He has the broadest powers to act under all circumstances on the company's behalf in accordance with Article L. 225-56 of the French Commercial Code.

2.3 Composition, organization and operation of the Board of Directors

The Board of Directors is a collective body that represents all the shareholders and acts solely in the company's interests.

According to the AFEP-MEDEF Code: "the organization of the Board's work, and likewise its membership, must be suited to the shareholder make-up, to the size and nature of each firm's business, and to the particular circumstances facing it. Each Board is the best judge of this, and its foremost responsibility is to adopt the modes of organization and operation that enable it to carry out its mission in the best possible manner".

The company was inspired by these recommendations to organize a Board of Directors, with a membership and organizational structure which enable it to effectively perform its corporate missions, in line with the various interests at stake.

COMPOSITION OF THE BOARD OF DIRECTORS

The company's governance is based on the existence of a family base that has evolved and adapted to the challenges, business activities and requirements of all stakeholders.

This family heritage is reflected in the composition of the Board of Directors on which the presence of directors from the Founder Group responds to the family shareholding structure while complying with the principles of corporate governance, particularly thanks to the presence of independent directors.

GENERAL PRINCIPLES RELATING TO THE COMPOSITION OF THE BOARD OF DIRECTORS

Since the Annual General Meeting of 6 August 2021, the Board of Directors has been composed of 16 members whose terms of office are four years in accordance with the bylaws.

The composition of the Board of Directors is as follows:

- the Chairman;
- seven directors representing the Founder Group, namely:
- four directors from VENELLE INVESTISSEMEN;,
- two directors from GÉNÉRACTION;
- one director from FÉDÉRACTIVE;
- five independent directors;
- one director representing employee shareholders; and
- two directors representing employees.

More than one-third of members of the Board of Directors are independent (5/13, 38.4%), as recommended by the AFEP-MEDEF Code for controlled companies. This calculation does not include the director representing employee shareholders and the two directors representing employees.

In accordance with the calculation method set out in the bylaws and the new provisions of the PACTE law the director representing employee shareholders and the two directors representing employees are excluded from the calculation of the representation of women. Under this new calculation method, with six women on the Board of Directors, the representation of women stands at 46% (6/13) of the members of the Board of Directors, in accordance with Article L. 22-10-3 of the French Commercial Code. As a reminder, taking into account the Board's entire composition, this ratio is 50% (8/16).

Description of the policy relating to diversity on the Board of Directors

Pursuant to the provisions of Article L. 22-10-10, 2 of the French Commercial Code, the Board of Directors strives to maintain a balance in its membership and in that of its Committees, particularly when it comes to diversity in terms of careers and experience. Wide-ranging, complementary skills and ethics are also essential to the smooth operation of the Board of Directors.

More specifically, the Governance and Remuneration Committee seeks to include directors with skills that enhance the quality of debate and contribute to informed discussion. In addition, the international experience acquired by certain directors during their professional careers or as a result of their residency abroad ensures that the Board of Directors takes greater account of international practices and issues.

This diversity also stems from:

- the independent directors having a wide range of complementary expertise (distribution, finance, digital technology, strategy, human resources, audit, governance and CSR);
- contributions from the employee representatives, who provide input from a different, CSR-focused perspective; and
- from a long-term outlook, a commitment to founding values and to maintaining family concert unity, the Group's reference shareholders.

During the 2021 evaluation of the Board of Directors, the members were able, through various questions on this subject, to express their satisfaction with the diversity in the composition of the Board and with the resulting enrichment.

Description of the procedure for selecting independent directors

In accordance with the provisions of the AFEP-MEDEF Code, the Governance and Remuneration Committee organizes a procedure to select future independent directors and conducts its own research into potential candidates before any approach is made. In this regard, the Governance and Remuneration Committee has documented a procedure for selecting independent directors, which has been approved by the Board of Directors. This procedure is appended to the internal rules of the Board of Directors and aims to set out the process followed by identifying the various stages for selecting future independent directors to serve on the Board of Directors of SEB S.A.

To ensure that there is a balance in its membership, the Board of Directors takes into account whether the current and future profiles are diverse and compatible with each other, as is required for the Board to be effective and operate smoothly.

The Governance and Remuneration Committee implements the procedure to select the independent directors on behalf of the Board of Directors. This Committee has full leeway to investigate the suggestions of Management and the Board of Directors and to have specialist Boards carry out any studies and benchmarking that it deems appropriate.

From financial year 2021 onwards, this report on the company's corporate governance will provide an update on the practical application of the formalized director selection procedure.

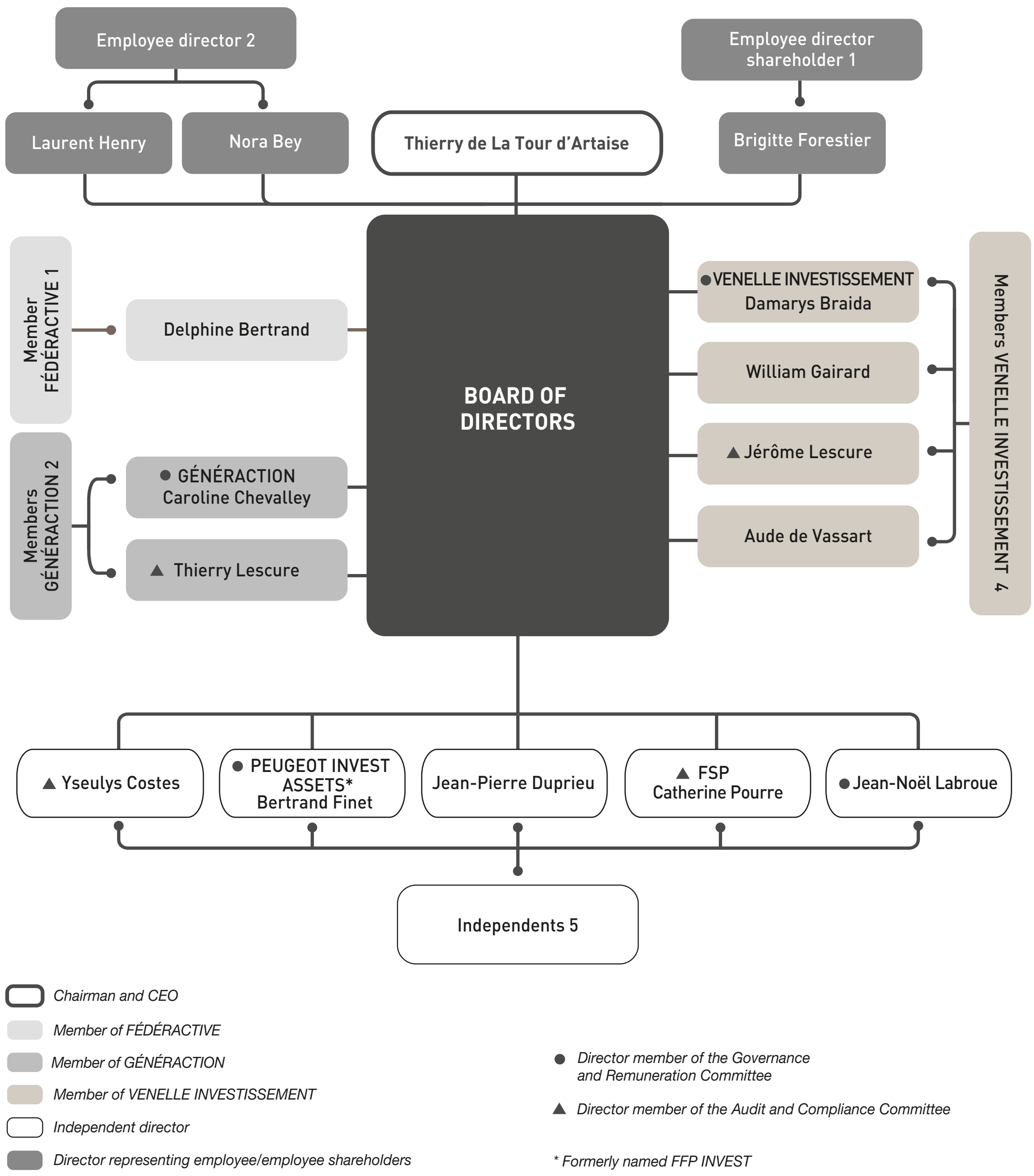
The aforementioned procedure has been used in the search for the replacement for M. Jean-Noël Labroue, an independent director, whose term of office will expire at the end of the 2022 Annual General Meeting. M. Jean-Noël Labroue's term of office as an independent director has already been renewed twice, bringing his total term of office to 12 years. In accordance with the provisions of the AFE-MEDEF Code, he will cease to be an independent director at the end of the 2022 Annual General Meeting.

The Governance and Compensation Committee, having identified that the aforementioned term of office would expire, and the specific needs of the Board of Directors, began a process in May 2021 of searching for a new candidate for the role of independent director while ensuring compliance with the company's various principles and policies. On 17 February 2022, the Governance and Compensation Committee made a recommendation to the Board of Directors, which, after review, decided to confirm the choice made by the Committee and thus decided to propose the appointment of a new independent director at the Annual General Meeting of 19 May 2022. Details of the presentation of the director whose appointment is submitted to the General Meeting are in Chapter 8 of this Universal Registration Document.

Ownership of the company's capital by the directors as of December 31, 2021

At 31 December 2021, the directors jointly held 9.97% of the company's OGM capital and 10.25% of the company's EGM capital, 13.32% of the OGM theoretical voting rights, and 13.70% of the EGM theoretical voting rights. The terms of the Directors' Charter and the internal rules of the Board of Directors (the "Charter and internal rules"), under which each director is required to hold a minimum number of pure registered SEB S.A. shares, equivalent to about two years of remuneration allocated to one director, are adhered to. By way of a reminder, this rule does not apply to directors representing employees or directors representing employee shareholders.

COMPOSITION OF THE BOARD OF DIRECTORS AT 31 DECEMBER 2021



ABOUT THE DIRECTORS AS AT 31/12/2021

FOUNDING CHAIRMEN

Frédéric Lescure † **Henri Lescure †** **Emmanuel Lescure †**

Thierry DE LA TOUR D'ARTAISE

Chairman and Chief Executive Officer

- **Date of first appointment:** AGM of 3 May 1999
- **Date of last reappointment:** AGM of 19 May 2020
- **End date of term of office:** 2024 AGM

Main professional address:
Campus SEB
112 chemin du Moulin Carron
69130 Écully – France

Age: 67

Nationality: French

Committee member: No

Number of SEB shares held: 483,444

Biography

The Chairman and Chief Executive Officer of Groupe SEB, Thierry de La Tour d'Artaise, was born in October 1954 in Lyon. He graduated from the ESCP in 1976 and is a Chartered accountant. He is also an officer of the French Legion of Honor.

He began his career at Allendale Insurance in the US in 1976 as a Financial Controller, before joining the audit firm Coopers & Lybrand in 1979 as an Auditor, and then a manager. He moved to Groupe Chargeurs in 1983, where he was appointed Chief Financial officer of Croisières Paquet, before becoming Chief Executive Officer.

In 1994, Thierry de La Tour d'Artaise came to Groupe SEB as Chief Executive Officer, then Chairman and Chief Executive Officer of Calor S.A. (1996). In 1999, he was appointed Vice-Chairman and CEO of Groupe SEB, and has been its Chairman and Chief Executive Officer since 2000.

Other current offices and positions as of 31/12/2021

Company	Functions and current mandates
SEB DEVELOPPEMENT S.A.S.	Chairman
SEB INTERNATIONALE (wholly owned subsidiary of SEB S.A.)	Chairman
Zhejiang Supor Co., Ltd * (China – a listed subsidiary 82.44% owned by SEB INTERNATIONALE)	Chairman of the Board of Directors
WMF GROUP GMBH	Chairman of the Supervisory Board
Groupe SEB RE	Chairman and Chief Executive Officer
ZHEJIANG SUPOR WATER HEATERS	Director

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
CIC – Lyonnaise de Banque	Permanent representative of Sofinaction on the Board of Directors
SIPAREX ASSOCIES	Permanent representative of SEB ALLIANCE on the Board of Directors

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Peugeot S.A. *	Member of the Supervisory Board
Holding HPP	Chairman
Legrand*	Director and member of the Nominations and Governance Committee

* *Listed company.*

Delphine BERTRAND

Director – member of the Founder Group, member of FÉDÉRACTIVE

- **Date of first appointment:** AGM of 11 May 2017
- **Date of last reappointment:** AGM of 16 May 2018
- **End date of term of office:** 2022 AGM

Main professional address:
Campus SEB
112 chemin du Moulin Carron
69130 Écully – France

Age: 56

Nationality: French

Committee member: No

Number of SEB shares held:
132,152 (11,384 full ownership and 120,768 bare ownership)

Biography

Delphine Bertrand has a degree in Japanese, holds a CPEI qualification from the Institut National des Langues et Civilisations Orientales (INALCO) and is a Master Practitioner of neurolinguistic programming. She has served as communication officer of FÉDÉRACTIVE since 2013.

She is a co-founder of the Première Pierre foundation (FPP), which was set up in 2007 to support charitable organizations that help vulnerable people to rebuild their lives, in the areas of housing, employment, disability and education.

Delphine Bertrand is certified in corporate governance: "*objectif administratrice*" from EM Lyon.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
FÉDÉRACTIVE	Member of the Advisory Board

Offices and positions held in the last five years and now expired

None

Nora BEY

Director representing employees

- **Date of first appointment:** Groupe SEB European Committee 27 June 2019
- **End date of term of office:** 2023

Main professional address:
Campus SEB
112 chemin du Moulin Carron
69130 Écully – France

Age: 48

Nationality: French

Committee member: No

Number of SEB shares held: n/a

Biography

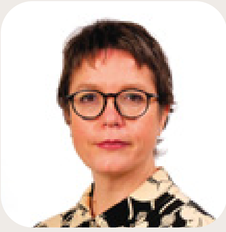
Nora Bey holds a master's degree in Sales and Marketing from the Conservatoire National des Arts et Métiers in Paris and is a CSCP certified Supply Chain Professional. She joined Groupe SEB in 1997. Nora performed various Supply Chain functions for Tefal SAS before being appointed head of sales and operations planning in the cookware business in 2017.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

None

Other offices and positions held in the last five years and now expired

None



Yseulys COSTES

Independent director

- **Date of first appointment:** AGM of 14 May 2013
- **Date of last reappointment:** AGM of 20 May 2021
- **End date of term of office:** AG 2025

Main professional address:
28 Rue de Châteaudun
75009 Paris – France

Age: 49

Nationality: French

Committee member:
Audit and Compliance Committee

Number of SEB shares held: 825

Biography

Yseulys Costes holds a master's degree in Management Sciences and a postgraduate degree in Marketing and Strategy from Université Paris-IX Dauphine. She is Chairwoman, CEO and founder of Numberly – 1000mercis Group. She discovered the internet in 1995 during her MBA studies at the Robert O. Anderson School in the US. Given her interest in Data and Marketing, she founded Numberly – 1000mercis Group to offer its clients innovative digital strategies with a high return on investment, through targeted, multi-channel solutions with a measurable impact. As an Interactive Marketing researcher, she spent time at Harvard Business School, in the US, and has taught at several institutions (HEC, ESSEC and Paris Dauphine).

Before founding Numberly, she wrote many works and articles on marketing and databases, and was the coordinator of the IAB France on its creation.

In 2014, she moved to Palo Alto in California, the heart of Ad Tech, to develop Numberly, the Group's international subsidiary. She moved back to France in 2018.

Other offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
Numberly * – 1000mercis Group	Chairwoman and Chief Executive Officer
Ocito (Groupe 1000mercis)	Chairwoman of the Supervisory Board
Kering S.A. *	Director, member of the Audit Committee, member of the Appointments Committee and Chairwoman of the Compensation Committee

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Vivendi *	Member of the Supervisory Board

* *Listed company.*

Jean-Pierre DUPRIEU

Independent director

- **Date of first appointment:** AGM of 22 May 2019
- **End date of term of office:** AG 2023

Main professional address:
Campus SEB
112 chemin du Moulin Carron
69130 Écully – France

Age: 69

Nationality: French

Committee member: No

Number of SEB shares held: 439

Biography

Jean-Pierre Duprieu is an agronomic engineer with a master's Degree in Food Industry from the Institut National Agronomique (AgroParisTech). He is also a Graduate of the Institut de Contrôle de Gestion and the International Forum (Wharton). He joined the Air Liquide Group in 1976. He spent his entire career at Air Liquide holding various commercial, operational, strategic and general management positions, first as International Marketing Director, then as Sales and Marketing Director for France and then as Executive Vice-president of Air Liquide France. In 2000, Jean-Pierre Duprieu was appointed Senior Vice-president and member of the Group's Executive Committee in charge of Europe, Africa and the Middle East. For five years, he was based in Tokyo as a member of the Executive Committee, Director of the Asia Pacific region and of the World Electronics Business Line. Upon returning from Asia in 2010, he was named Deputy Chief Executive Officer of the Air Liquide Group.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
Michelin *	Member of the Supervisory Board and Chairman of the Compensation and Appointments Committee
Korian Group *	Chairman of the Board of Directors Member of the Investment Committee
DEHON SAS	Member of the Supervisory Committee

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Air Liquide Group *	Deputy Chief Executive Officer
Air Liquide Santé International	Director
Air Liquide Eastern Europe	Chairman of the Board of Directors

* *Listed company.*

Registered office:
66, avenue Charles de Gaulle
92200 Neuilly-sur-Seine, France
535 360 564 RCS Nanterre

Committee member:
Governance and Remuneration Committee

Number of SEB shares held: 2,223,674

PEUGEOT INVEST ASSETS (formerly FFP Invest)

Independent director

- Simplified joint-stock company with share capital of €541,010,740

- **Date of first appointment:** AGM of 14 May 2013
- **Date of last reappointment:** AGM of 20 May 2021
- **End date of term of office:** AG 2025

Information

PEUGEOT INVEST ASSETS has been a registered company since 17 November 2011. It is wholly owned by PEUGEOT INVEST, a holding company listed on the Paris Stock Exchange, which is majority owned by the Peugeot family group.

It is represented by Bertrand Finet, its Chief Executive Officer.

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Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
Immobilière Dassault *	Member of the Supervisory Board
IDI Emerging Markets (Luxembourg)	Member of the Supervisory Board
Orpea *	Director
Lapillus II	Director
FFP Les Grésillons	Managing Director
LDAP	Member of the Executive Committee
SPIE *	Director
Lisi *	Director
Total Eren	Director on the Board of Directors

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
IDI *	Vice-Chairman and member of the Supervisory Board
Financière Guiraud	Chairman
Zodiac Aerospace *	Member of the Supervisory Board
LT Participations	Director
IPSOS *	Director
ONET	Member of the Supervisory Board
SANEF *	Director
Gran Via 2008	Director
Valmy FFP	Managing Director

* *Listed company.*

Bertrand FINET

Permanent representative of PEUGEOT INVEST ASSETS

- **Date of first appointment:** AG du 22 mai 2019
- **End date of term of office:** AG 2023

Main professional address:
66, avenue Charles de Gaulle
92200 Neuilly-sur-Seine – France

Age: 56

Nationality: French

Biography

After graduating from ESSEC in 1988, Bertrand Finet started his career in 1991 at 3i Group, where he was appointed Chief Investment Officer. He held this post for two years in London before joining the Group's French subsidiary.

He was appointed Managing Director of CVC Capital Partners France in 1996, before heading the Paris office of Candover France starting in 2006.

In 2009, Bertrand Finet was made a member director of the Fonds Stratégique d'Investissement's (FSI) Executive Committee, then in 2013, Executive Director at Bpifrance in the Fonds Propres PME department, before being appointed Executive Director of Bpifrance's Mid & Large Cap department in April 2015.

He was appointed Chief Executive Officer of FFP now called PEUGEOT INVEST in May 2020, having been its Chief Operating Officer since January 2017.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
PEUGEOT INVEST *	Chief Executive Officer
PEUGEOT INVEST ASSETS	Chief Executive Officer
PEUGEOT INVEST UK (United Kingdom)	Director
Peugeot 1810	Representative of PEUGEOT INVEST, Chairman
FFP Invest Arb	Chairman
LDAP	Permanent representative of PEUGEOT INVEST ASSETS on the Executive Committee
SPIE *	Permanent representative of PEUGEOT INVEST ASSETS on the Board of Directors

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
PEUGEOT INVEST	Chief Operating Officer
Bpifrance Investissement	Executive Director within Mid & Large Cap Equity department
Bpifrance Investissement	Executive Director within SME Equity department
Sequana *	Permanent representative of Bpifrance Participations on the Board of Directors
Constellium *	Permanent representative of Bpifrance Participations, as non-voting director on the Board of Directors
Vallourec *	Permanent representative of Bpifrance Participations on the Board of Directors
Technicolor *	Permanent representative of Bpifrance Participations on the Board of Directors
Verallia	Permanent representative of Bpifrance Participations on the Board of Directors
CDC Entreprise Capital Investissement	Chairman and Chief Executive Officer

* *Listed company.*

Brigitte FORESTIER

Director representing employee shareholders

- **Date of first appointment:** AGM of 11 May 2017
- **Date of last reappointment:** AGM of 20 May 2021
- **End date of term of office:** AG 2025

Main professional address:
Campus SEB
112 chemin du Moulin Carron
69130 Écully – France

Age: 50

Nationality: French

Committee member: No

Number of SEB shares held: n/a

Biography

Brigitte Forestier has a master's in Human Resources from the Institut de Gestion Sociale in Lyon. She joined Groupe SEB in 1997. She held various human Resources positions at Calor, followed by Groupe SEB France and Groupe SEB Retailing. In November 2018, Brigitte Forestier was appointed Director of Human Resources of Campus SEB.

Other current offices and positions outside of Groupe SEB as at 31/12/2021
None

Offices and positions held in the last five years and now expired
None

FONDS STRATÉGIQUE DE PARTICIPATIONS (FSP)

Independent director

- SICAV with a Board of Directors and share capital of €400,000

- **Date of first appointment:** AGM of 15 May 2014
- **Date of last reappointment:** AGM of 19 May 2020
- **End date of term of office:** 2024 AGM

Registered office:
93 boulevard Haussmann
75008 Paris – France

753 519 891 RCS Paris

Committee member: Audit and Compliance Committee

Number of SEB shares held: 2,620,575

Information

The Fund is a long-term investment vehicle whose purpose is to provide long-term support to French companies in their plans for growth and transition. It achieves this by taking significant stakes in companies' capital and participates in their governance by being seated on their Board of Directors or Supervisory Board and their Committees.

The Fund's shareholders are seven French insurance companies: BNP Paribas Cardif, CNP Assurances, Crédit Agricole Assurances, Groupama, Natixis Assurances, Société Générale Assurances, and Suravenir. The Fund's portfolio currently includes nine investments in the capital of French companies that are leaders in their specialist areas: SEB, Arkema, Safran, Eutelsat Communications, Tikehau Capital, Elior, Néoen, Valeo, and Believe.

It is represented on the Board of Directors by Catherine Pourre.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
Safran	Director through F&P, held jointly with PEUGEOT INVEST
Arkema *	Director
Eutelsat Communications *	Director
Tikehau Capital Advisors	Director
Tikehau Capital SCA *	Member of the Supervisory Board
Elior Group *	Director
Neonen	Director
Valéo *	Director

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Zodiac Aerospace *	Director

* *Listed company.*

Catherine POURRE

Permanent representative of FSP on the Board of Directors

- **Date of first appointment:** AGM of 22 May 2019
- **End date of term of office:** AG 2023

Main professional address:
93 Boulevard Haussmann
75008 Paris – France

Age: 64

Nationality: French

Committee member: Audit and Compliance Committee Chairwoman

Biography

A Graduate of the ESSEC business school and with a degree in Accounting and law from the Catholic University of Paris, Catherine Pourre began her career at PricewaterhouseCoopers, where she was Partner from 1989 to 1999. She then worked for Cap Gemini as President in charge of the High Growth Middle Market, and was a member of the French Group Executive Committee.

She subsequently joined the Unibail-Rodamco Group in 2002, where she served as Senior Executive Vice-president, Finance, Information Technology, Human Resources, Organization and Property Engineering. She then became General Manager of Core Businesses and a member of the Management Board from 2007 to 2013, and Director of U&R Management BV, a subsidiary of the Unibail-Rodamco Group, until 2015.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
Unibail Rodamco Westfield NV *	Member of the Supervisory Board, Chair of the Governance, Nomination and Remuneration Committee Member of the Audit Committee
Bénéteau S.A. *	Member of the Board of Directors Audit Committee Chairwoman Member of the Governance, Appointments and Remuneration Committee
Crédit Agricole S.A *	Member of the Board of Directors Chairwoman of the Audit Committee Member of the Risk Committee Member of the Strategy and CSR Committee
Crédit Agricole CIB	Member of the Board of Directors Chairwoman of the Audit Committee Member of the Risk Committee
CPO Services SARL (Luxembourg)	Managing Director

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Neopost S.A. * (now called Quadient)	Director

* *Listed company.*

Main professional address:
5 A Chemin du Pâquier
1231 Conches – Switzerland
Committee member: Governance and Remuneration Committee
Number of SEB shares held: 473

GÉNÉRACTION

Director – member of the Founder Group

- **Date of first appointment:** AGM of 22 May 2019
- **End date of term of office:** AG 2023

Information

GÉNÉRACTION is a Swiss association that brings together the shareholders of SEB S.A. registered on 16 April 2017 in the Trade and Companies Register. It is represented on the Board of Directors of SEB S.A. by Caroline Chevalley.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

None

Offices and positions held in the last five years and now expired

None

Main professional address:
5 A Chemin du Pâquier
1231 Conches – Suisse
Age: 58
Nationality: French & Swiss

Caroline CHEVALLEY

Permanent representative of GÉNÉRACTION on the Board of Directors

Biography

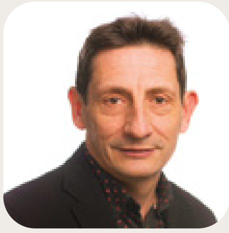
Caroline Chevalley holds a law degree from the University of Lausanne and is Vice-Chair of FCL Investissements S.A., a financial holding company. She is co-founder and Chairman of GÉNÉRACTION, an association of shareholders of SEB S.A., created in May 2017.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
FCL Investissements	Director and member of the Diversification Committee
Company Civile Immobilière Evermont	Managing Director
GÉNÉRACTION	Chairman of the Executive Committee

Offices and positions held in the last five years and now expired

None



Laurent HENRY

Employee director

- **Date of first appointment:** 13 October 2017 (elected by the France Works Council – CGF)
- **Date of last reappointment:** 1 and 2 June 2021
- **End date of term of office:** CGF 2025

Main professional address:
Campus SEB
112 chemin du Moulin Carron
69130 Écully – France

Age: 54

Nationality: French

Committee member: No

Number of SEB shares held: n/a

Biography

Laurent Henry has a master's in Logistics from the École Supérieure in Brest and a master's in Economic Sciences from the University of Caen. He began his career at Moulinex and joined the Group in 2001. He has held various logistics positions and was appointed Head of Logistics at the Mayenne plant in 2012.

Other current offices and positions outside of Groupe SEB as at 31/12/2021
None

Offices and positions held in the last five years and now expired
None

Jean-Noël LABROUE

Independent director

- **Date of first appointment:** AGM of 12 May 2010
- **Date of last reappointment:** AGM of 16 May 2018
- **End date of term of office:** AG 2022

Main professional address:
Campus SEB
112 chemin du Moulin Carron
69130 Écully – France

Age: 74

Nationality: French

Committee member: Chairman of the Governance and Remuneration Committee

Number of SEB shares held: 1,375

Biography

A Graduate of an engineering school, he holds a Master of Science degree from Northwestern University Chicago, Jean-Noël Labroue has spent almost all of his career at the Darty Group. He served as Chairman of the Board of Directors of the Darty Group, CEO of Kingfisher Electricals UK and Managing Director of Kesa Plc until 2009.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
Kiabi France	Non-executive Chairman
Electrodépôt	Non-voting director

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Generix S.A. * (until September 2021)	Non-voting director

Thierry LESCURE

Director – member of the Founder Group, member of GÉNÉRACTION

- **Date of first appointment:** AGM of 22 May 2019
- **End date of term of office:** AG 2023

Main professional address:
Campus SEB
112 chemin du Moulin Carron
69130 Écully – France

Age: 47

Nationality: French (Swiss resident)

Committee member: No

Number of SEB shares held: 3,500

Biography

Thierry Lescure holds a master's degree in Business law and Taxation from the University of Paris, Panthéon Assas Faculty, and a master's in Business Administration from IAE Paris. He also completed an Investment Strategies and Portfolio Management program at Wharton School and an Advanced Asset Management program at INSEAD. After working as a consultant at Tefal UK in London, Thierry Lescure joined Yahoo France in 2001 as a Finance Producer in charge of the Yahoo Finance channel, before serving as Head of E-Commerce.

He then joined Yahoo! Europe in 2004 where he was in charge of Yahoo Auto. He left this company in 2006 to become Chief Digital Officer at Reed Business Information (Reed Elsevier Group) to create new growth drivers in France and Europe. He then went on to support the development of start-ups. In 2016, he joined the family office of Geneva-based Premium Assets SA as Senior Asset Manager.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
FCL Investissements	Member of the Diversification Committee
50 Partners	Member of the Committee Capital III
GÉNÉRACTION	Member of the Executive Committee

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Aucelha SARL	Managing Director

William GAIRARD

Director – member of the Founder Group, member of VENELLE INVESTISSEMENT

- **Date of first appointment:** AGM of 12 May 2015
- **Date of last reappointment:** AGM of 22 May 2019
- **End date of term of office:** AG 2023

Main professional address:
Campus SEB
112 chemin du Moulin Carron
69130 Écully – France

Age: 41

Nationality: French

Committee member: No

Number of SEB shares held: 95,070
(of which 27,502 are bare ownership)

Biography

A Graduate of EM Lyon and holder of an IUP master's in Management Sciences from the Université Jean Moulin Lyon III, William Gairard spent seven years as Management and Auditing Controller at Pernod Ricard S.A.

In 2012, he moved to Mexico where he became an entrepreneur. Today, he is a partner and Chief Financial Officer of Zumit (Mexico), a company specializing in the automation of digital processes.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
Ecopro Solutions S.A. de C.V. (Mexico)	Chief Executive Officer
Zumit (Mexico)	Chief Financial Officer

Offices and positions held in the last five years and now expired

None

Jérôme LESCURE

Director – member of the Founder Group, member of VENELLE INVESTISSEMENT

- **Date of first appointment:** AGM of 19 May 2016 (Director of SEB S.A. from 1994 to 2005)
- **Date of last reappointment:** AG 2020
- **End date of term of office:** 2024 AGM

Main professional address:
Campus SEB
112 chemin du Moulin Carron
69130 Écully – France

Age: 61

Nationality: French

Committee member:
Audit and Compliance Committee

Number of SEB shares held: 42,257

Biography

An architecture Graduate of the Paris École Spéciale d'Architecture, with a master's degree in industrialized construction from the École Nationale des Ponts et Chaussées and an MBA from HEC. Jérôme Lescure held various management and oversight roles in English-speaking corporations prior to becoming a partner at A.T. Kearney, a strategy consultancy company. He then joined Accenture as Director of Consulting for France.

Since 2013, Jérôme Lescure has been an entrepreneur and investor. He is now Chairman and CEO of Neofor, an industrial wood-processing group.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
Lavilla S.A.R.L.	Co-Managing Director
NEOFOR S.A.S.	Representative of Chairman Lavilla
Additio S.A.S.	Chairman
MANUTAN INTERNATIONAL S.A. *	Director

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
APICAP (former OTC Asset Management S.A.S.)	Chairman
CAMSEL S.A.S.	Chairman
Brassac Holding S.A.S.	Chairman
Les Bois du Midi S.A.S.	Chairman
Ymagis S.A. *; Active 3D; Inspirational Stores S.A.; D3T; Archimen S.A.S. Group	Director, permanent representative of APICAP

* *Listed company.*

Aude DE VASSART

Director – member of the Founder Group, member of VENELLE INVESTISSEMENT

- **Date of first appointment:** AGM of 22 May 2019
- **End date of term of office:** AG 2023

Main professional address:
Campus SEB
112 chemin du Moulin Carron
69130 Écully – France

Age: 43

Nationality: French

Committee member: No

Number of SEB shares held: 50,724 shares, including 31,164 full ownership and 19,560 bare ownership shares

Biography

Aude de Vassart holds a degree from ISEP and an MBA from HEC. She began her career in 2001 as an electrical engineer in England at STMicroelectronics, then at SuperH. She returned to France in 2003 and joined Texas Instruments, where she held several positions in R&D and then in marketing, before becoming Head of Marketing at Oberthur Technologies for six years.

From 2018 to 2021, Aude de Vassart managed the urban mobility business line at IDEMIA, handling the manufacture and marketing of transportation cards at the leading augmented identity company. Since February 2021, Aude de Vassart has been Vice-president of Sales & Customer Excellence at Linxens.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
VENELLE INVESTISSEMENT	Member of the Supervisory Board
MECAFIN	Managing Director

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Alliance OSPT (Germany)	Director

VENELLE INVESTISSEMENT

Registered office:
72, rue du Faubourg Saint-Honoré
75008 Paris – France

414 738 070 RCS Paris

Committee member: Governance and Remuneration Committee

Number of SEB shares held: 19,687

Director – member of the Founder Group

- Simplified joint-stock company with share capital of €1,875,368.34

- **Date of first appointment:** April 27, 1998
- **Date of last reappointment:** AGM of 19 May 2020
- **End date of term of office:** 2024 AGM

Information

VENELLE INVESTISSEMENT is a controlling family holding company which was registered on 9 December 1997.

It is represented on the Board of Directors of SEB S.A. by Damarys Braida.

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Other current offices and positions outside of Groupe SEB as at 31/12/2021
None

Offices and positions held in the last five years and now expired
None

Damarys BRAIDA

Main professional address:
72, rue du Faubourg Saint-Honoré
75008 Paris – France

Age: 54

Nationality: French

Permanent representative of VENELLE INVESTISSEMENT on the Board of Directors

Biography

A Graduate of the École des Mines engineering school in Paris, Damarys Braida joined L'Oréal in 1991 to set up the capillary asset laboratory. After having held several Research positions, she has been managing the global strategy for Innovation and Product Development since 2021.

Other current offices and positions outside of Groupe SEB as at 31/12/2021

Company	Functions and current mandates
VENELLE INVESTISSEMENT	Chairwoman

Offices and positions held in the last five years and now expired

Company	Functions and current mandates
Venelle Plus	Chief Executive Officer

SUMMARY TABLE OF DIRECTORS AT 31/12/2021

Surname – First name	Nationality	Age	Gender	Number of SEB shares held at 31/12/2021	Number of offices in listed companies as at 31/12/2021	End date	Start date	Capacity	Committee Member	Individual attendance rate 2021 Committee	Individual attendance rate 2021 Board
THIERRY DE LA TOUR D'ARTAISE	French	67	M	483,444	0 (5)	2024 AGM	03-05-1999 AGM Ratification of co-optation	Chairman	No		100%
DELPHINE BERTRAND	French	56	F	132,152	0	2022 AGM	11-05-2017 AGM Ratification of co-optation	-	No		100%
NORA BEY	French	48	F	N/A	0	June 27, 2023	Appointment by the Group European Committee of 27-06-2019	Employee	No		100%
YSEULYS COSTES	French	49	F	825	2	AG 2025	14-05-2013 AGM	Independent	Audit and Compliance	100%	100%
JEAN-PIERRE DUPRIEU	French	69	M	439	2	2023 AGM	22-05-2019 AGM	Independent	No		89% (3)
PEUGEOT INVEST ASSETS (Bertrand Finet)	French	56	M	2,223,674 (4)	2 (6)	AG 2025	14-05-2013 AGM (1)	Independent	Governance and Remuneration	100%	100%
BRIGITTE FORESTIER	French	50	F	N/A	0	AG 2025	11-05-2017 AGM	Employee shareholder	No		100%
FSP (Catherine Pourre)	French Luxembourg resident	64	F	2,620,575 (4)	3 (6)	2024 AGM	15-05-2014 AGM Ratification of co-optation (2)	Independent	Audit and Compliance (Chairwoman)	100%	100%
WILLIAM GAIRARD	French Resident of Mexico	41	M	95,070	0	2023 AGM	12-05-2015 AGM	-	No		100%
GÉNÉRACTION (Caroline Chevalley)	French & Swiss, Swiss resident	58	F	473 (4)	0 (6)	2023 AGM	22-05-2019 AGM	-	Governance and Remuneration	100%	100%
LAURENT HENRY	French	54	M	N/A	0	CGF 2025	Appointment by the France Works Council on 13-10-2017; joined the BoD on 14-12-2017	Employee	No		100%
JEAN-NOËL LABROUE	French	74	M	1,375	0	2022 AGM	12-05-2010 AGM	Independent	Governance and Remuneration (Chairman)	100%	100%
JÉRÔME LESCURE	French	61	M	42,257	1	2024 AGM	19-05-2016 AGM	-	Audit and Compliance	100%	100%
THIERRY LESCURE	French, Swiss resident	47	M	3,500	0	2023 AGM	22-05-2019 AGM	-	No		100%
AUDE DE VASSART	French	43	F	50,724	0	2023 AGM	22-05-2019 AGM	-	No		100%
VENELLE INVESTISSEMENT (Damarys Braida)	French	54	F	19,687 (4)	0 (6)	2024 AGM	27-04-1998 AGM Ratification of co-optation	-	Governance and Remuneration	100%	100%
Total attendance rate in 2021										**100%**	**99%**

(1) PEUGEOT INVEST ASSETS was co-opted by decision of the BoD on 23 July 2013 to replace FFP (now called PEUGEOT INVEST).
(2) FSP was co-opted by decision of the BoD on 25 February 2014 to replace Philippe Lenain.
(3) Absence from a single ad hoc meeting that did not appear in the usual annual schedule.
(4) Number of shares held by the legal entity.
(5) Number of offices held by the Executive Director in listed companies outside Groupe SEB.
(6) Number of offices held in listed companies by the permanent representative of the legal entity.

REAPPOINTMENTS, APPOINTMENTS, RESIGNATIONS, AND REMOVAL OF DIRECTORS IN 2021

Reappointments and appointments

In accordance with Article 17 of the Company's bylaws and with the recommendations of the AFEP-MEDEF Code, the duration of directors' terms of office is staggered, enabling shareholders to vote regularly and frequently on the composition of the Board of Directors and avoid any mass reappointments.

This system ensures the continuity of operation of the Board of Directors and encourages the smooth and regular reappointment of its members.

During the last year, the Annual General Meeting of 20 May 2021 reappointed for a four-year term:

- the independent directorship of Yseulys Costes;
- the independent directorship of PEUGEOT INVEST ASSETS;
- the term of office of Brigitte Forestier as the director representing employee shareholders – this reappointment was approved by the Supervisory Board of the SEB1 FCPE (company investment fund) at its meeting on 27 January 2021, in accordance with the provisions of Article 16 of the Company's bylaws;

Resignations

No directors resigned in 2021.

Removal

During the past financial year, the Ordinary General Meeting of SEB S.A. on 6 August 2021, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the report of the Board of Directors (available on the company's website), and having noted that FÉDÉRACTIVE was permitted to submit its comments at the Annual General Meeting, proceeded to remove the directorship of FÉDÉRACTIVE with immediate effect in accordance with Resolution 1.

The directorship of FÉDÉRACTIVE ended on 6 August 2021.

As a result, since the Ordinary General Meeting of SEB S.A. on 6 August 2021, the company's Board of Directors has been composed of 16 members.

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Summary table of changes to the composition of the Board of Directors during the 2021 financial year

Departure	Appointment	Reappointment
Annual General Meeting of 6 August 2021: • Removal of the directorship of FÉDÉRACTIVE	None	At the Annual General Meeting of 20 May 2021, the following terms of office were renewed: • Yseulys Costes • Brigitte Forestier • PEUGEOT INVEST ASSETS

SUMMARY OF HOW DIRECTORS' TERMS OF OFFICE ARE STAGGERED

Director	2022 AGM	2023 AGM	2024 AGM	2025 AGM
Thierry de La Tour d'Artaise			•	
Delphine Bertrand	•			
Nora Bey		*		
Yseulys Costes				•
Jean-Pierre Duprieu		•		
Brigitte Forestier				•
PEUGEOT INVEST ASSETS (Bertrand Finet)				•
FSP (Catherine Pourre)			•	
William Gairard		•		
GÉNÉRACTION (Caroline Chevalley)		•		
Laurent Henry				*
Jean-Noël Labroue	•			
Thierry Lescure		•		
Jérôme Lescure			•	
Aude de Vassart		•		
VENELLE INVESTISSEMENT (Damarys Braida)			•	

* *The France Works Council of the Group European Committee is responsible for appointing and reappointing employee directors, in accordance with Article 16 of the bylaws.*

CHANGES TO THE COMPOSITION OF THE BOARD OF DIRECTORS IN 2022

The Board of Directors' proposals for appointments and/or reappointments of directors, as recommended by the Governance and Remuneration Committee, to be submitted to the Annual General Meeting on 19 May 2022, are detailed in Chapter 8 of this Universal Registration Document.

DECLARATIONS OF THE DIRECTORS

Founder family connection

All directors belonging to the Founder Group are descendants, directly or by marriage, of the Founder-Chairmen Frédéric Lescure and Henri Lescure.

There is no family connection between Board members and members of the Executive Committee, with the exception of Thierry de La Tour d'Artaise, who is a cousin by marriage to varying degrees of the directors of the Founder Group.

Absence of criminal convictions or sanctions

To the best of the company's knowledge, in the last five years, none of the directors or executive officers (Chief Executive Officer and Chief Operating Officer):

- has been convicted of fraud, nor has been the subject of any official charge and/or sanction by the regulatory authorities;
- has been subject to any court order or restriction on serving as a member of a Management Board, Board of Directors or Supervisory Board, or from being involved in the management or affairs of an issuer of securities;
- has been subject, in their capacity as executive officer, or senior manager to bankruptcy, receivership or liquidation.

Absence of conflicts of interest

As far as the company is aware, and in line with its conflict of interest management policy outlined below, there is no potential conflict of interest between the duties, vis-à-vis SEB S.A., of the members of the administration bodies and the General Management and their private interests.

Service contracts

No member of the Board of Directors or the General Management has any contractual service relationship with SEB S.A. or its subsidiaries that provides for benefits to be granted when the contract ends.

Regulated agreements

The existing related party agreements have been authorized in advance in accordance with the law and are described in Chapter 2.5, "Remuneration policy", as well as in the statutory auditors' report on regulated agreements. Pursuant to Article L. 225-40-1 of the French Commercial Code, agreements signed and authorized in prior years which continued in 2021 were reviewed at the Board of Directors' Meeting on 24 February 2022. The directors had no comments to make, particularly with regard to their purpose or their financial conditions.

It should be noted that the previously authorized regulated agreements and commitments, concluded between the Company and Thierry de La Tour d'Artaise, as well as those authorized and concluded between the Company and Stanislas de Gramont, will end on 30 June 2022, with regard to the changes in the roles of these two executives (see paragraph 2.2).

Description of the procedure for evaluating agreements relating to current operations concluded under normal conditions

In accordance with the provisions of Article L. 22-10-12 of the French Commercial Code, the Board of Directors' Meeting of 22 July 2020 acted on the proposal of the Governance and Remuneration Committee, approving and implementing a procedure for evaluating whether agreements relating to current operations that were concluded under normal conditions meet these criteria. This procedure aims firstly to summarize the regulatory framework applicable to regulated agreements, and secondly, to identify and classify the agreements that are subject to the regulated agreements procedure in order to distinguish them from free agreements. Known as "current agreements concluded under normal conditions", these must be regularly evaluated against legal requirements. The purpose of this procedure is to avoid any potential conflict of interest with regard to Groupe SEB.

As such, the decision was made to apply the procedure to all agreements concluded, not only by the parent company SEB S.A. but also by its controlled subsidiaries, with the executive officers or shareholders of SEB S.A.

As part of the procedure for evaluating agreements concluded under normal conditions, the Governance and Remuneration Committee reviews the financial flows between the company and interested persons within the meaning of the regulations, and reports to the Board of Directors on an annual basis. In case of doubt about the qualification of an agreement, the verification of compliance with current status and normal conditions is carried out by the Governance and Remuneration Committee so that, if necessary, the Board of Directors implements the regulated agreement procedure. In this case, people directly or indirectly interested in this agreement do not participate in its evaluation.

MARKET ETHICS CHARTER

Under the Directors' Charter and internal rules, the Board of Directors are subject to trading regulations and, in particular, rules relating to the use and disclosure of sensitive or inside information.

Groupe SEB has also adopted a Market Ethics Charter that details the obligations of directors and persons with whom they have close personal ties, the company's senior managers, and certain employees that may hold sensitive information, in accordance with the applicable laws and regulations. This is regularly updated, particularly in order to incorporate any changes to the texts. This Charter has also been translated into English so that it can be distributed to a wider audience. A how-to guide in the event of an AMF control has been appended to the Market Ethics Charter.

At the end of the Board of Directors' Meeting on 19 December 2013, the secretary of the Board of Directors, Philippe Sumeire, was appointed as Ethics officer, to advise any directors or employees who may have doubts as to the application of the provisions applicable to them.

INDEPENDENCE OF THE DIRECTORS

With five independent directors, i.e. more than one-third of the directors (the employee directors and employee shareholder directors are not included in this calculation), the composition of the Board of Directors meets the recommendations of the AFEP-MEDEF Code, according to which, *"in controlled companies, independent directors should account for at least a third"*.

The independent status of each individual director is examined by the Governance and Remuneration Committee prior to their appointment or reappointment and annually during Board evaluations. To this end, a "Selection guide" is used, which aims to ensure that the candidate meets all the independence criteria defined by the AFEP-MEDEF Code before any proposal for appointment or reappointment is made, as described below:

- is not an employee or executive officer of the company, nor an employee, nor an executive officer or director of a company consolidated by the company, its parent company or a company consolidated by such parent company, and has not been in such a position for the last five years (**criterion 1**);

- is not an executive officer of a company in which the company holds a directorship, directly or indirectly, or in which an employee appointed as such or an executive officer of the company (who is currently in office or has held such office within the last five years) is a director (**criterion 2**);
- is not a customer, supplier, investment banker, commercial banker or adviser that is material to the company or its Group, or for which the company or its Group represents a material portion of the business (**criterion 3**);
- does not have close family ties with an executive officer (**criterion 4**);
- has not been a statutory auditor of the company in the last five years (**criterion 5**);
- has not been a director of the company for more than twelve years (**criterion 6**);
- a non-executive director cannot be considered independent if they receive variable remuneration in cash or securities or any remuneration related to the performance of the company or the Group (**criterion 7**); and
- Directors representing major shareholders of the company or its parent company may be considered independent provided that these shareholders are not involved in controlling the company. However, the Board, based on a report from the Governance and Remuneration Committee, will automatically question whether or not a holding of more than 10% of the capital or voting rights can be considered independent, taking into account the company's capital composition and the existence of a potential conflict of interest (**criterion 8**).

The conclusions of the review conducted by the Governance and Remuneration Committee are then sent to the Board of Directors so it can review the status of each of its members.

The procedure for managing conflicts of interest (set out below) enables the Committee to rule, on a yearly basis, on any conflicts of interest and to ensure that independent directors have no connection with the company, its Group or its Management team that is likely to compromise them in exercising freedom of judgment.

Therefore, after examining the findings of the Governance and Remuneration Committee and the individual status of the members of the Board of Directors in light of the criteria set out by the AFEP-MEDEF Code, the Board of Directors found that Yseulys Costes, Jean-Pierre Duprieu, Bertrand Finet (permanent representative of PEUGEOT INVEST ASSETS), Jean-Noël Labroue, Catherine Pourre (permanent representative of FSP), and the new independant director, prior to their nomination for appointment at the Annual General Meeting, qualified as independent directors.

DIRECTORS' STATUS IN TERMS OF INDEPENDENCE CRITERIA

Criteria	Yseulys Costes	Jean-Pierre Duprieu	Bertrand Finet (PEUGEOT INVEST ASSETS)	Jean-Noël Labroue	Catherine Pourre (FSP)
Criterion 1: Employee/Executive officer within the last five years	√	√	√	√	√
Criterion 2: Cross-directorships	√	√	√	√	√
Criterion 3: Material business relationships	√	√	√	√	√
Criterion 4: Family ties	√	√	√	√	√
Criterion 5: Statutory auditor	√	√	√	√	√
Criterion 6: Director for more than 12 years	√	√	√	√	√
Criterion 7: Status of non-executive director	√	√	√	√	√
Criterion 8: Status of major shareholder	√	√	√	√	√
Classification adopted by the Board of Directors	Independent	Independent	Independent	Independent	Independent

(In this table, √ denotes an independence criterion that has been met and × denotes an independence criterion that has not been met).

In addition to the criteria laid down by the AFEP-MEDEF Code, the company takes an active interest in ensuring that the operation and organization of the Board of Directors' work allows all its members to make full use of their freedom of judgment.

Pursuant to the Charter and the internal rules, the directors undertake *"to maintain their independence of analysis, judgment, decision and action and to reject any pressure, direct or indirect, which may come to bear on them"*.

Following the evaluation of the Board of Directors in 2021, the directors said they were mostly satisfied with the number and role of the independent directors and stressed how important their contribution is.

MANAGING CONFLICTS OF INTEREST

Various procedures have been formalized to prevent and identify any risk of conflicts of interest, at the time of appointment, during the term of office or on the reappointment of directors.

When a director is appointed or reappointed, the Governance and Remuneration Committee checks compliance with the criteria defined by the AFEP-MEDEF Code as outlined above, identifies conflicts of interest, and ensures that any risks identified are unlikely to create a conflict of interest.

The individual status of directors is also reviewed on a yearly basis using an individual questionnaire analyzed by the Governance and Remuneration Committee. The latter reports its findings to the Board of Directors, which is consequently informed about the status of each director.

The annual declarations submitted for review at the Governance and Remuneration Committee Meeting of 9 December 2021 and the Board of Directors' Meeting of 16 December 2021 did not reveal any conflicts of interest.

During their term of office, directors are also obliged to perform their duties in strict compliance with the corporate interest. Directors are therefore obliged to inform the Board of Directors should a conflict of interest occur when a meeting agenda is published, or during the course of a meeting. The Board must then decide, if necessary, without the director concerned being present, whether they should take part in the debate and/or vote on the agenda items in question, pursuant to the provisions of the Directors' Charter and the internal rules.

As in previous years, the Governance and Remuneration Committee reviewed the business transactions between some Groupe SEB entities and Numberly – 1000mercis Group, of which Yseulys Costes is Chairwoman and Chief Executive Officer. This business flow corresponds to advertising and interactive marketing services requested by Groupe SEB France to support its activation plans. In 2016, the governance and remunerations Committee examined the history of this business relationship and the way in which it was managed by the operational teams. The selection process was also checked and the reasons behind the decision to collaborate with Numberly – 1000mercis Group, as well as the prior existence of calls for tender. This review was conducted again in 2020, prior to the proposal to renew the term of office of Yseulys Costes, and the Governance and Remuneration Committee found that:

- the relationship between SEB and Numberly – 1000mercis Group preceded the term of office of Yseulys Costes;
- the relationship is only managed by the operational teams;
- SEB is not a significant client of Numberly – 1000mercis Group.

Numberly – 1000mercis Group is a leader on the interactive marketing market. The volume of sales Numberly made with Groupe SEB in 2021 amounted to €6.4 million excluding tax. This represents about 9% of Numberly's total sales excluding tax and 0.08% of Groupe SEB's consolidated sales excluding tax. Given the above, the Board of Directors, at its meeting of 24 February 2022, found that this business relationship was unlikely to compromise Yseulys Costes' independence of judgment and ruled out the possibility of a conflict of interest, thus confirming her status as an independent director.

ORGANIZATION AND OPERATION OF THE BOARD OF DIRECTORS

ROLE AND MEETINGS OF THE BOARD OF DIRECTORS

Role of the Board of Directors

Pursuant to Article 225-35 of the French Commercial Code and the Company's bylaws, the Board of Directors determines the company's business strategies and ensures that they are implemented in line with the company's interests while considering the social and environmental challenges that arise from the business. The Board also deals with all matters regarding the proper functioning of the company and acts on all matters in its purview, to the extent of the corporate purpose and subject to the powers explicitly assigned by the law to General Meetings of shareholders. The Board of Directors also carries out the checks and verifications that it deems to be appropriate.

The prior approval of the Board is required to decide on the Group's strategy, budgets, management structures and acquisitions, on the proposal of the Chairman and in accordance with the internal rules of the Board of Directors.

With regard to decisions relating to the possible use of Annual General Meeting authorizations to increase the capital, the Board of Directors nevertheless decided, as an internal rule and in view of the importance of such authorizations, that decisions should be made by a qualified majority vote of 13/16ths of the members present or represented.

A Board of Directors focused on strategy

As regards strategic matters, the Charter and internal rules state that "*the Board of Directors determines the Group's strategy*". It is therefore consulted and invited to give an opinion before any strategic decisions are made. This role positions the Board of Directors as the focus of strategy and ensures an appropriate balance of power.

The Board of Directors is given detailed information about the Group's activity and results at every meeting to give it a better understanding of strategic issues. It also receives information about its financial performance, its stock market and financial universe, its products and its competitive universe throughout the year.

The systematic presence of the Group's principal senior managers at meetings allows directors to benefit from any additional information required, and from accurate and useful answers to any questions that may arise during discussions.

The role of the Board of Directors is not restricted to acquisitions. It remains at the heart of any plans outside the framework of the announced strategy if the investment is significant.

In line with suggestions for improvements following the evaluation of the Board of Directors performed annually, the Board is gradually improving how it deals with strategy by having an additional presentation on the Group's long-term business strategies and reserving a special time slot for an annual seminar to discuss Group-wide topics put forward by directors.

Meetings of the Board of Directors

The Board of Directors met nine times in 2021. Five of these meetings were held remotely due to the Covid-19 pandemic as well as the requirement that the maximum number of attendees possible is present for exceptional meetings, the dates of which were set within a short period. The attendance rate was 98%. The individual attendance rate of each director is shown in the summary table of directors included on page 81 of this chapter.

The meetings are generally arranged as follows:

- February: review of the annual financial statements for the last financial year, approval of the budget for the current year, report on the implementation of the procedure for evaluating current agreements concluded under normal conditions and evaluation of regulated agreements, projects on the resolutions and convening of the Annual General Meeting, monitoring of diversity objectives;
- April: review of quarterly results, shareholder analysis;
- May: meeting following the Annual General Meeting to approve the annual free performance share award program and the activation of any delegations granted by the Annual General Meeting;
- July: Examination of the half-yearly financial statements and strategy;
- October: review of quarterly results, report on the Audit and Compliance Committee's compliance and internal control work while visiting a plant or a commercial or industrial subsidiary abroad, if possible given any restrictions imposed by circumstances at the time and the Board of Directors' Seminar since its introduction in 2020;
- December: Review of the financial statements at the end of November, report from the Governance and Remuneration Committee on the evaluation and composition of the Board of Directors, the management of conflicts of interest, Annual Review of Human Resources, diversity policy, sustainable development and review of the CSR report.

The Board of Directors may meet as often as the interests of the company require, in accordance with the law and the bylaws. Several *ad hoc* meetings therefore took place in 2021.

A meeting is traditionally held each year at one of Groupe SEB's sites in France or abroad so directors can meet Group employees at industrial sites and at commercial subsidiaries. This initiative helps the Group understand local challenges and problems and think about the history, people and culture of their different locations so directors can have more in-depth discussions. In light of the Covid-19 pandemic, it was not possible to follow this custom in 2021.

Furthermore, following the 2019 evaluation of the Board of Directors, it was decided to set up an annual Board of Directors' Seminar for presentations on particular topics. This initiative helps the Group understand local challenges and problems and think about the history, people and culture of their different locations so directors can have more in-depth discussions. The first Board of Directors' Seminar took place in October 2020 and focused on analyzing the competitive environment in the business sector and developments in the retail industry. The second Seminar was held in October 2021. It focused on operational organization in view of the Group's innovation strategy.

To facilitate certain deliberations, meetings of the Board of Directors and its Committees may take place without the presence of the CEO, as necessary. This is the case for the annual assessment of Thierry de La Tour d'Artaise's performance by the Governance and Remuneration Committee, whose findings are submitted to the Board of Directors. The latter are free to deliberate in the absence of the interested party.

To encourage directors to attend meetings, the company has introduced the following:

- drafting and publication of the schedule of Board of Directors and Committee Meetings at least one year in advance;
- option to take part in meetings over the telephone or by videoconference if directors are unable to attend in person.

As an outcome of the Board of Directors' evaluation (which took place at the end of 2021), the directors said they were very satisfied with how meetings are organized, and especially the meeting schedule, interaction with management teams and the materials made available to them.

CHAIRMAN OF THE BOARD OF DIRECTORS

In his position as Chairman of the Board of Directors, Thierry de La Tour d'Artaise represents the Board of Directors. To this end, he is notably responsible for:

- organizing and directing the work of the Board of Directors;
- reporting on the work of the Board of Directors to the Annual General Meeting;
- ensuring that the company's corporate bodies all run smoothly in accordance with the law and with principles of good governance;
- ensuring that the directors are able to perform their tasks.

In addition, to ensure that members of the Board of Directors are fully informed, the Chairman of the Board of Directors may be asked by the members to obtain additional information when relevant and necessary to perform their duties, in accordance with the Directors' Charter and the internal rules.

Furthermore, at its meeting on 10 February 2022, the Board of Directors, on the recommendation of the Governance and Remuneration Committee and after discussion with Thierry de La Tour d'Artaise and Stanislas de Gramont, in light of the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer, decided to grant the following powers and duties to Thierry de La Tour d'Artaise, in his capacity as Chairman of the Board of Directors:

- representing the Group in dealings with bodies, public institutions and stakeholders and, more generally, in its high-level relationships;
- responsibility for managing dialog with shareholders;
- assisting the Chief Executive Officer in their new duties;
- managing the Group's external growth strategy, including as part of the investments carried out by the SEB ALLIANCE investment company;
- monitoring the CSR policy, chairing and running the Strategy and CSR Committee;
- ensuring that the Group's values and image are respected.

In order to determine the scope of the Chairman of the Board of Directors' duties and assign extensive duties to him, the Board of Directors took Thierry de La Tour d'Artaise's the experience, service, expertise and knowledge of into consideration – in particular, his detailed knowledge of the business sector. Within the scope of these extended duties, the Chairman will act in close collaboration with the Chief Executive Officer, who will provide Group's operational oversight and management, alone.

SECRETARY OF THE BOARD OF DIRECTORS

To ensure the smooth operation of the Board of Directors, it appoints a secretary, who does not have to be a director. Philippe Sumeire, the Legal Group's Executive Vice-president, is therefore secretary of the Board of Directors, having been appointed on 16 December 2011. He is tasked with helping the Chairman of the Board of Directors organize the work of the Board of Directors and its Committees. His role is to plan meetings, define agendas, disseminate information and draft minutes.

BOARD OF DIRECTORS' COMMITTEES

Since 1995, the Board of Directors has had two specialized Committees to help it in areas for which specific skills and meetings are required. In the past, these two Committees were called the Audit Committee and the Nominations and Remuneration Committee.

At its meeting on 23 July 2019, the Board of Directors voted to change the Committee names to reflect how the Committees have evolved over time. The new names are: Audit and Compliance Committee, Governance and Remuneration Committee.

Furthermore, the membership of these Committees has changed to take into account changes in the shareholder base while still complying with AFEP MEDEF Code recommendations on independence directors.

The operation of the Committees is specifically assessed as part of the procedure for the annual evaluation of the Board of Directors. After the evaluation was conducted in 2021, the directors again said they were satisfied with the quality of their contribution and with the way they operate.

COMPOSITION OF THE BOARD OF DIRECTORS AS AT 31 DECEMBER 2021

Committee members	Audit and Compliance Committee	Governance and Remuneration Committee
Caroline Chevalley		(M)
Yseulys Costes	(I)	
FSP Catherine Pourre	(PI)	
Jean-Noël Labroue		(PI)
Jérôme Lescure	(M)	
PEUGEOT INVEST ASSETS Bertrand Finet		(I)
VENELLE INVESTISSEMENT Damarys Braida		(M)

(M) Committee Member
(I) Member of a Committee, Independent Director
(PI) Chair of a Committee, Independent Director

In view of the growing importance of CSR topics, their need to be part of the Group's overall strategy and in its day-to-day operational performance, the Board of Directors, on the recommendations of the Governance and Compensation Committee, decided to set up a Strategy and CSR Committee in 2022. The purpose of this Committee is to enable the Board of Directors to prepare its strategic decisions, particularly with regard to external growth, to manage and assess the Group's CSR strategy and results.

The Audit and Compliance Committee as at 31 December 2021

CHAIRPERSON
Catherine Pourre, an independent director and permanent representative of FSP, chairs the Audit and Compliance Committee.
NUMBER OF MEETINGS
5, all in person
ATTENDANCE RATE
100%
PERCENTAGE OF INDEPENDENT DIRECTORS
67% The Chairman, who is an independent director, has the deciding vote

WORK AND POWERS

To better perform their specific roles, and in accordance with the recommendations of the AFEP-MEDEF Code, each member has financial or accounting skills.

The work of the Audit and Compliance Committee is based on the following responsibilities:

- reviewing and informing the Board of Directors about identifying, evaluating and handling the main financial risks to which the Group may be exposed;
- assessing the internal control policy, annual internal audit programs and their conclusions, and formulating all recommendations in these areas;
- ensuring the relevance and reliability of the accounting methods used to prepare the annual and half-yearly financial statements;
- assessing the quality of the financial statements presented to the Board;
- preparing the statutory auditor selection process, overseeing the process for appointing statutory auditors, and ensuring they are independent;
- examining the procedures put in place by the Group with a view to compliance, anti-fraud and anti-corruption, as well as the training and audit programs run to ensure compliance is respected, carrying out any evaluations and making recommendations to that effect.

The Audit and Compliance Committee may request opinions or consultations from external experts on specific points.

Audit and Compliance Committee Meetings are usually held in the presence of the statutory auditors, the Senior Executive Vice-president, Finance, the Audit and Internal Control Director, the Accounting and Taxation Director, and the Secretary of the Board of Directors.

For logistical and organizational reasons, Audit and Compliance Committee Meetings are generally held one day prior to examining the half-yearly and annual financial statements by the Board of Directors. However, any documents that are useful for Audit and Compliance Committee Meetings are sent in advance so Committee members can familiarize themselves with the documents prior to the meeting and prepare for the Board of Directors' deliberations on the financial statements.

The review of the financial statements is accompanied by a presentation from the statutory auditors stressing the key points identified during their audits, their procedures, the accounting options selected and a report describing the exposure to risks and significant off-balance sheet commitments.

At the end of its meetings, the Audit and Compliance Committee prepares a report which is sent to all the directors, informing them fully of the content of its discussions as well as its conclusions and recommendations.

Since 2018, given the increase in powers granted to the Audit and Compliance Committee, it has been decided that an additional meeting will be arranged each year to devote more time to issues relating to risk mapping and Group-wide compliance issues, particularly regarding anti-corruption. In addition, from 2021 onwards, an additional meeting has been added to the annual meeting schedule for this Committee, to discuss the results of internal control.

MAIN WORK

As is its prerogative, in 2021, the Audit and Compliance Committee audited the following, as it does every year:

- the draft annual financial statements as of 31 December 2020 and the draft half-yearly financial statements as of 30 June 2021, prior to their submission to the Board of Directors;
- the main French and foreign legislation and regulations, reports and commentary on risk management, internal control and audit;
- the type and results of the statutory auditors' work; their comments and recommendations regarding internal control;
- a review of tasks they have accomplished on top of their legal duty to review the financial statements;
- the review of the main findings of the internal audits carried out in 2021;
- the review of the internal control action plan;
- establishment of a captive reinsurance company;
- the proposed schedule of internal audits for 2022;
- the mapping and analysis of major risks;
- the mapping of anti-corruption risks and the draft anti-corruption Code of Conduct;
- the call for tenders for the statutory auditors whose term of office expired at the 2021 Annual General Meeting.

The above shows that the Audit and Compliance Committee:

- was informed by the statutory auditors of the content and conclusions of their audit and was given the opportunity to hold discussions with them without the presence of management;
- was able, with the help of the presentations made by the Senior Executive Vice-president, Finance and her team, to understand and assess the company's significant risks and off-balance sheet commitments.

The Governance and Remuneration Committee as at 31 December 2021

CHAIRPERSON
The governance and remunerations is chaired by Jean-Noël Labroue, independent director.
NUMBER OF MEETINGS
7 with 3 in physics
ATTENDANCE RATE
100%
PERCENTAGE OF INDEPENDENT DIRECTORS
50% – The Chairman, who is an independent director, has the deciding vote

WORK AND POWERS

The work of the Governance and Remuneration Committee is based around the following:

- issuing recommendations on the composition of the Board of Directors, the appointment or reappointment of Board members, and the Group's organization and structures;
- examining, implementing and assessing the procedure for selecting future independent directors and conducting its own research into potential candidates before any approach is made;
- preparing an annual report and evaluating the implementation of this procedure, and presenting these to the Board of Directors;
- issuing recommendations on the non-discrimination and diversity policy, particularly in terms of gender balance on governance bodies and diversity objectives; drawing up and monitoring succession plans, particularly for senior executives and company officers;
- establishing and monitoring succession plans, particularly for senior managers and executive officers;
- proposing the compensation policy for executive officers and examining the compensation policy for the main senior managers;
- proposing the introduction of and procedures for stock option plans and performance shares;
- issuing recommendations on governance and/or ethics matters;
- reviewing, implementing and evaluating the procedure for reviewing current agreements concluded under normal conditions and monitoring regulated agreements as well as the procedure for selecting independent directors;
- to help prevent conflicts of interest, examining the criteria for classification as an independent director and avoiding the risk of conflicts of interest arising between the director and management, company or Group;

- reviewing the Group's sustainable development policy, analyzing the Group's CSR issues, and conducting an annual review of completed CSR actions and the main non-financial performance indicators, which will now fall within the scope of the Strategy Committee and CSR's responsibilities.

In addition, if necessary, the Governance and Remuneration Committee may request opinions or consultations from external experts on specific points. This was the case particularly in 2021 for the issue of the remuneration and pensions of the Group's senior managers due to the changes in the regulations.

Meetings of the Governance and Remuneration Committee are usually held in the presence of Thierry de La Tour d'Artaise, the Director of Human Resources, and the Secretary of the Board of Directors.

In its work on the composition of the Board of Directors, the Governance and Remuneration Committee examines each candidacy based on the following criteria:

- the composition of the shareholder base;
- the skills, experience and representative nature of the candidate;
- expanding the range of experience within the Board of Directors;
- compliance with the diversity policy;
- gender balance;
- the primacy of the corporate interest;
- the collegiality, balance, agility and efficacy of the Board.

In addition, independent directors of SEB S.A. are selected in accordance with the procedure documented by the Governance and Remuneration Committee, approved by the Board of Directors and appended to the internal rules of the Board of Directors.

As an outcome of the Board of Directors' evaluation in 2021, Board members expressed their satisfaction with the quality of its work.

At the end of its meetings, the Governance and Remuneration Committee produces a detailed report to which members of the Board of Directors can have access at any time, so they are fully aware of the content of its discussions and its conclusions and recommendations.

MAIN WORK

In 2021, the Governance and Remuneration Committee:

- monitored the succession plan for executive officers and made recommendations in this regard;
- undertook the necessary work and surveys in connection with the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer;
- reviewed the candidacies of directors whose appointment or reappointment was proposed at the following Annual General Meeting;
- made recommendations on the 2020 variable and 2021 fixed and variable remuneration for the Chairman and CEO, the Chief Operating Officer and other members of the Group Executive Committee;
- assessed the performance of the Chairman and CEO in his absence, as well as the performance of the Chief Operating Officer and the other members of the Group Executive Committee;
- compiled the responses to the evaluation of the Board of Directors as well as directors' self-assessments and made recommendations in this regard;
- reviewed the answers given by directors to the annual questionnaire designed to prevent and identify conflicts of interest, and made recommendations on the business relationship between the Group and Numberly – 1000mercis Group, of which Yseulys Costes is Chairwoman and CEO;
- reviewed several reports on governance and assessed how relevant they were to SEB's governance;
- conducted the annual review of Human Resources;
- reviewed the sustainable development policy and validated the summary of actions taken and the company's plans in this regard;
- reviewed the applications for vacant management positions;
- made recommendations regarding the composition of the Management Board, the Executive Committee and regarding the monitoring of diversity objectives;
- at its meeting on 12 February 2021 and in accordance with the AFEP-MEDEF Code, deliberated the performance of the Chairman and Chief Executive Officer during the year. The Chairman and CEO did not attend this meeting. The Committee reported its work to the Board of Directors during the next meeting.

INFORMATION PROVIDED TO DIRECTORS

Pursuant to the Charter and internal rules, *"directors must receive all the relevant information needed to perform their role".* The Chairman ensures that the directors have the information and documents required to fully perform their role at all times during their term of office.

To optimize the transmission of information, ensure its confidentiality and make the Board more efficient, in 2017 the company introduced a new application enabling simple and secure access to documents using digital tablets. Directors thus have permanent access to preparatory documents for meetings and recurring information left at their disposal and can follow meetings on their digital tablets. This system is in keeping with plans for the Group's sustainable development and digitization.

The Chairman thus ensures that information on General Meetings, financial publications, sales and results, consensuses and summaries of financial analysts' recommendations, as well as press releases by the Group, are brought to their attention through this application. A press review is also published once a month, in which the directors can find comprehensive information about the Group and its economic and competitive universe. In addition, the press review contains a section on sustainable development to raise the directors' awareness of Group economic and social responsibility issues.

Software is regularly updated and improved using new functional features so the Group can best meet directors' expectations to streamline the meeting organization and preparation process.

A section on corporate governance also allows the Board to refer to the AFEP-MEDEF Code, the Charter and internal rules, the Group's Code of Ethics, the Stock Market Ethics Charter and the Company's bylaws at any time.

Before each meeting, the directors can also read the documents relating to items on the agenda.

Following the 2021 evaluation of the Board of Directors, the members of the Board again said they were satisfied with the quality of the information submitted to perform their duties and expressed their complete satisfaction with the tool made available to them.

TRAINING FOR DIRECTORS

On appointment, each director is given access to a range of documents, including a Practical Guide for Directors, via an app specifically for meetings of the Board of Directors and its Committees, so that they can fully prepare themselves for their duties. Furthermore, training in the online tool used to arrange meetings is provided to ensure the director has as complete an understanding of the tool as possible, so that they can keep up to date and be well prepared for Board Meetings.

It was also decided to offer an induction program that includes training in the characteristics of the Group and its business lines, delivered through site visits or meetings with senior managers. However, given the circumstances surrounding the Covid-19 health crisis, it has not been possible to implement this initiative during 2021.

Following the results of the 2021 evaluation of the Board of Directors and the directors' self-assessment for 2021, in-house training on the methodology and financial indicators used to measure the company's financial performance will soon be offered to those directors who would like it.

In addition, the directors representing employees and the director representing employee shareholders have received external training from the French Institute of Directors (IFA) and, in accordance with the regulations in force, are able to obtain any training that is relevant to their rights and obligations as a director.

In addition, an annual Board of Directors' Seminar has been introduced since the 2019 evaluation of the Board of Directors. The aim of the Seminar is to meet with members of the Group Executive Committee to discuss topics selected from proposals put forward by the directors. This Seminar provides an opportunity to explore certain topics more thoroughly and to provide directors with more training on the Group's core concerns.

EVALUATION OF THE BOARD OF DIRECTORS AND DIRECTORS

Evaluation of the Board of Directors

Since 2003, the Board of Directors has conducted a formal annual evaluation of its operation, in accordance with the AFEP-MEDEF Code, the Charter and the internal rules. This ensures especially that the Board of Directors is operating as well as it can and that the duties with which the Board is entrusted are in line with the expectations of directors and are in the company's interests.

As in 2020, the 2021 evaluation was carried out by means of a questionnaire. This questionnaire focuses on the organization of meetings, reporting, composition and operation of the Board of Directors, as well as its Committees. It also makes it possible for questions on governance and CSR to be raised as well as issues relating to interactions with the Management.

The answers given by directors were analyzed by the Governance and Remuneration Committee, whose findings were presented to the Board of Directors on 16 December 2021. As in previous years, the comments and discussions showed that directors were, on the whole, very satisfied with the way in which the Board of Directors and its Committees operate and, particularly:

- the schedule, organization and frequency of meetings;
- the contents of the minutes of meetings of the Board of Directors;
- the contact with the various stakeholders – COMEX in particular;
- the reports and work produced by the Committees;
- the enhanced collaborative working between directors, particularly as a result of the Board of Directors' Seminar;
- the quality of information and documents posted on the directors' website, and the input from senior managers during meetings;
- with interactions with the management.

The final rating is improving.

Some optimization options were also discussed and adopted and are designed particularly:

- to continue with the advance scheduling of discussions on major topics tackled throughout the year, by asking every director to suggest topics and by continuing to set aside a specific time each year at a Board of Directors' seminar to present on the selected topic(s);
- to improve understanding of the financial data upon which the company's performance is based, by organizing in-house training for directors who feel they need it.

Director self-assessment

The evaluation of the Board of Directors is always supplemented by a Directors' self-assessment questionnaire, adopted by the Board of Directors at its meeting on 18 December 2014. This was intended to improve the understanding of the involvement and actual contribution of each director in the work of the Board of Directors.

The answers given by directors were analyzed by the Governance and Remuneration Committee, whose findings were presented to the Board of Directors on 16 December 2021. In particular, the comments and discussions showed that the directors have a very good perception and understanding of their role, their duties on the Board of Directors, and the challenges and dynamics of the company, and have complementary skills and experience that allow for quality in discussions. The directors also stated that they were satisfied with their contribution and active participation in the Board work.

DIRECTORS' CHARTER AND INTERNAL RULES OF THE BOARD OF DIRECTORS

The first version of the Directors' Charter and internal rules of the Board of Directors was prepared in 2003. This is a single document in two parts, one on the rules of conduct applicable to members of the Board of Directors, the other on the operational rules of the Board of Directors and its Committees.

This document is updated regularly and was revised in 2021 to append the formalized procedure for selecting independent directors.

The main provisions of the Charter and internal rules are covered or set out in this chapter of the Universal Registration Document (Chapter 2).

In addition, the Directors' Charter and the Internal Rules of the Board of Directors can be consulted on the Group's website in the website in the "Governance" section.

Directors' Charter

The Directors' Charter specifies the role and duties of each member of the Board of Directors that they accept from the beginning of their term of office.

The main points of this Charter are: respect for and protection of the company's interests, attendance, dealing with any conflicts of interest, access to information, confidentiality, analytical independence, and a reminder of the legal regime governing insider information, the details of which, as well as the applicable rules, are set out in the Market Ethics Charter, the content of which is summarized on page 87.

Internal rules

As the internal rules are designed to ensure the smooth operation of the Board of Directors, each member of the Board of Directors is informed of them at the start of their term of office and they can also be accessed via the secure online platform that is used to arrange Board Meetings.

The internal rules cover the composition, operation, role and mission of the Board and its Committees and the director remuneration policy.

PROCEDURES RELATING TO SHAREHOLDER PARTICIPATION IN GENERAL MEETINGS

Note that Articles 32 and 33 of the bylaws define the procedures for shareholder participation in Annual General Meetings in accordance with the current regulations.

All shareholders are entitled to participate in Annual General Meetings, or to be represented at such meetings, under the terms and conditions of the bylaws, a summary of which is given in Chapter 7, "Information concerning the company and its share capital".

IMPLEMENTATION OF THE RECOMMENDATIONS OF THE AFEP-MEDEF CODE

With regard to the “Apply or Explain” rule provided for in Article L. 22-10-10, 4 of the French Commercial Code and Article 27.1 of the AFEP-MEDEF Code, the company believes that its practices comply with the recommendations of the AFEP-MEDEF Code. However, some recommendations were not applied for the reasons explained below:

AFEP-MEDEF recommendations not applied	Reason
Articles 15.1 and 17.1: Proportion of independent directors on the Nominations Committee and the Remuneration Committee The Nominations and Remuneration Committee must include a majority of independent directors.	The Committees historically comprise at most four members, two of whom are independent directors, and, considering the company’s shareholding structure, two directors representing reference shares. As a result, the Governance and Remuneration Committee comprises an equal number of independent directors and representatives of the family voting block. Moreover, the Chairman of the Governance and Remuneration Committee is independent.

Furthermore, three provisions will now be met from 1 July 2022:

Article 11.3: Board and Committee Meetings It is recommended that a meeting not attended by the executive officers be held each year.	From 1 July 2022, this recommendation will no longer apply, given that the Board of Directors will no longer include an executive director as a result of the separation of the roles of Chairman and Chief Executive Officer. As the new Chief Executive Officer is not a director, he will attend those Board Meetings to which he is invited.
Article 18.1: Composition of the Compensation Committee It is recommended that the Committee chair be independent and that an employee director be a member of the Committee.	Both Committees are chaired by an independent director who leads and steers the Committee’s work. They have the deciding vote in the event of a tie. From 1 July 2022, a director representing employee shareholders will sit on the Governance and Remuneration Committee.
Article 22: Chief Executive Officer’s employment contract When an employee is appointed as Chief Executive Officer of the company, it is recommended that its employment contract with the company or with a company affiliated to the Group be terminated, whether through contractual termination or resignation.	Thierry de La Tour d’Artaise began his career with the Group in 1994 and was appointed Vice-Chairman of SEB S.A. in 1999, before becoming Chairman and CEO in 2000. In accordance with changing governance practice, his employment contract has been suspended since 2005. The Board of Directors’ Meeting of 17 February 2012, having re-examined the circumstances of the Chief Executive Officer, considered that Thierry de La Tour d’Artaise’s employment contract, which had been suspended since 2005, should remain suspended, in light of his age and seniority within the Group. The same decision was made following the Board of Directors’ Meetings on 23 February 2016 and 25 February 2020, with a view to reappointing Thierry de La Tour d’Artaise. In accordance with the decision of the Board of Directors on 10 February 2022, Thierry de La Tour d’Artaise’s suspended employment contract will end on 30 June 2022, the date on which his duties as Chief Executive Officer will terminate, on which date, he will retire.

2.4 Group management bodies

MANAGEMENT BOARD (AT 31 DECEMBER 2021)

Thierry de La Tour d'Artaise	Chairman and Chief Executive Officer
Stanislas de Gramont	Chief Operating Officer
Nathalie Lomon	Chief Financial Officer, Group Executive Vice-president
Delphine Segura-Vaylet	Senior Executive Vice-president, Human Resources; Group Senior Executive Vice-president
Philippe Schaillee	Senior Executive Vice-president in charge of Products and Innovation

In charge of executing the strategy decided by the Board of Directors, the General Management Committee (GMC) defines the Group's major orientations.

EXECUTIVE COMMITTEE (AT 31 DECEMBER 2021)

Thierry de La Tour d'Artaise	Chairman and Chief Executive Officer
Stanislas de Gramont	Chief Operating Officer
Nathalie Lomon	Chief Financial Officer, Group Executive Vice-president
Delphine Segura-Vaylet	Senior Executive Vice-president, Human Resources; Group Senior Executive Vice-president
Philippe Schaillee	Senior Executive Vice-president in charge of Products and Innovation
Cyril Buxtorf	President, EMEA
Pierre-Armand Lemoine	President, Cookware
Alain Leroy	President, Industry
Olivier Naccache	President, small electrical appliances
Cathy Pianon	Executive Vice-president, Public Affairs & Communication and Chief of Staff of the CEO office
Oliver Kastalio	President, WMF
Vincent Rouiller	Executive Vice-president, Research
Philippe Sumeire	Executive Vice-president, Legal
Vincent Tai	President, Asia
Martin Zouhar	Executive Vice-president, SEB Professional

The Executive Committee (COMEX) is responsible for implementing the policies defined by the GMC, both globally and within their respective areas.

POLICY ON DIVERSITY IN GOVERNANCE BODIES AND GENDER BALANCE

In accordance with the provisions of Article 7 of the AFEP-MEDEF Code, at the proposal of General Management and following review by the Governance and Remuneration Committee, at its meeting of 23 February 2021 the Board of Directors adopted the policy on diversity within its governance bodies, the detail of which is as follows:

- scope: the scope of the governance bodies used includes the Management Board and the Executive Committee, whose membership and tasks are described above;
- current situation at 31 December 2020: the percentage of women serving on the Management Board is 25% (one woman and three men), and 9% (one woman and ten men) on the Executive Committee;
- objectives and timescale: to perpetuate the overall gender balance of the management bodies by maintaining a minimum representation of women of 40% within the General Management Committee and of 25 to 30% within the Executive Committee with a time horizon set at 2022;
- implementation methods: for several years, the Group has encouraged women into management positions, which should facilitate the achievement of the objectives set out above. Gender equality in the workplace is, in fact, an integral part of the Group's non-discrimination and diversity promotion policy. In 2019, it strengthened its approach with the Gender Diversity global commitment plan. Increasing the representation of women in governance bodies and developing female talent are some of the drivers that will help to strengthen the diversity policy the Group has supported for several years.

The Board of Directors noted the proposed diversity objectives and the implementation methods (action plan and timescale).

The achievement of objectives is monitored by the Board of Directors and includes an update on progress and achievement of the results obtained in each financial year. As a result, on the occasion of its meeting of 9 December 2021, the Governance and Remuneration Committee has realised a reported on the progress made in reaching these objectives, before updating the Board of Directors on the current results at its meetings of 16 December 2021 and 24 February 2022. This indicates that, at the top levels of the organization, the actions undertaken and the long-term policy applied are proving fruitful. As at 31 December 2021, the percentage of women in the:

- General Management Committee was 40% (two women and three men) compared to 25% as at 31 December 2020;
- Executive Committee was 20% (three women and twelve men) compared to 9% as at 31 December 2020.

The Governance and Remuneration Committee confirmed that the objectives for 2023, which were previously set at 40% of women on the General Management Committee and 30% on the Executive Committee, are still within reach.

Furthermore, information on the overall implementation of the company's diversity policy, including results on diversity in terms of access to senior management positions, is provided in Chapter 3, pages 163 and 164 of this Universal Registration Document, in accordance with the provisions of Article L. 22-10-10, 2 of the French Commercial Code.

2.5 Remuneration policy

Pursuant to the provisions of Article L. 22-10-8 of the French Commercial Code, this section describes the policy on corporate officer remuneration.

In line with the company's social interests, this policy is based on the Group's historical values and helps to promote its development and long-term performance.

This section is an integral part of the report on Corporate Governance cited in the last paragraph of Article L. 225-37 of the French Commercial Code.

Under Article L. 22-10-8 of the French Commercial Code, and based on the principle of ex-ante voting, the Annual General Meeting of 19 May 2022, is asked to approve, on the basis of the report on Corporate Governance, the policy on the remuneration of the corporate executive officers (see chapter 8) and the policy on the remuneration of directors (see chapter 8).

Moreover, in accordance with the ex-post voting principle, the Ordinary Shareholders' Meeting on 19 May 2022 will be asked to approve:

- pursuant to Article L. 22-10-34 II. of the French Commercial Code, the information described in Part I of Article L. 22-10-9 of the French Commercial Code, as presented in this report on the Corporate Governance of the company (see chapter 8);
- pursuant to Article L. 22-10-34 II. of the French Commercial Code, for each executive officer, the fixed, variable and exceptional items composing the total remuneration and the benefits of any kind paid during the previous year or allocated for the same year (see chapter 8).

CROSS-REFERENCE TABLE WITH THE STANDARD PRESENTATION OF THE COMPENSATION ASPUBLISHED IN POSITION-RECOMMENDATION N° 2021-02 OF THE FINANCIAL MARKETS AUTHORITY (AMF) AND IN THE AFEP-MEDEF CODE OF CORPORATE GOVERNANCE FOR PUBLICLY TRADED COMPANIES REVISED IN JANUARY 2020

Table 1 - Table summarizing the compensation, options and shares awarded to each executive officer	Summary table of the remuneration and options and shares due or awarded to M. Thierry de la Tour d'Artaise	p. 111
	Summary table of the remuneration and options and shares due or awarded to M. Stanislas de Gramont	p. 117
Table 2 - Table summarizing the compensation of each executive officer	Summary table of the remuneration paid or awarded to M. Thierry de la Tour d'Artaise	p. 111
	Summary table of the remuneration paid or awarded to M. Stanislas de Gramont	p. 117
Table 3 - Table on the directors' fees and other compensation received by non-executive directors	Remuneration received by the Directors – amounts paid for the 2021 financial year	p. 102
Table 4 - Subscription or purchase options awarded during the financial year to each executive officer by the issuer and by any Group company	Stock options awarded in 2021 to M. Thierry de la Tour d'Artaise	p. 113
	Stock options awarded in 2021 to M. Stanislas de Gramont	p. 119
Table 5 - Subscription or purchase options exercised during the financial year by each executive officer	Stock options exercised in 2021 to M. Thierry de la Tour d'Artaise	p. 113
	Stock options exercised in 2021 by M. Stanislas de Gramont	p. 119
Table 6 - Performance shares awarded during the financial year to each executive officer by the issuer and by any Group company	Performance shares awarded in 2021 for M. Thierry de la Tour d'Artaise	p. 113
	Performance shares awarded in 2021 for M. Stanislas de Gramont	p. 119
Table 7 - Performance shares that have become available during the financial year for each executive officer	Performance shares fully vested in 2021 for M. Thierry de la Tour d'Artaise	p. 113
	Performance shares fully vested in 2021 for M. Stanislas de Gramont	p. 119
Table 8 - Past awards of subscription or purchase options	History of stock option awards to executive officers	p. 123
Table 8bis - share subscription or purchase options granted or exercised by the top ten employees	Share subscription or purchase options granted or exercised by the top ten employees who are not executive officers	p. 354
Table 9 - Past awards of performance shares	History of performance share awards to executive officers	p. 124
Table 10 – Table summarizing the multi-annual variable remuneration paid to each executive officer	Multi-year variable remuneration paid to M. Thierry de la Tour d'Artaise	p. 113
	Multi-year variable remuneration paid to M. Stanislas de Gramont	p. 119
Table 11 - Information on executive officers	General information about executive officers	p. 124

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The terms of directors' remuneration are set by the Board of Directors on a proposal from the Governance and Remuneration Committee. In 2021, the remuneration received by directors obeyed the same allocation principle as for the previous year, namely a fixed portion and a variable portion, calculated according to directors' attendance at Board and Committee Meetings.

No other remuneration is given to members of the Board of Directors. The travel expenses incurred as a result of their participation in meetings are paid for.

Following the approval of Resolution 9 of the Shareholders' Meeting of 22 May 2019, the total package authorized for the remunerations allocated to the members of the Board of Directors was €600,000 to take into account the increase in the size of the Board, which rose from 14 to 17 members. The overall amount of remuneration allocated to the members of the Board of Directors remained unchanged in 2021.

In addition, since the Annual General Meeting of 19 May 2020 and in accordance with the decision made by the Board of Directors on 17 December 2019, on the recommendation of the Governance and Remuneration Committee, the preponderance of the variable proportion has been increased up to 60% compared with 50% previously, but will continue to be calculated on the attendance rate of Directors at Board and Committee Meetings. The allocation rules are as follows:

Function	Fixed portion	Variable portion
Director	€12,000	€18,000
Committee Chairman (in addition to the fixed and variable remuneration for an administrator)	€6,000	€9,000
Committee member (in addition to the fixed and variable remuneration for an administrator)	€4,000	€6,000

At its meeting of 24 February 2022, the Board of Directors examined the benchmarks and recommendations of the Governance and Remuneration Committee and proposed to the Annual General Meeting that the annual package should be increased from €600,000 to €820,000 to take into account the very significant gap in remuneration that exists with almost all other issuers and the increase in tasks and in the complexity of subjects and regulations that the Board and its Committees must undertake.

The increase in this package will be spread over the three levels of annual remuneration of Board members as follows:

Function	Fixed portion	Variable portion
Director	€14,000	€21,000
Committee Chairman (in addition to the fixed and variable remuneration for an administrator)	€8,000	€12,000
Committee member (in addition to the fixed and variable remuneration for an administrator)	€6,000	€9,000

This amendment will take effect after the Annual General Meeting of 19 May 2022 for the period 2022/2023, subject to the approval by the shareholders of the corresponding General Meeting resolution.

AMOUNTS PAID IN 2021 FOR THE 2020/2021 PERIOD

In 2021, the overall remuneration paid to Board members totaled €590,000 (gross amount before deductions and/or withholdings), compared with €552,778 in 2020, as shown in the table below:

Gross remuneration of directors *(in €)*

Board members	Gross remuneration paid in 2019 for the 2018/2019 period	Gross remuneration paid in 2020 for the 2019/2020 period	Gross remuneration paid in 2021 for the 2020/2021 period
Thierry de La Tour d'Artaise	30,000	28,750	30,000
Delphine Bertrand	30,000	27,153	30,000
Nora Bey (1)	N/A	22,361	30,000
Yseulys Costes	38,750	38,333	40,000
Jean-Pierre Duprieu	N/A	25,556	30,000
FÉDÉRACTIVE (Pascal Girardot) (2)	10,000	3,333	N/A
FÉDÉRACTIVE (Sarah Chauleur)	30,000	28,750	30,000
PEUGEOT INVEST ASSETS (Bertrand Finet)	40,000	36,736	40,000
FSP (Catherine Pourre)	45,000	43,125	45,000
Brigitte Forestier	30,000	28,750	30,000
William Gairard	28,333	28,750	30,000
GÉNÉRACTION (Caroline Chevalley)	N/A	35,139	40,000
Laurent Henry	28,333	28,750	30,000
Jean-Noël Labroue	45,000	43,125	45,000
Jérôme Lescure	40,000	38,333	40,000
Thierry Lescure	N/A	28,750	30,000
Aude de Vassart	N/A	28,750	30,000
VENELLE INVESTISSEMENT (Damarys Braida)	40,000	38,333	40,000
TOTAL	**503,750**	**552,778**	**590,000**

(1) Calculation realized pro rata with respect to participation in Board of Directors' Meetings that have been held after the appointment by the Group European Committee on 27 June 2019.
(2) With respect to participation on the Governance and Remuneration Committee up to 23 July 2019.

REMUNERATION OF EXECUTIVE OFFICERS

The information presented below covers the fixed variable and exceptional items composing the total remuneration and benefits of any kind (performance shares, severance payments, benefits in kind and supplementary pension benefits) for Thierry de La Tour d'Artaise and Stanislas de Gramont, the sole corporate officers receiving this type of remuneration. Board members receive only the remuneration referred to in the previous section.

On 10 February 2022, the Board of Directors decided to separate the functions of Chairman and Chief Executive Officer and thus opt for a dual governance system from 1 July 2022. The Board of Directors took note of the end of the term of office on 30 June 2022 of the Chairman and Chief Executive Officer, Thierry de La Tour d'Artaise, and decided to appoint Thierry de La Tour d'Artaise as Chairman of the Board of Directors from 1 July 2022. The Board of Directors also noted that Thierry de La Tour d'Artaise will also request at the same time his retirement under his suspended employment contract so that he can retire on 1 July 2022.

At the proposal of Thierry de La Tour d'Artaise and the Governance and Remuneration Committee, the Board decided to appoint Stanislas de Gramont as Chief Executive Officer on 1 July 2022.

The remuneration policies apply to:

- Thierry de La Tour d'Artaise, in his position as Chairman and Chief Executive Officer until 30 June 2022, then as Chairman of the Board of Directors from 1 July 2022;
- Stanislas de Gramont, in his position as Chief Operating Officer until 30 June 2022, then as Chief Executive Officer from 1 July 2022.

PRINCIPLES AND OBJECTIVES

The remuneration policy for Groupe SEB executive officers is set by the Board of Directors on a proposal from the Governance and Remuneration Committee. It is reviewed on a regular basis and is designed to provide balanced and consistent remuneration in line with the recommendations of the AFEP-MEDEF Code revised in January 2020, to which the Group refers while staying motivating and aligned with market practices assessed by the Committee and with external studies.

In accordance with these principles, the Governance and Remuneration Committee proposes to the Board of Directors the components of the remuneration for each director, while making sure that it remains balanced, in line with the corporate interest, in line with the Group's historical values, and that it contributes to the Group's development and sustainable performance. Of course, the Committee aims to make performance criteria quantitative and qualitative and ensure that appropriate information is reported publicly.

Completeness and simplicity

The remuneration of executive officers is intended to ensure simplicity, transparency and consistency over time. It comprises a fixed portion, an annual variable portion, and performance shares, subject to the fulfillment of performance criteria set in advance by the Board of Directors. The total remuneration granted to executive officers is determined by taking all the remuneration and benefits into account, including the supplementary pension plan.

Balance and consistency

The remuneration of executive officers is consistent with the overall remuneration policy for Group senior managers and employees and the interests of both the company and its shareholders. It also takes account of market practices as well as the performance of executive officers.

Motivation and performance

To motivate executive officers and encourage them to meet short- and long-term targets, the Board of Directors ensures that a variable portion is evenly allocated between annual and longer-term targets. Performance criteria are set with the aim of contributing, year on year, to the implementation of a long-term growth strategy.

PRINCIPLES AND CRITERIA FOR THE DETERMINATION, ALLOCATION AND AWARDING OF THE FIXED, VARIABLE AND EXTRAORDINARY COMPONENTS OF TOTAL REMUNERATION AND BENEFITS OF ANY KIND

According to the AFEP-MEDEF Code, the various components of the remuneration of corporate executive officers are reported on the company's website after the Board Meeting that adopted the relevant decisions.

At its meeting of 24 February 2022, the Board of Directors set the remuneration criteria for its two corporate officers as a result of the separation of the roles of Chairman and Chief Executive Officer decided by the Board on 10 February 2022 to take effect as of 1 July 2022. The principles and criteria for determining the various components of the remuneration of corporate officers do not change, but the different way in which they are applied to each officer and to the two periods of the year, the first and second half of 2022, are described below.

Fixed remuneration

The fixed portion of remuneration should reflect the executive officer's responsibilities, level of experience and skills and be in line with market practices.

Fixed remuneration is analyzed and discussed within the Governance and Remuneration Committee, which takes into consideration:

- the personal qualities of the corporate executive officer concerned (seniority in the business line, experience, performance of his or her duties);
- all the elements and benefits that make up the executive officer's remuneration; the variable portion must be incentivized and therefore greater than the fixed portion;
- as well as the positioning of the remuneration of the corporate executive officer in comparison to practices reported in comparable companies.

The fixed remuneration serves as a reference basis for determining the annual variable remuneration.

Annual variable remuneration

The variable portion of the executive officers' remuneration obeys the general principles applicable to all Group senior managers.These criteria, which have been constant for many years, are analyzed and discussed each year by the Governance and Remuneration Committee, which regularly relies on studies of practices identified in comparable companies conducted by external consultants. The Board of Directors sets the criteria at the start of each year and makes sure that they constitute an incentive mechanism intrinsically linked to the Group's performance and strategy.

At its meeting scheduled at the beginning of the year, the Governance and Remuneration Committee evaluates the level of achievement of the performance targets set for the past year and then assesses the quantitative and qualitative performance criteria for the new year, checking that they are in line with the Group's strategic priorities as well as with the principles described above. The findings are then submitted to the Board of Directors, which approves these elements, both ex post and ex ante, at the meeting called to review the annual financial statements and the budget.

THE QUANTITATIVE CRITERIA

The quantitative criteria are linked to the Group's economic performance. They represent 60% of variable remuneration and are assessed against a matrix composed of the following combined targets:

- revenue growth; and
- growth in the Operating Result from Activity.

The annual objectives for the financial year 2021, the results recognized and actual performance are as follows:

Achievement of quantitative objectives is assessed against the Group's revenue and Operating Result from Activity (ORfA) target approved by the Board of Directors upon the recommendation of the Governance and Remuneration Committee, namely:

- Targets for 2021:
  - Sales: €7,464,000,000;
  - Operating Result from Activity: €682,000,000;
- Results:
  - Sales: €8,058,800,000;
  - Operating Result from Activity: €813,300,000.

The rate of achievement was 190.7%.

Historically, the percentage fulfilment of these combined criteria has varied between 72.0% and 190.7% over the last ten years.

THE QUALITATIVE CRITERIA

The qualitative criteria represent 40% of variable remuneration and are evaluated in relation to three distinct and independent components:

- CSR performance represents 15% of variable remuneration and is based on three quantifiable objectives of 5% each, as follows:
  - Environment/low carbon:

    target for reducing energy consumption (electricity and gas) at Group production sites (Kwh/unit produced) compared to the previous year.

    The results for 2021 are very encouraging, with a 7.6% drop in the energy consumption defined above. The 2022 objective is to continue at this pace with a drop by 5% to secure the low carbon objective announced for the end of 2023.
  - Social policy:

    annual reduction target for the LTIRi (Lost Time Injury Rate including temporary workers) worldwide for all Group facilities (production sites, warehouses, offices). This rate reduced from 2.9 in 2017 to 1.1 in 2021, above the target set at the start of the year. The objective for 2022 is to achieve a rate which would represent the highest standard in the industry, i.e. 1.0.
  - Ethics and compliance:

    social compliance objective of subsidiaries located in areas deemed to be at risk in terms of respect for human rights. These audits are conducted independently by a recognized external firm (Intertek) according to its own methodology and the average rating from these audits is used to measure the achievement of this objective. Five sites were audited in 2021 with an average result of 90% (meaning a 100% achievement on a scale of 0 to 200%). Six sites will be audited in 2022 with an objective of average rating of 90%.
- Individual performance represents 15% of variable remuneration and is categorized into three individual objectives, discussed and approved by the Governance and Remuneration Committee, primarily based on the objectives of the company's business plan and the achievement of major Group-wide projects. Information relating to executive officers for 2021 is detailed below. Data for 2022 is strictly confidential because SEB's main competitors are not necessarily listed or do not publish this information.
- The collective performance of the Executive Committee represents 10% of the variable remuneration and measures its ability to interact quickly and effectively, its team solidarity and the ability of each officer to meet personal objectives appropriate to the expected behavior of Executive Committee members. Those used for 2021 are described below. The same as above applies to those used in 2022.

TARGET AND CAP

Annual variable remuneration is expressed as a percentage of annual fixed remuneration:

- for the Chairman and Chief Executive Officer: annual variable remuneration may vary from 0% to 100%, if all of the quantitative and qualitative targets are met (target level), and rise to 150% (maximum level) if financial performances are deemed to exceed the targets set;
- for the Chief Operating Officer: annual variable remuneration may vary from 0% to 80%, if all of the quantitative and qualitative targets are met (target level), and rise to 120% (maximum level) if financial performances are deemed to exceed the targets set.

After the split between Chairman and CEO functions:

- for the Chief Executive Officer: annual variable remuneration may vary from 0% to 100%, if all of the quantitative and qualitative targets are met (target level), and rise to 150% (maximum level) if financial performances are deemed to exceed the targets set;
- for the Chairman of the Board: it should be noted that he does not receive any annual variable remuneration.

Performance shares

To the exclusion of all other plans, Groupe SEB has been awarding performance shares to Group employees and executive officers since 2013, in accordance with Articles L. 22-10-59 et seq. of the French Commercial Code. This system replaced stock option grants, the last of these plans having been submitted to the Annual General Meeting on 10 May 2012. These expired entirely in June 2020.

Performance share awards aim to promote the meeting of Groupe SEB's long-term targets and the value creation expected by stakeholders.

Based on this logic, the Board of Directors decided, on a proposal of the Governance and Remuneration Committee, that performance shares should be awarded entirely on the basis of performance criteria. This favors simple principles and rules that remain stable over time and long-term and demanding performance criteria.

These cover revenue and Operating Result from Activity targets and are assessed on an annual basis over a three-year period. Performance targets are set each year by the Board of Directors at the proposal of the Governance and Remuneration Committee, according to the process described above for the setting of annual quantitative objectives.

To further inform the objectives of these plans and their historical fulfilment rate, the table below includes the combined revenue and ORfa objectives for 2019, 2020 and 2021, the actual results and the corresponding actual performance.

With regard to each approved plan for year N, the performance calculation depends on the rate of achievement of the revenue and Operating Result from Activity target assessed over the three-year vesting period (i.e. N, N+1 and N+2):

Average achievement rate over three years	Performance shares awarded
100% or more	100%
Between 50% and 100% inclusive	Pro rata of the achievement rate
Less than 50%	None

Awards have been made as follows:

- the total number of performance shares awarded to executive officers in one financial year amounts to 13.5% of the total number of performance shares awarded in this same year;
- the total volume of performance shares awarded to corporate executive officers and to employees must be capped at 0.3976% of the share capital on the date of the decision to award.

Executive officers are also bound by the following obligations:

- shares resulting from the exercise of stock options and performance shares must be held in registered form for a certain period, as explained below, during their term of office;
- adherence to the principles of the Stock Market Ethics Charter, which defines, among other things, blackout periods based on the company's accounting calendar and earnings reporting periods, in accordance with the recommendations of the French Financial Markets Authority (AMF);
- obligation to declare any securities transactions to the AMF in accordance with the regulations in force;
- formal undertaking not to engage in any hedging transactions for their own risks, either on options or on shares resulting from the exercise of options or on performance shares. This undertaking also appears in the stock award plan rules which are delivered to each beneficiary.

Awards of performance shares have no dilutive effect on earnings insofar as all shares awarded are existing shares bought back by the company. As recommended by the AFEP-MEDEF Code, the Board of Directors makes the annual awards in the same calendar period each year.

Following the Annual General Meeting on 20 May 2021, the Board of Directors decided to use the authorization granted by the shareholders to implement the performance share plan approved at the Board of Directors' Meeting on 23 February 2021.

In addition, the Board of Directors' Meeting of 24 February 2022, after examining the findings of the Governance and Remuneration Committee, reviewed and approved the proposed performance share award plan for 2022.

The grant authorization will be submitted to the vote of the shareholders at the next Annual General Meeting on 19 May 2022 (Resolution 22).

Remuneration allocated to the members of the Board of Directors

The Board of Directors may decide to pay remuneration to the corporate executive officers, according to the same rules as those applicable to all the directors set out above. The attribution of the remuneration allocated to members of the Board of Directors, which is part of the remuneration policy for directors, will be submitted to a vote by shareholders at the next Annual General Meeting (Resolution 14).

Benefits in kind

The executive officers have company cars. The Chairman and Chief Executive Officer also benefits from compensation for the use of an apartment in Paris. The Chief Operating Officer benefits from GSC income protection insurance, supplementary life insurance and a company car.

After the split between Chairman and CEO functions:

The Chief Executive Officer receives GSC income protection insurance, supplementary life insurance and a company car.

The Chairman of the Board of Directors benefits from compensation for the use of an apartment in Paris, the use of a driver, and a company car.

Deferred commitments

Groupe SEB's remuneration policy aims to attract and retain talented senior and other managers. The Group's policy has always been to encourage internal promotion and sustainable management. The Board of Directors does not wish to see executive officers, after several years of service with Groupe SEB, deprived of benefits they would have continued to receive had they remained employees.

CONTINUATION OF EMPLOYMENT CONTRACT

Thierry de La Tour d'Artaise began his career at Groupe SEB in 1994 and was appointed Vice-Chairman in 1999. He was appointed Chairman and CEO in 2000. In accordance with the recommendations of the AFEP-MEDEF Code, his employment contract was suspended on 1 March 2005, following the Board of Directors' decision on 17 December 2004.

The Board of Directors' Meetings of 23 February 2016 and of 25 February 2020, in the context of the reappointment of Thierry de La Tour d'Artaise, reviewed the situation and agreed that it was not the right time to amend the plan in place, as this would not have changed the performance and commitment of its beneficiary and therefore his employment contract should remain suspended due to his age and seniority within the SEB Group.

A corporate officer agreement with Stanislas de Gramont in his position as Chief Operating Officer was signed on 12 December 2018. He has no employment contract.

In a decision of 10 February 2022, the Board of Directors decided to change the governance of the company by separating the functions of Chairman and Chief Executive Officer from 1 July 2022.

The Board of Directors took note of the end of the term of office on 30 June 2022 of the Chairman and Chief Executive Officer, Thierry de La Tour d'Artaise, and decided to appoint Thierry de La Tour d'Artaise as Chairman of the Board of Directors from 1 July 2022. The Board of Directors also noted that Thierry de La Tour d'Artaise will also request at the same time his retirement under his suspended employment contract so that he can retire on 1 July 2022.

At the proposal of Thierry de La Tour d'Artaise and the Governance and Remuneration Committee, the Board decided to appoint Stanislas de Gramont as Chief Executive Officer on 1 July 2022.

As regards Stanislas de Gramont, the aforementioned agreement of 12 December 2018 will lapse on 1 July 2022 and will not be replaced, as all the terms and conditions of his employment are set by the Board and submitted to the Annual General Meeting under Say on Pay resolutions.

PENSION COMMITMENTS

Previous plan

In addition to the statutory basic and supplementary pension plans of which they are members, Thierry de La Tour d'Artaise and Stanislas de Gramont were authorized by the Board of Directors to join the collective supplementary pension plan set up within Groupe SEB.

For senior managers in office on 3 July 2019, the provisions of Order no. 2019-697 of 3 July 2019 on supplementary work pension plans forced the Group to freeze and close this plan as of 31 December 2019.

The previous plan was established as follows:

- a deferred defined-benefit pension plan set up in accordance with Article L. 137-11 of the French Social Security Code.

  Potential benefits under this plan may be paid out if beneficiaries have served on the Executive Committee for at least eight years and leave the company to exercise their right to claim retirement benefits.

Beneficiaries are, however, still entitled to benefits should a beneficiary aged 55 leave the Group under an early retirement plan or at the Group's behest, provided that the interested party does not perform any professional activity between the date of departure and the receipt of benefits and, in the event the beneficiary is classified as category 2 or 3 disabled.

In addition, should the potential beneficiary die before receiving the benefit entitlement, the benefits derived from said entitlement pass to any surviving spouse or children.

Potential entitlements under this plan may amount, including pensions due under the statutory basic and supplementary pension plans (AGIRC/ARRCO), to a maximum of 25% of the reference salary[1].

They are funded by contributions paid to an insurance company which are deductible from the taxable base for corporation tax and liable for the contribution provided for by Article L. 137-11, I, 2, a) of the French Social Security Code;

- a supplementary defined-benefit pension plan set up in accordance with Article L. 137-11 of the French Social Security Code.

  Potential entitlements under this plan may be paid out if beneficiaries have served on the Executive Committee for at least eight years, stay with the company until the end of their career, and take their entitlements under the statutory basic and supplementary pension plans.

  Beneficiaries are, however, still entitled to benefits should the beneficiary be classified as category 2 or 3 disabled or in the event of departure at the Group's request after the age of 55, provided that the interested party does not perform any other professional activity between the date of departure and receipt of benefits.

  In addition, should the potential beneficiary die before receiving the benefit entitlement, the benefits derived from said entitlement pass to any surviving spouse or children.

  Potential entitlements enable beneficiaries to receive a pension that equates to 0.80% of the reference salary[1], multiplied by the number of years of service on the actual retirement date, capped at 20 years and at the date the plan freezes.

They are funded by contributions paid by Groupe SEB to an insurance company which are deductible from the taxable base for corporation tax and liable for the contribution provided for by Article L. 137-11, I, 2, a) of the French Social Security Code.

Pension entitlements under this plan may be paid no earlier than the date on which the general social security pension is drawn.

The Chief Operating Officer, Stanislas de Gramont, who took up this post on 3 December 2018, benefits from the previous retirement scheme in line with the conditions defined in the Ordinance of 3 July 2019 and the application conditions defined in the directive of 27 July 2020.

New plan "L. 137-11-2"

Following the freeze and closure of the previous plan and the publication of the department of Social Security's directive of 23 December 2020, the implementation of a new plan with defined benefits and certain rights, meeting the conditions set out in Article L. 137-11-2 of the French Social Security Code, was decided by the Board of Directors on 16 December 2021, on the recommendation of the Governance and Remuneration Committee of 9 December 2021.

This new scheme applies to members of the General Management Committee and/or the Executive Committee (see below, "COMEX"), with the exception of those who have received an additional pension corresponding to the maximum rights under the previous closed and frozen plan and/or who benefit from an equivalent retirement plan in another country.

This new plan provides for payment to the beneficiary, at the earliest of the date on which they have liquidated their pension under a mandatory pension plan to which they have contributed, or from the statutory retirement age referred to in Article L. 161-17-2 of the French Social Security Code, of a life annuity with the possibility of reversion.

The reference remuneration used to calculate entitlements in respect of the year in question only includes the fixed portion of the salary taken into account when calculating social security contributions (in application of Article L. 242-1 of the French Social Security Code) and the bonus paid subject to contributions in application of Article L. 242-1 of the French Social Security Code.

The annual entitlements correspond to 1% of the reference remuneration defined above.

Annual entitlements are conditional on compliance with conditions related to the annual assessment of the beneficiary's professional performance. Performance is calculated on the basis of the Business Revenue and Operating Result from Activity objectives set by the Board of Directors over the year in question. If actual performance is equal to or greater than 100%, the entitlements will equal 1% of the reference remuneration. If actual performance is between 0% and 100%, the entitlements will be prorated. Therefore, entitlements may be nil (0%).

Annual entitlements may not exceed 3% of the reference remuneration. Furthermore, the total percentage points applied to the same beneficiary is capped at 30% over their entire career and all their employers combined.

Entitlements are revalued annually by a coefficient equal to the changes in the social security ceiling. In the event of departure from the Company and prior to drawing their pension, the entitlements are revalued annually in the same way. In addition, in the event of the death of the beneficiary before they draw their pension, entitlements are retained for the benefit of the beneficiaries.

(1) *Reference salary: average of the annual gross, fixed and variable remuneration received over the last three years of activity, capped at 36 annual French Social Security ceilings.*

This annuity is financed exclusively by premiums paid by the Company to an insurance company which are deductible from the taxable base for corporation tax. With regard to the social security contributions associated with payment of the annuity, the Company is obliged to pay a contribution based on premiums paid to the insurance company at the rate of 29.7% set by the French Social Security Code.

This new scheme is not applicable to Thierry de La Tour d'Artaise, who has reached the maximum entitlements he can receive under the previous plan.

Stanislas de Gramont was authorized by the Board of Directors on 16 December 2021 to benefit from this new scheme as of 1 January 2022 (subject to approval at the Annual Meeting of Shareholders of 19 May 2022).

OTHER LIFETIME BENEFITS: INCAPACITY, DISABILITY AND DEATH AND HEALTH INSURANCE AND INDIVIDUAL LIFE INSURANCE

Executive officers continue to benefit from supplementary social protection, notably as regards the incapacity, disability and death and health insurance that covers the company's employees.

Thierry de La Tour d'Artaise and Stanislas de Gramont were authorized by the Board of Directors to benefit:

- from the "incapacity/disability/death" insurance plan applicable to senior managers and similar persons, which is funded by contributions based on tranches that are deductible from the taxable base for the corporate tax:
  - A 1.562%, paid in full by the employer,
  - B 2.029%, paid 60% by the employer and 40% by employees,
  - C 2.029%, shared equally between the employer and employees.

  These contributions are not included in the social security contribution base, capped at 6% of the annual social security ceiling (€2,468 in 2021) and 1.5% of the remuneration figure used, capped at 12% of the annual social security ceiling (€4,936 in 2021).

  This insurance plan includes, in particular, the payment of supplementary daily allowances in the event of incapacity, a disability pension and a death benefit whose amounts are stated for each of the executive officers below;

  Due to his age, Thierry de La Tour d'Artaise only retains life insurance coverage under this plan;
- from specific life insurance cover under "tranche D incapacity, disability and death insurance", which is funded by a contribution paid by Groupe SEB of 3.2% of the portion of the remuneration that is between 8 and 12 times the annual social security ceiling and deductible from the taxable base for corporation tax.

  These contributions are partially excluded from the social security contribution base, including contributions paid under the aforementioned "incapacity/disability/death" insurance plan, capped at 6% of the annual social security ceiling (€2,468 in 2021) and 1.5% of the remuneration figure used, capped at 12% of the annual social security ceiling (€4,936 in 2021).

  This insurance plan includes, in particular, the payment of a death benefit, the amounts of which are stated below.

Stanislas de Gramont is also covered by personal life insurance. The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans as described above.

SEVERANCE ALLOWANCE AND NON-COMPETE PAYMENTS

Severance payments are subject to performance conditions and may not exceed 24 months' remuneration, in accordance with the recommendations of the AFEP-MEDEF Code (including, in the case of Stanislas de Gramont, compensation for a non-compete agreement or any other compensation paid).

Details related to these payments are described in the section below and all benefits subject to the procedures set out for regulated agreements are described in the Statutory auditors' special report.

Payment of the indemnity will be subject to performance conditions, measured in the following manner:

- if he is dismissed after four years from his appointment as an executive officer, the severance allowance will be adjusted based on actual performance in relation to targets, in said capacity, over the last four full years of service:
  - if the average percentage achieved is below 50%: no termination benefit is paid,
  - if the average actual performance represents 50% to 100% of the targets: the termination benefit is comprised between 75% and 100%, based on a straight-line calculation,
  - if the average percentage achieved is above 100%: 100% of the benefit is paid.

REMUNERATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Components of remuneration paid or allocated for financial year 2021

FIXED REMUNERATION

In 2021, the gross fixed remuneration of Thierry de La Tour d'Artaise amounted to €1,000,000.

ANNUAL VARIABLE REMUNERATION

Based on the quantitative and qualitative criteria used by the Board of Directors and set at the start of the year, the amount of variable remuneration was measured as follows:

- based on quantitative criteria (Groupe SEB revenue and Operating Result from Activity targets), the variable portion is 190.7% of the fixed annual remuneration of Thierry de La Tour d'Artaise with a target of 100%;
- based on qualitative criteria, the variable portion amounted to 134.6% of the fixed annual remuneration of Thierry de La Tour d'Artaise with a target of 100%. The Board of Directors judged Thierry de La Tour d'Artaise's performance based on collective and individual targets such as the structural improvement of the Group's profitability, the active pursuing of the acquisition strategy, the management of the corporate plan and the consideration of non-financial performance criteria (CSR), as described on page 104 of this document.

Consequently, the variable remuneration paid in 2022 for financial year 2021 was €1,500,000, or 150% of his fixed remuneration due to the overall ceiling of his variable remuneration. Thierry de La Tour d'Artaise's variable remuneration paid in 2021 for financial year 2020 was 119.4% of his fixed remuneration, or €1,194,200.

He does not benefit from any deferred or multi-year variable remuneration or any other remuneration from the company or other Groupe SEB companies.

The variable remuneration (Resolution 8) items awarded to Thierry de La Tour d'Artaise for the previous year will be able to be awarded only after the Shareholders' Meeting approves the items.

REMUNERATION ALLOCATED IN HIS CAPACITY AS A MEMBER OF THE BOARD OF DIRECTORS

Thierry de La Tour d'Artaise receives remuneration for his position as a member of the Board of Directors according to the rules applicable to all Board members. In 2021, Thierry de La Tour d'Artaise received €30,000 gross as a director of the company.

PERFORMANCE SHARES

In accordance with the authorization granted by the Shareholders' Meeting of 20 May 2021 (Resolution 20), the Board of Directors, at its meeting held on the same day, decided to award 18,000 performance shares to Thierry de La Tour d'Artaise for 2021.

The shares granted to Thierry de La Tour d'Artaise under the 2021 performance share plan represented to 0.0358% of the share capital.

Shares resulting from the exercise of stock options and performance shares awarded to Thierry de La Tour d'Artaise must be held in registered form for a certain period, under the following terms and conditions:

- shares resulting from the exercise of stock options: the quantity of shares to be held must correspond to 50% of the net capital gain after the sale of the quantity of shares necessary to fund the option exercise, net of tax and social contributions and transaction fees;
- performance shares: the quantity of shares to be held must correspond to 50% of the net capital gain, net of tax and social contributions and transaction fees.

At its meeting on 24 February 2022, the Board of Directors, on a proposal of the Governance and Remuneration Committee, reviewed the terms of the holding requirement with regard to the situation of Thierry de La Tour d'Artaise and decided that they were still appropriate.

Once the number of shares held by Thierry de La Tour d'Artaise reaches the equivalent of two years' remuneration (fixed and target bonus), the quantity of shares to be held is reduced to 20%. This condition has, to date, been met in full.

Entitlement to stock options in the event of termination:

- In the event that Thierry de La Tour d'Artaise's employment contract is terminated, except for serious misconduct or gross negligence, he will be entitled to all the share purchase or subscription options granted to him under the same terms and conditions of exercise that would have applied had he remained in office. This provision will also apply in the event that Thierry de La Tour d'Artaise's employment contract is terminated pursuant to resignation from the Group, were such resignation to arise from a change in the control of the Group. However, he will forfeit the options that would have been granted to him over the 18 months prior to the termination of his term of office as executive officer should he resign on his own initiative. At the reappointment of Thierry de La Tour d'Artaise, the continuation of this commitment was authorized by the Board of Directors on 25 February 2020 and approved by the Annual General Meeting.

BENEFITS IN KIND

Thierry de La Tour d'Artaise has a company car, representing a benefit of €8,702 for the year, and receives €15,200 per year for the use of an apartment in Paris and has a driver at his disposal.

LONG-TERM COMMITMENTS

Pension commitment

Thierry de La Tour d'Artaise potentially benefits from the former collective supplementary pension plan set up for Groupe SEB's French senior managers (members of the Executive Committee) in accordance with the recommendations of the AFEP-MEDEF Code, as described above.

The various conditions of the pension plan imply that, at the legal retirement age, Thierry de La Tour d'Artaise will be able to receive a gross replacement ratio (including statutory plans) of 30.36% of his reference remuneration, which would correspond to a replacement rate of 21.98% of his reference remuneration (not counting statutory plans).

Entitlements estimation at 31 December 2021 (within the limit of 36 annual Social Security ceilings):

Regime	Amount
Deferred defined-benefit pension plan	€217,583 gross per year
Supplementary defined-benefit pension plan	€225,015 gross per year
Defined-contribution pension plan *(the entitlements resulting from this plan have been frozen since January 2012)*	€11,929 gross per year

Other lifetime benefits: incapacity, disability and death and health insurance and individual life insurance

Thierry de La Tour d'Artaise continues to benefit from supplementary social protection, notably as regards the incapacity, disability and death and health insurance that covers the company's employees.

- Due to his age, this scheme no longer provides for the payment of additional compensation for Thierry de La Tour d'Artaise.
- He may receive a death lump-sum set at a maximum of €2,073,254.

In addition to the collective incapacity, disability and death insurance plan, Thierry de La Tour d'Artaise no longer benefits from an individual life insurance policy. No expenses were recognized under this plan for the financial year ended 31 December 2021.

In accordance with the procedure for regulated related-party agreements and commitments, the renewal of this commitment was authorized by the Board of Directors at its meeting of 25 February 2020 and was approved by the Annual General Meeting, when the appointment of Thierry de La Tour d'Artaise was renewed.

Severance payments

Thierry de La Tour d'Artaise is only entitled to the severance pay owing under his employment contract, to the exclusion of any other benefit, in the event of termination of his corporate office.

Under the provisions of his employment contract, which was suspended on 1 March 2005, Thierry de La Tour d'Artaise will receive, by way of settlement, a total termination benefit to be paid only under the following circumstances:

- termination of the employment contract at the employer's initiative, except on the grounds of serious misconduct or gross negligence;
- forced departure as a result of a change in the control of Groupe SEB.

An amendment to Thierry de La Tour d'Artaise's employment contract was signed making the termination benefit subject to performance conditions. The termination benefit is set at two years' remuneration (calculated based on the average remuneration earned during the last two financial years), and is adjusted for the rate of achievement of his targets for the last four years of service:

Average rate of achievement over the previous four financial years	Amount of benefit paid
100% or more	100%
Between 50% and 100% inclusive	Between 75% and 100%, according to a straight-line calculation
Less than 50%	None

If the previous year-end presents a net loss, the Board of Directors reserves the right to reduce such termination benefits by a maximum of one half, without such benefits falling below the fixed salary plus bonuses of the previous financial year, should application of the performance criteria based on the achievement of targets confer entitlement to the payment of such benefits.

Thierry de La Tour d'Artaise's employment contract does not contain a non-compete clause.

Entitlement to stock options in the event of termination:

In the event that Thierry de La Tour d'Artaise's employment contract is terminated, except for serious misconduct or gross negligence, he will be entitled to all the share purchase or subscription options granted to him under the same terms and conditions of exercise that would have applied had he remained in office. This provision shall also apply in the event that Thierry de La Tour d'Artaise's employment contract is terminated following his resignation from the Group, were such a decision to arise from a change in the control of the Group. However, he will forfeit the options that would have been granted to him over the 18 months prior to the termination of his term of office as executive officer should he resign on his own initiative. These provisions lapsed, the last share purchase plan expired on 18 June 2020.

Retirement lump-sum payment

The retirement payment of Thierry de La Tour d'Artaise amounts to €625,002 due to his seniority, and under the applicable Collective Bargaining agreements.

The components of the remuneration of Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer for the period from 1 January 2022 to 30 June 2022

FIXED REMUNERATION

For the period from 1 January to 30 June 2022, the remuneration of Thierry de La Tour d'Artaise remains fixed at €1,000,000 on an annual basis as approved by the Board of Directors at its meeting of 24 February 2022. A pro rata amount over the period from 1 January to 30 June 2022 amounting to €500,000 will be paid.

REMUNERATION ALLOCATED IN HIS CAPACITY AS A MEMBER OF THE BOARD OF DIRECTORS

The maximum annual amount of the remuneration that may be allocated to Thierry de La Tour d'Artaise, in his capacity as a member of the Board, will be €18,000 gross for the fixed portion and €21,000 gross for the variable portion. Should he become Chairman of one of the Board committees, those amounts may be increased by a Board decision (amounts as detailed on page 101 of this document).

ANNUAL VARIABLE REMUNERATION

Thierry de La Tour d'Artaise's annual variable remuneration will be set according to the same principles, i.e., it may represent a maximum of 150% of his fixed remuneration, or €1,500,000 on an annual basis, according to the rate of achievement of his quantitative and qualitative targets. These targets are divided, as previously stated, as follows: 60% relates to quantitative criteria and 40% to qualitative criteria.

For the period from 1 January 2022 to 30 June 2022, the performance evaluation criteria were renewed using the quantitative targets set by the Board of Directors', which are based on Groupe SEB's targets for Revenue and Operating Result from Activity. The qualitative objectives relate to three individual objectives, collective objectives and the consideration of CSR criteria as described on page 104 of this document. For the period from 1 January 2022 to 30 June 2022, the variable remuneration is calculated over the year and reduced to 50% of the result calculated.

PERFORMANCE SHARES

The Board of Directors reserves the right to decide to implement a new performance share award plan, under the authorization that will be submitted to the Annual General Meeting on 19 May 2022.

Should the Board of Directors be granted the necessary powers to award performance shares, it would decide to award 9,000 performance shares to Thierry de La Tour d'Artaise for the period from 1 January to 30 June 2022, in line with the plan described in the proposed Resolution 22.

BENEFITS IN KIND

Thierry de La Tour d'Artaise continues to benefit from a company car corresponding to a benefit of €4,351 and compensation of €7,600 for the use of an apartment in Paris over the period from 1 January 2022 to 30 June 2022.

Long-term commitments/Pension commitment

For the period from 1 January 2022 to 30 June 2022, Thierry de La Tour d'Artaise continues to benefit potentially from the former collective supplementary pension plan set up for Groupe SEB's French senior managers (members of the Executive Committee) in accordance with the recommendations of the AFEP-MEDEF Code, as described above.

Other lifetime benefits: incapacity, disability and death and health insurance and individual life insurance

Thierry de La Tour d'Artaise continues to benefit from supplementary social protection, notably as regards the death and health insurance that covers the company's employees, as described above.

Departure

Thierry de La Tour d'Artaise receives severance and retirement benefits under the same conditions as those defined above.

SUMMARY TABLE OF THE REMUNERATION AND OPTIONS AND SHARES DUE OR AWARDED TO THIERRY DE LA TOUR D'ARTAISE

Thierry de La Tour d'Artaise – Chairman and Chief Executive Officer	2020	2021
Remuneration due during the financial year	€2,248,102	€2,553,902
Value of the options awarded for the financial year*	N/A	N/A
Value of the performance shares awarded for the period*	€1,932,488	€2,590,893
Value of the other long-term remuneration plans	N/A	N/A
TOTAL	**€4,180,590**	**€5,144,795**

* *On each award date, the fair value carrying amount of the options and shares is determined in accordance with IFRS. This is the historical value on the award date, calculated for accounting purposes using the method described in the Consolidated Financial Statements section. This value represents neither the current market value, nor the discounted value of these options and shares, nor the actual amount that may be generated upon exercise of these options, if they are exercised or on the vesting of these performance shares, if they are vested.*

SUMMARY TABLE OF THE REMUNERATION PAID OR AWARDED TO THIERRY DE LA TOUR D'ARTAISE

Thierry de La Tour d'Artaise	Amounts relating to 2020		Amounts relating to 2021	
Chairman and Chief Executive Officer	Due	Paid	Due	Paid
Fixed remuneration	€1,000,000	€958,333 (1)	€1,000,000	€1,000,000
Annual variable remuneration	€1,194,200	€1,104,383 (2)	€1,500,000	€1,194,200
Extraordinary remuneration	N/A	N/A	N/A	N/A
Remuneration as a member of the Board of Directors	**€30,000**	**€28,750** (3)	**€30,000**	**€30,000**
Benefits in kind:				
• car	€8,702	€8,702	€8,702	€8,702
• housing	€15,200	€15,200	€15,200	€15,200
TOTAL	**€2,248,102**	**€2,115,368**	**€2,553,902**	**€2,248,102**

(1) After deduction of €41,667 for "Covid donations".
(2) After deduction of €48,017 for "Covid donations".
(3) After deduction of €1,250 for "Covid donations".

EQUITY RATIO BETWEEN THE LEVEL OF REMUNERATION OF THE CHAIRMAN AND CEO AND THE AVERAGE AND MEDIAN REMUNERATION OF THE COMPANY

This presentation was carried out in accordance with the terms of law no. 2019-486 of 22 May 2019, known as the “PACTE” law, in order to ensure compliance with the transparency requirements regarding the remuneration of executive officers. The comparison with regard to the listed company SEB S.A. is not relevant since only the two corporate executive officers are attached to the parent company SEB S.A., which is why comparisons are made with regard to an expanded scope that includes the data of SEB Développement S.A.S. and Groupe SEB France S.A.S. As at 31 December 2020, only SEB Développement S.A.S. and Groupe SEB France S.A.S. were retained in the expanded scope. On 24 February 2022, the Board of Directors decided to extend the reference population to the top 10 legal entities in France as of 31 December 2021 (97% of the workforce).

TABLE OF RATIOS UNDER I. 6° AND 7° OF ARTICLE L.22-10-9 OF THE FRENCH COMMERCIAL CODE

Year ended 31 December	2017	2018	2019	2020	2021
Chairman-CEO compensation	4,780,440	4,888,800	4,772,958	4,023,954	4,785 093,
Change / N-1	32.05%	2.27%	-2.37%	-14.42%	18.92%
Additional information on the extended scope 2020 / SEB DEVELOPPEMENT S.A.S + GROUPE SEB France S.A.S					
Average employee compensation	86,804	87,719	87,852	84,465	87,321
Change / N-1		1.05%	0.15%	-3.86%	3.38%
Median employee compensation	65,985	68,607	68,350	65,329	68,770
Change / N-1		3.97%	-0.37%	-4.42%	5.27%
Ratio / Average employee compensation	55.1	55.7	54.3	47.6	54.8
Change / N-1		+0.6 point	-1.4 point	-6.7 points	+7.2 points
Ratio / Median employee compensation	72.4	71.3	69.8	61.6	69.6
Change / N-1		-0.9 points	-1.4 point	-8.2 points	+8.0 points
Headcount % vs. headcount Total France	19%	21%	22%	22%	23%
Information on the expanded scope 2021 / 10 legal entities in France*					
Average employee compensation	49,638	50,463	51,790	51,756	52,031
Change / N-1		1.66%	2.63%	-0.07%	0.53%
Median employee compensation	40,779	41,886	42,912	42,896	42,873
Change / N-1		2.71%	2.45%	-0.04%	-0.05%
Ratio / Average employee compensation	96.3	96.9	92.2	77.7	92.0
Change / N-1		+0.6 point	-4.7 points	-14.4 points	+14.2 points
Ratio / Median employee compensation	117.2	116.7	111.2	93.8	111.6
Change / N-1		-0.5 point	-5.5 points	-17.4 points	+17.8 points
Headcount % vs. headcount Total France	99%	99%	99%	97%	97%
Company performance					
Net sales (M€)	6,485	6,812	7,354	6,940	8,058
Change in net sales / N-1	9.2%	7.8%	5.8%	-3.8%	16.1%
Operating Result from Activities (ORfA) (M€)	678	695	740	605	813
Change in ORfA / N-1	34.3%	2.5%	6.5%	-18.2%	34.4%

Explanatory elements for the ratio of the Chairman & CEO:
Elements paid to Thierry de La Tour d'Artaise for 2020 are computed after deduction of « COVID donations » for €41,667 on his fixed part and €48,017 on his variable part.

* *CALOR SAS, GROUPE SEB EXPORT SAS, GROUPE SEB FRANCE SAS, GROUPE SEB MOULINEX SAS, GROUPE SEB RETAILING SAS, ROWENTA FRANCE SAS, SAS SEB, SEB DEVELOPPEMENT SAS, SEB INTERNATIONAL SERVICE SIS SAS, et TEFAL SAS.*

Methodology

The "Equity Ratio" is the ratio between the Fixed remuneration paid + Variable remuneration paid + Award of performance shares for the financial year and the total annual full-time salary for all employees from the top ten legal entities in France for all fixed-term contracts (excluding professional contracts/apprenticeship) and permanent contracts (excluding expatriates) in accordance with the rule set out in the PACTE law and excluding executive officers. The total annual salary of employees includes base salary, bonuses (if any), variable remuneration, holiday bonuses, profit-sharing and incentive bonuses, as well as performance share grants for employees of SEB Développement S.A.S. and Groupe SEB France S.A.S.

- In accordance with the PACTE law, these ratios are calculated on the basis of the median data of the employees and then on the basis of the average data of the same employees, excluding executive officers.
- The valuation of free share plans subject to performance conditions is applied under IFRS (valuation at the "fair value" of the security calculated on the date of award).
- The comparison with regard to the listed company SEB S.A. is not relevant since only the two corporate executive officers are attached to the parent company SEB S.A., which is why comparisons are made with regard to an expanded scope that includes the data of the top ten legal entities in France (97% of the workforce).

STOCK OPTIONS AWARDED IN 2021 TO THIERRY DE LA TOUR D'ARTAISE

	Date of the plan	Type of option	Valuation of the options based on the method used in the Consolidated Financial Statements	Number of options awarded	Exercise price	Exercise period
Thierry de La Tour d'Artaise				No options were awarded in 2021		

STOCK OPTIONS EXERCISED IN 2021 TO M. THIERRY DE LA TOUR D'ARTAISE

	Date of the plan	Number of options exercised during the financial year	Exercise price	Year awarded
Thierry de La Tour d'Artaise		No options were exercised in 2021		

PERFORMANCE SHARES AWARDED FOR 2021 TO THIERRY DE LA TOUR D'ARTAISE

	Date of the plan	Number of shares awarded	Value of shares	Vesting date	Availability date	Performance conditions
Thierry de La Tour d'Artaise	20/05/2021	18,000	€2,590,893	20/05/2024	20/05/2024	Achievement of Revenue and Operating Result from Activity targets

PERFORMANCE SHARES FULLY VESTED IN 2021 FOR THIERRY DE LA TOUR D'ARTAISE

	Date of the plan	Number of vested shares	Vesting date	Availability date	Acquisition conditions
Thierry de La Tour d'Artaise	16/05/2018	19,800 *	16/05/2021	16/05/2021	Performance targets for revenue and ORfA

MULTI-YEAR VARIABLE REMUNERATION PAID TO THIERRY DE LA TOUR D'ARTAISE

Thierry de La Tour d'Artaise Chairman and Chief Executive Officer	Financial year
	No multi-year variable remuneration paid

* *Taking into account the free share allocation of March 3, 2021.*

REMUNERATION OF THE CHIEF OPERATING OFFICER

Components of remuneration paid in financial year 2021 or allocated for 2021 to Stanislas de Gramont

The Board of Directors determined the payments and benefits to which Stanislas de Gramont would be entitled in his capacity as Chief Operating Officer, while respecting the specific procedure for regulated related-party agreements. The agreement stipulated the terms of Stanislas de Gramont's remuneration, authorized by the Board of Directors at its meeting on 19 December 2018, and approved by the Annual Shareholders' Meeting on 22 May 2019.

It should be noted that Stanislas de Gramont received no compensation or payment of any kind at the time he assumed his duties, in accordance with the policy on remuneration for senior managers laid down by the Board of Directors.

FIXED REMUNERATION

In 2021, the fixed remuneration paid to Stanislas de Gramont was €750,000 gross.

ANNUAL VARIABLE REMUNERATION

Based on the quantitative and qualitative criteria used by the Board of Directors and set at the start of the year, the amount of variable remuneration was measured as follows:

- based on quantitative criteria, the variable portion is 152.6% of Stanislas de Gramont's fixed annual remuneration with a target of 80%. The Board of Directors measured Stanislas de Gramont's performance with respect to Groupe SEB's growth targets for Revenue and Operating Result from Activity;
- based on qualitative criteria, the variable portion is 107.6% of Stanislas de Gramont's fixed annual remuneration with a target of 80%. The Board of Directors measured Stanislas de Gramont's performance based on collective and individual targets such as changes to the Group's organizational structure, the structural improvement of its profitability and the completion of specific operational projects.

Consequently, the variable remuneration paid in 2022 for financial year 2021 was €900,000 or 120% of his fixed remuneration due to the overall ceiling applicable to his variable remuneration. The variable remuneration paid in 2021 for financial year 2020 was €715,920 or 95.4% of his fixed remuneration.

He does not benefit from any deferred or multi-year variable compensation or any other compensation from the company or other Groupe SEB companies.

The variable remuneration items (Resolution 9) awarded to Stanislas de Gramont for the previous year will be able to be awarded only after the Shareholders' Meeting approves the items.

BENEFITS IN KIND

Stanislas de Gramont has a company car, representing a benefit of €5,039 for the year.

As he does not have an employment contract with the Group, Stanislas de Gramont benefits from employment insurance for company directors and senior managers, representing an annual benefit of €32,765.

Stanislas de Gramont has an additional life insurance policy, representing a benefit of €12,137 for the year.

PERFORMANCE SHARES

In accordance with the authorization granted by the Annual General Meeting on 20 May 2021 (Resolution 20), the Board of Directors, at its meeting on the same day, decided to award 9,000 performance shares to Stanislas de Gramont for financial year 2021.

The portion granted to Stanislas de Gramont under the 2021 performance share plan represented 0.0163% of the share capital.

Shares resulting from the exercise of stock options and performance shares awarded to Stanislas de Gramont must be held in registered form for a certain period, under the following terms and conditions:

- the number of shares to be held must correspond to 20% of the net capital gain, net of tax and social contributions and transaction fees;
- once the number of shares held by Stanislas de Gramont reaches the equivalent of one year's remuneration (fixed and target bonus), the holding requirement no longer applies.

LONG-TERM COMMITMENTS

Pension commitment

Stanislas de Gramont potentially benefits from the former retirement plan in line with the conditions defined in the Ordinance of 3 July 2019 and the application conditions defined in the directive of 23 December 2020.

A study was underway in 2021 to make him part of the new "L. 137-11-2" plan. Stanislas de Gramont was authorized by the Board of Directors on 16 December 2021 to benefit from this new plan as of 1 January 2022 (subject to approval at the Annual Meeting of Shareholders of 19 May 2022).

Other lifetime benefits: incapacity, disability and death and health insurance and individual life insurance

Stanislas de Gramont continues to benefit from supplementary social protection, notably as regards the incapacity, disability and death and health insurance that covers the company's employees.

He also benefits from individual life insurance. The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans.

This plan for Stanislas de Gramont notably includes the payment of:

- supplementary benefits, set at a maximum annual amount as follows:

In the event of incapacity	€246,816
In the event of first degree disability	€148,090
In the event of second and third degree disability	€246,816

Less French Social Security benefits for the 3 items.

- a death benefit set at a maximum of €2,665,613.

In addition to the collective incapacity, disability and death insurance plan, Stanislas de Gramont is the beneficiary of an individual life insurance policy with a capital amounting to €2,239,424. The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans. The annual charge for this guarantee amounts to €12,137.

This agreement, authorized by the Board of Directors on 19 December 2018, was approved by the shareholders at the Annual Meeting of Shareholders on 22 May 2019, in accordance with the procedure for regulated related-party agreements (Resolution 15).

Severance payments

In the event of dismissal, he will be entitled to severance pay capped at two years' fixed and variable remuneration, including, where appropriate, the amounts paid under the non-compete clause.

The reference remuneration used to calculate the severance allowance consists of the last two years of fixed and variable remuneration that Stanislas de Gramont received in his capacity as Chief Operating Officer.

Payment of the indemnity will be subject to performance conditions, measured in the following manner:

- if he is dismissed within four years of his appointment as executive officer, the severance allowance will be adjusted for the rate of achievement of his targets over the last four full years of service, as follows:
  - as an executive officer, for the period following his appointment; and
- if he is dismissed after four years from his appointment as executive officer, the severance allowance will be adjusted for the rate of achievement of his targets, in said capacity, over the last four full years of service.

In both situations, performance is assessed as follows:

Average rate of achievement over the previous four financial years	Amount of benefit paid
100% or more	100%
Between 50% and 100% inclusive	Between 75% and 100%, according to a straight-line calculation
Less than 50%	None

Non-compete clause

Pursuant to the non-compete agreement, in case of termination of his appointment of office as Chief Operating Officer, by means of dismissal or resignation, he shall be prohibited for a one-year period, renewable once, from working in any manner with a competitor of Groupe SEB.

In consideration for this non-compete clause and for its entire duration, Stanislas de Gramont will receive a monthly non-compete payment amounting to 50% of his monthly average fixed and variable remuneration paid over his last 12 months of service within the Group.

The Board of Directors may waive Stanislas de Gramont from this obligation by releasing him from the non-compete clause.

This non-compete agreement, and the terms of severance detailed above, were authorized by the Board of Directors on 19 December 2018 and were also disclosed as part of the permanent information on remuneration and benefits. This agreement was approved by the shareholders at the Annual General Meeting on 22 May 2019, in accordance with the procedure provided for regulated agreements (Resolution 15).

RETIREMENT LUMP-SUM PAYMENT

The legal retirement lump-sum payment entitlement is being computed at the time of the registration of this present document. He does not benefit from any Collective Bargaining agreement entitlements as he is not subject to any Collective Bargaining agreement.

Compensation of Stanislas de Gramont, Chief Operating Officer for the period from 1 January 2022 to 30 June 2022

FIXED REMUNERATION

Stanislas de Gramont's annual fixed remuneration, approved by the Board of Directors on 19 December 2018 when he was appointed, i.e. €750,000 gross, was approved by the shareholders at the Annual General Meeting of 19 May 2020 (Resolutions 10 and 12). For the period from 1 January 2022 to 30 June 2022, a pro rata payment will be made, i.e. €375,000 gross.

ANNUAL VARIABLE REMUNERATION

Stanislas de Gramont's annual variable remuneration will be set according to the same principles, i.e. that it can represent a maximum of 120% of his fixed remuneration, or €900,000 on an annual basis according to the rate of achievement of his quantitative and qualitative targets. These targets are divided, as previously stated, as follows: 60% relates to quantitative criteria and 40% to qualitative criteria.

For the period from 1 January 2022 to 30 June 2022, the performance evaluation criteria were renewed using the quantitative targets set by the Board of Directors. The qualitative objectives relate to three individual objectives, collective objectives and consideration of CSR criteria as described on page 104 of this document. For the period from 1 January 2022 to 30 June 2022, the variable remuneration is calculated over the year and reduced to 50% of the result calculated.

PERFORMANCE SHARES

The Board of Directors reserves the right to decide to implement a new performance share award plan, under the authorization that will be submitted to the Annual General Meeting on 19 May 2022.

Should the Board of Directors be granted the necessary powers to award performance shares, it would decide to award 4,500 performance shares to Stanislas de Gramont for the period from 1 January to 30 June 2022, in line with the plan described in the proposed Resolution 22.

BENEFITS IN KIND

Stanislas de Gramont continues to benefit from a company car, corresponding to a benefit of €2,520 over the period from 1 January 2022 to 30 June 2022.

As he does not have an employment contract with the Group, Stanislas de Gramont benefits from employment insurance for company directors and senior managers, representing an annual benefit of €16,383 for the period from 1 January 2022 to 30 June 2022.

Stanislas de Gramont is covered by a supplementary life insurance policy, corresponding to an annual benefit of €6,069 over the period from 1 January 2022 to 30 June 2022.

LONG-TERM COMMITMENTS

Pension commitment

In accordance with the compensation policy for the Deputy Chief Executive Officer for 2022, decided by the Board of Directors on 24 February 2022 and to be approved by the Ordinary General Meeting of Shareholders to be held on 19 May 2022, the application of the new “L. 137-11-2” scheme described above is extended, for the period from 1 January to 30 June 2022, to Stanislas de Gramont.

The receipt of annual entitlements by Stanislas de Gramont is conditional on compliance with conditions related to his professional performance. Performance is calculated on the basis of the Business Revenue and Operating Result from Activity objectives set by the Board of Directors over the year in question.

If actual performance is equal to or greater than 100%, the entitlements received by Stanislas de Gramont will equal 3% of the reference remuneration. If actual performance is between 0% and 100%, the entitlements will be prorated. Therefore, entitlements may be nil (0%).

The Company’s commitments to Stanislas de Gramont may be terminated by decision of the Board of Directors. However, any entitlements prior to this termination would remain acquired in accordance with the applicable legal provisions.

The other conditions referred to in the description of the new plan apply to Stanislas de Gramont as described on pages 106-107.

Furthermore, Stanislas de Gramont continues to benefit potentially (subject to career completion) from the old closed and frozen retirement plan.

Other lifetime benefits: incapacity, disability and death and health insurance and individual life insurance

Stanislas de Gramont continues to benefit from the supplementary social protection mentioned above, notably as regards the incapacity, disability and death and health insurance that covers the company’s employees.

He continues to benefit from individual life insurance. The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans.

In addition to the collective incapacity, disability and death insurance plan, Stanislas de Gramont continues to benefit from an individual life insurance policy with a capital amounting to €2,239,424.

The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans. The annual charge for this guarantee amounts to €12,137.

Severance payments

In the event of termination of duties following dismissal, Stanislas de Gramont may receive severance pay under the conditions and procedures specified above.

Non-compete clause

The abovementioned non-compete clause is maintained for the period from 1 January 2022 to 30 June 2022, under the same terms and conditions.

SUMMARY TABLE OF THE REMUNERATION AND OPTIONS AND SHARES DUE OR AWARDED TO STANISLAS DE GRAMONT

Stanislas de Gramont Chief Operating Officer	2020	2021
Remuneration due during the financial year	€1,488,753	1,699,941
Value of the options awarded for the financial year	N/A	N/A
Value of the performance shares awarded for the period *	€1,180,965	1,295,447
Value of the other long-term remuneration plans	N/A	N/A
TOTAL	**€2,669,718**	**2,995,388**

* *On each award date, the fair value carrying amount of the options and shares is determined in accordance with IFRS. This is the historical value on the award date, calculated for accounting purposes using the method described in the Consolidated Financial Statements section. This value represents neither the current market value, nor the discounted value of these options and shares, nor the actual amount that may be generated upon exercise of these options, if they are exercised or on the vesting of these performance shares, if they are vested.*

SUMMARY TABLE OF THE REMUNERATION PAID OR AWARDED TO STANISLAS DE GRAMONT

Stanislas de Gramont	Amounts relating to 2020		Amounts relating to 2021	
Chief Operating Officer	Due	Paid	Due	Paid
Fixed remuneration	€750,000	€718,750 (1)	€750,000	€750,000
Annual variable remuneration	€715,920	€660,330 (2)	€900,000	€715,920
Extraordinary remuneration	N/A	N/A	N/A	N/A
Remuneration for members of the Board of Directors	N/A	N/A	N/A	N/A
Benefits in kind:				
• car	€5,039	€3,779	€5,039	€5,039
• GSC benefits in kind (3)	€15,241	€4,267	€32,765	€15,241
• additional insurance coverage (3)	€2,553	€0	€12,137	€2,553
TOTAL	**€1,488,753**	**€1,387,126**	**€1,699,941**	**€1,488,753**

(1) After deduction of €31,250 for "Covid donations".
(2) After deduction of €28,710 for "Covid donations".
(3) Amounts vary between 2020 and 2021 as coverage were implemented in the middle of the year.

EQUITY RATIO BETWEEN THE LEVEL OF REMUNERATION OF THE CHIEF OPERATING OFFICER AND THE AVERAGE AND MEDIAN REMUNERATION OF THE COMPANY

This presentation was carried out in accordance with the terms of law no. 2019-486 of 22 May 2019, known as the “PACTE” law, in order to ensure compliance with the transparency requirements regarding the remuneration of executive officers. The comparison with regard to the listed company SEB S.A. is not relevant since only the two corporate executive officers are attached to the parent company SEB S.A., which is why comparisons are made with regard to an expanded scope that includes the data of SEB Développement S.A.S. and Groupe SEB France S.A.S. As at 31 December 2020, only SEB Développement S.A.S. and Groupe SEB France S.A.S. were retained in the expanded scope. On 24 February 2022, the Board of Directors decided to extend the reference population to the top 10 legal entities in France as of 31 December 2021 (97% of the workforce).

Year ended 31 December	2017	2018	2019	2020	2021
COO Compensation	2,368,670	2,312,610	2,442,324	2,560,045	2,761,367
Change / N-1		-2.37%	5.61%	4.82%	7.86%
Additional Information on extended scope 2020 / SEB DEVELOPPEMENT S.A.S + GROUPE SEB France S.A.S					
Average employee compensation	86,804	87,719	87,852	84,465	87,321
Change / N-1		1.05%	0.15%	-3.86%	3.38%
Median employee compensation	65,985	68,607	68,350	65,329	68,770
Change / N-1		3.97%	-0.37%	-4.42%	5.27%
Ratio / Average employee compensation	27.3	26.4	27.8	30.3	31.6
Change / N-1		-0.9 point	+1.4 point	+2.5 points	+1.3 point
Ratio / Median employee compensation	35.9	33.7	35.7	39.2	40.2
Change / N-1		-2.2 points	+2.0 points	+3.5 points	+1.0 point
Headcount % vs. Headcount Total France	19%	21%	22%	22%	23%
Additional Information on extended scope 2021 / 10 legal entities in France *					
Average employee compensation	49,638	50,463	51,790	51,756	52,031
Change / N-1		1.66%	2.63%	-0.07%	0.53%
Median employee compensation	40,779	41,886	42,912	42,896	42,873
Change / N-1		2.71%	2.45%	-0.04%	-0.05%
Ratio / Average employee compensation	47.7	45.8	47.2	49.5	53.1
Change / N-1		-1.9 point	+1.4 point	+2.3 points	+3.6 points
Ratio / Median employee compensation	58.1	55.2	56.9	59.7	64.4
Change / N-1		-2.9 points	+1.7 point	+2.8 points	+4.7 points
Headcount % vs. Headcount Total France	99%	99%	99%	97%	97%
Company performance					
Net Sales (M €)	6,485	6,812	7,354	6,940	8,058
Change in Net Sales / N-1	9.2%	7.8%	5.8%	-3.8%	16.1%
Operating Result from Activities (ORfA) (M €)	678	695	740	605	813
Change in ORfA/ N-1	34.3%	2.5%	6.5%	-18.2%	34.4%

Explanatory elements for the ratio of the Chief Operating Officer.

The salary elements paid to Bertrand Neuschwander are taken into account for the financial years 2016, 2017 and 2018. He was revoked in October 2018 and, as such, the fixed salary paid in 2018 was only 9 months' fixed salary.

The salary elements paid to Stanislas de Gramont are taken into account for the financial year 2019 and 2020. He joined the Group in December 2018, and as such, the bonus paid in 2019 for 2018 includes a pro-rata element of 1/12.

The salary elements paid to Stanislas de Gramont for 2020 are computed after «COVID donations» for €31,250 on his fixed part and €28,710 on his variable part.

* *CALOR SAS, GROUPE SEB EXPORT SAS, GROUPE SEB FRANCE SAS, GROUPE SEB MOULINEX SAS, GROUPE SEB RETAILING SAS, ROWENTA FRANCE SAS, SAS SEB, SEB DEVELOPPEMENT SAS, SEB INTERNATIONAL SERVICE SIS SAS, et TEFAL SAS.*

Methodology

The "Equity Ratio" is the ratio between the Fixed remuneration paid + Variable remuneration paid + Award of performance shares for the financial year and the total annual full-time salary for all employees from the top ten legal entities in France for all fixed-term contracts (excluding professional contracts/apprenticeship) and permanent contracts (excluding expatriates) in accordance with the rule set out in the PACTE law and excluding executive officers. The total annual salary of employees includes base salary, bonuses (if any), variable remuneration, holiday bonuses, profit-sharing and incentive bonuses, as well as performance share grants for employees of SEB Développement S.A.S. and Groupe SEB France S.A.S.

- In accordance with the PACTE law, these ratios are calculated on the basis of the median data of the employees and then on the basis of the average data of the same employees, excluding executive officers.
- The valuation of free share plans subject to performance conditions is applied under IFRS (valuation at the "fair value" of the security calculated on the date of award).
- The comparison with regard to the listed company SEB S.A. is not relevant since only the two corporate executive officers are attached to the parent company SEB S.A., which is why comparisons are made with regard to an expanded scope that includes the data of the top ten legal entities in France (97% of the workforce).

STOCK OPTIONS AWARDED FOR 2021 TO STANISLAS DE GRAMONT

	Date of the plan	Type of option	Valuation of the options based on the method used in the Consolidated Financial Statements	Number of options awarded	Exercise price	Exercise period
Stanislas de Gramont				No options were awarded in 2021		

STOCK OPTIONS EXERCISED IN 2021 BY STANISLAS DE GRAMONT

	Date of the plan	Number of options exercised during the financial year	Exercise price	Year awarded
Stanislas de Gramont		No options were exercised in 2021		

PERFORMANCE SHARES AWARDED FOR 2021 TO STANISLAS DE GRAMONT

	Date of the plan	Number of shares awarded	Value of shares	Vesting date	Availability date	Performance conditions
Stanislas de Gramont	20/05/2021	9,000	€1,295,447	20/05/2024	20/05/2024	Performance targets for revenue and ORfA

PERFORMANCE SHARES FULLY VESTED IN 2021 FOR STANISLAS DE GRAMONT

	Date of the plan	Number of vested shares	Vesting date	Availability date	Acquisition conditions
Stanislas de Gramont		No performance shares were awarded in 2021			

MULTI-YEAR VARIABLE REMUNERATION PAID TO STANISLAS DE GRAMONT

Stanislas de Gramont Chief Operating Officer	Financial year
	No multi-year variable remuneration paid

REMUNERATION OF THE CHIEF EXECUTIVE OFFICER

On the recommendation of the Governance and Remuneration Committee, the Board of Directors approved the remuneration policy for the Chief Executive Officer from 1 July 2022, set out below, which is subject to approval at the Annual General Meeting of 19 May 2022.

FIXED REMUNERATION

On 24 February 2022, at the proposal of the Governance and Remuneration Committee, the Board of Directors decided to set the fixed annual remuneration of Stanislas de Gramont as Chief Executive Officer at €825,000 gross annually.

A pro rata amount over the period from 1 July 2022 to 31 December 2022 will amount to €412,500 gross.

ANNUAL VARIABLE REMUNERATION

Stanislas de Gramont's annual variable remuneration will be set according to the same principles, i.e. that it can represent a maximum of 150% of his fixed remuneration, or €1,237,500 on an annual basis according to the rate of achievement of his quantitative and qualitative targets.These targets are divided as follows: 60% relates to quantitative criteria and 40% to qualitative criteria.

The performance evaluation criteria were renewed for 2022 using the quantitative targets set by the Board of Directors, which are based on Groupe SEB's targets for Revenue and Operating Result from Activity. The qualitative objectives include:

- Qualitative objectives relating to individual performance, set by the Board of Directors on the recommendation of the Governance and Remuneration Committee, which account for 15% of his total variable remuneration.
- A qualitative objective relating to the collective performance of the Executive Committee, which accounts for 10% of total variable remuneration. Achievement of this objective is assessed by the Board of Directors.
- Qualitative objectives relating to CSR criteria, which account for 15% of the total variable remuneration. The CSR criteria are as follows:
  - Objective of lowering workplace accidents, to improve Lost Time Injury Rate (LTIRi).
  - Low carbon objective at the Group's plants.
  - Objective of monitoring and fulfilling the social floor in countries judged to be at risk, audited by Intertek.

BENEFITS IN KIND

Stanislas de Gramont continues to benefit from a company car, corresponding to a benefit of €2,520 over the period from 1 July 2022 to 31 December 2022.

Stanislas de Gramont continues to benefit from a supplementary life insurance coverage, corresponding to a benefit of €6,069 over the period from 1 July 2022 to 31 December 2022.

As he does not have an employment contract with the Group, Stanislas de Gramont continues to benefit from employment insurance for company directors, representing an annual benefit of €16,383 for the period from 1 July 2022 to 31 December 2022.

PERFORMANCE SHARES

The Board of Directors reserves the right to decide to implement a new performance share award plan, under the authorization that will be submitted to the Annual General Meeting on 19 May 2022.

Should the Board of Directors be granted the necessary powers to award performance shares, it would decide to award 6,000 performance shares on a pro rata basis for the period from July 1, 2022 to December 31, 2022 to Stanislas de Gramont, in line with the plan described in the proposed Resolution 22.

LONG-TERM COMMITMENTS

Pension commitment

In accordance with the compensation policy for the Chief Executive Officer for 2022, decided by the Board of Directors on 24 February 2022 and to be approved by the Ordinary General Meeting of Shareholders to be held on 19 May 2022, the application of the new "L. 137-11-2" plan described above is extended, for the period from 1 July 2022, to Stanislas de Gramont.

The receipt of annual entitlements by Stanislas de Gramont is conditional on compliance with conditions related to his professional performance. Performance is calculated on the basis of the Business Revenue and Operating Result from Activity objectives set by the Board of Directors over the year in question.

If actual performance is equal to or greater than 100%, the entitlements received by Stanislas de Gramont will equal 3% of the reference remuneration for 2022. If actual performance is between 0% and 100%, the entitlements will be prorated. Therefore, entitlements may be nil (0%).

The Company's commitments to Stanislas de Gramont may be terminated by decision of the Board of Directors. However, any entitlements prior to this termination would remain acquired in accordance with the applicable legal provisions.

The other conditions referred to in the description of the new plan on page 107 apply to Stanislas de Gramont.

Furthermore, Stanislas de Gramont continues to benefit potentially from the previous closed and frozen retirement plan.

Other lifetime benefits: incapacity, disability and death and health insurance and individual life insurance

Stanislas de Gramont continues to benefit from the supplementary social protection mentioned above, notably as regards the incapacity, disability and death and health insurance that covers the company's employees.

He continues to benefit from individual life insurance. The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans.

In addition to the collective incapacity, disability and death insurance plan, Stanislas de Gramont continues to benefit from an individual life insurance policy with a capital amounting to €2,239,424.The purpose of this specific life insurance policy is to cover the portion of remuneration that is not covered by the collective plans. The annual charge for this guarantee amounts to €13,056.

Severance payments

In the event of termination of duties following dismissal, Stanislas de Gramont may receive severance pay under the conditions and procedures specified above.

Non-compete clause

The abovementioned non-compete clause is maintained for the period from 1 July 2022 to 31 December 2022, under the same terms and conditions.

REMUNERATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

On the recommendation of the Governance and Remuneration Committee, the Board of Directors approved the remuneration policy for the Chairman of the Board of Directors from 1 July 2022, set out below, which is subject to approval at the Annual General Meeting of 19 May 2022.

FIXED REMUNERATION

On 24 February 2022, at the proposal of the Governance and Remuneration Committee, the Board of Directors decided to set the fixed annual remuneration of Thierry de La Tour d'Artaise as Chairman of the Board of Directors at €950,000 gross annually.

A pro rata amount over the period from 1 July 2022 to 31 December 2022 will amount to €475,000 gross.

BENEFITS IN KIND

Thierry de La Tour d'Artaise benefits from a company car and the availability of a driver corresponding to a benefit of €4,351 and compensation of €7,600 for the use of an apartment in Paris for the period from 1 July 2022 to 31 December 2022.

LONG-TERM COMMITMENTS

Lifetime benefits: incapacity, disability and death and health insurance and individual life insurance

Thierry de La Tour d'Artaise continues to benefit from supplementary social protection, notably as regards the death and health insurance that covers the company's employees, as described above.

Other benefits

As of July 2022, Thierry de La Tour d'Artaise will perceive his pension entitlements, as described in the Plan, page 109.

REMUNERATION AS A MEMBER OF THE BOARD OF DIRECTORS

Thierry de La Tour d'Artaise receives remuneration for his position as a member of the Board of Directors and member of Committees according to the rules applicable to all Board members.

REMUNERATION OF MEMBERS OF THE GROUP EXECUTIVE COMMITTEE

In 2021, the total remuneration of Groupe SEB's current Executive Committee amounted to €10,174,000, including €5,124,000 in fixed remuneration and €5,050,000 in variable remuneration. This change in the Executive Committee's overall remuneration is due in particular to:

- The arrival on the Management Board of Ms. Delphine Segura-Vaylet, Senior Executive Vice-president Human Resources, appointed on 4 January 2021.
- The arrival on the Management Board of Philippe Schaillee, Senior Executive Vice-President, Products and Innovation, who joined on 6 April 2021.
- The appointment of three new members to the Executive Committee, appointed on 1 February 2021, Cathy Pianon, EVP, Communications and Public Affairs; Vincent Rouiller, EVP Innovation, and Philippe Sumeire, EVP Legal and Secretary to the Board.
- The appointment as EVP of the Cookware Business Unit of Pierre-Armand Lemoine, on 1 July 2021.

ANNUAL VARIABLE REMUNERATION

As with all executive officers, the senior managers' variable remuneration is determined so as to align remuneration with Groupe SEB's annual performance and to support the execution of a long-term growth strategy, year after year. It is set at the start of the financial year, by the Board of Directors.

It is expressed as a percentage of the fixed remuneration for the reference year and corresponds, for the achievement of all the targets, to a target of 60% for all the members of the Executive Committee, with one exception where remuneration is paid internationally.

It is capped and may represent up to 100% of the base remuneration if the quantitative and qualitative targets are met, with one exception where remuneration is paid internationally. The criteria are reviewed on a regular basis to ensure that they adhere to the principles referred to above and are only amended should this prove necessary.

In 2021, the quantitative and qualitative performance criteria were assessed and discussed by the Governance and Remuneration Committee and approved by the Board of Directors at its meeting on 24 February 2022.

Quantitative criteria linked to Groupe SEB's economic performance account for 60% of variable remuneration and are assessed according to the following objectives:

- revenue growth; and
- growth in the Operating Result from Activity.

The qualitative criteria, linked to individual performance, account for 40% of variable remuneration and are assessed according to specific strategic objectives. In particular, they allow performance to be measured in relation to the objectives set surrounding the organizational development and management of the Group, the implementation of the corporate plan, the integration of the latest acquisitions and CSR criteria as described on page 104 of this document.

PERFORMANCE SHARE AWARDS

The members of the Group Executive Committee are awarded performance shares, according to the same principles and conditions as those presented for executive officers above.

With regard to the 2021 plan, the performance calculation depends on the rate of achievement of the revenue and Operating Result from Activity target assessed over the three-year vesting period (i.e. 2021, 2022 and 2023):

Average achievement rate over three years	Performance shares awarded
100% or more	100%
Between 50% and 100% inclusive	Pro rata
Less than 50%	None

In accordance with the authorization granted by the Annual Meeting on 20 May 2021 (Resolution 20), the Board of Directors, at its meeting on the same day, decided to award 63,500 performance shares to nine members of the Executive Committee for financial year 2021 (excluding corporate officers).

Shares resulting from the exercise of stock options and performance shares awarded to members of the Executive Committee must be held in registered form for a certain period, under the following terms and conditions:

- shares resulting from the exercise of stock options: the quantity of shares to be held must correspond to 20% of the net capital gain after the sale of the quantity of shares necessary to fund the option exercise, net of tax and social contributions and transaction fees;
- performance shares: the quantity of shares to be held must correspond to 20% of the net capital gain, net of tax and social contributions and transaction fees.

Once the number of shares held by members of the Executive Committee reaches the equivalent of one year's remuneration (fixed and target bonus), the holding requirement no longer applies.

BENEFITS IN KIND

Executive managers have company cars.

LONG-TERM COMMITMENTS

Pension commitment

In accordance with the remuneration policy, decided by the Board of Directors on 16 December 2021, the application of the new "L. 137-11-2" plan previously described applies to members of the Executive Committee under French contract who may not reach the maximum entitlements under the old scheme, for the extended period retroactively to 1 January 2020 for the three members of the Executive Committee concerned.

Annual entitlements are conditional on compliance with conditions related to their professional performance. Performance is calculated on the basis of the Business Revenue and Operating Result from Activity objectives set by the Board of Directors over the year in question.

If actual performance is equal to or greater than 100%, the entitlements will equal 1% of the reference remuneration. If actual performance is between 0% and 100%, the entitlements will be prorated. Therefore, entitlements may be nil (0%).

The other conditions referred to in the description of the new plan apply to members of the Executive Committee who meet the conditions for joining the plan.

Furthermore, the other members of the Executive Committee who are under a French contract continue to benefit potentially (subject to career completion) from the old retirement plan, which is closed and frozen when they meet the conditions for membership of this scheme as described on page 106.

The other members of the Executive Committee under an international contract (located outside of France) benefit from local pension schemes in compliance with local legislations in those countries.

HISTORY OF STOCK OPTION AWARDS TO EXECUTIVE OFFICERS

At 31 December 2021	Subscription plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
Date of meeting	04/05/2000	03/05/1999	14/05/2002	14/05/2002	06/05/2004	06/05/2004
Date of Board of Directors' Meeting	14/06/2001	19/04/2002	17/10/2002	18/06/2003	18/06/2004	04/08/2005
Total number of shares granted	493,500	417,450	598,125	612,150	539,100	554,700
Those awarded to executive officer Thierry de La Tour d'Artaise *	66,000	49,500	6,600	115,516	104,989	105,000
Stock option exercise start date	14/06/2005	19/04/2006	17/10/2006	18/06/2007	18/06/2008	04/08/2009
Expiration date	14/06/2009	19/04/2010	17/10/2010	18/06/2011	18/06/2012	04/08/2013
Subscription or purchase price (in €) *	18.18	27.88	25.15	24.24	31.67	28
Average of last 20 prices prior to Board Meeting (in €) *	17.95	27.78	26.65	24.03	31.52	28.2
Number of options exercised * by Thierry de La Tour d'Artaise	66,000	49,500	6,600	115,516	104,989	105,000
Number of options canceled *	**0**	**0**	**0**	**0**	**0**	**0**
BALANCE OF STOCK OPTIONS NOT YET EXERCISED AT 31 DECEMBER 2021 *	**0**	**0**	**0**	**0**	**0**	**0**

At 31 December 2021	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
Date of meeting	11/05/2006	11/05/2006	13/05/2008	13/05/2009	12/05/2010	10/05/2012
Date of Board of Directors' Meeting	16/06/2006	20/04/2007	13/05/2008	12/06/2009	18/06/2010	15/06/2012
Total number of shares granted	589,798	579,150	1,005,900	371,300	412,592	408,925
Those awarded to executive officer Thierry de La Tour d'Artaise *	105,012	105,000	105,000	71,250	59,942	54,000
Stock option exercise start date	16/06/2010	20/04/2011	13/05/2012	12/06/2013	18/06/2014	15/06/2016
Expiration date	16/06/2014	20/04/2015	13/05/2016	12/06/2017	18/06/2018	15/06/2020
Subscription or purchase price (in €) *	29.33	44	38.35	28.05	53.86	54.12
Average of last 20 prices prior to Board Meeting (in €) *	29.01	43.73	38.35	28.05	53.85	54.12
Number of options exercised * by Thierry de La Tour d'Artaise	105,012	105,000	105,000	66,922	55,978	51,449
Number of options canceled *	**0**	**0**	**0**	**4,328**	**3,964**	**2,551**
BALANCE OF STOCK OPTIONS NOT YET EXERCISED AT 31 DECEMBER 2021	**0**	**0**	**0**	**0**	**0**	**0**

* *Takes into account the award of bonus shares in March 2004 (1 for 10) and the 3-for-1 stock split on 16 June 2008.*

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HISTORY OF PERFORMANCE SHARE AWARDS TO EXECUTIVE OFFICERS

At 31 December 2021

Date of Meeting	13/05/2009	12/05/2010	10/05/2012	14/05/2013	15/05/2014	12/05/2015	19/05/2016	11/05/2017	16/05/2018	22/05/2019	19/05/2020	20/05/2021
Date of Board of Directors' Meeting	12/06/2009	18/06/2010	15/06/2012	23/07/2013	22/07/2014	12/05/2015	19/05/2016	11/05/2017	16/05/2018	22/05/2019	19/05/2020	20/05/2021
Number of shares granted:	50,472	58,363	63,938	233,475	169,175	169,450	171,075	193,450	185,330	226,500	193,880	200,000
Of which to executive officers	5,938	4,995	4,500	18,000	27,000	27,000	27,000	27,000	27,000	29,000	29,000	27,000
• Chairman and Chief Executive Officer	5,938	4,995	4,500	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000	18,000
• Chief Operating Officer (2)	N/A	N/A	N/A	6,750 (1)	9,000	9,000	9,000	9,000	9,000	11,000	11,000	9,000
Performance condition	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA	Revenue and ORfA
Award date	12/06/2009	18/06/2010	15/06/2012	23/07/2013	22/07/2014	12/05/2015	19/05/2016	11/05/2017	16/05/2018	22/05/2019	19/05/2020	20/05/2021
Vesting date	12/06/2011	18/06/2012	15/06/2014	23/07/2016	22/07/2017	12/05/2018	19/05/2019	11/05/2020	16/05/2021	22/05/2022	19/05/2023	20/05/2024
Number of shares earned by executive officers												
• Chairman and Chief Executive Officer	5,938	4,395	3,850	18,000	18,000	18,000	18,000	18,000	19,800 (3)	-	-	-
• Chief Operating Officer (2)	N/A	N/A	N/A	6,750 (1)	9,000	9,000	9,000	9,000	9,900 (3)	-	-	-
Expiration of lock-up period	12/06/2013	18/06/2014	15/06/2016	23/07/2017	22/07/2019	12/05/2020	19/05/2021	11/05/2020	16/05/2021	22/05/2022	19/05/2023	20/05/2024
Number of shares canceled or lapsed	0	600	650	0	0	-	-	-	-	-	-	-
BALANCE OF SHARES YET TO BE VESTED	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**31,900 (3)**	**31,900 (3)**	**27,000**

(1) Concerns Bertrand Neuschwander. In 2013, award as a member of the Executive Committee (became a corporate officer in April 2014 and was dismissed in October 2018).
(2) Mr. Stanislas de Gramont, Deputy Chief Executive Officer took office on December 3, 2018.
(3) Taking into account the award of bonus shares (1 for 10) in on 3 March 2021.

GENERAL INFORMATION ABOUT EXECUTIVE OFFICERS AT DECEMBER 31, 2021

	Employment contract		Supplementary pension plan (2)		Compensation or benefits due, or likely to be due as a result of termination or a change of roles		Compensation relating to a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Thierry de La Tour d'Artaise	Suspended (1)		frozen		X			X
Stanislas de Gramont		X	frozen		X		X	

(1) The Board of Directors' Meeting of 25 February 2020, in accordance with the AFEP-MEDEF Code, reviewed the situation and considered that Thierry de La Tour d'Artaise's employment contract should remain suspended, in light of his age, personal situation, and seniority within the Group.
(2) For the executive officers present at 3 July 2019, the provisions of Ordinance 2019-697 of 3 July 2019 governing professional supplemental pension plans forced the Group to freeze and close this plan at 31 December 2019. This plan will continue to evolve on the basis of the changes to the annual social security cap and subject to careers coming to an end within the Group.

SAY ON PAY: REMUNERATION PAID DURING OR ALLOCATED FOR THE YEAR ENDED 31 DECEMBER 2021 TO CORPORATE EXECUTIVE OFFICERS

COMPONENTS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S REMUNERATION SUBMITTED FOR THE APPROVAL OF THE SHAREHOLDERS

Components of remuneration submitted for a vote	Amounts paid during the previous year	Amounts allocated for the previous year and book valuation	Presentation
Fixed remuneration	€1,000,000		At its meeting on 26 February 2019, the Board of Directors, on the recommendation of the Governance and Remuneration Committee, re-evaluated Thierry de La Tour d'Artaise's fixed remuneration of €1,000,000 in order to take into account the higher cost of living, as this remuneration was last revised in 2016. This remuneration was approved by the shareholders at the Annual General Meeting of Shareholders on 20 May 2021.
Annual variable remuneration	€1,194,200 (amount approved by the Ordinary General Meeting of 20 May 2021 in accordance with the ex-post voting principle – Resolution 11) (No deferred portion of this remuneration)	€1,500,000 (amount to be paid after approval by the Ordinary General Meeting on 19 May 2022 in accordance with the ex-post voting principle – Resolution 8) (No deferred portion of this remuneration)	At its meeting on 24 February 2022, the Board of Directors, on the recommendation of the Governance and Remuneration Committee, assessed Thierry de La Tour d'Artaise's variable remuneration. Given the quantitative and qualitative criteria set by the Board of Directors on 23 February 2021 and the rate of achievement noted at 31 December 2021, the variable remuneration was measured as follows: • **based on quantitative criteria:** the variable portion is 190.7% of his fixed annual remuneration with a target of 100%. The Board of Directors judged Thierry de La Tour d'Artaise's performance based on Group revenue and Operating Result from Activity growth targets; • **based on qualitative criteria:** the variable portion is 134.5% of his fixed annual remuneration with a target of 100%. The Board of Directors judged Thierry de La Tour d'Artaise's performance based on collective and individual targets such as the structural improvement of the Group's profitability, the management of the corporate plan, changes to its organizational structure and the active pursuing of the acquisition strategy and the consideration of CSR performance criteria, as described on page 104 of this document. The variable component can amount to no more than 150% of his annual fixed remuneration. Consequently, Thierry de La Tour d'Artaise's variable remuneration paid in 2021 for 2020 was €1,194,200, or 119.4% of his fixed remuneration. The variable remuneration paid in 2022 for financial year 2021 is €1,500,000, or 150.0% of his fixed remuneration, due to the applicable overall ceiling to his variable remuneration.
Multi-year variable remuneration in cash	N/A		Thierry de La Tour d'Artaise receives no multi-year variable remuneration.

Components of remuneration submitted for a vote	Amounts paid during the previous year	Amounts allocated for the previous year and book valuation	Presentation
Performance share awards		Performance shares: €2,590,893 (Accounting amount)	In accordance with the authorization granted by the Shareholders' Meeting of 20 May 2021 (Resolution 20), the Board of Directors, at its meeting held on the same day, decided to award 18,000 performance shares to Thierry de La Tour d'Artaise for 2021. The shares granted to Thierry de La Tour d'Artaise under the 2021 performance share plan represented to 0.03578% of the share capital. The performance criteria for the 2021 plan were assessed with regard to the rate of achievement of a matrix composed of the following: • revenue growth target; and • Operating Result from Activity growth target, over the three-year vesting period (namely 2021, 2022 and 2023): **Average achievement rate over three years** – **Performance shares awarded** 100% or more – 100% Between 50% and 100% inclusive – Pro rata Less than 50% – None
	Shares: N/A Other securities: N/A		Note that Thierry de La Tour d'Artaise must hold shares resulting from options exercised and bonus shares awarded in registered form (see page 105). Thierry de La Tour d'Artaise receives no other awards of shares or other securities.
Extraordinary remuneration	N/A		Thierry de La Tour d'Artaise receives no exceptional variable remuneration.
Remuneration for the office of director	€30,000 gross		Thierry de La Tour d'Artaise receives remuneration as a member of the Board of Directors under the rules applicable to all its Board members and detailed on page 101. In 2021, Thierry de La Tour d'Artaise received €30,000 gross as a director of the company.
Value of benefits in kind		€23,902 (Accounting amount)	Thierry de La Tour d'Artaise has a company car, representing an in-kind benefit of €8,702 for the year, and receives €15,200 per year as compensation for the use of an apartment in Paris.

Components of remuneration submitted for a vote	Amounts paid during the previous year	Amounts allocated for the previous year and book valuation	Presentation
Severance payments	None received		Thierry de La Tour d'Artaise is only entitled to the severance pay owing under his employment contract, to the exclusion of any other benefit, in the event of termination of his corporate office. Under the provisions of his employment contract, which was suspended on 1 March 2005, Thierry de La Tour d'Artaise will receive, by way of settlement, a total termination benefit to be paid only under the following circumstances: • termination of the employment contract at the employer's initiative, except on the grounds of serious misconduct or gross negligence; • forced departure as a result of a change in the control of Groupe SEB. An amendment to Thierry de La Tour d'Artaise's employment contract was signed making the termination benefit subject to performance conditions. The termination benefit is set at two years' remuneration (calculated based on the average remuneration earned during the last two financial years), and is adjusted for the rate of achievement of his targets for the last four years of service: **Average rate of achievement over the previous four financial years** — **Amount of benefit paid** 100% or more — 100% Between 50% and 100% inclusive — Between 75% and 100%, according to a straight-line calculation Less than 50% — None If the previous year-end presents a net loss, the Board of Directors reserves the right to reduce such termination benefits by a maximum of one half, without such benefits falling below the fixed salary plus bonuses of the previous financial year, should application of the performance criteria based on the achievement of targets confer entitlement to the payment of such benefits. Entitlement to stock options *in* the event of termination: • In the event that Thierry de La Tour d'Artaise's employment contract is terminated, except for serious misconduct or gross negligence, he will be entitled to all the share purchase or subscription options granted to him under the same terms and conditions of exercise that would have applied had he remained in office. This provision will also apply in the event that Thierry de La Tour d'Artaise's employment contract is terminated pursuant to resignation from the Group, were such resignation to arise from a change in the control of the Group. However, he will forfeit the options that would have been granted to him over the 18 months prior to the termination of his term of office as executive officer should he resign on his own initiative. At the reappointment of Thierry de La Tour d'Artaise, the continuation of this commitment was authorized by the Board of Directors on 25 February 2020 and approved by the Annual General Meeting. Those entitlements became null and void since the last Group stock-options' plan expired on 18 June 2020.
Non-compete payments	N/A		Thierry de La Tour d'Artaise has no non-compete clause.
Retirement lump-sum payment	None received		Due to his seniority and in accordance with the Metallurgical industry collective bargaining agreement, the amount due for the retirement lump-sum payment would amount to €625,002.

Components of remuneration submitted for a vote	Amounts paid during the previous year	Amounts allocated for the previous year and book valuation	Presentation
Supplementary pension plan	None received		**Previous plan** Thierry de La Tour d'Artaise is a member of the collective supplementary pension plan set up for Groupe SEB's French senior managers (members of the Executive Committee). The plan complements the statutory schemes and is composed as follows: • a defined-benefit deferred compensation plan, under which beneficiaries are subject to seniority and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration for the past three years; • a supplementary defined-benefit plan, subject to seniority and service conditions, with the potential benefits accruing per year of service being 0.8% of the reference compensation calculated on the average of the annual target compensation over the preceding three years and capped at 20 years' service, i.e. a maximum of 16% of the reference compensation; • a collective defined-benefit plan available to senior managers, with a contribution equal to 8% of their salaries. Benefits payable under this plan are deducted from the supplementary pension originating from the supplementary defined benefit plan. Entitlements estimation at 31 December 2021: **Regime** — **Amount** Deferred defined-benefit pension plan — €217,583 gross per year Supplementary defined-benefit pension plan — €225,015 gross per year Defined-contribution retirement plan (entitlements frozen since January 2012) — €11,929 gross per year This plan was closed and frozen at 31 December 2019, as the provisions of Ordinance 2019-697 of 3 July 2019 governing supplemental pension plans forced the Group to. Executive officers are potentially eligible for defined-benefit plans after 8 years of service and attendance at Executive Committee Meetings. The plan is capped at 41% of the reference remuneration, i.e. both fixed and variable remuneration (including the income from compulsory plans), in accordance with the AFEP-MEDEF Code. This reference remuneration is itself capped at 36 times the annual social security ceiling in force at the time of retirement. At the reappointment of Thierry de La Tour d'Artaise, the continuation of this commitment was authorized by the Board of Directors on 25 February 2020 and approved by the Annual General Meeting.
Other lifetime benefits: incapacity, disability and death and health insurance and individual life insurance	None received		Thierry de La Tour d'Artaise continues to benefit from supplementary social protection, notably as regards the incapacity, disability and death and health insurance that covers the company's employees. This plan notably includes for Thierry de La Tour d'Artaise: ■ Due to his age, the plan does not incluse any supplementary benefits linked to incapacity or disability any more. ■ A death benefit set at a maximum of €2,073,254. In addition to the collective incapacity, disability and death insurance plan, Thierry de La Tour d'Artaise does not benefit from an individual life insurance policy. The expense recorded for the year ended 31 December 2021 is thus equal to zero.

COMPONENTS OF REMUNERATION FOR THE CHIEF OPERATING OFFICER SUBMITTED FOR APPROVAL BY THE SHAREHOLDERS

Components of remuneration submitted for a vote	Amounts paid during the previous year	Amounts allocated for the previous year and book valuation	Presentation
Fixed remuneration	€750,000		When Stanislas de Gramont was appointed, the Board of Directors' Meeting of 19 December 2018 set the amount of his yearly fixed remuneration at €750,000. This remuneration was approved by the shareholders at the Annual General Meeting of Shareholders on 20 May 2021.
Annual variable remuneration	€715,920 (amount approved by the Ordinary General Meeting of 20 May 2021 in accordance with the ex-post voting principle – Resolution 12) (No deferred portion of this remuneration)	€900,000 (amount to be paid after approval by the Ordinary General Meeting on 19 May 2022 in accordance with the ex-post voting principle – Resolution 9) (No deferred portion of this remuneration)	At its meeting on 24 February 2022, the Board of Directors, on the recommendation of the Governance and Remuneration Committee, measured Stanislas de Gramont's variable remuneration. Given the quantifiable and qualitative criteria set by the Board of Directors on 23 February 2021, and the rate of achievement noted at 31 December 2021, the variable remuneration was measured as follows: • **based on quantitative criteria:** the variable portion is 152.6% of his fixed annual remuneration with a target of 80%. The Board of Directors measured Stanislas de Gramont's performance with respect to Groupe SEB's growth targets for Revenue and Operating Result from Activity; • **based on qualitative criteria:** the variable portion is 107.6% of his fixed annual remuneration with a target of 80%. The Board of Directors measured Stanislas de Gramont's performance based on collective and individual targets such as changes to the Group's organizational structure, the structural improvement of its profitability and the completion of specific operational projects. The variable component can amount to no more than 120% of his annual fixed remuneration. Consequently, the variable remuneration paid in 2021 for financial year 2020 was €715,920 or 95.5% of his fixed remuneration. The variable remuneration paid in 2022 for financial year 2021 is €900,000 or 150% of his fixed remuneration due to the applicable overall ceiling to his variable remuneration.
Multi-year variable remuneration in cash	N/A		Stanislas de Gramont receives no multi-year variable remuneration.
Performance share awards		€1,295,447 (Accounting amount)	In accordance with the authorization granted by the Annual Meeting on 20 May 2021 (Resolution 20), the Board of Directors, at its meeting on the same day, decided to award 9,000 performance shares to Stanislas de Gramont for financial year 2021. The portion granted to Stanislas de Gramont under the 2021 performance share plan represented 0.01626% of the share capital. The performance criteria for the 2021 plan were assessed with regard to the rate of achievement of a matrix composed of the following: • revenue growth target; and • Operating Result from Activity growth target; • over the three-year vesting period (namely 2021, 2022 and 2023). Stanislas de Gramont must hold shares resulting from options exercised and bonus shares awarded in registered form (see page 105).
Extraordinary remuneration	N/A	N/A	None
Remuneration for the office of director	N/A	N/A	Stanislas de Gramont is not a member of the Board of Directors.
Value of benefits in kind		€49,941 (Accounting amount)	Stanislas de Gramont benefits from a company car representing an annual in-kind benefit of €5,039 and unemployment insurance for company directors, in the absence of an employment contract with the Group, representing an annual benefit of €32,765 and a supplemental individual life insurance representing an annual benefit of €12,137.

<table>
<tr><th>Components of remuneration submitted for a vote</th><th>Amounts paid during the previous year</th><th>Amounts allocated for the previous year and book valuation</th><th>Presentation</th></tr>
<tr><td>Severance payments</td><td>None received</td><td></td><td>In the event of dismissal, he will be entitled to severance pay capped at two years' fixed and variable remuneration, including, where appropriate, the amounts paid under the non-compete clause.
The reference remuneration used to calculate the severance allowance consists of the last two years of fixed and variable remuneration that Stanislas de Gramont received in his capacity as Chief Operating Officer.
Payment of the indemnity will be subject to performance conditions, measured in the following manner:
• if he is dismissed within four years of his appointment as executive officer, the severance allowance will be adjusted for the rate of achievement of his targets over the last four full years of service, as follows: as an executive officer, for the period following his appointment, and
• if he is dismissed after four years from his appointment as executive officer, the severance allowance will be adjusted for the rate of achievement of his targets, in said capacity, over the last four full years of service.
In both situations, performance is assessed as follows:
<table>
<tr><th>Average rate of achievement over the previous four financial years</th><th>Amount of benefit paid</th></tr>
<tr><td>100% or more</td><td>100%</td></tr>
<tr><td>Between 50% and 100% inclusive</td><td>Between 75% and 100%, according to a straight-line calculation</td></tr>
<tr><td>Less than 50%</td><td>None</td></tr>
</table>
This commitment, approved by the Board of Directors on 19 December 2018, was approved by the shareholders at the Annual Meeting of Shareholders.</td></tr>
<tr><td>Non-compete payments</td><td>None received</td><td></td><td>Pursuant to the non-compete agreement, in case of termination of his appointment of office as Chief Operating Officer, by means of dismissal or resignation, he shall be prohibited for a one-year period, renewable once, from working in any manner with a competitor of Groupe SEB.
In consideration for this non-compete clause and for its entire duration, Stanislas de Gramont will receive a monthly non-compete payment amounting to 50% of his monthly average fixed and variable remuneration paid over his last 12 months of service within the Group.
The Board of Directors may release Stanislas de Gramont from this obligation by waiving the non-compete clause.
This non-compete agreement, and the terms of severance detailed above, were authorized by the Board of Directors on 19 December 2018 and were also disclosed as part of the permanent information on remuneration and benefits. This agreement was approved by the shareholders at the Annual Meeting of Shareholders.</td></tr>
<tr><td>Retirement lump-sum payment</td><td>None received</td><td></td><td>Due to his seniority and in accordance with the Metallurgical industry collective bargaining agreement, his collective retirement lump-sum payment entitlement amounts to nihil as he is not subject to any collective bargaining agreement. Legal retirement lump-sum amounts are still being computed as this document is being published.</td></tr>
</table>

<table>
<tr><th>Components of remuneration submitted for a vote</th><th>Amounts paid during the previous year</th><th>Amounts allocated for the previous year and book valuation</th><th>Presentation</th></tr>
<tr><td>Supplementary pension plan</td><td>None received</td><td></td><td>Previous Plan
Stanislas de Gramont is a member of the collective supplementary pension plan set up for Groupe SEB's French senior managers (members of the Executive Committee).
The plan complements the statutory schemes and is composed as follows:
• a defined-benefit deferred compensation plan, under which beneficiaries are subject to seniority and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration for the past three years;
• a supplementary defined-benefit plan, subject to seniority and continued employment conditions, with the potential benefits accruing per year of service being 0.8% of the reference remuneration calculated on the average of the annual target remuneration over the preceding three years and capped at 1 years' service as a result of the freezing of the plan at 31 December 2019 (i.e. a maximum of 0.8% of the reference remuneration);
• entitlements estimation at 31 December 2021:
<table><tr><th>Regime</th><th>Amount</th></tr><tr><td>Deferred defined-benefit pension plan</td><td>€43,001 gross per year</td></tr><tr><td>Supplementary defined-benefit pension plan</td><td>€10,800 gross per year</td></tr></table>This plan was closed and frozen at 31 December 2019, as the provisions of Ordinance 2019-697 of 3 July 2019 governing supplemental pension plans forced the Group to.

Executive officers are potentially eligible for defined-benefit plans after 8 years of service and attendance at Executive Committee Meetings.
The plan is capped at 25.8% of the reference remuneration, i.e. both fixed and variable remuneration (including the income from compulsory plans), in accordance with the AFEP-MEDEF Code. This reference remuneration is itself capped at 36 times the French annual Social Security ceiling in force at the time of retirement.
New Plan
In accordance with the Board of Directors' decisions on 16 December 2021 and to be approved by the Ordinary General Meeting of Shareholders to be held on 19 May 2022, the application of the new "L. 137-11-2" plan described above is extended, for the period starting on 1 Jan 2022 to Stanislas de Gramont.
Entitlements estimation at 31 December 2021:
The valuation of this new regime is still being computed at the time when this document is published.</td></tr>
</table>

TRANSACTIONS IN SEB SHARES CONDUCTED BY BOARD MEMBERS AND SENIOR MANAGERS (ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE) DURING 2021

	Function	Number of vested shares	Total amount of acquisitions	Average purchase price	Number of shares sold	Total amount of sales	Average sale price	Number of shares transferred	Total amount of transfers	Average transfer price
Damarys Braida	Permanent representative on the Board of Directors							81,000	€11,428,290	€141.09
Caroline Chevalley	Permanent representative on the Board of Directors							232,882	€30,993,813	€133.09
Bénédicte de La Tour D'Artaise	Related person							75,000	€10,581,750	€141.09
Thierry de La Tour D'Artaise	Chairman and CEO							156,759	€22,117,126	€141.09
Aude de Vassart D'Andernay	Director							14,000	€1,975,260	€141.09
Fonds Stratégique de Participations	Director				192,543	€29,055,482	€150.90			
William Gairard	Director	250	€39,225	€156.90	13,122	€1,911,949	€145.71	52,998	€7,477,488	€141.09
Jérôme Lescure	Director							4,047	€570,991	€141.09
Thierry Lescure	Director	1,300	€176,862	€136.05				1,650	€232,799	€141.09
TOTAL		**1,550**	**€216,087**	**€139.41**	**205,665**	**€30,967,432**	**€150.57**	**618,336**	**€85,377,517**	**€138.08**

3 Corporate Social Responsibility

DPEF *The elements related to the Extra-Financial Performance Declaration are identified in the summary using the pictogram.*

DV *DV The elements related to the Duty of Vigilance are identified in the summary with the help of the pictogram.*

3.1 Commitment and management

COMMITMENT AT THE HIGHEST LEVEL

Corporate social responsibility (CSR) is driven by top management and is an essential component of Groupe SEB's strategy. There are regular presentations on this policy to the Board of Directors and the Governance and Remuneration Committee is responsible for monitoring it.

In line with this commitment, the Group supports initiatives designed to get a growing number of companies to begin their CSR journey. For example, in 2018, the Group played a role in founding the Mix-R network, which aims to promote collective intelligence and co-development, such as sharing experiences, hosting talks, running themed inter-company programs and promoting impactful CSR initiatives. In 2021, the network had nearly 80 affiliated companies.

SUSTAINABLE DEVELOPMENT STRATEGY

The Group's sustainable development strategy incorporates the challenges associated with all its businesses and brings the vision of all teams in line with the UN sustainable development Goals (SDGs) (see details on page 149). The strategy is based on four pillars:

- **people matter**: Demonstrate our respect for everyone and our benefit to society on a daily basis;
- **sustainable innovation**: Empower our customers to adopt sustainable lifestyles thanks to our products and services:
  - **cooking for good**: Make healthy and tasty homemade food accessible to everyone,
  - **better home life**: Help everyone to live better in a healthier home, with appropriate products and technologies, regardless of their age and health;
- **circular revolution**: Make the Group's products and services part of the circular economy;
- **climate action**: Contribute to the fight against climate change thanks to our low carbon strategy in line with the 2 °C scenario of the Paris Agreement.

STEERING AND ROADMAPS

The sustainable development strategy is implemented under the oversight of the **Sustainable Development department**, which reports to the Senior Executive Vice-President, Human Resources, who is a member of the Executive Committee. Made up of a team of seven people, two of whom are seconded to the Fonds Groupe SEB, it coordinates and drives Group-wide participatory efforts. The Sustainable Development department also relies on the network of continental Human Resources Managers who act as contacts with the countries.

Thematic roadmaps

The four pillars of the sustainable development strategy are implemented using 11 thematic roadmaps, which are drawn up with representatives of the relevant businesses along with **targets for 2023** [(1)]. The 11th, launched at the end of 2020, is dedicated to exploring new economic models for the circular economy. It plays a role in developing the circular economy strategy and prioritizing human and material resources for these nascent business activities.

The 11 thematic roadmaps:

- Health and Safety;
- Responsible Purchasing;
- Cooking for Good;
- Better Home Life;
- Circular Revolution;
- Inclusive Design;
- Eco-Design;
- Eco-Manufacturing;
- Eco-Logistics;
- Green IT;
- New Circular business activities.

All business lines are involved in these roadmaps: Purchasing, Quality, Environment, R&D, Marketing, Brands, Health and Safety, Human Resources, Production, IT and Digital, Logistics, Consumer Satisfaction, Design, etc. Each one is built around specific projects with quantitative indicators. Once or twice a year a progress report is put together by the Sustainable Development department with the “business” contributors.

(1) These targets are summarized on page 150 and specified in each relevant section of Chapter 3, under the heading “Groupe SEB 2023 Targets”.

Country roadmaps

Teams in the various countries have set their priorities, action plans and objectives in line with the Group's sustainable development strategy. In order to develop the country roadmaps and track their progress, the largest subsidiaries formed Steering Committees made up of employee volunteers and representatives from the businesses connected with the priority actions. The sustainable development representative, who is often the Human Resources Manager, manages the roadmaps and presides over the Steering Committees. The Sustainable Development department provides support to local teams in developing projects as well as pooling and sharing best practices between subsidiaries to build on the momentum.

DIALOG WITH STAKEHOLDERS

Paying close attention to the Group's "ecosystem", the Sustainable Development department has been holding a series of discussions with a panel of the Group's stakeholders since 2013, to gather their opinions and suggestions about its sustainable development policy. This panel is composed primarily of external experts, including specialists in positive branding, sustainable food and consumption, eco-design and circular economics, and a food blogger. The meeting held in May 2021 focused on the Group's own eco-design label and the "Cooking for good" roadmap.

CSR CRITERIA IN THE BONUSES OF TOP MANAGERS

The remuneration of all managers who have a certain level of responsibility comprises a variable portion related to the results of the Group and those of the entity in which they work. Since 2018, the Group has been looking at environmental, social and ethical performance criteria when calculating the bonuses awarded to its 690 top managers. The goal is to embed the Group's non-financial performance in all businesses and levels of the company, as part of an overall value creation approach. A portion of the bonus is thus subject to the achievement of the energy efficiency goals of Group plants, to the number of workplace accidents and social compliance rating awarded to Group sites in the course of social audits done in at-risk areas.

INTERNAL AUDIT AND SUSTAINABLE DEVELOPMENT

In 2013, the Audit and internal control department included the Code of Ethics and the Responsible Purchasing Charter in the internal control manual used when auditing subsidiaries. Since 2016, the Sustainable Development department has also sent it the action plans implemented by the subsidiaries as part of the ethical, social and environmental audit procedure (see page 156). This strengthens the ethical, social and environmental monitoring within all the Group's processes.

The Audit and internal control department conducts an annual self-assessment campaign across the entire Group using risk management software (GRC). This self-assessment covers the same checkpoints audited during on-site audits and includes the internal control manual and also the rules contained in the Code of Ethics and the Responsible Purchasing Charter. Both sets of guidelines are therefore fully harmonized and ensure that the audit process is fully consistent.

The initiatives supported by the sustainable development and Audit and internal control departments are coordinated by the Compliance Committee, which also includes the Legal, Finance and Human Resources departments. The Committee meets four times a year.

Furthermore, when studies take place prior to company acquisitions, the Strategy department conducts a review of social and environmental issues using a questionnaire that covers the key points in the Code of Ethics.

EXTERNAL VERIFICATION OF DATA

Groupe SEB has been a pioneer in having a selection verified social and environmental information from the 2010 financial year on a voluntary basis, and before the regulatory obligation to verify appeared in 2013. An independent third-party organization (Mazars) was mandated to issue a moderate assurance opinion on compliance and the sincerity of the Declaration of Extra-Financial Performance (see a detailed description of the reporting process on page 151 and Mazars' report for 2021 on page 212). Since 2010, 93 audits have been carried out on 28 different sites in eight countries (Germany, France, Italy, Brazil, Colombia, China, Russia and the United States).

AN ESTABLISHED CSR POLICY

A growing number of management companies are basing their investment decisions on the corporate social responsibility of listed companies, or including this factor in their stock-picking process. The CSR policy is regularly included in the Group's financial communications, and the Sustainable Development department meets with investors at least once a year, at conferences or roadshows focused on non-financial performance.

NON-FINANCIAL RATING

Several **non-financial rating** agencies assess the ESG (Environmental, Social, Governance) performance of Groupe SEB.

This performance is recognized by the **CDP (Carbon Disclosure Project) agency**, which manages the largest database of company environmental data in the world. In 2020, the Group joined its prestigious "A List", comprising the most transparent companies for environmental reporting. In 2021, the Group kept its A- rating in the "Climate Change" category for its efforts to reduce its emissions, mitigate climate risks and develop a low-carbon economy. Out of the 9,600 companies rated by CDP, only the best-performing 8% make the A list.

The Group's commitments and initiatives are also assessed every two years by **Vigeo-Eiris**, the leading agency in Europe. In 2020, Groupe SEB's rating increased by one point compared to 2018, allowing it to remain at the top of its market in Europe out of a group of 40 companies. It is also ranked 68th worldwide (out of 4,904 companies). Vigeo-Eiris also published a study at year-end 2018 that put Groupe SEB in the top 1% of the best performing companies worldwide in terms of Human Rights (see page 153).

The SEB share is included in several SRI (Socially Responsible Investment) indices. The Group has kept its place in Vigeo-Eiris's **Europe 120 and Eurozone 120** indices, composed of the companies with the highest scores based on more than 330 indicators. It also reaffirmed its position in the **FTSE4Good** international index as a world leader in the field with a score of 4.3/5 ("Personal & Household Goods" category). The SEB share also features in **Forum Ethibel**'s Excellence Europe index. The Group is also part of the groups assessed by Gaïa Rating, MSCI (rated A), Sustainalytics and ISS-ESG, which awarded it Prime status.

In 2021, Groupe SEB also entered the inaugural listing of Financial Times Europe's Climate Leaders, which was developed by the British business and financial daily newspaper in partnership with the company Statista.

AWARDS

The Group's CSR approach won numerous awards in 2021, including:

- Groupe SEB was awarded the ESSEC Grand Prix for Sustainable Consumer Industries for the second time for its social and environmental strategy. As part of the Grand Prix, the Group also received the **collaborative project award** (*Projet collaboratif de l'industrie et de ses partenaires*) for RépareSeb (see page 194) as well as the student's choice award for its inclusive design initiatives and the Good Design Playbook (see page 190);
- the Group won the 2021 LSA innovation award in the "Household Appliances" category for its design of the inclusive Includeo set (see page 191);
- the LSA "*La conso s'engage*" award recognized Groupe SEB's repair packages in its "Environmental Footprint" category (see pages 194-195);
- the "*Victoires des Leaders du Capital Humain*" event awarded Groupe SEB with an "Honorable Mention" for its work with a sheltered employment center (ESAT) at its Lourdes site, commending this initiative to integrate workers with disabilities (see page 165).

Giving consideration to social and environmental issues is a winning strategy for the brands, as shown by Havas Media Group's Meaningful Brands study, which regularly examines the performance of brands with regard to the quality of life and well-being of consumers (1,500 brands in around 30 countries). In France, SEB has been among the top most trusted brands for French consumers since 2017 (6th place in 2021).

3.2 Non-financial performance statement DPEF DV

In accordance with Ordinance 2017-1180 of 19 July 2017 on the disclosure of non-financial information by certain large companies and major corporate groups, the Non-Financial Performance Statement (*Déclaration de Performance Extra Financière*, or "DPEF") is intended to present the measures implemented within the Group to identify and attenuate CSR risks. It supplements the Duty of Vigilance (DV) established by the French law of 28 March 2017 on the prevention of "serious infringements of Human Rights and fundamental freedoms, the health and safety of individuals and the environment".

BUSINESS MODEL DPEF

The Groupe SEB business model is presented in pages 8 and 9 of this document. In order to develop the business model, a working group composed of the sustainable development, Strategy and Financial Communication departments was set up in 2018. After studying the recommendations of the Medef [1] and different ITOs [2], the working group discussed key financial and extra-financial indicators representative of the performance of the Group in the long term. This issue was also the subject of discussions with General Management, which validated the business model at the end of 2018. Since 2019, following an exchange within this working group, it was decided to keep the entire content of the business model while updating the data.

RISKS DPEF DV

MAPPING OF RISKS, IDENTIFICATION PROCESS & METHODOLOGY FOR SELECTING THE MAIN RISKS (DPEF AND DUTY OF VIGILANCE)

The Group's risk identification and control method (see methodology described under "Risk factors" Chapter 1 page 46) has been applied to the areas covered by the Duty of Vigilance law and the Non-Financial Performance Statement, namely CSR risks relating to ethical, social, employment-related and environmental factors.

As part of this process, the Audit and internal control department interviews the divisional managers representing all of the Group's operations to identify and integrate these risks into the company's overall mapping of risks. This mapping is updated each year, validated by the General Management Committee and shared with the Audit and Compliance Committee.

Groupe SEB operates in nearly 150 countries in a variety of complex economic and socio-cultural environments. The CSR risks identified are intrinsically linked to its operations but also the risks inherent to the countries in which its subsidiaries and suppliers operate. On the basis of this frame of reference, the Group identified that its main CSR risks are concentrated in the emerging countries. That is why the ethical, social and environmental audits are primarily done in these high-priority areas.

Main CSR risks identified:

- health and safety of staff;
- talent attraction and retention;
- corruption;
- tax evasion;
- Human Rights;
- climate change.

Chapter 1 of this document presents risks that are particularly important and specific to Groupe SEB, including two of the CSR risks:

- **health and safety of staff**
  - **description of risk**: see Chapter 1, page 61,
  - **risk management**: see Chapter 3.7, Health and safety, page 157;
- **talent attraction and retention**
  - **description of risk**: see Chapter 1, page 56,
  - **risk management**: see Chapter 3.7, Attractiveness of the Group and career development, page 148.

(1) *Mouvement des Entreprises de France.*
(2) *Independent third party.*

The four other CSR risks, considered less significant and less specific to the Group, are presented in this Chapter only:

- **corruption**:
  - **description of risk**:

    the Group operates in nearly 150 countries, and its business activities include production, distribution and sales. These involve being in contact with numerous suppliers and customers and being exposed to public and private officials. Any proven instance of corruption could have material financial consequences for the Group (conviction or fines) as well as risks to the Group's image and reputation.

    In addition to applying the Group's risk identification and control method (see page 47), the risk of corruption is handled in a specific manner in accordance with the French Sapin II law of 8 November 2016. Each year, the Group updates its corruption risk mapping, which states the size of the risk by location (low, moderate or relatively high risk). The risk level is assessed based on a combination of three criteria: responses to a detailed questionnaire on the subject sent to 217 entity and function managers; the Transparency International map on a country's level of exposure to corruption; and the scale of the Group's business activities in the country in question,
  - **risk management**: see Chapter 3.7, Anti-corruption measures, page 143;
- **tax evasion**:
  - **description of risk**:

    the domestic and international environment has become more complex over the years. This can lead to compliance risks, particularly in terms of tax. Any non-compliance brings a risk of administrative or legal proceedings alongside financial and/or reputational risk,
  - **management of risk**:

    the Group cooperates with and has an open relationship with the tax authorities and endeavors to comply with and implement tax regulations in all the countries in which it operates. Regulatory changes are monitored by the Accounting and Tax department and local Finance departments. The Group's Code of Ethics sets out the principles governing its tax policy: "We pay all taxes due in the countries in which we operate. We endeavor to ensure that the accounting and tax filings we make to the authorities are exhaustive and reflect the real picture in each subsidiary". The Group also applies OECD transfer pricing recommendations and is regularly audited by the relevant tax authorities. For all compliance issues, the Group is supported by a Compliance Committee (described on page 44);
- **Human Rights**:
  - **description of risk**:

    the Group has approximately 33,000 employees and deals with more than 4,000 suppliers. Being at the center of such a large, complex human environment means that the Group is faced with risks relating to the respect of Human Rights, which are also intrinsically linked to the Group's founding values. In terms of the Group's operations, this risk may arise at the Group's own sites as well as those of its suppliers and subcontractors through non-compliance with the principles of the UN Global Compact (to which the Group is a signatory), the fundamental conventions of the International Labour Organization (ILO) and the working conditions recommended by the World Trade Organization (WTO). Any breaches in this area could incur financial consequences from the competent authorities, and above all have an impact on the Group's reputation,
  - **risk management**: see Chapter 3.7, Human Rights and Responsible Purchasing, page 144;
- **climate change**:
  - **description of risk**:

    the nature of the Group's activities in manufacturing and marketing Small Domestic Equipment products means that it generates greenhouse gas (GHG) emissions that contribute to global warming. Most emissions are linked to three main factors, which in decreasing order are: the use of products (mainly electrical products), the transport of materials, components and finished products, and the manufacture of products. Failure to comply with the regulations in this area and failure to meet the company's expectations on emissions could have financial implications, but it would above all negatively impact the Group's reputation,
  - **management of risk**:

    Groupe SEB has joined the Science Based Targets (SBT) global initiative to align its low carbon approach with the goal of keeping global warming below 2 °C by the end of the century. The Group has set itself ambitious targets for 2023 and 2030 and wants to contribute to the global carbon neutrality by 2050. To do this, it has strengthened its roadmaps and action plans, particularly in the areas of eco-design, eco-manufacturing and eco-logistics.

    Read about the actions in more detail in Chapter 3.10, Climate action, page 187.

RISK VALIDATION PROCESS

The main CSR risks were presented and validated by the stakeholder panel in January 2018 and presented to the Audit Committee in October 2018. The main CSR risks are reviewed annually as part of the Group risk review process.

POLICY AND KEY INDICATORS DPEF

Policies and actions plans are in place to prevent, identify and attenuate the occurrence of these CSR risks; the details of these actions plans are described throughout Chapter 3.

This correspondence table provides the necessary references.

Area	Risks	Policies	Key performance indicators	
Social and societal	Health and safety of staff	Protect and ensure the health and safety of the employees thanks to the Health and safety policy of the Group	Frequency of workplace accidents Rate of ISO 45001 certified entities	Chap 3.8/Health and safety/p. 169
	Talent attraction and retention	Promote recruitment, development and retention of talents, thanks to career and attractiveness of the Group	Average employee turnover rate	Chap 3.8/ A responsible employment policy/p. 158
Ethics and corruption	Corruption	Ensuring ethics and transparency of our business as well as respect for the laws through the implementation of a: • Code of Ethics – Code of Ethics training (e-learning and classroom) • an anti-corruption e-learning module	Rate of roll-out of Code of Ethics e-learning training	Chap 3.8/Ethics compliance/p. 153
	Tax evasion	Ensure compliance with tax regulations and obligations in all countries where the Group is implanted	Effective tax rate	Chap 1.4/Risk Factors/p. 49
	Human Rights	Ensure respect Human Rights, in our activities, everywhere where the Group is established, thanks to the implementation of: • a Code of Ethics • a responsible purchasing policy	Percentage of sites with an overall compliance score greater than 80% Intertek Audit of suppliers (Group level)	Chap 3.8/Ethics compliance/Code of Ethics/p. 153
Environmental	Climate change	Reduce the Group impact on climate change thanks to: • a circular economy policy • the 4x20 objectives • science-based targets	Rate of recycled materials in new products Rate of recyclability of electrical products Rate of repairable products Improvement rate Rate of energy improvement of production sites Rate of improvement of energy consumption by electrical products Quantity of waste generated Rate of ISO 14001 certified entities Evolution of the carbon intensity for factories (scopes 1 & 2) Greenhouse gas emissions from the transportation of products and components	Chap. 3.10/ Using recycled materials/p. 195 Chap 3.10/ Reparability/p. 193 Chap. 3.11/Eco-manufacturing/p. 203 Chap 3.11/Eco-logistics/p. 208 Chap 3.11/Eco-design/p. 201

Exclusions

Because of the Group's businesses, certain issues relating to the Decree of 24 April 2012 and Article 4 of the law of 11 February 2016 on the fight against climate change were not considered to be relevant: the fight against food insecurity and animal protection and actions aimed at promoting the practice of physical and sporting activities.

3.3 Applying the EU taxonomy regulation to Groupe SEB

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishes a framework to facilitate sustainable investment and amends regulation (EU) 2019/2088.

This taxonomy outlines the sustainable development objectives set by the EU, as well as the specific criteria and thresholds for eligible activities in the context of the European environmental strategy.

This technical classification lists six sustainable development objectives. To date, delegated acts have only been adopted for the first two.

1) **climate change mitigation;**

2) **climate change adaptation;**

3) the sustainable use and protection of water and marine resources;

4) the transition to a circular economy;

5) pollution prevention and control;

6) the protection and restoration of biodiversity and ecosystems.

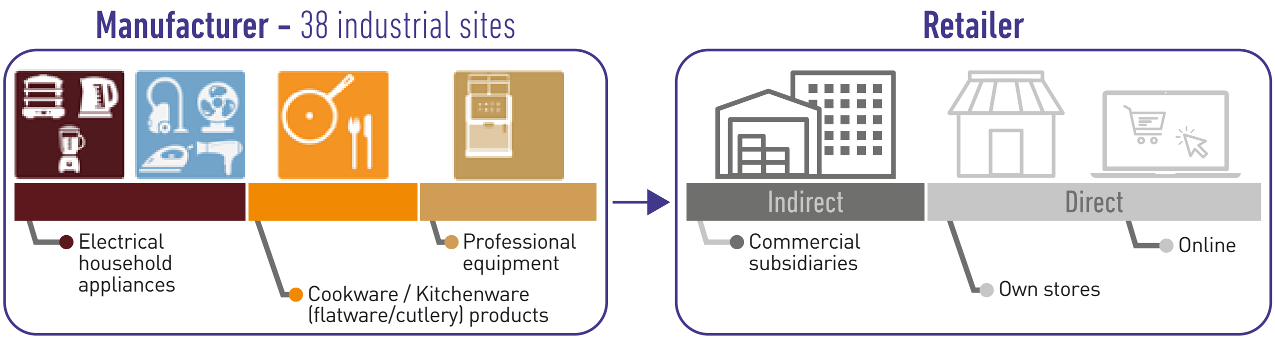
Three types of activity are eligible under the taxonomy: low-carbon activities, transitional activities and enabling activities.

For these two climate objectives, Groupe SEB has not identified any economic activities that generate eligible revenue within the meaning of the activities defined and described in the delegated acts.

METHODOLOGY

The Group's business model is structured as follows:

- production of cookware/small electrical appliances/professional equipment at around 40 **production sites worldwide;**
- marketing of these products, as well as other sourced products, through **marketing subsidiaries.**



The Group analyzed all of its economic activities in relation to the activities described in the delegated acts. It did so by analyzing all the activities of the legal entities and applying a materiality criterion.

For the European entities, the Group relied primarily on the European classification of economic activities (NACE codes).

REVENUE

The two climate-focused objectives do not apply to any of the Group's revenue-generating economic activities. **The Group notes that, at this time, small electrical appliance products are not covered by the energy labeling set out in regulation (EU) 2017/1369.**

CAPITAL EXPENDITURES (CAPEX)

Regarding the Group's expenditures eligible for the European sustainable taxonomy, the Group has not identified, in accordance with section 1.1.2.2 "Disclosures" of Annex I of the Delegated Act, any expenditure:

a) related to assets or processes that are associated with taxonomy-eligible activities;

b) incurred as part of a plan to expand taxonomy-aligned economic activities or to allow taxonomy-eligible economic activities to become taxonomy-aligned.

Eligible CapEx is therefore that referenced in category (c) of section 1.1.2.2 "Disclosures" of Annex I of the Delegated Act that is related to expenditures for the purchase of products from a taxonomy-aligned activity and, in particular, expenditures related to the acquisition, construction or renovation of buildings.

Flows related to the acquisition, construction or renovation of buildings are disclosed in the change in property, plant and equipment table in Note 12 to the consolidated financial statements on page 256. These flows were €134 millions in 2021. In total, 43% of CapEx is eligible.

OPERATING EXPENDITURES (OPEX)

The Group considers the percentage of eligible OpEx to be immaterial.

As a reminder, eligible OpEx covers only direct non-capitalized costs related to:

- research and development;
- building renovation measures;
- short-term lease, maintenance and repair; and
- any other direct expenditures relating to the day-to-day servicing of assets

that are necessary to ensure the continued and effective functioning of eligible assets.

For Groupe SEB, most of the OpEx as defined in the taxonomy consists of research and development expenses, which stood at €150.4 million in 2021. Only a non-material portion of OpEx is eligible.

These estimates could all change depending on industry practices and future delegated acts.

Although the Group did not identify any eligible activities under regulation (EU) 2020/852, it is aware of the issues related to the consumption – and depletion – of natural resources and those associated with greenhouse gas emissions.

It conducted a carbon assessment of its businesses in 2016 and has committed to fighting global warming ever since. With this in mind, it has implemented concrete actions and, from the design of a product to the end of its life, it takes measures to limit its environmental footprint (eco-design, eco-manufacturing, eco-logistics, recycling, etc.).

Groupe SEB has set ambitious targets for reducing its carbon footprint. These initiatives are all described in Chapter 3.10 "Climate action" on page 198.

At the same time, the Group has been committed to a more circular business model for many years, with the goal of saving the planet's resources by activating several drivers: extending product life and re-use, promoting recycling and the use of recycled materials, and experimenting with shared product use. This approach pushes us to regularly rethink our production and marketing processes.

The expenditures and investments made to protect the environment at our industrial sites are detailed in Note 27 to the consolidated financial statements on page 290.

The Group's CSR policy as a whole is presented in Chapter 3 on page 134.

3.4 Vigilance Plan

INTRODUCTION

For the third consecutive year, Groupe SEB complies with law 2017-399 of 28 March 2017 concerning the duty of parent companies and order-giving companies through the development of this plan.

This plan presents the measures taken within the Group to identify risks and prevent serious harm to Human Rights and fundamental freedoms, the health and safety of individuals and the environment, related to its activities as well as those of its subcontractors and suppliers.

Corporate social responsibility has been an essential component of the Group's strategy for many years, and these risks have been identified over time and form the basis for the implementation of all the Group's sustainable development actions and policies.

The new legal requirements relating to the duty of vigilance therefore reflect the values and actions defended by the Group for many years.

This plan restates the actions already anchored in the Group's policies that are the foundation of its sustainable development approach: Code of Ethics, health and safety policy, objectives, responsible purchasing policy, and more.

The plan is the subject of dedicated monitoring. In 2021, monitoring and updating of the plan were coordinated by the department of sustainable development. This coordination was performed through the roadmaps involving Purchasing, Health & Safety and Sustainable Development departments. Each department contributed to the completion and update of the plan.

MANAGEMENT OF RISKS OF SERIOUS HARM TO INDIVIDUALS AND TO THE ENVIRONMENT

PREVENT AND MANAGE THE RISKS RELATED TO HUMAN RIGHTS
(detailed on page 153, Chapter 3.8)

Ethics

The top priority when it comes to ethics is to apply the laws in force in each country where Groupe SEB operates. Groupe SEB also adheres to the international standards set out by the UN, and particularly to the principles of the Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organization (ILO) and the OECD's guidelines for multinational enterprises. It is also a signatory of the UN's Global Compact and the APPLiA's [1] Code of Conduct.

In order to formalize the policy and ethical values of the Group internationally, a Code of Ethics was created in 2012 to cover 18 topics. Translated into the Group's 11 main languages, it has been distributed to all employees. It describes the whistleblowing procedure, including the contact email address: ethics@groupeseb.com.

To ensure that every employee understands the key concepts of the Code of Ethics and knows how to act when faced with an ethical dilemma, a vast training program was deployed in 2018. At year-end 2021, 88% of 11,100 connected employees had taken the online training program. In order to make it as real-world as possible, this training was developed jointly by various Group departments: sustainable development, Training, Human Resources, Quality Standards & Environment, Audit and internal control, Purchasing, Legal, Health and Safety. This is included in the mandatory training for new employees.

In 2020, the Group developed a reminder module annual sent to all employees connected as part of the Compliance refresher program.

Human Rights

Integrated in the Code of Ethics, respect for Human Rights is one of its strong commitments, which has been validated by the signing of the Global Compact since 2003. The Group decided in 2007 to evaluate its teams' practices in relation to Human Rights in subsidiaries employing more than 10 people. Up until 2014 it used the HRCA (Human Rights Compliance Assessment) Quick Check self-assessment tool, developed by the Danish Institute for Human Rights and, for sites operated by its Chinese subsidiary Supor, the CBSSC (China Business and Social Sustainability Check). These self-assessments covered almost 99% of the workforce and drove improvements.

(1) Home Appliance Europe (formerly CECED: European Committee of Domestic Equipment Manufacturers).

Since 2015, Groupe SEB has applied the same **ethical, social and environmental audit** procedure that it operates with its suppliers to its plants in risky areas [(1)], using the same specialist consulting firm.

The audits (conducted on average once every three years) are accompanied by action plans to rectify any non-compliances, and sites with a compliance score of less than 70/100 must undergo a follow-up audit. The action plans are submitted to the Sustainable Development department. This department shares them with the Industry department (including the Health, Safety and Environment Managers), the Human Resources department and the Audit and internal control department, which are therefore able to verify their implementation. An annual summary of the audit results is also sent to the Executive Committee. This monitoring system, similar to the one used for the Group's suppliers, allows external comparisons to be made and the generating of audits that can be used in dealings with customers.

Trade payables

Groupe SEB bears great responsibility in terms of the manufacturing of its products under ethical conditions. It follows a responsible purchasing policy that includes reporting and control systems to ensure that its suppliers comply with its ethical, social and environmental requirements worldwide.

This policy includes:

- Responsible Purchasing Charter;
- preliminary evaluation of suppliers;
- mapping of CSR challenges by purchasing family;
- ethical, social and environmental audits performed by an independent firm.

This policy has been continually reinforced since 2012. It is covered by a shared road map between the Purchasing and Sustainable Development departments. It is implemented by teams trained in responsible purchasing: this area is incorporated into various trainings and events run by the Purchasing community, such as web forums, that are regularly run on specific issues.

PREVENT AND MANAGE THE RISKS RELATED TO HEALTH-SAFETY-SECURITY OF INDIVIDUALS

Health and safety of consumers

Groupe SEB is committed to offering consumers high-quality products that are guaranteed to be safe and harmless. In each country, the Group complies with all the standards and regulations governing the products it sells. Responsible products are the first theme addressed in Groupe SEB's Code of Ethics, evidence of the importance that it places on respect for the consumer.

- **Product safety**: this is ensured by a set of rigorous processes at every stage of product development and production. During development, each project review (RP1 to RP4) includes formal checking of product compliance via a series of validations listed in the EMQS (Environment, Marketing, Quality and Standards) reference document.
- **Harmlessness**: the Group is particularly vigilant when it comes to selecting component materials, going beyond regulatory requirements. As part of its commitment to quality, the Group has introduced a "Tefal commitment" notice which has been on Tefal/T-fal non-stick cookware for several years. This commitment gives a guarantee that there is no PFOA *, lead or cadmium and that the coatings are generally safe for the consumer.
- **Unpopular substances**: the Group classifies in this category substances that, although not banned by the regulations, are considered by some stakeholders, such as NGOs, to be potentially hazardous. On this basis, the Group is working on plans to replace a number of these substances and materials, even though they are not currently covered by the regulations, in order to stay a step ahead of future directives. Phthalates, for example, which were added to the RoHS [(2)] European Directive in 2015, were already viewed as unpopular substances by Groupe SEB in 2012.

Health and safety of employees

For several years, Groupe SEB has been developing measures to reduce the number of workplace accidents and limit the number of professional illnesses. It has set the following objectives by 2023:

- cut the number of workplace accidents with lost days (2017 base) in half, i.e. LTIRi < 1.0;
- 100% of plants certified to health and safety standards – ISO 45001.

The health and safety policy draws on a global network of 35 Environment, Health and Safety (EHS) Coordinators, who cover all of the plants and logistics sites in 13 countries. They meet quarterly in person for France and via Skype for the other global sites. Once a year, they meet up at a Group site (except in 2020 because of Covid-19). These annual seminars make it possible to strengthen the international dynamic of the network, something that is also supported by the Yammer community (Groupe SEB social network). By the end of 2019, the Group's health and safety management system had become OHSAS 18001 certified (all of the Group's industrial and logistics entities are certified). In 2020, the Group "switched" to ISO 45001. All sites have implemented a specific action plan. Those that needed to be audited in 2020 (by the firm DNV) all passed their audit in the last six months of the year and all received positive results. This means that the Group is now ISO 45001 certified.

(1) Risky areas as defined by amfori/Business Social Compliance Initiative – Country Risk Classification, 2018.
(2) Restriction of the use of certain Hazardous Substances.
** Perfluorooctanoic acid.*

- **Safety**: Groupe SEB's safety approach is reflected in the worldwide Safety in SEB program. More specifically, it places special emphasis on the involvement of employees as participants in their own safety. At the plants, for example, safety is one of the points that is reviewed daily by the production teams as part of the OPS (Operation Performance SEB) initiative, via Frequent Events. All accidents occurring within the Group are summarized monthly in a newsletter sent to all managers (including the Executive Committee) and the Health and Safety community. This policy has been successful: between 2017 and 2020, the number of workplace accidents with days lost fell by around 40%. Safety-specific checkpoints have been incorporated into day-to-day field visits by local managers since 2018. This feeds into the safety pyramid, a tool designed to detect hazardous situations ahead of time to quickly remedy them so as to anticipate accident risks. Since 2016, the Group has strengthened the safety culture in its tertiary (offices) and commercial entities (stores). The Group's six "golden safety rules" are systematically communicated to these entities, and some sites have introduced their own "unbreakable rules".
- **Health**
  - Health plan: The Group's international health plan, Health in SEB was launched in 2016. It started with an analysis of all the plants to identify the main health risks (dust, noise, repetitive work, etc.). This inventory was used as a basis for the creation of Group standards and to define health targets, accompanied by monitoring indicators. This is particularly true of ergonomics where the indicator measures improvements that are deemed significant using specific analysis methods, scoring grids, a decision-making tool developed by ergonomists and the person's experience. Every industrial and logistics site around the world has the objective to improve the ergonomics of 25% of its workstations every year.
  - Efforts to combat musculoskeletal disorders: As an industrial group, Groupe SEB focuses a large part of its efforts on combating musculoskeletal disorders (MSDs) in the upper limbs, and lower back pain. The aim is to prevent them from appearing and slow their deterioration. This is a major issue for the industrial sites, particularly in Europe, exacerbated by the aging of the workforce and extensions to the pension age.

    The Group's response involves awareness-raising and training measures, taking MSD prevention into account from the design phase of products and processes as well as the carrying out of specific measures on the sites.

    Every French plant and logistics site has a Steering Committee for Musculoskeletal Disorders and one or more MSD Specialists who ensure that risks are taken into account upstream, at the product design stage, and downstream, by amending hard-pressed workstations.
  - Social protection: In terms of social protection, in 2017 the Group launched an initiative designed to offer its employees, throughout the world, a high level of coverage compared to the local context, beyond regulatory obligations. Since 2018, the Group has progressively rolled out a global floor for social protection and working conditions, WeCare@Seb, based on two pillars in the first phase:
    - life insurance: 12 months of salary paid to the employee's family in the event of death in the context of work;
    - healthcare costs: coverage of hospital stays resulting from accidents (capped at 70% of actual costs).

    A third pillar on prevention (health checks) is being defined for rollout over 2022–2024.
- **Measures to combat harassment**: Groupe SEB pays very close attention to the issue of sexual harassment, an issue on which many countries have passed specific laws. In India, for example, Groupe SEB has introduced a very aggressive policy in the country to prevent such behavior, ensure careful investigation of complaints or reports, and finally protect the victims and punish those responsible. The subsidiary regularly holds awareness and training sessions on this issue for all staff. It has established a dedicated committee to deal with sexual harassment. More than half of its members are women, and it works with an NGO specializing in this area. In France, the updating of the internal rules of all sites makes it possible to raise awareness and to reflect the new legislative provisions designed to combat all forms of harassment. Thus, in 2019, each French legal entity with over 250 employees added a point of contact tasked with combating sexual harassment and sexist behavior.

PREVENT AND MANAGE ENVIRONMENTAL RISKS
(detailed on page 198, Chapter 3.11, climate action, and page 193, Chapter 3.10, circular revolution)

Carbon footprint: Groupe SEB produces an average of 200 million products per year. At each step in their life cycle, these products consume natural resources and emit greenhouse gases, which contributes to global warming. Aware of this responsibility, the Group completed a carbon assessment of its businesses in 2016. This provided a precise image of the distribution of carbon emissions over the entire value chain (extraction of raw materials, manufacture, transport, use, end of life) and led to the implementation of concrete actions to reduce the environmental impacts related to its activity.

As a result, ambitious goals were defined:

- **by 2023:**
  - 40% fewer greenhouse gas emissions per manufactured product in tons of CO_2 equivalent (base year 2016),
  - 15% fewer greenhouse gas emissions related to the energy consumption of the products per product sold in tons of CO_2 equivalent (base year 2016);
- **by 2050:** contribution to reaching global carbon neutrality (reduction and offset 100% of remaining carbon emissions).

This low carbon policy led by the Quality Standards and Environment and Sustainable Development departments is organized around three primary elements and involves a number of businesses.

- **Eco-design**: Eco-design of products is decisive in significantly reducing the environmental impact. Integrating recycled raw materials, improving energy efficiency, reducing energy consumption without compromising performance, and making a product repairable and recyclable are eco-design drivers. The Group has defined an eco-design policy to act on 70% of the carbon impacts. This facilitates consideration of these criteria in the development of new products:
  - increasing the duration of use of the products: durability and reparability,
  - using alternative/recycled materials: aluminum, plastics, stainless steel, etc.
  - improving the energy performance of the products,
  - increasing recyclability.
- **Eco-packaging**: Groupe SEB is careful to design packaging that guarantees its principal functions, while minimizing its environmental impact. This is why it set three targets for 2023:
  - ZERO expanded polystyrene,
  - 90% recycled fibers in the boxes,
  - ZERO internal plastic packaging.
- **Eco-manufacturing**: Saving resources is one of the goals of the manufacturing sites through the policy of eco-manufacturing:
  - reducing energy and water consumption,
  - reducing and recycling waste,
  - using renewable energy.

Every year, the sites are mobilized on “eco-innovating” projects. The goal is to highlight sustainable innovation projects and disseminate best practices to reduce the environmental impact. More than 150 best practices have already been developed.

- **Eco-logistics**: To reduce emissions related to the transport of products and the materials and components used to manufacture them, the Group encourages local production, optimizes logistics circuits and is developing transport alternatives to road transport (rivers, rail) that are less polluting. Lower empty transport means emitting less CO_2 while reducing costs. The Group also optimizes the load rates of the transport units (trucks or shipping containers), particularly by reducing the size of the packages and the empty space inside.
- **Resource depletion**: The Group fights the depletion of natural resources in several ways. First, it limits the consumption of water, energy and raw materials necessary to produce the products. Second, it places its products and services at the center of the circular economy (extending product life and re-use, promoting recycling and the use of recycled materials, experimenting with shared product use).
- **Air, soil and water pollution**: Prevention of air, soil and water pollution is the first pillar of the Group’s environmental policy, designed to protect the ecological balance around our sites. The Group strengthened its tools in this area, putting in place an environmental risk assessment methodology common to all Group sites and defining a common standard for emergency response situations.

WHISTLEBLOWING AND REPORTING MECHANISM

As part of the measures introduced to ensure that the Code of Ethics' commitments are properly applied, in 2012 the Group set up a **whistleblowing system** so that any employee or person from outside the Group can report situations that violate the Code. The system is also shared with suppliers through the Responsible Purchasing Charter and a clause included in agreements whenever these are renewed.

The whistleblower process sets out the various steps for whistleblowers to follow to exercise their right, the people to be contacted, the information to be provided, the way in which reports are handled, the confidentiality rules and protection for whistleblowers, assuming they act in a selfless manner and in good faith. It is explained in the Code of Ethics as well as in the Code of Ethics training program and made available to employees on the Group's intranet.

All reports are analyzed and followed up.

The various points in the Code of Ethics are included in the **internal audit** manual and are checked during site audits.

More information about risk factors can be found from page 61 onwards.

MANAGEMENT, GOVERNANCE AND MONITORING OF THE PLAN DEPLOYMENT

PLAN VALIDATION PROCESS

The main risks as well as the control systems were validated by the General Management Committee in December 2021 and shared with the Audit and Compliance Committee in January 2022.

COMPLIANCE COMMITTEE

To address internal and external risks and uncertainties, Groupe SEB has set up a Compliance Committee whose objective is to identify, quantify, prevent and control these risks as much as possible.

Composition of the Compliance Committee:

- Audit and internal control department;
- Legal department;
- Finance Senior Management;
- Sustainable Development department;
- Finance and Treasury department.

It meets two to four times a year to review the actions taken, discuss the challenges encountered, and formalize corrective action plans.

BUSINESS LINE ROADMAPS

The implementation of Groupe SEB's CSR actions is based on a dozen thematic roadmaps developed together with the representatives of the relevant business lines. All business lines are therefore involved in the process: Purchasing, Quality, Environment, R&D, Marketing, Brands, Health and Safety, Human Resources, Production, IT and Digital, Logistics, Consumer Satisfaction, Design, etc. Each road map is built around projects with targets and quantitative indicators. Once or twice a year a progress report is put together by the Sustainable Development department with the "business" contributors. Thus, these meetings also ensure regular review of the Group's different risks with all businesses concerned, an assessment of the actions taken, discussion of the challenges encountered, and the development of formal corrective action plans. By involving all business lines, the Group ensures that risks are identified and known to everyone at all levels, and that corrective actions are applied.

3.5 Stakeholders

Generally speaking, Groupe SEB conducts a transparent dialog with all of its stakeholders through various communication media, annually via the publication of the business and sustainable development report and the Universal Registration Document, and on an ongoing basis thanks to a dedicated section of the Group's website and the publication of news items. Stakeholders are identified using the methodology described in paragraph 5.3.2 of the ISO 26000 standard.

Stakeholders	Modes of dialog
Employees Employees (managers and non-managers)	Intranet site, welcome booklet, internal communications initiatives, Annual Appraisal Interviews (AAIs), employee survey (*Great Place to Work*), site newspapers and documents on a range of topics (Code of Ethics, Management Values and Practices, etc.).
Future employees	Website, careers site, social networks, school forums, outreach meetings, etc.
Employee representatives Employee representative bodies	Labor relations agenda, employee-management dialog bodies, dedicated intranet, signing of collective agreements, etc.
Consumers	Group and brand websites, social networks, Groupe SEB TV, media and non-media communications, marketing research, Home & Cook stores, consumer service, etc.
Suppliers and subcontractors	Discussions with Group and local purchasers, Responsible Purchasing Charter, Code of Ethics, annual evaluation, regulatory compliance via the EcoMundo platform, social and environmental audits, etc.
Public authorities	Participation in working groups, conferences, partnerships/local projects, public/private research partnerships, competitiveness clusters, etc.
Shareholders	Business and sustainable development report, Universal Registration Document, letter to shareholders, website, webzine, Annual General Meeting, information meetings, etc.
Customers Distributors	Code of Ethics, sales meetings, partnerships and multi-year action plans, etc.
Professional associations APPLIA, Gifam, Unitam, Medef, Afep, Demeter, Éco-Systèmes, FIEEC and other eco-organizations, etc.	Participation in working groups, involvement in governance, etc.
Civil society NGOs, associations, communities	Business and sustainable development report, selection and support of projects via the Fonds Groupe SEB or subsidiaries, partnerships, cause-related marketing products, etc.
Financial and non-financial bodies Rating agencies, financial analysts, institutional investors, banks, funds, etc.	Business and sustainable development report, Universal Registration Document, website, SRI meetings, *road shows*, responses to questionnaires, press releases, communication on progress of the UN Global Compact, Investor Days, formal meetings, etc.

The breakdown of value between Groupe SEB and its various stakeholders is presented in the activity report published each year on its website.

INFLUENCING ACTIVITIES

Groupe SEB regularly communicates its opinion to the authorities about the potential consequences of an action or a decision. It provides insights through professional associations of which it is an active member and which intervene in the same way as other stakeholders such as consumer associations and other NGOs. The aim is for the authority concerned by a given subject to have all the data at hand to make the best decision with respect to the desired aim and expectations of the various stakeholders. The Group bases its analysis on its industry expertise and its market knowledge. Since 2015, it has structured this activity in the European Affairs department, reporting to its Head of Quality, Standards and Environment. The department is tasked with transmitting to the authorities the information needed to define regulations and standards that may impact the Group's product designs.

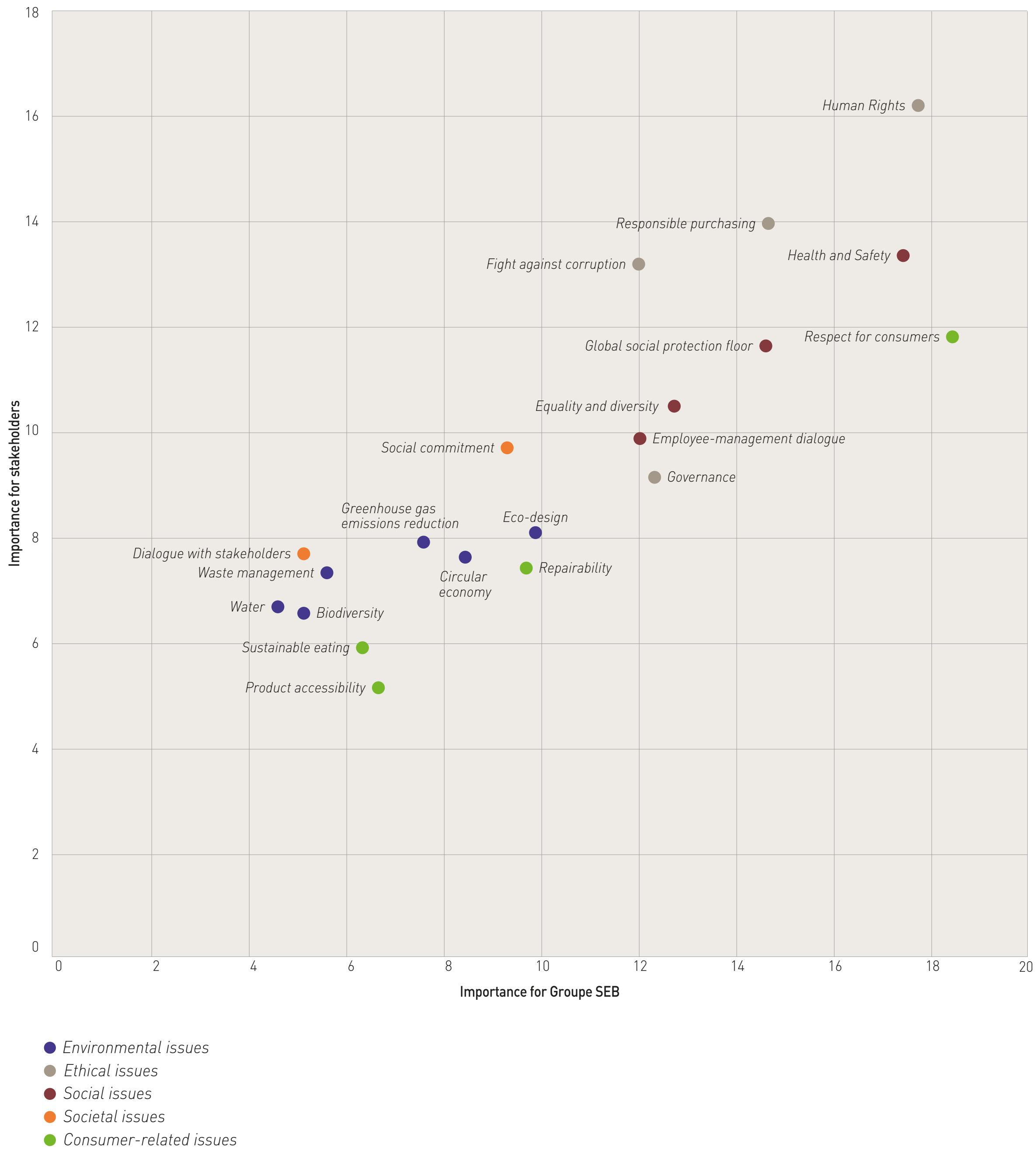
In 2020, Groupe SEB continued to act to promote the circular economy by emphasizing the importance of product reparability and by continuing to demand the creation of a tax incentive to encourage sector operators to repair and use recycled materials. It also acted in the context of the European work to promote the return of an energy label on vacuums to guarantee that the consumer has relevant information about energy consumption and performance. Groupe SEB has also worked on different issues, such as:

- the regulations on materials in contact with food;
- the regulations on connected products;
- the development of standards on the efficient use of materials.

To contribute to discussions about its industry, Groupe SEB plays an active role in various French and European professional associations such as:

- AFEP – French Association of Private Sector Companies;
- FIEEC – French Federation of Electrical, Electronic and Communication Industries;
- GIFAM – French Association of Household Appliance Manufacturers;
- UNITAM – Union of Homeware Manufacturers;
- APPLiA – Professional Association of European Household Appliance Industry;
- FEC – Federation of the European Cutlery, Flatware, Holloware and Cookware Industries.

MATERIALITY MATRIX



To make it easier to read the information contained in this chapter, the table below summarizes the 20 issues identified by Groupe SEB, defines them and lists the number(s) of the pages on which the issue is addressed.

Challenges	Definitions	Page no.	SDG *
PEOPLE MATTER/ETHICS			5, 8, 10
Human Rights	Fight against any form of forced or compulsory labor, concealed work, child labor, inhuman working conditions and excessive overtime.	154	
Responsible purchasing	Require our suppliers to respect Human Rights and essential ethical, social and environmental principles.	155-157	
Anti-corruption measures	Prohibit strongly any kind of corruption in our relationships, not only with our commercial and institutional partners, but also with the government.	154	
Governance	Work in favor of a more responsible governance: diversity and independence of the Board of Directors, increased female participation in key positions, transparency about the pay of executive officers, etc.	Chapter 2	
PEOPLE MATTER/A RESPONSIBLE EMPLOYMENT POLICY			5, 8
Equality and Diversity	Ensure equal treatment between employees. Only take into account their professional skills when it comes to their recruitment, pay and development within the Group.	163-166	
Employee-management dialog	Respect for freedom of association and union representation while encouraging employee-management dialog on both an individual and collective basis.	167	
Health and Safety	Provide each employee with a safe and healthy working environment.	169-172	
Global social protection floor	Ensure fair pay, minimum social cover and decent working conditions for all employees.	174	
PEOPLE MATTER/A CORPORATE CITIZEN			1, 4, 10
Dialog with stakeholders	Take into account the expectations of all the stakeholders in the conduct of our activities: consumers, associations/NGOs, municipalities/public authorities, suppliers, customers, shareholders, employees, etc.	147	
Social commitment	Fulfill our economic and social responsibilities in the territories in which we operate: creating jobs, taking part in the development of local companies and supporting local associations acting against exclusion.	178-182	
SUSTAINABLE INNOVATION AND RESPECT FOR CONSUMERS			12
Respect for consumers	Propose high-standard products with all the guarantees in terms of safety and harmlessness. Be very demanding about the quality of the information given to consumers through our call centers, and via our brands' websites and our after-sales service.	183-185	
CIRCULAR REVOLUTION/A MORE CIRCULAR ECONOMY			12, 13
Circular economy	Make the circular economy central to our sustainable innovations. The circular economy requires a chain structuring approach (e.g. recycling chain and re-use chain). This economic system is based on exchanges and production. At every stage of the life cycle of the products, goods and services, it aims to increase the efficiency of the resources and reduce the impact on the environment while enabling the well-being of individuals.	194-197	
Reparability	Facilitate the repair of the products: design, availability and price of spare parts, training of approved service centers, etc.	194	
BETTER HOME LIFE/PRODUCTS ACCESSIBLE FOR AS MANY PEOPLE AS POSSIBLE & A HEALTHY HOME			3
Product accessibility	Promote the accessibility of the product offer to as many as possible by working on price, ergonomics and distribution networks.	190-191	
GOOD AND HEALTHY COOKING/HEALTHY AND SUSTAINABLE HOMEMADE FOOD			2, 3
Sustainable eating	Promote consumption modes favoring healthy and sustainable eating by innovating and supporting consumers.	186-189	
CLIMATE ACTION/REDUCTION OF ENVIRONMENTAL IMPACT			9, 12, 13
Eco-design	Reduce the environmental footprint of products through eco-design.	201-203	
Water	Limit the water consumption of our sites together with their emissions to water.	206	
Waste management	Limit and recover waste from production by favoring solutions with a smaller impact on the environment.	206	
Greenhouse gas emissions reduction	Reduce greenhouse gas emissions linked to the production process (optimization of energy consumption, use of renewable energies, etc.) and the transport of products, raw materials and components.	198-210	
Biodiversity	Promote ordinary biodiversity and limit the impacts of the processes and products on biodiversity.	207	

* *SDG: sustainable development Goals. The list of all the SDGs can be found on the United Nations website: https://www.un.org/sustainabledevelopment/.*

3.6 Objectives for 2023

PEOPLE MATTER

Employment Conditions, Health & Safety	> 100% of employees worldwide are covered by the global employment conditions program > Cut the number of workplace accidents with time lost by at least two, i.e. LTIRi < 1.0 *(base year 2017)* > 100% of plants certified in accordance with health and safety standards – ISO 45001
Equity & diversity	> 30% of women hold management positions > Bring the% of female managers into line with the% of women in the Group
Quality of life at work	> Achieve 75% on the GPTW question: "All in all, I can say it is a great place to work"
Solidarity	> 100% of the countries in which we operate run a corporate philanthropy program

SUSTAINABLE INNOVATION

Better home life	> Develop an inclusive design range of products per main product family > Create one awareness program around healthy homes
Cooking for good	> One program to make homemade food accessible to everyone > One Charter to promote healthy and sustainable eating for recipes associated with our products

CIRCULAR REVOLUTION

Recycled materials	> 2x the plastic 100% recycled in our products in France *(base year 2017)* > 50% of recycled materials in our products/packaging
Reparability	> Over 90% of small domestic appliances 10-year repairable products for Moulinex/Rowenta/Tefal/Seb/Calor/Krups
Second life	> Experiment with different business models to give our products a second life

CLIMATE ACTION

Factories	> -40% carbon intensity of our plants *(base year 2016)* > 100% of plants certified in accordance with the ISO 14001 Environmental Management standard
Logistics	> -10% carbon intensity of the transportation of our products and components *(base year 2016)*
Products & packaging	> -15% carbon intensity of the energy consumption of our products *(base year 2016)* > Eco-packaging: • 0 expanded polystyrene • 90% of recycled fibers • 0 plastic packaging

3.7 Reporting process

MEASURING OF SOCIETAL, EMPLOYMENT-RELATED AND ENVIRONMENTAL PERFORMANCE

Since 2002, Groupe SEB has been committed to reporting on its social, employment-related and environmental performance. To this end, it has established a set of monitoring indicators and reporting procedures that are regularly reviewed as part of a continuous improvement process. The indicators and procedures are set out in an internal document entitled "Reporting process for CSR steering indicators".

SELECTION OF INDICATORS AND GUIDELINES

The indicators used by Groupe SEB to measure its performance in 2021 cover all of the items listed in Article 225 of French law no. 2010-788 of 12 July 2010, known as the Grenelle 2 law, amended by the European Directive transposed into national law, in 2017, by Articles L. 225-102-1 and R. 225-104 to R. 225-105-2 of Commercial Code. The Group goes beyond this legal requirement by reporting other indicators that fall particularly under Global Reporting Initiative (GRI) recommendations. Based on these guidelines, which are an international standard for the reporting of non-financial information, Groupe SEB has incorporated the materiality approach within its reporting process in order to identify the main sustainable development priorities and the related indicators.

In keeping with the development of national and international requirements and the Group's philosophy of continuous improvement, it has therefore added new indicators. It has also specified the components of certain indicators to improve the reliability of published data, and in many areas has extended the reporting scope, including new acquisitions where possible.

All of the indicators reported aim to track the Group's progress in relation to its corporate responsibility commitments. The procedure for defining and/or calculating these indicators is explained whenever useful or necessary.

METHODOLOGY AND TOOLS

The Sustainable Development department coordinates the Group-wide reporting of social, employment-related and environmental information. It develops formal processes for every relevant division and consolidates all the data collected in a specific non-financial reporting system.

Since 2012, Groupe SEB has used Tennaxia's reporting system for sustainable development reporting. Its flexibility will make it easy to incorporate future developments: adding indicators, modifying reporting scopes, etc. It also makes it possible to create analysis reports and dashboard charts that are useful for management and decision-making. Its international roll-out was completed during 2013.

The processes and tools used to collect data for the various indicators vary from one theme to the next and between regions (France and World):

Theme/Region	France	World (excluding France)
Breakdown of workforce by gender, age, region and classification; external labor	Data extracted from SAP BW imported into Tennaxia (annual)	SAP BW data imported into Tennaxia (annual)
People with disabilities	Data compiled in a spreadsheet and imported into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Absenteeism rate	Data extracted from SAP BW imported into Tennaxia (annual)	Data extracted from SAP BW imported into Tennaxia (annual)
Collective agreements	Data compiled in a spreadsheet and imported into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Overtime	Data extracted from SAP BW imported into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Health and safety	Data input directly into Tennaxia (monthly)	Data input directly into Tennaxia (quarterly)
Training	Data input directly into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Corporate sponsorship expenses	Data input directly into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Environmental data excluding direct raw materials	Data input directly into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Direct raw materials	Data compiled in a spreadsheet (annual)	Data compiled in a spreadsheet (annual)

The reporting of these data involves more than 200 correspondents from different divisions on all Groupe SEB's sites.

ACCURACY AND COMPARABILITY

Groupe SEB is committed to ensuring that the data it publishes are accurate by carrying out a number of consistency tests. The Tennaxia reporting system provides an automatic consistency checking functionality to limit data entry errors. It also allows users to attach files and add comments. Any potential inconsistencies or errors flagged are reviewed with the sites and corrected. The Group also strives to maintain uniformity across its reports, presenting its indicators over a period of three years when data are available.

METHODOLOGICAL LIMITATION AND SCOPE

The social, employment-related and environmental indicators may present methodological limitations due to the lack of standard definitions and national/international laws (e.g. for workplace accidents) and/or the qualitative nature of certain data. Given these limitations, as well as potential difficulties with data collection, the reporting scope may vary depending on the indicator. Whenever the scope of an indicator is limited, this is explicitly stated. Any other variations in scope may be related to the creation, acquisition, sale or closure of sites. For 2020, all the data communicated in this chapter excludes new acquisitions, namely Ethera, Groupe SEB Media (750 g), Feeligreen and StoreBound.

Data on absenteeism came with a methodological limit in 2015. Due to the lack of any official international definition of absenteeism, information from international subsidiaries is not subject to formal monitoring and controls at Group level. Groupe SEB has worked on its own international definition in order to be able to monitor and report on absenteeism worldwide since 2016.

Regarding Health and Safety reporting, a limitation has been identified in the recording of work-related illnesses on a global scale. Some legal systems (such as Germany) recommend medical secrecy and figures are therefore unavailable and treated as null for these specific cases.

Data on workforce for the SUPOR China scope includes temporary workers, corresponding to the "Outsourced labor" and "Dispatched labor" categories in order to be consistent with the Group's management rules.

REPORTING PERIOD

The period used for annual reporting of sustainable development information is the financial year, which corresponds to the calendar year for Groupe SEB (1 January to 31 December).

AUDIT

To comply with legal obligations, the Mazars firm verified the completeness and fairness of the social, societal and environmental information provided in this Universal Registration Document.

3.8 People matter

TO BE RESPECTFUL OF EVERYONE AND DEMONSTRATE OUR BENEFIT TO SOCIETY ON A DAILY BASIS

ETHICAL COMPLIANCE

The top priority when it comes to ethics is to apply the laws in force in each country where Groupe SEB operates. Groupe SEB also adheres to the international standards set out by the UN, and particularly to the principles of the Universal Declaration of Human Rights, the fundamental conventions of the International Labour Organization (ILO) and the OECD's guidelines for multinational enterprises. It is also a signatory of the UN's Global Compact and the APPLiA's Code of Conduct [(1)].

The Group's tangible commitments in terms of Human Rights put it in the top 1% of the best performing companies worldwide in this sphere, according to the "Human Rights in a globalized world: why do companies need to pay more attention?" study published at end-2018 by the non-financing rating agency Vigeo-Eiris. This study was published to mark the 70th anniversary of the Universal Declaration of Human Rights and looks at companies in 60 countries and 38 sectors.

CODE OF ETHICS

18 areas, 11 languages

Over the last 10 years, Groupe SEB has more than doubled in size, acquiring several companies (including EMSA and WMF in 2016 and Wilbur Curtis in 2018), and has become an increasingly international group. It now has close to 33,000 employees around the world, with around two-thirds of its workforce located outside of Europe. Since a common culture and a shared set of values are essential to a successful ethical approach, Groupe SEB has structured and formalized its policy in the form of a Code of Ethics, which was drafted in 2012. Translated into the Group's 11 main languages, it has been distributed to all employees worldwide and is now available online on the Group's intranet. This document addresses 18 key areas, including child labor, anti-corruption measures, non-discrimination, environmental protection and the prevention of conflicts of interest.

A global training program

The implementation of the Code of Ethics in 2012 was backed up with close to 10,000 hours of training. In 2018, the Group launched a new wave of training to ensure that every employee understood the key concepts and knows how to act when faced with an ethical dilemma. At year-end 2021, 88% of 11,100 connected employees had taken the online training program, available in ten languages on the *iGrow@Seb HR online platform*. It consists of six modules designed in an interactive and fun manner. They comprise a theoretical component followed by a quiz and a case study where the employee is faced with an ethical issue. In order to make it as real-world as possible, this training was developed jointly by various Group departments: sustainable development, Training, Human Resources, Quality Standards & Environment, Audit and internal control, Purchasing, Legal, Health and Safety. This is included in the mandatory training for new employees. In 2020, the Group developed a yearly refresher module sent to all connected employees as part of the Compliance Refresher program (see section Training, page 176).

For employees without online access, classroom-based training began in 2019. Coordinated by the Human Resource Managers and site managers, it focuses on areas considered priority and on specific cases tailored to local circumstances. Its rollout, which was hampered in 2020/2021 by the pandemic, will ramp up in 2022 (depending on health and safety restrictions) to cover all the teams involved.

Whistleblowing system

As part of the measures introduced to ensure that the Code of Ethics' commitments are properly applied, in 2012 the Group set up a **whistleblowing system** so that any employee or person from outside the Group can report situations that violate the Code. The system is also shared with suppliers through the Responsible Purchasing Charter and a clause included in agreements whenever these are renewed.

(1) Professional Association of European Household Appliance Industry.

The whistleblower process sets out the various steps for whistleblowers to follow to exercise their right, the people to be contacted, the information to be provided, the way in which reports are handled, the confidentiality rules and protection for whistleblowers, assuming they act in a selfless manner and in good faith. It is explained in the Code of Ethics as well as in the Code of Ethics training program and made available to employees on the Group's intranet.

All reports are analyzed and followed up.

The various points in the Code of Ethics are included in the **internal audit** manual and are checked during site audits.

More information about risk factors can be found from page 49 onwards.

HUMAN RIGHTS

Respect for Human Rights forms an integral part of the Groupe SEB Code of Ethics as well as the training offered in this regard to international HR Managers. As a signatory of the Global Compact since 2003, in 2007 the Group decided to evaluate its teams' practices in relation to Human Rights in subsidiaries employing more than 10 people. Up until 2014 it used the HRCA (Human Rights Compliance Assessment) Quick Check self-assessment tool, developed by the Danish Institute for Human Rights and, for sites operated by its Chinese subsidiary Supor, the CBSSC (China Business and Social Sustainability Check). These self-assessments covered almost 99% of the workforce and drove improvements.

External audits in risky areas

Since 2015, Groupe SEB has applied the same **ethical, social and environmental audit** procedure that it operates with its suppliers (WCA – Workplace Condition Assessment) to its plants in risky areas, using the same specialist consulting firm Intertek (see below).

The audits (conducted on average once every three years) are accompanied by action plans to rectify any non-compliances, and sites with a compliance score of less than 70/100 must undergo a follow-up audit. The action plans are submitted to the Sustainable Development department. This department shares them with the Industry department (including the Health, Safety and Environment Managers), the Human Resources department and the Audit and internal control department, which are therefore able to verify their implementation. An annual summary of the audit results is also sent to the Executive Committee. This monitoring system, similar to the one used for the Group's suppliers, allows external comparisons to be made and the generating of audits that can be used in dealings with customers.

In 2021, five sites were audited in Brazil, China and Colombia. 100% of the sites obtained an overall compliance score of over 80% (average score of 90/100) and no "zero tolerance" non-compliance was noted.

ANTI-CORRUPTION MEASURES

This issue has been incorporated in the global Code of Ethics since 2013. It provides, in particular, that Groupe SEB strictly prohibits any form of corruption in its dealings with commercial and institutional partners as well as with the government. No financial rewards or other types of benefits may be offered in an effort to seek an advantage or be received in exchange for preferential treatment. In addition, in 2003, the Group signed up to the UN's Global Compact, whose tenth principle requires businesses to work against corruption.

The Audit and internal control department includes the risk of fraud and corruption in its assessments. Given the economic environment in which Groupe SEB subsidiaries operate, the principal risks are related to the purchasing process (passive corruption of the purchaser) and sales (active corruption of customers' employees). These risks are mitigated for each of these two processes by specific rules; compliance with these rules is checked when the subsidiaries are audited. The great majority of subsidiaries have retailers as their customers (often several hundreds), with whom they deal directly without an intermediary. Close coordination was established between the outside audit team, the internal audit unit and accounting teams, particularly on internal control points.

Code of Conduct

In addition to the Code of Ethics, a specific anti-corruption Code of Conduct, which was finalized in 2020, started being gradually rolled out in 2021. The Code aims to guide all Groupe SEB employees in the performance of their duties if they believe a particular situation presents a vulnerability risk in terms of corruption and influence peddling. In accordance with the French Sapin II law (09/12/2016), a professional whistleblowing process (see above) allows employees to confidentially report any violation or suspected violation of the Code or of any law or regulation governing Groupe SEB.

Corruption risks questionnaire

As part of the annual update to the corruption risk mapping, the Group sends out a detailed questionnaire on corruption risks to all entity managers (commercial subsidiaries, plants, shared service centers) and to all support managers, i.e. 217 people. Analyzing the returned questionnaires makes it possible to detect any warning signs or weak signals and therefore adjust courses of action accordingly. If necessary, checkpoints may be added to the internal control Manual.

RESPONSIBLE PURCHASING

Groupe SEB bears great responsibility in terms of the manufacturing of its products under ethical conditions. It follows a responsible purchasing policy that includes reporting and control systems to ensure that its suppliers comply with its ethical, social and environmental requirements worldwide. Each year, an audit campaign is conducted to identify gaps and correct them through dedicated action plans (see below).

This policy is continually reinforced. It is covered by a shared road map between the Purchasing and Sustainable Development departments. It is implemented and rolled out on two levels:

- **at corporate level**, the Purchasing department organizes training and events on responsible purchasing for its entire community, including webinars on the topic. The department shares the progress of the "Responsible purchasing" roadmap with the teams twice a year and highlights the various initiatives;
- **in operational entities**, buyers are responsible for managing relations with suppliers: conducting social, ethical and environmental audits, ensuring compliance with the Responsible Purchasing Charter, reviewing sustainable development challenges during the preliminary assessment of suppliers, and training (particularly on audits).

The purchasing strategies play a leading role in reducing the Group's environmental footprint, such as in the supply of recycled materials (for products and packaging), the development of renewable energies (photovoltaic projects), and low-emissions logistics solutions (see chapters on "Circular revolution", page 193, and "Climate action", page 198). The Purchasing teams are also involved in forging partnerships with players in the social and solidarity economy.

In 2021, Groupe SEB in France renewed its commitment to the principles of the **Charter on Supplier Relations and Responsible Purchasing** [1]. With its **10 pledges**, it helps to build a **balanced and lasting relationship between the signatories and their suppliers,** with awareness and respect for the rights and responsibilities of each party.

RESPONSIBLE PURCHASING CHARTER

Groupe SEB's Responsible Purchasing Charter is based on its Code of Ethics and Responsible Purchasing policy. It has so far been available in French, English, German, Chinese, Spanish and Portuguese, and it was translated into four new languages in 2021: Danish, Finnish, Norwegian and Swedish.

In this document, the Group reiterates its requirements as regards respect for Human Rights and its ethical, social and environmental principles. This Charter is a common frame of reference for the Group's Purchasing teams and its suppliers. The aim is to ensure that the fundamental principles of sustainable development in purchasing (supplier relationship, environmental impact, anti-corruption, etc.) are applied and taken into account as key drivers of success and performance.

The Charter is sent to all of Groupe SEB's direct suppliers (raw materials and components) and suppliers of finished products for them to sign.

Suppliers of **indirect purchases** (services, energy, information systems, maintenance, transport, overheads, etc.) are not required to sign if their activity is judged to be inconsequential based on predefined criteria (contract amount, nature of purchase, frequency, etc.).

PRELIMINARY EVALUATION OF SUPPLIERS

Any new supplier of raw materials, components or finished products is subject to a rigorous preliminary evaluation conducted under the supervision of the lead buy in that category. A supplier evaluation form lists the points to be reviewed during an on-site visit lasting at least half a day and carried out by a Purchasing team (in 2020/2021, some visits were carried out remotely for health and safety reasons).

Social and environmental criteria play a significant role in this assessment and have a direct impact on the decision to approve the supplier (minimum requirements need to be met). For the environmental aspect, these criteria primarily include the following factors: ISO 14001 certification, pollution (water, ground and air), the use of hazardous products, energy use, and waste management. For the social aspects, the main criteria are: existence of a formal ethical/social policy or the signature of Groupe SEB's Responsible Purchasing Charter, working conditions, observance of employment law (age, working hours, etc.) and of safety rules.

In addition, the Group has been tightening the selection process for suppliers located in risky areas since 2020 [2], requiring any new supplier to first pass an ethical, social and environmental audit (see below). This requirement also applies to indirect suppliers [3].

(1) Charter drawn up by the Conseil National des Achats (French National Council for Procurement) and Médiation des entreprises (business ombudsman), under the auspices of the French Ministry of the Economy and Finance.

(2) Risky areas as defined by amfori/Business Social Compliance Initiative – Country Risk Classification, 2018.

(3) With the exception of suppliers whose activity is judged to be inconsequential based on predefined criteria (contract amount, nature of purchase, frequency, etc.).

MAPPING OF CSR ISSUES BY PURCHASING FAMILY

In addition to the compliance requirement, the Group is striving to strengthen the sustainable development component of its purchasing. In order to identify opportunities for improvement, it began mapping out the social and environmental issues for its main purchasing categories in 2014. This study notably led to the insertion of environmental and social clauses into calls for tender. These are designed, for example, to favor suppliers offering environmentally friendly solutions or who are committed to employing disadvantaged people.

In 2021, the Group began updating this mapping of CSR issues by purchasing family (see “Duty of vigilance” page 142). It will be finalized in 2022 and will be used to draft an action plan to make progress in the social and environmental aspects of purchasing.

Subcontractors in the disability and inclusive employment sector

This impetus is a game changer, especially in the strengthening of links with players in the non-profit and social sectors, particularly in France.

For example, FM Logistic France, which manages the Group’s product logistics at its Saint-Cyr-en-Val platform, near Orléans, created FMEA, a company providing work to people with disabilities, on this site. This organization employs people with disabilities to perform repackaging operations (such as adding starter kits or samples to packaging).

By the same token, the Pont-Évêque plant welcomes a team from a sheltered employment center to its premises and assigns the team increasingly complex product assembly tasks, just like at the Lourdes site, which works with an organization that employs people with learning disabilities. The Faucogney site calls on welfare-to-work associations for the packaging of spare parts and accessories, while at the Is-sur-Tille site, the Groupe Coopératif Demain (an organization that works to get people into work who have previously been excluded from the job market) provides a recycling service. The Mions logistics platform welcomes six workers from a sheltered employment center (ESAT), who have an intellectual or mental health disability, for tasks such as repalletizing, material handling, and dealing with non-compliant products.

At the SEB Campus in Écully, ten companies from the protected sector are involved in jobs such as catering, cleaning, hospitality and maintenance of green spaces. Handishare, a company providing work to workers with disabilities, also provides administrative services for Human Resources and general services. The Group appointed sheltered workshop Recyclea in 2021 to recycle IT equipment and salvage end-of-life servers.

See more details about these partnerships in the “A responsible participant in the economy” section, page 182.

At the end of 2021, work subcontracted to the disability and inclusive employment sector totaled more than €6.2 million, across all of the Group’s French sites.

ETHICAL, SOCIAL AND ENVIRONMENTAL AUDITS

Ethical, Social and Environmental Audit Charter

For the sake of transparency, the Group has put together an Ethical, Social and Environmental Audit Charter for its suppliers. It is sent to them, along with the points on which they will be rated during audits. To help suppliers make progress in social and environmental matters, the Group offers them training on this topic. In 2021, these sessions were held as webinars because of Covid-19 and 175 suppliers from China, Colombia and Brazil attended them. They were also attended by Group buyers responsible for monitoring them.

Internal global network of social audit leaders

Groupe SEB’s social audit leaders oversee efforts to carry out audits and monitor progress plans undertaken by suppliers. This network has 19 members (11 for finished products and 8 for direct and indirect purchases), spread across all continents. It was revised in 2021 to increase operational agility, with local delegations set up as close as possible to the Group’s entities and plants. This network is coordinated by the Social Compliance Manager (based in Hong Kong) and through regular meetings (web conferences) attended by the Group’s Purchasing Directors, covering audit reviews, the analysis of results, exchanges of best practices, and so on.

A highly formalized procedure

The Group conducts ethical, social and environmental audits across all supplier categories (raw materials, components, finished products, indirect purchases). Initial audits are conducted every three to four years depending on the results. Interim monitoring audits are scheduled if a corrective action plan is in place.

Suppliers affected by audits:

- at-risk countries [(1)] all suppliers may be affected; social audit leaders plan audits based on the priority criteria defined by the Group;
- other countries: audits with specific suppliers (significant business issues given the amount of and increase in expenditure), or following a warning from a Group buyer about a matter of concern.

Ethical, social and environmental audits are done by Intertek. A global audit management tool ensures immediate and accurate monitoring, and it allows the results obtained by the Group’s suppliers to be compared with those of companies listed in the Intertek database (more than 32,000 audits).

The procedure is very formal. During an initial in-depth audit (one to three days on site, depending on the size of the company), the auditor reviews **367 checkpoints** from the **WCA** (Workplace Condition Assessment) audit criteria, which was expanded in 2021 with a sixth module on integrity (the other five modules are: working conditions, salaries and working hours, health and safety, management system, and environment). Each checkpoint is assessed according to a four-level scale of compliance ranging from “zero tolerance” (forced labor, blocked emergency exits, excessively long hours, etc.) to minor non-

(1) Risky areas as defined by amfori/Business Social Compliance Initiative – Country Risk Classification, 2018.

compliances, with moderate and major non-compliances (no pay slip, emergency exit signs, etc.) in between. The final score, calculated out of 100, is ranked according to four performance levels: high performance (85 to 100), average (71 to 84), poor (51 to 70) and very poor (0 to 50). The audit report is sent to the Group's Purchasing department.

- A single "zero tolerance" non-compliance (e.g. failure to comply with the legal working age) triggers the following actions: a formal letter from the Purchasing Director or Sourcing Director requiring the implementation of a **corrective action plan** within two weeks, immediate suspension of any new consultations and a **follow-up audit** (by Intertek) one month later to check that the issue has been resolved. If not, the Group decides to end the collaboration.
- If a score of less than 50/100 is obtained for one of the six modules, or if an aggregate score of less than 50/100 is obtained, then the Regional Head of Purchasing or Sourcing sends a formal letter warning the company to correct the breach and checks that the situation has been rectified through a follow-up audit in the following months.

Some companies acquired by Groupe SEB (such as OBH in 2015, WMF and EMSA in 2016) already had a social audit procedure, based on the BSCI (Business Social Compliance Initiative). These audits are added to the Intertek database, and so the Group has signed up to the BSCI in order to better monitor them. In 2021, Groupe SEB also began taking into account the SMETA audits (four pillars) carried out by certain suppliers. The results of these audits are converted into WCA criteria and then included in the Group procedure for handling instances of non-compliance. The Group's approach is still focused on WCA, however.

Initial and follow-up audits

Initial audits are paid for by the Group. Suppliers with a score of more than 70/100 are audited every four years and those with a score of between 51/100 and 70/100 every three years. The others must conduct a follow-up audit within 12 months of the initial audit to verify that the necessary corrective measures have been implemented. The supplier bears the cost of follow-up audits (and re-audits if necessary).

In 2021, the Group completed 200 initial audits (137 in 2020) of suppliers in Asia (145), South America (40), Europe (12), Turkey (2) and Tunisia (1) in 2021. Over the past four years (2018–2021), 151 follow-up audits were scheduled to check the implementation of action plans. In 2020, four suppliers, which had refused to undergo this follow-up audit or did not take action, were removed from the Group's approved suppliers, and the Group stopped all new projects with them.

Intertek also hands out an Achievement Award (AA) label to suppliers who have an overall score of at least 85/100 and do not present any major or zero tolerance-type non-compliances. In 2021, 34 Group suppliers received the AA label.

MONITORING OF CHEMICAL SUBSTANCES

To help its suppliers ensure compliance with regulations prohibiting the use of hazardous substances, Groupe SEB forged a new partnership with Bassetti Data Provider at the beginning of 2022, a company that specializes in the management of technical, regulatory and environmental data. Around 1,000 Groupe SEB suppliers can access a dedicated internet portal, which makes it easier for them to write their eco-declarations. The Group is also making continuing efforts to monitor certain substances, in anticipation of future regulatory changes (particularly in Europe, i.e. RoHS and REACH).

For further information on how purchasing is organized within Groupe SEB, see page 39.

A RESPONSIBLE EMPLOYMENT POLICY

2021 – another year shaped by Covid-19

In 2020 and 2021, Groupe SEB's human resources management was heavily impacted by the global Covid-19 pandemic, which spread in successive waves, alternating with periods of relief and recovery. The Group has had to continuously adapt in unpredictable circumstances.

Health first

As Groupe SEB's top priority is the health and safety of its employees, it has made every effort to ensure that they stay protected. In addition to complying with local regulations, the Group introduced strict health and safety measures in each country, which were largely based on the rigorous measures taken in France and are set out in a handbook for reference (guidelines for offices, stores and plants). This health protocol, drafted in French and English, has been continually updated (see more information on these measures in the Health and Safety section, page 169).

The Human Resources department has ensured that it has kept very tight control over the situation by using its continental contacts in cooperation with the Health and Safety department. The Executive Committee received two types of report every week. There was a daily update on the number of Covid cases, and there was a weekly detailed report on the situation in various countries, covering their health conditions, restrictions and lockdown measures, site closures, tele-commuting, etc. Monitoring the situation this closely allowed the Group to make decisions very rapidly and react in real time to how the epidemic was developing so as to limit its impact on the teams and on business. In 2021, an employee from the Group's global teams sadly passed away.

Social assistance

At the start of the crisis in early 2020, more than 60% of the countries where the Group operates had no structured public financial mechanism to support employees in the event business activity temporarily ceases (site closure, short-time working, etc.). The Group examined the situation in each country and quickly took measures, where necessary, to compensate for this lack of legal provisions. Action was taken in the US, for example, to maintain healthcare coverage.

To make up for scaled back operations, the Group used all the statutory mechanisms available (depending on the country: short-time working measures, reduction in working hours, taking leave, etc.) to avoid redundancies as a result of Covid-19.

Groupe SEB's Human Resources policy aims to consolidate a worldwide human resources policy based on the Group's values (entrepreneurial drive, passion for innovation, group spirit, professionalism and respect for people). It is based on major focal points such as respect for Human Rights, the development of skills, health and safety in the workplace, employee-management dialog and diversity and equality.

In the 2021 Best Employers in France awards run by the Capital magazine and Statista Institute, Groupe SEB was ranked in the top five in the electrical equipment sector for the fourth year running, with special mention of CSR (Corporate Social Responsibility) and Quality of Life at Work (QLW).

All the data presented below are based on a worldwide scope, excluding EMSA Taicang, and excluding WMF Heshan. Data concerning new acquisitions will be included progressively, as and when they are integrated into the various Group processes.

GLOBAL HUMAN RESOURCES MANAGEMENT

To support its international growth and ensure equal treatment for all, Groupe SEB draws on human resources processes that are harmonized worldwide. These are integrated within a dedicated information system that uses the latest generation of digital tools. This digitization enables more automated tasks, connects up the various processes more easily and improves global management. It provides both a consolidated and cross-company view that makes the Group more agile.

Groupe SEB's **Managerial Competency Model**, based on the Group's values and written in a language that can be understood by all, explains the managerial conduct that should be adopted to achieve the desired performance. It has been rolled out across all countries since 2016 and incorporated into the framework of the Annual Appraisal Interview (AAI). It has also been included in the Group's leadership training programs and is used to evaluate the managerial competency of external and internal candidates when hiring or moving internally. To help managers implement it day to day, the Group regularly organizes workshops for various entities' Management Committees. In 2021, these took the form of webinars, a more suitable format given the current health and safety restrictions. Moreover, a special e-learning module is available to all employees to enable everyone, from the moment they join the Group, to share these core managerial practices.

Of the five personal targets defined in an Annual Appraisal Interview, one or two are related to the personal development of the manager, which has a direct link to the managerial competency model. Ahead of this interview, the managers are given the opportunity to self-assess with a view to enriching the discussion. In 2021, over 99% of the 3,500 or so managers eligible for an AAI received such an interview worldwide.

In parallel to managerial skills, in 2018 Groupe SEB developed a **framework of professional skills and their associated jobs** (marketing, sales, finance, purchasing, manufacturing, etc.). It is now incorporated into the AAI as a basis for assessing job competency. Almost 250 job descriptions are available to all employees, including via the intranet.

In 2018, the Group also launched an accreditation program for its experts to recognize employees with key technical and scientific skills in different fields. An internal jury awards the Expert label, which can be renewed every year. Employees who are given this award have specific experience and training. This program is gradually being rolled out in the Group. In 2021, 12 experts were confirmed in the Research field with 11 in the Development field, while the selection process began for the Industry field.

ATTRACTIVENESS OF THE GROUP AND CAREER DEVELOPMENT

Professional development

Internal promotion, paired with the integration of new profiles and skills, is a priority for the Group. In 2021, 41% of managerial positions were filled by Group employees, both in France and worldwide, and succession plans for 90% of key positions are served by Group staff.

Internal job offers are published on the iMove@Seb website accessible on the intranet, which employees can use to apply for jobs. Geographic **transfer** is a component of internal promotion, and it is applying to an increasingly diverse population: in 2021, for example, more than half of the international transfers took place outside France and Europe. The Group generally supports all forms of internal transfer, whether functional or geographical, national or international, through local talent management, guidance and financial assistance throughout the year.

The Group has offered a **mentoring** program since 2017 to develop and retain talented individuals while promoting women's access to positions of responsibility. The principle is for an experienced manager to support and advise a "high potential" employee for a year to help them to succeed in their career within the Group. The gender parity of the pairings is ensured with regard to both mentors and mentees. This development tool, which benefits both parties, has been highly successful. Two to three cohorts of around ten pairs are established each year. Over five years, the program has involved 198 people from 26 countries, working in various functions and at different levels. Of those involved, 61 received a promotion or were transferred geographically.

The digital sphere helping recruitment

When it comes to external recruitment, the Group relies heavily on digital tools, which has enabled it to remain very active in recruitment in 2020/21 despite the pandemic. It is increasing its presence and activity on specific **social media platforms**. It also uses its new **Group careers website**, featuring more content and providing a better experience for applicants. A gallery of portraits and first-hand accounts of employees worldwide give visitors a better sense of the Group's businesses and their challenges. Moreover, a new interface allows applicants to see all available opportunities and to identify those that are a fit thanks to a more user-friendly presentation and more extensive search filters.

All external applications, wherever they come from, are gathered on a single **e-recruitment platform** appropriate to the Group's global structure (Taleo). This platform has been introduced in 49 countries and received around 47,500 applications in 2021 (15,000 applications in 2015). In order to get its job offers out into the marketplace, the Group partners with major jobs sites, both globally (LinkedIn, for example) and locally (in France: APEC, Cadremploi, Hellowork, etc.). The Taleo platform offers candidates a simplified and seamless experience that allows them to apply from any device (smartphone, tablet, etc.) in just a few minutes. Taleo also manages internal transfer requests, as previously mentioned *(iMove@Seb).*

Attracting young talent

To widen its pool of young talent, the Group maintains close ties with specific **higher education establishments**, specializing in marketing/business and engineering. It has in particular partnered with the ESSEC's Chair of Fast-Moving Consumer Goods (Paris) and, since 2018 AgroParisTech's Chair of Food, Nutrition and Eating Behavior. In addition to strengthening its "employer brand", these partnerships give it access to the work of researchers in these fields that are vital for its growth strategy.

Groupe SEB's ties with students are also firming up internationally through the partnership with the CEMS Global Alliance, which brings together around 30 leading management and business schools (30 countries, 1,000 students, 65 nationalities). Groupe SEB organized a total of around 100 initiatives with specific educational institutions in 2021, including forums, talks, case studies, and juries.

In autumn 2021, the fourth year of students on the **Graduate Program** joined the Group. This program aims to train young graduates from business and engineering schools and universities. The Group offers them the chance to do a two-year stint in one of its key business divisions with an initial 12-month posting in France followed by two six-month postings abroad. There are various programs: Purchasing, E-Commerce, Finance, Industry, Marketing, Supply Chain, Information Systems, etc.

Another key program dedicated to young talent is VIE (Volontariat International en Entreprise), a French voluntary international work experience scheme. The Group offers around ten assignments per year, lasting a period of 12 to 24 months. Some of them therefore went to work in finance in the Netherlands, in marketing in Belgium or in the supply chain in Romania.

On average, the Group takes in about 300 **interns and work-study trainees** every year. In 2021, for the eighth year running, it was awarded the **Happy Trainees** (France) label, which recognizes excellence in its commitment to its students. The Happy Trainees survey involved some 192 students, based on six criteria: professional advancement, stimulating environment, management, motivation, pride, job satisfaction. The Group is ranked 4th in its category, with improved results for most of the criteria.

In 2021, it also made it to the **top three** in the list of **"Favorite companies for students and young graduates"** in France in the "Consumer Goods and E-Commerce" category. The study, conducted by Epoka and Harris Interactive in partnership with L'Étudiant, rated how attractive nearly 250 companies were to 8,000 students and young graduates.

This Young Talents policy, which includes interns, work-study trainees and participants in the Graduate Program and VIEs produced results in 2021: the Group recruited nearly 70% of its young graduate employees (management positions) by drawing on this pool.

EMPLOYEES

Breakdown of total workforce by geographic region

Worldwide (excl. EMSA Taicang, WMF Heshan, Seb Professional Shanghai and Krampouz)

(number of individuals)	2021	2020	2019
France	5,883	5,661	5,843
Other EMEA countries	10,201	10,255	10,575
Americas	2,909	2,738	2,716
Asia	13,380	13,730	14,159
WORLD	**32,373**	**32,384**	**33,293**

The total workforce includes those working under permanent contracts, fixed-term contracts or other similar contracts, as well as work-study trainees. Temporary employees are not included in this figure. At 31 December 2021, Groupe SEB had 32,373 employees based on the scope defined in the table above.

Breakdown of changes in the workforce

Worldwide (excl. EMSA Taicang, WMF Heshan, Seb Professional Shanghai and Krampouz).

(Number of individuals)	2021	2020	2019
France			
Recruitment (1)	**856**	**403**	**562**
Fixed-term and work-study	328	239	308
Permanent contracts	528	164	254
Departures (1)	**645**	**563**	**564**
Economic redundancies	0	0	0
Terminations for other reasons	11	60	50
AVERAGE STAFF TURNOVER RATE (2) *(IN %)*	**1.83 ***	**1.37 ***	**1.40 ***
Other EMEA countries			
Recruitment (1)	**1,863**	**1,644**	**2,593**
Fixed-term and work-study	831	772	970
Permanent contracts	1,032	872	1,623
Departures (1)	**1,939**	**1,765**	**2,001**
Economic redundancies	46	55	44
Terminations for other reasons	193	138	194
AVERAGE STAFF TURNOVER RATE (2) *(IN %)*	**7.37 ***	**6.06 ***	**8.37 ***
Americas			
Recruitment (1)	**771**	**462**	**552**
Fixed-term and work-study	128	116	124
Permanent contracts	643	346	428
Departures (1)	**715**	**537**	**589**
Economic redundancies	129	116	163
Terminations for other reasons	87	100	65
AVERAGE STAFF TURNOVER RATE (2) *(IN %)*	**9.54 ***	**4.78 ***	**7.27 ***
Asia			
Recruitment (1)	**8,161**	**5,865**	**6,569**
Fixed-term and work-study	7,851	5,692	5,968
Permanent contracts	310	173	601
Departures (1)	**8,322**	**6,070**	**6,739**
Economic redundancies	109	22	21
Terminations for other reasons	800	604	3
AVERAGE STAFF TURNOVER RATE (2) *(IN %)*	**13.63 ***	**10.03 ***	**13.01 ***
World			
Recruitment (1)	**11,651**	**8,374**	**10,276**
Fixed-term and work-study	9,138	6,819	7,370
Permanent contracts	2,513	1,555	2,906
Departures (1)	**11,621**	**8,935**	**9,893**
Economic redundancies	284	193	228
Terminations for other reasons	1,091	902	312
AVERAGE STAFF TURNOVER RATE (2) *(IN %)*	**6.54 ***	**4.72 ***	**6.37 ***

(1) Excluding internal transfers and the return of expatriates.
(2) Number of resignations of permanent contract employees/average number of permanent employees.
** Turnover scope: excluding WMF France Consumer Goods, Seb Professional France, Seb Professional NA, Wilbur Curtis Co., Inc., Seb Professional Iberia, GS Australia, GS New Zealand, Supor China and Supor Vietnam.*

As in previous years, the consolidation of Supor in the Asia data leads to a high number of fixed-term or similar contracts, which are very common in China and are often for long terms, especially for manual workers. The high number of departures in the Asia region therefore reflects the expiration of these fixed-term contracts.

In 2021, the turnover rate was 6.54% (4.72% in 2020).

BREAKDOWN OF WORKFORCE BY TYPE OF CONTRACT

Worldwide (excl. EMSA Taicang, WMF Heshan, Seb Professional Shanghai and Krampouz).

	2021	2020	2019
France			
Permanent contracts, fixed-term contracts or other short-term contracts excl. work-study	5,570	5,408 (2)	5,531
Full-time workforce (incl. work-study)	91%	90.2%	90.4%
Part-time	9%	9.8%	9.6%
Work-study trainees (1)	313	253	312
Other EMEA countries			
Permanent contracts, fixed-term contracts or other short-term contracts excl. work-study	9,973	10,049 (2)	10,338
Full-time workforce (incl. work-study)	79%	77.8%	77.4%
Part-time	21%	22.2%	22.6%
Work-study trainees (1)	228	206	237
Americas			
Permanent contracts, fixed-term contracts or other short-term contracts excl. work-study	2,827	2,650 (2)	2,641
Full-time workforce (incl. work-study)	99.9%	99.8%	99.7%
Part-time	0.1%	0.2%	0.3%
Work-study trainees (1)	82	88	75
Asia			
Permanent contracts, fixed-term contracts or other short-term contracts excl. work-study	13,380	13,712 (2)	14,109
Full-time workforce (incl. work-study)	99.6%	99.8%	99.8%
Part-time	0.4%	0.2%	0.2%
Work-study trainees (1)	0	18	50
World			
Permanent contracts, fixed-term contracts or other short-term contracts excl. work-study	31,750	31,819 (2)	32,619
Full-time workforce (incl. work-study)	91%	91.1%	91.1%
Part-time	9%	8.9%	9.0%
Work-study trainees (1)	623	565	674

(1) Working under apprenticeship/professional training contracts.
(2) Data updated for 2020.

Worldwide, 68.5% of the workforce are on permanent contracts, 29.6% on fixed-term contracts, including 1.9% work-study trainees. Excluding Supor China and Supor Vietnam, where fixed-term contracts are normal and often for long periods, particularly for manual workers, 92% of the workforce are on permanent contracts.

DIVERSITIES

When the Group talks about diversity, it likes to use the plural of the word to highlight the fact that it is multifaceted and that the Group promotes diversity in all aspects. The Group considers it to be a source of energy, creativity and innovation. In 2017/2018, the human resources teams in France and the Executive Committee took the first steps to learn about stereotyping, diversity and gender equality. Since then, these awareness-raising initiatives have increased in the various entities.

Groupe SEB has made diversity and gender equality its top priority, setting itself very ambitious Group objectives (see below). The Group also ramped up efforts in the other areas of diversity, such as equal opportunities (social and generational diversity), disability and cultural diversity, which are addressed in a more decentralized manner.

Work in these areas is based on **Group-wide action plans**, focusing in particular on: recruitment and integration (quantified targets); training and initiatives to raise employee awareness; career management (including internal and international transfer); leadership and managerial practices (raising awareness, training, joint development groups); internal communication, and encouraging employee engagement.

In France, Groupe SEB has been a signatory of the Diversity Charter since 2005. Numerous actions aim to support the implementation of this policy at local sites and raise awareness across the workforce. Since 2018, training has been developed on the theme "Recruiting and managing without discriminating, harassing or slandering" for Human Resources Managers, people responsible for recruitment, employee representatives and Management Committees at French sites. Approximately 300 managers have been trained over the last four years. Diversity is monitored by specific committees covering signed collective agreements on this issue. More specifically regarding gender equality, a Group committee tasked with monitoring the collective agreement (France) analyzes the actions implemented in this regard. Moreover, the sites must roll out local action plans on various issues: professional development, access to training, equality in terms of remuneration, work-life balance and recruitment.

Across the world, subsidiaries are taking many initiatives to support diversity in all its forms, with the support of the Group. In Brazil, for example, as part of its learning policy, the Group encourages the hiring of young people from low-income families, and offers them different types of training.

Gender equality

GROUPE SEB 2023 TARGETS

- 30% of female managers
- Bring the% of female managers into line with the% of women in the Group

Gender equality in the workplace is an integral part of Groupe SEB's non-discrimination policy. In 2019, it strengthened its approach with the **Gender Diversity global commitment plan**: each Management Committee, regardless of the country or type of entity (plant, sales subsidiary…) must commit to six actions on gender equality from a dozen actions suggested by the Group. For example: training against discrimination, implementation of a collective agreement promoting gender equality, the inclusion of at least one woman on the list of final applicants when hiring, etc.

Some examples of initiatives undertaken since 2019:

- a global communications campaign on work-life balance;
- the establishment on the intranet of a Yammer community dedicated to gender equality;
- the commencement of a woman's network open to men within the Group;
- webinars and conferences organized on several occasions and accessible via Skype and/or the intranet.

These initiatives were hampered by the public health crisis in 2020/2021, but they will be back in full force from 2022.

In addition, the Group has also been on the board of "*Alliance pour la Mixité en Entreprise*" (AME) with two employee representatives since 2018. This association brings together the networks of some 20 large companies and aims to encourage experience sharing, benchmarking and mutual assistance on gender equality.

FRANCE: A KEY AGREEMENT

In France, gender equality in the workplace is covered by a **collective agreement** (renewed at year-end 2018). It details and amplifies actions already taken, in particular to reflect societal developments, and includes tools and methods for achieving the targets set. Firstly, the Group reaffirms its commitment to guarantee wage equality between men and women from hiring, to maintain it over time and not to penalize employees on maternity leave, adoption leave or child-care leave. Equal opportunity in terms of recruitment, professional development and training represents another avenue of attack, in particular to encourage the diversity of the businesses and expand access for women to managerial positions. The agreement also defines various areas for improvement in terms of working conditions and the work-life balance. The implementation of this agreement requires each French site to prepare an action plan with at least one action item per annum tailored to local circumstances. The results of these actions are included in the Comparative annual report.

Under the law of 5 September 2018, any company in France with more than 50 employees must calculate and publish pay gap indicators covering multiple criteria (remuneration, raises, promotions, etc.), with the objective of achieving a score of at least 75%. In 2021, all Groupe SEB companies in France far exceeded this threshold, with scores ranging from 79% to 94%.

WORK-LIFE BALANCE

Among the measures taken to help people balance their work and personal lives, employees were given the option of flexible work scheduling, and several sites introduced child-care or concierge service arrangements (Rumilly and Écully).

The agreement on quality of life at work (QLW), which was renewed in France in 2019 (see page 168), also includes measures to support gender equality in the workplace, such as telecommuting, ensuring that applications sent by recruitment firms are diverse, and covering child-care costs during training in certain conditions.

ACCESS TO MANAGERIAL POSITIONS

The Group also strives to improve the gender balance in management worldwide: between 2016 and 2021, the number of women in managerial positions increased from 38% to 43% at constant scope. However, if recent acquisitions are included, particularly WMF where there are fewer women in management roles, this proportion has only increased to 39%. As a result, the Group is highlighting the topic of gender balance so that all its entities can work on improving in this area. With regard to recruitment, 50% of new managers hired from outside the Group in 2021 were women (51% in France).

Women accounted for one quarter of expatriate managers in 2021. They still only make up 20.3% of the Group's 172 or so managers (key positions), however, but this percentage is rising: it stood at 12% in 2015, and the Group is aiming to achieve at least 30% by 2023. Two women recently joined the Executive Committee as Senior Executive Vice-President, Chief Financial Officer, (2019) and Senior Executive Vice-President, Human Resources (2021).

To accelerate the rise of women to senior management positions, the Human Resources department makes efforts to ensure that at least one woman is included in the shortlist of applicants for key posts. The mentoring program launched in 2017, based on strict gender parity, is also contributing (see Attractiveness section, page 159), as is the joint development program that was created in 2018 and is aimed at women (groups of seven to eight people). The aim is to develop confidence, discuss cases of discrimination (particularly implicit) and suggest ways to progress. These groups work very well and are set to expand in 2022.

MEASURES TO COMBAT HARASSMENT

Groupe SEB pays very close attention to the issue of sexual harassment, an issue on which many countries have passed specific laws. Beyond compliance with statutory requirements, Groupe SEB regularly organizes awareness-raising initiatives and training sessions on harassment for all employees at its subsidiaries. It also uses pro-active procedures to prevent such behavior, ensure careful investigation of complaints or reports, and finally protect the victims and discipline those responsible. In India, for example, the subsidiary has established a dedicated committee to deal with sexual harassment. More than half of its members are women, and it works with an NGO specializing in this area. In France, the updating of the internal rules of all sites makes it possible to raise awareness and to reflect the new legislative provisions designed to combat all forms of harassment. Since 2019, each French legal entity with over 250 employees has had an adviser tasked with combating sexual harassment and sexist behavior.

GENDER BREAKDOWN BY CLASSIFICATION

Worldwide (excl. EMSA Taicang, WMF Heshan, Seb Professional Shanghai and Krampouz)

(in %)	2021	2020	2019
Men			
Manual workers	26.7	28	28
Employees	21.3	21	21.2
Managers	9.1	8.8	8.5
TOTAL	**57.1**	**57.5**	**57.7**
Women			
Manual workers	15.4	15.8	15.8
Employees	21.6	21.3	21.4
Managers	5.9	5.4	5.1
TOTAL	**42.9**	**42.5**	**42.3**

At the end of 2021, 42% of the Group's workforce were manual workers, 43% were employees and 15.0% were managers, 39.5% of whom were women. Excluding Supor, manual workers, both male and female, represented 29% of the workforce, while the percentage of managers was 21%.

People with disabilities

Disability represents a two-fold challenge for Groupe SEB, which works to prevent it through its health and safety policy, while providing employment opportunities to people with disabilities.

GROUP AGREEMENT APPROVED BY THE STATE

In 2020, the Group strengthened its commitment in France by renewing the three-year collective agreement on people with disabilities. The French State approved it, and it was signed unanimously by trade unions. The agreement consolidates the actions already taken and adds new measures aimed at supporting the inclusion of people with disabilities within the Group. More specifically, these measures strengthen support for the employees with disabilities, such as financial assistance for adapting their car, for driver's license fees or for relocating to better accommodate their needs, and better schemes for parental leave and leave to care for ill children. The agreement also has a provision to allocate 5% of the training budget to people with disabilities, particularly to increase their employability, and for each French entity, the agreement sets a recruitment target for people with disabilities.

These developments supplement measures from the previous agreement, such as workstation adaptation, the offer of mentoring from a Group employee, and end-of-career planning (option of reducing working hours by 20% on production of a doctor's note, while keeping the same rate of pay and benefits). Awareness-raising actions are also planned for all employees and specific training has also been designed for managers to make it easier for employees with disabilities to return to work after a long absence. It should be noted that each French site has a disability specialist and that there is also one at Group level (France).

PRACTICAL MEASURES

As part of efforts to **raise employee awareness**, all French sites participated in European Disability Employment Week in November 2021, with fun and practical actions, such as distributing a Disability Guide to combat prejudice and give practical advice, and an online sign language taster workshop. In addition, the Group once again participated in the French national DuoDay initiative, which gives a person with a disability the opportunity to spend a day with a professional, immersing them in the employee's environment, with a view to helping them integrate into the world of work. Around 30 pairings were organized at French sites, and one of them was with the Chairman of the Group, Thierry de La Tour d'Artaise.

To further the recruitment of people with disabilities, Groupe SEB informs its partner schools of its disability policy and works with specialized organizations. Since 2019, the Group has also been working with French project Hello Handicap, a 100% virtual recruitment fair specifically for employing people with disabilities. The idea: the company publishes its offers on the Hello Handicap website and then does interviews by telephone or chat with the pre-screened applicants.

Disability initiatives have been bolstered since 2020, particularly through partnerships between the Group's sites **and organizations or companies in the protected sector** (see more information in the "A responsible participant in the economy" section, page 182). For example, the Mions logistics platform has been working with six people with intellectual or mental health disabilities since October 2021, assigning them tasks such as repalletizing, material handling, and dealing with non-compliant products and delayed differentiation. At the Parisian event "Victoires des Leaders du Capital Humain" on 18 November 2021, Groupe SEB was awarded an "Honorable Mention" for its work in integrating a sheltered employment center (ESAT) at its Lourdes site. This award commends "an effective initiative to integrate workers with disabilities and a real change in the culture at the organization".

Another initiative in Egypt: the subsidiary entered into a partnership with IECD (Institut Européen de Coopération et Développement) to help it with hiring people with disabilities.

In its ongoing efforts to strengthen inclusion, the Group has also implemented an inclusive design approach to improve the accessibility of its products (see page 190).

Worldwide (excl. EMSA Taicang, WMF Heshan, Seb Professional Shanghai and Krampouz)

	2021		2020		2019	
	World	France	World	France	World	France
Number of disabled employees	695	346	669	323	467	324
% of disabled employees *	2.15	5.9	2.1	5.8	1.8	5.6

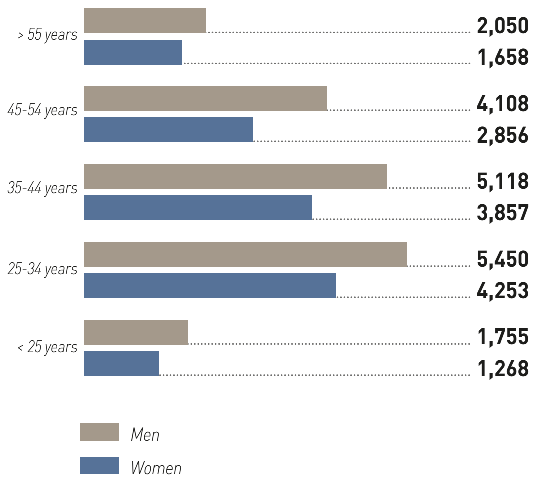
* *Ratio between the number of employees with disabilities and the total number of employees as of 31 December excluding temporary employees and ESAT (sheltered employment center) employees.*

With the exception of Supor, where the number of physically disabled employees is relatively low, the number of disabled employees stood at 3.2% in 2021 (stable at 3.2% in 2020).

Generational balance

BREAKDOWN OF EMPLOYEES BY AGE

Worldwide (excl. EMSA Taicang, WMF Heshan, Seb Professional Shanghai and Krampouz)



A number of measures aimed at promoting generational balance are incorporated into the agreement on the forward planning of employment and skills (GPEC) (see below).

FORWARD PLANNING OF EMPLOYMENT AND SKILLS

In France, Groupe SEB management and the trade unions have been cooperating openly and constructively on the forward planning of employment and skills (GPEC) since 2007. The goal is to anticipate business trends and foster skills development in light of changes in Groupe SEB's environment and strategic direction.

At the end of 2020, Group management and trade unions renewed the three-year GPEC collective agreement, which aims to maintain and increase the employability of Group employees.

The new agreement strengthens existing measures and takes the process one step further. Its new provisions include:

- target to recruit 40% of interns and work-study trainees for permanent and short-term contracts (compared to 30% previously);
- annual appraisal interview with the manager for every Group employee in France (including production teams, which previously had the interviews every two years);
- training all employees with first-level qualifications to obtain certification on IT basics;
- skills training and support for unqualified job seekers under 27;
- measures to facilitate the success of a VAE (*Validation des Acquis de l'Expérience* – French scheme to gain qualifications from work experience and achievements) or a CQP (*Certificat de Qualification Professionnelle* – professional qualification certificate);
- employees over 45 have the option to complete 50 hours of training or study a year for their CPF (personal training account) for skills training throughout their working life until retirement.

Employee representatives and management attend twice yearly Career Centers to review the progress of the GPEC action plan, examine changes in jobs mapping and analysis, and monitor the implementation of various tools and systems (gateways between professions, technical mentoring, etc.).

A few key figures on actions related to the GPEC (annual results – September 2021):

- employing young people: 32% of work-study trainees and interns are hired on a permanent or short-term contract at the end of their assignment;
- employing older people: 21% of employees in France are over 55; routine ergonomic review of workstations for employees over 57 working in manufacturing;
- training and employability: 25% of the sites' training plan is directly linked to the GPEC objectives; 136 VAEs since 2017; 56 technical mentoring partnerships since 2018 to ensure the transfer of key skills.

This approach to GPEC is also being gradually rolled out in different continents. Annual human resources reviews look at various topics: organizational transformation and skills forecasting, key challenges to remaining agile and competitive in an environment influenced by digitalization, and the rapid emergence of new professions and organizational models.

EMPLOYEE-MANAGEMENT DIALOG

Groupe SEB is committed to respecting freedom of association everywhere in the world and encourages employee-management dialog at its subsidiaries, on both an individual and collective basis. It also works to create employee representation bodies in all the countries in which it operates. This commitment was reaffirmed in the Group's Code of Ethics.

In France, in 2007 Groupe SEB signed a specific agreement with social partners. This Group agreement on the exercise of trade union rights and the status of employee representatives was renewed in January 2019 and signed by all social partners. It in particular increases the resources provided to elected employees (material resources, time allowed for the position, Group financial contribution, etc.) and the measures to safeguard and assess their career (skills assessment, career developments interview, review of salary positioning, etc.). In this respect, a new industrial relations training was rolled out in 2019 to all local managers with elected representatives in their team.

Groupe SEB has a European Works Committee with employee representatives from 14 countries from the European Union and the United Kingdom.

Collective agreements

Worldwide (excl. EMSA Taicang, WMF Heshan, Seb Professional Shanghai, GS Indonesia and Krampouz)

	2021	2020	2019
France	29	38	10
Other EMEA countries	97	87	42
Americas	17	16	16
Asia	42	40	39
WORLD	**185**	**181**	**107**

A total of 185 collective agreements were signed in 2021. 35% of these agreements related to remuneration, 19% to health and safety, 12% to employee management dialog and 5% to diversity.

In France, three agreements or amendments were signed in 2021:

- agreement on the donation of vacation days in partnership with Entreprise des Possibles to support organizations helping the homeless population in the Lyon region (see page 181);
- amendment to the agreement on quality of life at work (QLW) in relation to telecommuting;
- amendment to the agreement on the collective pension plan.

At year-end 2021, 83% of Groupe SEB's workforce was covered by a collective agreement signed during the year.

QUALITY OF LIFE AT WORK

GROUPE SEB 2023 TARGETS

- Achieve a 75% positive response rate to this question in the Great Place to Work survey:

"Overall, I can say that Groupe SEB is a good place to work"

Great place to work survey

The Group also pays close attention to its employees' Quality of Life at Work. In order to make progress, since 2012 it has used a survey conducted by the Great Place to Work Institute to assess employees' perceptions in this area. This employee survey is conducted every two years. Initially launched in France, it was gradually rolled out to all continents.

The 2021 survey involved **49 countries** (with 16 entities participating for the first time). It focused on 93 issues in five areas: credibility, respect, fairness, pride, and friendly atmosphere. 78% of the approximately 16,700 employees surveyed responded to the survey.

Results show that **70% of employees believe that Groupe SEB is a great place to work** (two points more than the previous survey). The average satisfaction rate across all questions (Trust Index) is up three points to 66%. Scores increased in each of the five survey areas, showing that the actions taken to improve results following previous surveys have been effective.

The main points of satisfaction in 2021 are: being proud to work for the Group, the quality of the working environment, the high level of independence, the respect for diversity and inclusion, and the work-life balance. Areas where employees think there is room for improvement relate to fairness (particularly in terms of career progression/increases in pay), training, recognition, and collaborative managerial practices.

With regard to the detailed results of the survey, areas for improvement are prioritized at Group level, and each entity develops an action plan to improve its weak points by involving the teams extensively. In Mexico, for example, the 2021-2023 action plan was drawn up collaboratively: 83% of employees contributed to this through 60 working groups. In Brazil, one of the priority objectives of the HR policy is to achieve an average satisfaction rate of 75% across all questions in the Great Place to Work survey (Trust Index). The subsidiary takes several measures to achieve this, including 24 voluntary "work environment" ambassadors from all sectors of the company.

Action plans worldwide

Managers get involved so that the actions taken ultimately improve employees' perceptions. In **France**, for example, managers are encouraged to take their team's pulse regularly and put in place an appropriate progress plan. Since 2020, the Group has given managers a simple, fun tool to conduct anonymous mini surveys with their employees: *Bloom@work*. It takes the form of a quiz on ten topics (atmosphere, team spirit, relationship with manager, recognition, training, working conditions, etc.) and is offered once or twice a month. The results are shared with the team so that practical steps can be taken. Initially launched on SEB Campus, Bloom@work is currently being rolled out with the aim of eventually being implemented at all French sites.

The actions carried out by subsidiaries differ according to local priorities, but there are some common themes. For instance, to enable a better **work-life balance**, more and more entities are adopting flexitime policies and supporting remote working (stepped up due to Covid-19). A number of actions also address communication and a friendly atmosphere. Several subsidiaries are also focusing on **health, although the proposed activities have frequently been put on hold in 2020/2021 due to Covid-19 (US, Mexico, South Korea, Poland, etc.). Colombia** has developed a well-being at work improvement plan named "*Groupe SEB te consiente*" (Groupe SEB takes care of you) along three main lines: "care for myself, other people and the world around me".

In 2021, the Great Place to Work Institute created its own certification system to recognize the best-performing entities (a minimum of 65% for the Trust Index + quality of the action plans undertaken). For this first edition, more than half of Groupe SEB entities that completed the survey obtained Great Place to Work certification (33 out of 59).

Collective agreement in France

Quality of life at work (QLW) has been the subject of a **collective agreement in France since 2016** and is supported by action plans in each Group entity. It can be seen in the implementation of various measures, including telecommuting, which had been very successful with eligible employees from the outset. Telecommuting increased in 2020/2021 due to the public health situation. In order to embed this practice within the Group in France, an amendment to the QWL agreement was signed in 2021 with the employee representatives. The main new provisions include the option for employees to work from home or somewhere other than their primary residence up to two days a week (compared to one day previously), greater flexibility in the organization, lower threshold for length of time employed by the Group before being given the option to telecommute (three months instead of six), and participation in equipment purchases. Training on telecommuting best practices is also provided. To formalize the telecommuting initiative worldwide while taking into account the specific features of each country, the Group launched a pilot scheme that has been in testing since September 2021.

Other measures in the QLW agreement in France include a social assistance hotline rolled out to all the sites, and, at some sites, physiotherapy, osteopathy and occupational psychology services, as well as easier access to intercompany nursery facilities and the creation of concierge/personal services. Another tool viewed very positively by its users is the telephone support service for employees and their spouses who are caring for an elderly or disabled loved one (MyPrevention).

Improvement works on break rooms, washrooms and locker rooms continued in 2020/2021, particularly for production employees. Several sites have also improved green spaces near buildings, as Saint-Lô has done recently, for instance.

HEALTH/SAFETY

GROUPE SEB 2023 TARGETS

- LTIRi <1.0 [1] (scope extended to the entities SEB Professional, Wilbur Curtis and Krampouz)
- 100% of plants certified to health and safety standard ISO 45001

Taking action to combat Covid-19

In 2021, the Covid-19 pandemic once again led to a strong response from the Health and Safety and Human Resources teams at all levels of the organization, as well as all management and occupational health teams, to ensure maximum protection for Group employees and all those in its orbit: temporary workers, subcontractors, store customers, etc. The working group formed in 2020 and led by the Health and Safety department continued its work in 2021. Its objective is to ensure regular monitoring of the global public health situation, adjust health and safety measures as infection rates and national requirements change, and approve specific measures to be implemented across the Group as a whole (international travel, running seminars, etc.). The Covid-19 advisers remained active on every site, with the role usually taken by the site's Environment, Health and Safety Coordinator (for more information on measures to deal with Covid-19, see page 62).

Rigorous health protocol

Beyond strict compliance with each country's specific rules, the Group maintained a health protocol in all its subsidiaries. The protocol is based on measures taken in France, which are often much clearer than local regulations, and it serves as guidelines to show which actions need be taken.

Requirements include mask wearing for everyone without exception, one-meter social distancing, providing hand sanitizer, regular handwashing, disinfecting surfaces and equipment, indoor ventilation, and limits on business travel. Daily inspections organized by local managers at all sites (plants, logistics facilities, offices and stores) continued until October and were then scaled back when improvements in the public health situation allowed it.

It should be noted that of all the people who tested positive for Covid-19 in France in 2021, no cases were associated with workplace infection.

Groupe SEB continually implements measures to reduce the number of workplace accidents and limit the number of work-related illnesses (and particularly musculoskeletal disorders in France). This policy is driven by the highest level of management through a Health and Safety Steering Committee attended by several members of the Group's Executive Committee. The Group Health and Safety Director reports directly to the Executive Vice-President, Industrial Operations. In 2020, the Group Health and Safety Directive was updated to incorporate the new ISO 45001 certification along with measures to strengthen pandemic-related risk prevention/management.

The health and safety policy draws on a **global network of 35 Environment, Health and Safety (EHS)** Coordinators, who cover all of the plants and logistics sites (more than 40) in 13 countries. As in 2020, they continued to meet remotely (via Teams) in 2021, convening on a monthly basis for teams in France and quarterly for other sites around the world. **In addition, the coordinators of the French sites were able to get together for a meeting in person in November.** These annual meetings make it possible to strengthen the international dynamic of the network, something that is also supported by the Yammer community. In 2021, the Group launched the first edition of the **International Health and Safety Awards**, presenting awards to the best projects in 2022 in an effort to encourage engagement and share best practices.

(1) Work-related injuries – LTIRi: Lost Time Injury Rate, including temporary workers.

Training also plays a significant role in driving improvements. In 2021, the Group developed four e-learning modules on health and safety: a module covering all aspects of the topic and three specific modules (retail, logistics and industry). They are supplemented by a fifth module for French employees on criminal liability in this area.

With regard to certification of the Group's health and safety management system, it "switched" from the OHSAS 18001 standard to ISO 45001 in 2020. Certification audits continued in 2021 (with firm DNV), achieving 100% positive results.

ISO 45001 Certification

(Worldwide)

	2021 ISO 45001	2020 ISO 45001	2019 OHSAS 18001
Number of certifiable entities	46	44	41
Entities holding certification *	100%	100%	100%

* *Based on industrial and logistics entities at the end of the year concerned.*

At the end of December 2021, 100% of the Group's industrial and logistics entities had this workplace Health/Safety certification, with three new entities compared to 2020: Supor LKA, WMF Yuhuan Supor and Groupe SEB Egypt.

Safety

Groupe SEB's approach to Safety is reflected in its worldwide Safety in SEB program. It places special emphasis on the involvement of employees as participants in their own safety. At the plants, for example, safety is one of the points that is reviewed daily by the production teams as part of the OPS (Operation Performance SEB) initiative, via Frequent Events. All accidents occurring within the Group are summarized monthly in a newsletter sent to all managers (including the Executive Committee) and the Health and Safety community.

In 2021, the Group continued to offer increased support and guidance at sites with the highest workplace accident rates (enhanced action plan and monthly review with site management). The Health and Safety department continued to support operations at all sites, particularly where accidents had occurred, to learn all the lessons from it. In France, the Group has assigned health and safety objectives to all managers of industrial and logistics sites. It has also introduced a routine interview with any employees returning to work after time off following an accident.

This Safety in SEB program has borne fruit: the number of workplace accidents with days lost has fallen by approximately 45% since 2019.

SAFETY STANDARDS

The Group ensures the worldwide implementation of its **safety standards and accompanying recommendations**. They formalize the Group's minimum requirements, above and beyond compliance with national and international regulations. These standards are incorporated into safety management procedures and are written in English, French and Chinese. They apply to all teams worldwide. Some standards concern safety organization and management, while others target the prevention of specific risks. Internal audits are conducted to ensure their application.

Out of 26 operational standards, three were created in 2021: the first relates to a standardized method for analyzing accidents and incidents at Group level (MATRIS), while the other two focus on preventing the hazards associated with aluminum and plastics processing. Furthermore, the standard on the role of MSD (musculoskeletal disorders) specialists has been updated to integrate them further upstream in the development of new products or processes.

Some standards, such as the behavior-based safety inspection (VCS) are particularly important. More than 75% of accidents could be avoided by a change in behavior. The VCS aims to eliminate dangerous practices and conditions by fostering a dialog between the employee "being inspected" and a supervisor, including a discussion of health and ergonomic aspects. Every industrial or logistics site employee is inspected twice a year on average for risky sectors.

Safety-specific checkpoints have also been incorporated into day-to-day **field visits** by local managers worldwide since 2018. This feeds into the **Safety Pyramid**, a tool designed to detect hazardous situations ahead of time to quickly remedy them. In 2020/21, these visits placed great emphasis on the prevention of risks associated with Covid-19.

FEEDBACK

No initiative is off the table when it comes to raising the alarm: in Colombia, for example, the plants created a mobile app to encourage the teams to report safety risks and environmental hazards. The Is-sur-Tille site in France did the same.

The number of VCSs and the number of reports in connection with the Safety pyramid are used by the Group as safety policy management indicators, along with the accident rate.

Any accident where feedback can be helpful to the action plan is communicated to all managers and to the Groupe SEB safety community – the safety vigilance Flash system. Since 2020, emphasis has been placed on the "action plan" component of this system with a view to increasing efficiency and facilitating its implementation at the various sites.

Having noted that 40% of accidents are linked to non-compliance with rules, in 2018 the Group reviewed the definition of the "mandatory rules" required at each plant and logistics site and on the SEB Campus (Group HQ), to make them more precise and better suited to the reality on the ground. Developed together with the operating teams, the new mandatory rules are now defined per business. These supplement the six universal golden rules that are designed to ensure that everyone within the Group contributes to the safety of all. The golden rules, illustrated through a cartoon, are available in 10 languages.

ALL AFFECTED ENTITIES

The Group's safety culture is in action at tertiary (office) and commercial entities (stores). The golden rules are systematically communicated and some sites have introduced their own unbreakable rules. These entities are also part of the safety vigilance Flash system.

In the field, there were initiatives by local teams to improve safety, with original and fun activities such as an escape room organized by WMF in Riedlingen (Germany) in 2019: employees wishing to participate were put into small groups in a dark room with their escape dependent on resolving safety questions using a collaborative approach.

Health

(**Covid-19**: see pages 61 and 62).

In the health field, Groupe SEB focuses a large part of its efforts on combating **musculoskeletal disorders (MSDs)** in the upper limbs, and lower back pain. The aim is to prevent them from appearing and slow their deterioration. This is a major issue for the industrial sites, particularly in Europe, exacerbated by the aging of the workforce and extensions to the pension age. The Group's response involves awareness-raising and training measures, taking MSD prevention into account from the design phase of products and processes as well as the carrying out of specific measures on the sites. To this end, an Ergonomics Steering Committee was set up in France in 2021. It meets every quarter, bringing together ergonomists, the international methods teams and the Health and Safety Director.

HEALTH IN SEB

The Group's international health plan, Health in SEB, was launched in 2016. It started with an analysis of all the plants to identify the main health risks (dust, noise, repetitive work, etc.). This inventory was used as a basis for the creation of Group standards and to define health targets, accompanied by monitoring indicators. This is particularly true of **ergonomics** where the indicator measures improvements that are deemed significant using specific analysis methods, scoring grids, a decision-making tool developed by ergonomists and the person's experience.

EFFORTS TO COMBAT MUSCULOSKELETAL DISORDERS (MSDS)

Every French plant and logistics site has a Steering Committee for Musculoskeletal Disorders and one or more **MSD Specialists** who ensure that risks are taken into account upstream, at the product design stage, and downstream, by amending hard-pressed workstations. At year-end 2021, the Group had 50 MSD specialists in France with 13 trained new recruits among the operators and employee representatives.

In 2019, the France Health Network began bringing together MSD specialists, occupational physicians, nurses and ergonomists from the various sites, as well as the Health and Safety department. At the end of 2021, it met remotely to share and discuss best practices and areas for improvement. Ergonomic improvements of workstations, training and staff rotations, warm-up and cool-down exercises, as well as a quick response whenever an employee indicates discomfort while working are all actions that help prevent the emergence of MSDs.

Efforts to combat MSD are also being bolstered internationally. In 2021, the Group rolled out a standardized method for rating workstations, based on experiences in France, to improve how ergonomic quality is taken into consideration. It has also tested the use of exoskeletons to reduce the strain of certain tasks. Every industrial and logistics site around the world has the objective to improve the ergonomics of 25% of its workstations every year.

PSYCHOSOCIAL RISKS

As part of the prevention of **psychosocial risks**, in 2019 Groupe SEB developed a training program on the theme of "Stress and well-being at work: know, detect, act" for several hundred managers in France (Management Committees of sites and managers of SEB Campus). The goal is to help detect signs of stress as early as possible and to in turn adopt the correct behavior, not only for themselves but also for their teams. Four pilot sessions were run in 2019, and the program started being rolled out in 2020. Despite the public health situation, around 100 managers managed to take this training by the end of 2021.

Once again with respect to psychosocial risks, in 2012 Groupe SEB set up a counseling office in France, outsourced to the specialist firm Turka. The aim is to offer assistance and support to any employee who becomes the victim of or witness to such situations as harassment, discrimination and workplace violence or the stress resulting from them. The employee may remain anonymous if he or she wishes. In any event, the Turka counselor assists the employee and/or puts them in contact with the person in the best position to help. In 2021, 51 employees contacted the counseling office (69 in 2020).

(Worldwide)

	2021	2020 (4)	2019 (5)
France			
Number of workplace accidents with days lost	24	39	44
Number of days lost	2,289	2,651	3,093
LTIR (1)	2.87	3.09	5.25
Severity rate (2)	0.27	0.35	0.37
Number of workplace fatalities	0	0	0
Other EMEA countries			
Number of workplace accidents with days lost	30	31	56
Number of days lost	569	886	1,275
LTIR (1)	1.96	2.17	3.94
Severity rate (2)	0.04	0.06	0.09
Number of workplace fatalities	0	0	1
Americas (3)			
Number of workplace accidents with days lost	6	2	11
Number of days lost	418	185	641
LTIR (1)	1.04	0.39	2.10
Severity rate (2)	0.07	0.04	0.12
Number of workplace fatalities	0	0	0
Asia			
Number of workplace accidents with days lost	7	5	13
Number of days lost	670	1,145	1,148
LTIR (1)	0.19	0.14	0.35
Severity rate (2)	0.02	0.03	0.03
Number of workplace fatalities	0	0	0
World			
Number of workplace accidents with days lost	67	77	124
Number of days lost	3,946	4,867	6,157
LTIR (1)	1.01	1.24	1.88
Severity rate (2)	0.06	0.08	0.09
Number of workplace fatalities	0	0	1
WORLD LTIRi (3)	**1.1**	**1.5**	**2.0**

(1) Lost Time Injury Rate.
(2) Number of days lost per thousand hours worked.
(3) Lost Time Injury Rate including temporary employees.
(4) Included in 2020: SEB Professional, Wilbur Curtis, Supor CHINA Xiangsu Prod., GS INDIA Administrative and Krampouz.
(5) Included in 2019: Groupe SEB EGYPT Administrative.

Groupe SEB has used the Lost Time Injury Rate (LTIR) as a safety performance indicator since 2014. It is calculated based on the number of accidents with a direct causal link with work in relation to the number of hours worked. The internal recording system has no effect on local legal declarations specific to each country.

It should be noted that since 2018, the Group's Health and Safety targets have included temporary employees as well as the entire WMF and EMSA scope.

Accordingly, the target set in 2021 for the LTIRi (Lost Time Injury Rate including temporary workers) was 1.3 for the World; 3.4 for EMEA; 0.1 for Asia; 0.6 for North America and 0 for South America.

The 2021 results are: World LTIR = 1.1; severity rate is 0.06

France LTIRi = 3.3

WMF LTIRi = 3.2

France recorded 81 accidents with and without lost time related to work, including 35 accidents with lost time, including temporary employees. The LTIRi is 3.4 and the severity rate is 0.24.

WMF Europe recorded 20 accidents with and without lost time directly related to work, including 16 accidents with lost time, including temporary employees. The LTIRi is 3.2 and the severity rate is 0.06.

EMSA Emsdetten recorded 4 accidents with and without lost time related to work, including 1 accident with lost time, including temporary employees. The LTIRi is 2 and the severity rate is 0.13.

These three Group entities, France, WMF and EMSA thus account for nearly 65% of the total number of work-related accidents with lost time.

Finally, Groupe SEB recorded a total of 79 work-related accidents with lost time, and 85 accidents without lost time directly related to work in 2021, including temporary employees.

The Group's results once again reflect improved performance. Thanks to the multiplication of global prevention efforts, standards and tools, Groupe SEB recorded 15 fewer accidents with time lost than in 2020, a reduction of 15%, and 61 fewer than in 2019, including temporary employees. The Health and Safety department has been closely monitoring entities with the largest number of accidents since 2018. These entities are required to implement an enhanced action plan with a regular review with local management and the Executive Vice-President, Industry.

The severity rate for temporary employees is down slightly, with 4,155 days lost compared to 5,479 days in 2020.

A worldwide survey of work-related illnesses has been conducted since 2013. 37 new cases of occupational illnesses were recognized throughout the Group in 2021, excluding temporary employees, which is a stable figure compared with 2020.

	2021	2020	2019
France	29	35	44
Other EMEA countries	0	0	0
Americas	8	2	4
Asia	0	0	0
WORLD	**37**	**37**	**48**

Groupe SEB is aware of the importance of the issue of occupational illnesses, especially Musculoskeletal Disorders (MSDs), and has taken health measures in France, such as ergonomic improvements to workstations on production sites, with the introduction of an indicator monitored monthly, training in manual handling, for example, staff rotations where this is permitted by the organization of the workstation, warm-up and stretching exercises and a quicker response when an employee reports that they are experiencing pain. Several sites in France also pay for visits to a physiotherapist and offer a hotline to an osteopath.

GLOBAL SOCIAL PROTECTION FLOOR

GROUPE SEB 2023 TARGETS

- 100% of workers worldwide are covered by the WeCare@Seb social protection floor

Social protection

In terms of social protection, in 2017 the Group launched an initiative designed to offer its employees, throughout the world, a high level of coverage compared to the local context, beyond regulatory obligations. A worldwide inventory of practices, produced in 2016 in the 73 countries where the Group has employees, already showed that 85% of them had death insurance cover. Since 2018, the Group has been progressively rolling out a global social protection base and working conditions, WeCare@Seb, built initially on two pillars:

- life insurance: 12 months' salary paid to the family of the employee in the event of work-related death;
- healthcare costs: coverage of hospital stays resulting from accidents (capped at 70% of actual costs).

A third pillar on prevention (health checks) is being defined for rollout over 2022–2024.

Every permanent employee, regardless of his/her country and level, will benefit at least from the coverage of this global base. The implementation of the three pillars will extend until the end of 2024. This life insurance has already been in effect since 1 January 2019, with the exception of the entities that were not in the 2016 feasibility study, but will be covered by 2024.

The Group also looks to review the content of employment contracts on a regular basis in order to supplement and/or improve existing insurance coverage.

Payroll and charges

Groupe SEB is committed to the implementation of a fair and transparent remuneration policy that is understandable by all. It is committed to paying wages in every country in line with current regulations and minimum industry standards, enabling employees to cover their basic needs and to benefit from disposable income. Using job evaluation tools, every employee's position can be assessed in relation to others in terms of remuneration and responsibility.

	2021		2020		2019	
(in € millions)	World	France	World	France	World	France
Remuneration (1)	1,051.0	299.7	986.0	270.5	1,007.9	277.7
Payroll taxes (2)	185.1	71.7	168.7	65.5	219.7	67.5
Pension and other post-employment benefit plan costs	71.3	46.2	71.5	42.8	63.1	45.0

(1) Excludes bonuses and profit-sharing – includes provisions for paid holidays, excludes employee benefits.
(2) Includes provisions for payroll taxes on paid holidays.

WMF and EMSA joined the consolidation scope in 2017. "Worldwide" data include "France" data.

Statutory and discretionary employee profit-sharing

In the area of profit sharing, Groupe SEB has been a pioneer: for over 50 years it has tied employee pay to the company's financial performance and does so in most countries in which it operates. In France, 50% of the total bonuses paid by the Group is distributed evenly across all employees in France. In addition, since it was listed on the Paris Stock Exchange in 1975, the Group has had employee shareholders. Since then, it has implemented 15 employee shareholding programs, gradually extending beyond France starting in 1992. The last program, in July 2019, covered 34 countries and the plan was taken by close to 4,200 employees (23% of the eligible employees).

(France)

(in € thousands)	2021	2020	2019
Provision for bonuses	17,028	11,718	18,139
Provision for profit sharing	22,411	12,433	16,893
By 2019	N/A	N/A	2,145
TOTAL	**39,439**	**24,151**	**37,177**

In 2021, the amount paid in profit-sharing and bonuses amount to €39.4 million. Please note that figures include the employer's social tax contribution.

TRAINING AND SKILLS DEVELOPMENT

Training is key to skills development for all employees. The **Learning & Development department** develops and delivers Group training programs that correspond to the challenges faced by the businesses, the company's strategy and employee development objectives. This range of training opportunities is supplemented by training programs organized at local level, particularly at industrial sites.

Jointly developed training for businesses

The Group aims to foster a culture of learning by providing multiple training opportunities tailored to the needs of the businesses, both in technical expertise and in soft skills (personal development, management, leadership, etc.).

In 2021, the **Learning & Development** department enhanced the training offering with the introduction of 16 courses specific to the Group's various businesses within field-specific academies: Commercial, Marketing, Innovation, Development, Industry, Supply Chain, Finance, Human Resources, IT, Purchasing, Quality, Health and Safety, Communication, Strategy, and Legal. The programs started being rolled out in 2021 and will continue in 2022. Each Academy and its course are co-developed with contributors from the relevant business and are supervised by a sponsor, usually a member of the Executive Committee or the head of that particular business within the Group. Together, they identify the priority skills that need to be developed/acquired to meet the challenges that they think the business will face in the future, pre-empting the trends and requirements. In autumn 2021, the **Learning & Development** department and the sponsors conducted an initial strategic review of the various academies to identify the adjustments that needed to be made to ensure that their courses remain in step with the evolution of the challenges.

Each training course consists of three "blocks" that combine both programs specific to the business and programs relevant to a broader group:

- **acculturation** at Groupe SEB: onboarding new employees, compliance, the Group's fundamental principles, etc.;
- **business line**: the basics, tools and technologies, strategic challenges, etc.;
- **transferable skills**: leadership, managerial practices, personal development, soft skills. leadership, managerial practices, personal development, soft skills.

Depending on the circumstances, the training programs are delivered in person, remotely (via video), through digital learning platforms, or as a combination of different formats. Some are delivered in house with internal trainers, while others are delivered by external service providers. The Group explores and harnesses all teaching methods to provide a rich, dynamic and tailored offering.

Highlights of 2021

Open-access digital learning: This offering has expanded considerably thanks to a partnership with specialist platform Edflex. Edflex offers training modules selected from the best on the internet, covering a wide range of topics and delivered in all formats, such as videos, podcasts, in-depth articles and MOOC. These different forms of content allow trainees to learn flexibly and potentially in very short periods (quick learning). By the end of 2021, the Group's approximately 11,100 connected employees had accessed these quick learning modules via the HR iGrow@Seb portal, the majority of which are available in three languages (French, English and German).

Path to Innovation: This new program aims to develop a common understanding of the process involved in creating the Group's range of products and services within the innovation teams (several hundred people). After a test phase in 2020, it was rolled out on a large scale in 2021 with six sessions that brought together nearly 250 participants from different backgrounds. This program cuts across several businesses that involve innovation: Marketing, Research, Design, Development, Quality, Purchasing, Supply Chain. It is delivered in person over four and a half days and features 25 speakers from within the company.

E-commerce acceleration: This new program, launched in 2020, is aimed at managers who are directly or indirectly affected by e-commerce matters but are not experts on the subject. The program aims to develop their skills to address this strategic challenge for the Group. Initially designed to be delivered in person, it was very quickly transformed to be presented remotely because of Covid-19. This change enabled us to target a larger number of people worldwide (around 400) and adapt the content to specific local conditions. Several sessions were held in 2021 in Europe, Asia-Pacific and North America.

ChallengeMe: Peer learning is proving particularly effective, and the Group wants to further develop it. At the end of 2020, the Group trialed the ChallengeMe tool in several businesses: employees from a participating entity are invited to use the dedicated platform to share their thoughts on a common issue. They can make contributions based on their knowledge or practices and respond to other people's submissions. After two to three weeks, the contributions are evaluated and the most relevant are shared and/or implemented. This tool makes it quick and easy to access know-how and expertise within the organization and leverage it to strengthen individual skills and collective intelligence. It also encourages openness and creativity. It was launched more widely in 2021.

Welcome Seminar: The Group's Welcome Seminar for new managers, which is usually held in Écully, was adapted in 2020 because of Covid-19, allowing it to be held remotely with the same participants using video. This new format proved very successful and enabled the Group to welcome a greater number of international newcomers. The remote format will now be kept in addition to the in-person seminar at Écully (which takes place over three days with three to four sessions a year). In 2021, more than 320 managers took part in this seminar (50% in person and 50% remotely).

"**Around Groupe SEB in 80 Days**": In 2021, this digital onboarding scheme was extended to WMF entities. It is targeted at all connected employees worldwide (excluding Supor). Available in five languages and fully automated, it helps employees during their first months at the company: information about the Group, tips to help fit in, self-awareness tools, mandatory training, etc. It supplements local onboarding schemes.

Management Workshops: Launched in 2021, this innovative format is based on peer learning. The workshops are run remotely by around fifteen internal trainers from Human Resources departments from various countries and are offered in five languages (Spanish, Portuguese, English, German and French). The workshops held in 2021 brought together more than 1,100 managers on topics such as trust-based management, feedback and change management.

Improving English skills: In 2021, the Group enlisted Education First, the world leader in English language learning, to help more than 4,000 employees worldwide (mainly executives) refine their English skills. They use a fully digital, flexible solution to develop both their written and speaking skills. In addition, those for whom English fluency has been identified as a priority receive tuition in individual and group virtual classes.

Compliance Refresher: The digital Compliance program, which all newcomers to the Group are required to take, was expanded in 2020 with a refresher module for all connected employees. Like the full program, this module is available in 11 languages and covers the Code of Ethics, IT security, anti-competitive practices, internal control and personal data protection. It aims to ensure that employees are aware of and comply with the law, regulations and internal policies. More than 8,500 employees successfully completed this module in 2021, affirming their level of essential knowledge through questionnaires and role-playing exercises.

Training (workforce and training hours)

Worldwide (excluding Wilbur Curtis and Seb Professional NA)

	2021 *	2020	2019
Number of training hours *	517,336	398,471	585,898
Number of employees trained	35,613	31,833	35,899
Number of women trained	13,816	11,475	13,048
Number of men trained	21,797	20,358	22,850

* *2021 training hours include hours of digital training (source iGrow@SEB).*

Of the total hours of training completed in 2021, 38% was for manual workers, 39% for office employees and 23% for managers. The decrease of the number of hours and of the number of learners is directly linked to the current crisis context.

Training budgets

Worldwide (excluding Wilbur Curtis and Seb Professional NA)

(as a% of payroll)	2021	2020 *	2019
France	3.81	3.00	4.67
Other EMEA countries	1.04	0.64	1.84
Americas	0.67	0.50	1.00
Asia	0.72	0.59	1.44
WORLD	**1.70**	**1.26**	**2.47**

* *Data updated following error in calculations.*

The Group's training expenses represented 1.70% of its payroll in 2021. For the Supor subsidiary, these expenses amounted to 0.8% of its payroll for this year. The WMF subsidiary's training expenses accounted for 1.0% of its payroll.

ABSENTEEISM RATE

Worldwide (excluding WMF Heshan, EMSA Taicang, SEB Pro Shanghai, Krampouz, SEB Professional NA, SEB Professional France, SEB Professional Iberia, GSE Côte d'Ivoire, GSE Maroc, WMF France Consumer Goods and Wilbur Curtis Co., Inc.).

	2021		2020		2019	
	World	France	World	France	World	France
Absenteeism rate *	3.1	4.9	2.6	4.0	3.3	3.7

* *Ratio between the number of days absent and the hypothetical number of days present.*

OVERTIME

Worldwide (excl. EMSA Taicang, WMF Heshan, Seb Professional Shanghai and Krampouz)

	2021		2020		2019	
	Worldwide excluding Supor	Supor	Worldwide excluding Supor	Supor	Worldwide excluding Supor	Supor
Number of overtime hours *(in thousands)*	680	12,315	1,087	11,143	691	12,436
Full-time equivalent *(in persons)*	305	5,898	490	5,304	313	5,942

For the Chinese subsidiary Supor, these figures reflect the local context, where work is highly seasonal, and there are pressures on the recruitment of labor in eastern China. France accounted for 5,320 hours of overtime (equal to 2.8 full-time equivalent jobs), returning to similar figures as those obtained in 2019.

Given the diversity of the Group's sites and local regulations governing working time, Groupe SEB's aim is not to exceed 48 hours in a standard working week and 60 hours including overtime. Every employee must also have at least one day off each week, except in exceptional circumstances, as explained in the Group's Code of Ethics. Groupe SEB is actively working to achieve these objectives, particularly in its Chinese plants.

EXTERNAL LABOR *

Worldwide (excl. EMSA Taicang, WMF Heshan, Seb Professional Shanghai and Krampouz)

	2021	2020	2019
France	828	973	668
Other EMEA countries	544	517	720
Americas	648	1,061	1,014
Asia	589	1,994	2,720
WORLD	**2,609**	**4,545**	**5,122**

* *Temporary full-time equivalent employees.*

A CORPORATE CITIZEN

The Group's commitment to social issues is reflected both in its corporate philanthropy and solidarity initiatives, primarily focused on combating exclusion, and in its contribution to the economic and social growth of the regions where it operates.

CORPORATE PHILANTHROPY AND SOLIDARITY: LOCAL COMMITMENT, GLOBAL DYNAMIC

GROUPE SEB 2023 TARGETS

- 100% of countries where the Group is established involved in a corporate philanthropy program

Combating exclusion

Groupe SEB's corporate philanthropy policy is an integral part of its corporate social responsibility approach. Its objective is to harmonize the various subsidiaries' philanthropic commitments and encourage employee involvement. The Fonds Groupe SEB endowment fund team is tasked with implementing the corporate philanthropy policy, ensuring the coherence of the various projects worldwide and coordinating the Group's community actions.

Groupe SEB formalized and clarified its corporate philanthropy policy in a document disseminated to all the Corporate Philanthropy Correspondents (one correspondent per subsidiary). This document sets out the corporate philanthropy mission and strategic focuses, the participants involved (subsidiaries and Fonds Groupe SEB), their roles, and the various possible forms of contribution. These include financial donations, donations of products, philanthropy based on providing expertise, and cross-partnership or cause-related marketing campaigns. To encourage employee involvement, the subsidiary may give every permanent employee one day a year of working time to work on a public interest project linked to the fight against exclusion.

The social purpose of Groupe SEB's corporate philanthropy policy is the fight against exclusion, in four areas of action:

- inclusive employment;
- education and training;
- supplying household equipment and providing access to a healthy diet;
- helping people with health issues.

The people helped may be homeless, excluded from the world of work or in a very vulnerable position.

Total corporate philanthropy expenses

(Worldwide)

(in €)	**2021**	2020	2019
Financial donations	2,256,331	2,068,227	2,432,811
including Fonds Groupe SEB	*500,000*	*448,889*	*500,000*
Product donations	1,033,511	1,288,761	614,697
including Fonds Groupe SEB	*100,056*	*188,539*	*199,970*
TOTAL CORPORATE PHILANTHROPY EXPENSES	**3,289,842**	**3,356,988**	**3,047,508**

Overall, the Group allocated €3.29 million to corporate philanthropy activities in 2021, which was slightly less than in 2020 (-2%). This decrease can be explained by a number of changes, in particular the fall in product donations after a particularly high level in 2020 (as a result of donations to healthcare organizations involved in the pandemic response). The financial donations include donations to public-interest organizations and cross-partnerships that are more like sponsorship, having a strong impact for the brand or company in terms of communications or public relations. Cause-related marketing products, where a product is sold and part of the proceeds go to charity, are an example of cross-partnerships. Donations of less than €10,000 for a single public-interest organization are reportable.

Local initiatives

CHARITY WEEK

Every year, Charity Week, which is coordinated by Fonds Groupe SEB, is an eventful time for teams worldwide as they get involved in local community actions. The 2021 edition, on the theme of "**Working together to combat exclusion**", was adapted to take account of health restrictions. It took place over a longer period (end of 2021/ early 2022) with different setups (fewer in-person activities), but our solidarity was as strong as ever, even more so, in fact. Employees from 74 sites and 42 countries (increased numbers) took part in a wide variety of actions. Each entity was able to share its initiatives with the whole Group thanks to the Charity Week community on the internal networks Yammer and Teams.

The bulk of sites organized **collections** of food, toys and clothing to hand out to those who need them most. They also competed to come up with the best ideas to raise funds for local organizations, including organizing meals, selling Christmas cards, running competitions, and holding auctions. In some cases, the funds raised by employees were topped up with contributions from the company.

In several countries, employees got involved in **solidarity workshops**. In **France**, SEB Campus organized two **workshops** in connection with Le Foyer Notre-Dame des Sans-Abri, an organization supported by Fonds Groupe SEB. One involved participating in a construction project, and the other involved preparing for a job interview with resumé advice. The latter topic was also the focus of two lively solidarity workshops elsewhere: one in **Brazil** (São Paulo) at a refuge for transgender people and cross-dressers, and the other in **India** with young people supported by the Life Project For Youth organization. In **Colombia**, Group employees were involved in constructing around 20 homes for families living in makeshift shelters in Bogota, Medellin and Barranquilla. Other workshops focused on renovating spaces (e.g., at a shelter for disadvantaged children in **Argentina**) or on preparing meals (e.g., for young girls in **Chile** who are vulnerable, pregnant or have young children).

Many actions targeted support for **children and young people in need or with disabilities**. In **Mexico**, the subsidiary once again supported the *Renacimiento* center, a shelter housing 51 homeless young people aged between 8 and 17. Residents at the center were given warm clothing. In **India**, employees gave presents to 90 children at an orphanage, gifting items that they said they wanted. In the **Czech Republic**, the teams prepared a kit for a cooking workshop for young people with disabilities. Teams in many countries distributed Christmas boxes to disadvantaged children and/or families. In **Hong Kong**, Group employees helped out with packing food parcels as part of the Food Angel campaign.

In countries affected by **natural disasters**, Charity Week was another opportunity to get people involved in bringing some comfort to affected families in the run-up to the Christmas holiday season. This was particularly the case in **Germany**, where 700 children from families affected by the July floods received their dream gifts. In **Greece**, each of the 62 families on the island of Evia, devastated by fires during the summer, received a range of products from the Group to re-furnish their homes. The **refugee crisis** on the borders of Europe also generated a wave of solidarity, such as in **Poland** where employees prepared packages with food and clothing for migrants stuck on the Belarusian border.

THE SUBSIDIARIES COMMIT

The Group's subsidiaries also directly support and initiate projects all over the world outside Charity Week.

It should be noted that because of Covid-19 restrictions, many of the **team solidarity days** traditionally organized "on the ground" had to be changed into remote activities. In March, French employees were offered more than 20 solidarity workshops in partnership with organizations that work to combat exclusion. This included professional life coaching, skills-based sponsorship (communication, digital tools, etc.), and live cooking sessions.

In **China**, since 2006, Supor has pressed ahead with a vast construction program, **building schools** for disadvantaged children in rural areas. Since the start of the project, 26 schools have opened (including two in 2021 in Sichuan and Yunnan), giving over 20,000 children the opportunity to go to school. Two new schools are being built. In addition to funding schools and organizing training sessions for teachers, this program supported the organization of e-learning courses in 2021. This program asks employees to volunteer through leadership, learning support and book donation initiatives, including in particular during Charity Week. In 2021, employees spent several days with the children from the two recently opened schools. They gave the 300 students presents donated by Supor's teams, making their wishes come true.

In **Nordic countries** (Sweden, Denmark, Norway and Finland), Groupe SEB continues the partnership begun more than 10 years ago by OBH with the Star of Hope organization, which works on education, healthcare and food for orphans. The four subsidiaries are currently sponsoring 30 children in the Philippines, who receive support until they reach adulthood. They receive individual financial support and school books, food products, leisure activities, etc.

In **Brazil**, in 2019 Groupe SEB partnered with the Gastromotiva association to train marginalized young people in the São Paulo region in the cooking and restaurant trades. This course, which helped to train around 60 young people in 2020, had to be put on hold in 2021 due to the public health crisis. However, the subsidiary continued to support the association, which cooks more than 1,500 free meals per day for families in need and provides them with basic necessities. Together with three other associations in the country, it received food products (nearly two tons) and clothing donated by employees of the Group as part of Charity Day in Brazil (19 July).

In **Colombia**, the Imusa – Samurai foundation, *Taller de Sueños*, is heavily involved with the *tinteros* (street coffee vendors, see page 182). It also supports initiatives to provide decent housing and good nutrition for the most disadvantaged people. Various solidarity sales initiatives were carried out in 2021 to help fund the Foundation's activities, including the sale of eco-friendly bags, a cooking master class on social media, and charity galas.

In several countries, proceeds from selling unsold items at reduced prices helped to fund acts of solidarity, as was the case in **Turkey** during Ramadan where 750 families were given food vouchers, 1,000 evening meals (iftar) were donated, and 145 unpaid bills were settled. A similar initiative in **Poland** helped support homeless people. In **Germany**, 600 unsold children's cutlery sets were donated to day-care centers in Geislingen. In **Australia**, an entirely digital solidarity campaign was conducted in partnership with chefs and stars from across the culinary world, aiming to achieve two objectives: firstly, to raise funds for the organization OzHarvest, which distributes meals to those who are most in need, and secondly to shine a light on the isolation and food insecurity experienced by a section of the population.

Teams from several subsidiaries also took action to help victims of **natural disasters (fires in Greece, floods in Germany) and to support blood drives, such as the teams at the Baddi industrial site in India.**

CAUSE-RELATED MARKETING PRODUCTS

Cause-related marketing products represent another form of philanthropy performed by Groupe SEB. This was the case for Groupe SEB France's campaign "*La rentrée solidaire*". From mid-August to the end of October 2021, the Group donated one product to the Banque Solidaire de l'Équipement (led by the organization Emmaüs Défi) for every household appliance purchased from one of its brands, up to 15,000 products. They were distributed to people or families getting their own housing after years living in precarious accommodation. In 2020, Tefal had run the same campaign in France with Veepee, a specialist in online sales, and Calor partnered with a distributor in Mauritius to run a campaign in aid of Breast Cancer Care Mauritius.

Lagostina led a similar initiative with Veepee in France in 2021 as part of Breast Cancer Awareness Month (for every Lagostina product ordered, one euro was donated to the organization Ruban Rose). In the **Netherlands**, a cause-related marketing campaign was launched in 2021 as part of a multi-year partnership with a food bank. Every order of €75 or more on the Tefal.nl site triggers a donation to the food bank to help fund meals. Approximately 3,500 families benefited from this support in 2021.

Fonds Groupe SEB

Aside from its duties leading and coordinating the annual Charity Week and its role advising on and steering the subsidiaries' corporate philanthropy initiatives, Fonds Groupe SEB provides financial support for various projects combating exclusiveness, mainly in France. In 2021, Fonds Groupe SEB provided support to 26 projects from a support budget that amounted to €500,000 in cash and €100,000 in product donations.

GOVERNANCE AND OPERATION

Governance of the Fonds Groupe SEB is split between two key entities: the Board of Directors and the Operational Committee, supported by a team dedicated to the Fonds.

The Board of Directors sets the strategy for the Fonds. Its members are:

- Thierry de La Tour d'Artaise: Chairman and CEO of Groupe SEB, Chairman of the Fonds;
- Nathalie Lomon: Senior Executive Vice-President, Finance, Treasurer of the Fonds;
- Delphine Segura Vaylet: Senior Executive Vice-President, Human Resources;
- Chantal Monvois: Managing Director of Fondation AgroParis Tech;
- Véronique de Montlivault: Chairwoman of the Rhône Branch of Fondation Frédéric Gaillanne.

The Operational Committee reviews and selects the projects submitted to the Fund. It monitors their implementation, thereby contributing to the steering and improvement of future philanthropic programs.

It has 10 members, who are Group employees, selected for the diversity of their skills (management, HR, communication, union representatives, etc.) and their commitment to solidarity.

An operational team of two people delivers and assesses the projects and develops the network of employee volunteers.

PROJECTS SUPPORTED

Since 2007, the Fonds has supported 484 projects in France aimed at "better living for all", conducted by charitable organizations with which it has close links, such as Emmaüs Défi, Agence du Don en Nature (ADN), Énergie Jeunes, Télémaque, Chemins d'Avenirs and others.

Education, training

In 2021, Fonds Groupe SEB formed a new partnership with Chemins d'Avenirs, an organization that promotes equal opportunities for junior and senior high school students in rural areas and small towns. Group employees are invited to mentor a young person remotely through video calls, educational tools and the organization's collaboration platform. The aim is to help them to build self-confidence, offer another perspective on their career path and cultivate their sense of commitment so they can realize their potential and ambitions.

Also on the topic of education, the Fonds has supported **Télémaque** since 2011 and is the President of the Rhône-Alpes branch. The organization works with deserving and motivated young people from modest backgrounds until the age of 18, through a school corporate mentorship program. In 2021, 15 Group employees acted as mentors to one young person each to help them prepare for the future.

Énergie Jeunes, on the other hand, works to encourage children to continue with their studies at priority assisted schools in disadvantaged areas through input from volunteers, primarily from the corporate world. These volunteers instill in young people the desire to learn, using highly interactive teaching methods. Since 2013, around 20 employees have taken part in initiatives in the Lyon, Isère and Burgundy regions and since 2019 in Haute-Savoie (Rumilly). These actions had to be cancelled in 2020/21 due to Covid-19, but they will resume as soon as the public health situation allows. The arrangement has proven to be highly effective: a study (2016) has shown that high school students who take part get much higher grades than other students.

Socio-professional integration

The partnership between Fonds Groupe SEB and **Réseau Étincelle** began in 2020 and was extended in 2021. This organization is aimed at "dropouts" aged between 16 and 21 who have left the school system early with no high school diploma or job. It offers them an educational program where they spend several days within a company with support from employees and external professionals: gaining firsthand work experience at the company, role playing, picking up workplace etiquette, discovering opportunities, etc. In 2020, Fonds Groupe SEB financed the organization of two programs that took place in 2021 at its sites in Mayenne and Pont-Évêque.

Fonds Groupe SEB supported several new projects in 2021 which focused on the social and professional integration of various groups. These included **SAS Hackeuses** (Fondation Simplon – Lyon), which seeks to help women struggling to find work integrate into the digital world. It involves a short, six-week training course in which they can not only acquire basic digital skills but also discover digital professions and work on getting into the world of work.

Household equipment

In the area of household equipment and providing access to a healthy diet, the Fonds renewed its support, in 2021, for the **Agence du Don en Nature** (ADN – the Agency for Donations in Kind), of which it has been a founding member since 2008. The ADN collects new, unsold non-food products from manufacturers for redistribution to organizations assisting people in difficulty. Since its inception, support for the Fonds has translated into the donation of 300,000 products, financial assistance totaling €255,000, and the provision of skills.

Since 2020, Fonds Groupe SEB has also been a member of **Entreprise des Possibles**, a coalition of businesses in Lyon working to ensure decent housing for the homeless and the poorest and most vulnerable in society. The organization pools and allocates to social stakeholders time (volunteer employees) as well as financial and material resources, significantly amplifying them. In 2021, Groupe SEB ran a campaign to inform employees in the Lyon region about two schemes open to them with which they can support the partner organizations of Entreprise des Possibles: donating paid vacation days (up to two a year) and volunteering during work hours (also up to two days a year). In 2021, the donation of paid vacation days raised €47,000, including a €20,000 contribution from the Group.

INVOLVING EMPLOYEES

For the ninth year running, the Group organized the **Charity Boost** in-house call for projects (previously called **API Sol'**). The aim of this initiative is to support projects sponsored by the Group's employees. In 2021, the Fonds supported 9 projects selected by the French sites' local juries. Charity Boost has begun to spread to other countries, including Colombia, the Nordic countries, Greece and Russia. Its rollout has been hampered by the public health situation and will resume as soon as it can.

The "*Défis Solidaires en Équipe*" (Team Community Challenges), launched in 2017, continued in 2021 (remote solidarity days during Charity Week at SEB Campus, Charity Days at Groupe SEB France, etc.).

To encourage employees to get involved in skills-based sponsorship, Fonds Groupe SEB launched the "***Transmissions des savoirs***" (skills sharing) program in France in 2021. It gives all employees the opportunity to take up to one working day per year to give individual or collective skills-based sponsorship, either on site or externally, through four organizations with which Fonds Groupe SEB has special links: Énergie Jeunes, Réseau Étincelle, Télémaque and Chemins d'Avenirs (see above).

More generally, to encourage and facilitate employees' social commitment, Groupe SEB introduced the microDON platform in 2020. Accessible through the MySEB intranet homepage, the platform centralizes all information about the Group's corporate sponsorship policy and programs that rely on voluntary participation from employees in France. Depending on their location and interests, employees can choose a project that interests them, discover proposed assignments and apply to contribute. Employees can also log in to the platform at home using a personal username. This means that it can be accessed by all employees, including those who do not have log-in details at their workplace (production employees in particular).

A RESPONSIBLE PARTICIPANT IN THE ECONOMY

Social and solidarity economy

Groupe SEB fulfills its economic and social responsibilities in the regions where it is located. In addition to the jobs it generates, it supports the development of local businesses, especially players in the social and solidarity economy: company providing work to people with disabilities, sheltered employment center, welfare-to-work company, welfare-to-work temp agency, etc. Whenever possible, it favors the use of companies that support disadvantaged people looking for employment. Social clauses have been added to calls for tender to extend this responsible purchasing policy (see page 156).

NUMEROUS INITIATIVES IN FRANCE

The **Lourdes plant** has a long-term working relationship with Adapei (Association départementale de parents et d'amis des personnes handicapées mentales) for subcontracted activities. A sheltered employment workshop has been integrated on the site since 2016, bringing employees and workers with disabilities closer together (between 8 and 16 workers, depending on requirements). In 2019, Adapei was appointed to deliver catering services for employees. The association also helps maintain the green spaces and prints the in-house newspaper. This collaboration gained recognition in 2021, receiving an "Honorable Mention" from the Victoires des Leaders du Capital Humain.

Since October 2021, the **Mions** logistics platform has welcomed six workers with intellectual or mental health disabilities from the Ateliers de l'Isère Rhodanienne (AIR) sheltered employment center to assist with tasks including re-palettization, material handling, and dealing with non-compliant products and delayed differentiation. At **Pont-Évêque**, the plant subcontracts the assembly of plastic parts, labeling and product packaging to AIR, with around 30 jobs on a full-time equivalent basis. The **Faucogney** site also made extensive use of welfare-to-work associations for the packaging of spare parts and accessories, generating around 36 full-time equivalent jobs. The **Is-sur-Tille** plant has worked for many years with Groupe Coopératif Demain, a company specifically specializing in recycling that has over 140 employees, around half of whom are part of an inclusive employment program.

The Group also commissions companies in the protected sector to handle the recycling of its IT equipment. Triade Avenir has been a long-term partner (via Dataserv), helping with the disposal of end-of-life computers, screens and telephones. In 2021, the Group enlisted the sheltered company Recyclea, which also employs people in professional integration programs, to recycle servers.

On **SEB Campus** in Écully, 10 companies from the protected sector (companies providing work to people with disabilities and sheltered employment centers) work in several areas, including catering, cleaning, hospitality and maintenance of green spaces. The head office continued its partnership with disability-friendly company Handishare for subcontracted HR services (recording training data, digitizing files, concierge service hotline, helping to process job applications received by mail, etc.) and general services.

In 2021, the work subcontracted to the disability and inclusive employment sector totaled more than €6.2 million, across all of the Group's sites in France.

INTERNATIONAL INITIATIVES

Beyond France, a growing number of Group entities are using inclusive employment organizations for subcontracting. In 2020, the industrial site in Omegna (Lagostina), **Italy**, began working with Laboratorio Fuori Rario, which employs people with disabilities. It assigns certain assembly activities to the organization.

In **Colombia**, the Group is working with the Imusa – Samurai Foundation, *Taller de Sueños*, to support business and improve life for ***tinteros***, who are working in precarious conditions. These street vendors of coffee and snacks are Group customers because they mostly use Imusa vacuum flasks. To help them, Groupe SEB Colombia's teams have designed a model for them that is better suited to their need to keep the coffee hot for as long as possible, as well as a special trolley to transport them and a folding chair. As part of its "*Tinteros de corazón*" program, the Columbian subsidiary is also offering two months' training on the management of their business, health and safety and customer service (200 participants in 2021). After completing training, the *tinteros* are invited to visit the Rionegro plant where vacuum flasks are manufactured.

Every year, teams from Imusa express their solidarity during Tintero's Day, such as by donating kits for their business (3,000 distributed in 2021), school supplies and food parcels. The Imusa – Samurai Foundation has supported approximately 2,000 *tinteros* and their families for many years and aims to support more than 6,000 of the 11,000 in the country.

The Group is also building partnerships with social organizations to give them access to reduced-price products. Two such partnerships have been in place in France since 2019 with the associations VRAC and Revivre (see section Cooking for good, page 186).

Local roots

Although the Group has become very international, it has maintained a firm local footing in the Auvergne-Rhône-Alpes region, where more than 3,800 employees work at five sites: Écully, Pont-Évêque, Mions, Saint-Priest and Rumilly. Internal promotion and skills development are priorities for the Group, whose commitment to the Lyon area is shown particularly in its membership of the "*Alliance et Territoires*" network, led by the Maison de Lyon pour l'Emploi. The aim of this network is to bring down barriers between member companies and create an intercompany GPEC (Forward Planning of Employment and Skills) and regional GPEC dynamic in the Lyon area.

More generally, the Group is an active member of the community in every region in which it operates. It maintains a number of links with local operators, and particularly with educational establishments, providing classroom talks and inviting students to take part in site visits or work experience programs. In the **US**, for several years the Canonsburg (All-Clad) plant has been working with three high schools on manufacturing and engineering-related topics. Students analyze the site's complex issues, look for alternative solutions and make recommendations. This initiative, which benefits dozens of high school students every year, won recognition for the Canonsburg site at the Champions of Learning Awards, held in Pennsylvania by the Consortium for Public Education. In **Germany**, WMF has a partnership with the University of Geislingen in areas relating to eco-design and sustainable development.

Groupe SEB regularly takes part in discussions on social issues, such as food, health, inclusion and the circular economy. These are topics that are handled by its sustainable development and research and development teams (see page 183).

3.9 Sustainable innovation and respect for consumers

INNOVATION AND SUSTAINABLE DEVELOPMENT

Since the outset, Groupe SEB has always placed innovation at the heart of its strategy, in order to better meet and anticipate consumer expectations (see page xx). Innovation also helps consumers move toward more responsible habits, an idea that increasingly strikes a chord with many consumers, especially in terms of food, health and ecological footprint.

A STRATEGIC APPROACH

In 2021, Groupe SEB gave fresh impetus to the sustainable development aspect of its Innovation strategy, making it a priority area of innovation under the "Good for the planet at home" slogan. It is about creating a range of products and solutions that allows everyone to act sustainably at home on a daily basis.

"Good for the planet at home" is an extension of the "Cook for the planet" and "Home for the planet" projects led by the Group between 2018 and 2021 on the theme of home and kitchen. The aim was to design new concepts for products and services by taking an open exploratory approach and combining it with creative marathons and agile and iterative methods to quickly test the concepts created. This is all undertaken by many teams from across the Group working together.

Since 2019, the "**Cook for the planet**" project has given rise to a dozen innovative concepts that address various challenges, such as combatting waste, saving energy, conserving food, and transitioning to flexitarian diets. Two of them have entered the research stage.

The **"Home for the planet" project** selected eight ideas around personal care based on their energy-efficient, modular and low-tech features (frugal innovation without compromising on the service delivered). The concepts were refined and tested with consumers in 2021. For linen care, the creativity sessions confirmed the suitability of the new concepts included in the "Research" roadmap and helped to enhance some of them, such as cleaning and removing creases from two items of clothing at the same time, as well as solutions to limit the number of washes (decreasing wear and tear, water consumption and electricity use).

FLEXIBLE METHODS

This strong innovation policy relies on frequent and extensive discussions between the Research, Marketing, Design, Development, Quality and sustainable development teams. They are opening up to new methods, incorporating new skills and taking on technological challenges in fields such as materials, energy consumption, ergonomics…

SEBLab plays a central role in speeding up innovation: it establishes and coordinates a series of tools and methods tailored to the various types of projects and their stage of progress.

Sustainable development issues feature prominently in SEBLab's sessions, often at the request of participants, with the Group's teams becoming more and more aware of such issues. In 2021, SEBLab ran a session on recommendations for how to use products in an environmentally friendly way, for instance, and there was another session on Rowenta's corporate social responsibility. It also supported the innovation teams on the theme of healthy beverages and continued to support "Cook for the planet" projects.

COLLABORATION AND PARTNERSHIPS

Group innovation also draws on external collaborations, particularly through collaborative research programs in which public and private partners share their skills to achieve a common target. This is the case with the challenge of eating healthy and sustainable food, for instance (see Chapter "Cooking for good", page 186). This open innovation also includes start-ups, in which the Group acquires stakes through the SEB Alliance Fund (see page 28). It invests in emerging businesses that offer disruptive technologies and/or new business models. The sectors targeted match the Group's strategic areas of innovation.

ALL STAFF ARE INVOLVED

The All Innovators Challenge, launched in 2017 by the Research department, invites employees to submit innovative product and/or service ideas. Following an initial test edition on the Écully Campus in 2017, the challenge was extended to all the French sites in 2018. The first two editions received several hundred ideas resulting in 11 winning projects that their creators were able to make a reality with the help of SEBLab. Over half of the winning projects relate to sustainable development (energy saving, waste reduction, healthy sustainable eating, etc.).

In 2020 and 2021, the All Innovators Challenge was not able to take place due to the Covid-19 pandemic, but SEBLab continued its scheme for receiving impromptu proposals from employees. It has allowed them to flesh out their ideas so they can submit the most promising ones to the Business Units.

(For more information on Groupe SEB's innovation strategy, see Chapter 1.2, page 27).

RESPECT FOR CONSUMERS

Groupe SEB is committed to offering consumers high-quality products that are guaranteed to be safe and harmless. In each country, the Group complies with all the standards and regulations governing the products it sells. Responsible products are the first theme addressed in the Group's Code of Ethics.

CAPACITY

Groupe SEB's **Quality Management System** (QMS) describes the steps to be taken, at every level, to ensure the quality of products and related services. The QMS covers all Groupe SEB activities, processes and sites throughout the world. Every operation, site, function and employee is responsible for the quality of the work performed and for compliance with the rules contained in the quality assurance documentation. Regular examination of the various components of the System during management reviews makes it possible to check the efficiency of Group processes and to manage the actions needed for the ongoing improvement of product and process quality. The quality management system is described in more detail on page 63.

Testing at all levels

The Group controls the quality of its products **at each stage of the design and manufacturing process**, including with subcontractors. The first quality tests are carried out from the design phase, on all products (excluding purely aesthetic variants): products resulting from the pre-production runs are tested in testing rooms close to the design teams.

For **endurance tests**, products are subjected to an intensive sequence of operating cycles in standard conditions of use, which may be spread over several weeks, without interruption. At the Mayenne site, more than 240 full-automatic coffee machines underwent endurance tests in 2021 at a rate of 8,000 cycles each, totaling 13,200 hours of testing.

Other tests include shock resistance, behavior in damp environments, heat resistance and regulatory compliance. For example, the Group's testing laboratory in Saint-Priest dedicated nearly 15% of its testing to validating new plastics in 2021.

Packaging is also subjected to numerous tests as it must protect product integrity from the factory door to the consumer. The surge in e-commerce is increasing single shipments and creating more constraints in terms of packaging. In 2020, the Group invested in new packaging test equipment in Saint-Priest. The equipment played a role in approving new packaging that was specially developed to meet the requirements of e-commerce (see "Eco-packaging" on page 202).

Commencement of **new product** manufacturing is preceded by a Pilot Run Validation. This involves the pre-production of an additional 100 or so products, with extremely demanding quality criteria, so as to secure the launch of the product and reduce the scrap rate as much as possible. In 2021, 85% of these pre-production runs were deemed "good the first time round" compared to 61% in 2014, highlighting the progress that has been made in the upstream development phase. During production, accelerated operating tests (short live tests lasting a few days) are carried out on randomly selected products to identify any faulty components that may have slipped through the quality control conducted by the supplier.

Rate of returns falling

To strengthen the continuous improvement loop, the Group systematized the Product Quality Reviews: for each product line, the various teams involved (Marketing, Development, Production and Quality) collectively analyze the scrap rates at plants, the rate of returns under warranty, consumer comments gathered by call centers, and comments from approved repair centers. On this basis, an action plan is implemented under the supervision of the Quality department. Proof of the continuous improvement in quality is that returns under warranty continued to fall: between 2009 and 2019, they dropped by a factor of more than 2, and the rate continued to improve by 5.5% between 2020 and 2021.

For innovative products, the Group conducts tests in the homes of volunteer consumers to take all possible methods of use into account, even the most unlikely ones. Finally, it takes monitoring measures and proactive steps to raise quality standards in the interests of consumers (see page 63).

PRODUCT SAFETY

Product safety is ensured by a rigorous set of procedures implemented at every stage of product development and production. During development, each project review (RP1 to RP4) includes formal checking of product compliance via a series of validations listed in the EMQS (Environment, Marketing, Quality and Standards) reference document. Several of these validations make a direct contribution to product safety, such as Safety Robust Design analysis or field tests which validate the design under real conditions.

During the production phase, lots of tests are carried out on the production lines (electrical insulation, sealing tightness, etc.) and samples are taken on a regular basis for accelerated functional testing which could reveal possible anomalies not detectable on the new product. A final check is made at the end of the production line, after packaging (test of finished product quality), when sample products are unpacked and tested to check that all the production tests have been carried out. More than 4.6 million products were tested in 2021, and the rate of non-compliance continued to decrease, more than halving in eight years.

HARMLESSNESS AND UNPOPULAR SUBSTANCES

With regard to product harmlessness, the Group is particularly vigilant when it comes to selecting component materials, going beyond regulatory requirements.

As part of its commitment to quality, the Group has introduced a "Tefal commitment" notice which has been on **Tefal/T-fal non-stick cookware** for several years. The Group guarantees the safety of its cookware for consumers:

- **selecting the safest materials**, particularly for coatings: applying stringent standards to materials in contact with food, Tefal exclusive coating, 60 years of expertise;
- **no controversial substances** (checked by independent laboratories), in particular: no PFOA [1], cadmium, or lead;
- **level of requirements higher than regulations**: substance control thresholds up to ten times stricter than required with inspections up to five times more frequent;
- **anticipating regulations and applying the precautionary principle**: ongoing scientific monitoring, review of specifications, dedicated investments.

With regard to unpopular substances, the Group classifies in this category substances that, although not banned by the regulations, are considered by some stakeholders, such as NGOs, to be potentially hazardous. On this basis, the Group is working on plans to replace a number of these substances to stay one step ahead of future directives. Phthalates, for example, which were added to the RoHS [2] European Directive in 2015, were already viewed as unpopular substances by Groupe SEB in 2012.

FEEDBACK AND SERVICE

Call centers and after-sales service

To answer consumers' questions, Groupe SEB has **multi-channel contact centers** (telephone, email, brand websites, social media, etc.) in most of the larger countries. It has established multi-country call centers to improve service across all markets. In 2021, it opened one near Düsseldorf (employing around 50 staff) to assist consumers of Group products in the DACH region more effectively. This area was previously covered by two separate sites, one specific to WMF and the second for the Group's other brands. There are two other call centers in Europe. The Sofia call center covers 10 eastern and central European countries, as well as Australia and New Zealand. It has a team that is able to respond in every language within the countries in question and to cater for the various time zones. The third center, located in Lisbon, is for customers in Spain and Portugal. In France, Groupe SEB has consistently won "Customer Service of the Year" for its quick responses and the quality of its customer relations on all communication channels.

Customer support activity grew significantly during Covid-19 lockdowns across the world in 2020 and 2021 as customers were using their products more and called for assistance. In Europe, for example, the Group recorded up to 30% more contact with customers across all channels.

The after-sales service of Groupe SEB aims to ensure the proper application of its reparability policy. To this end, it relies on a global network of approved repair centers, which are trained and supported by local Group teams (see page 194).

Inform the consumer

The Group continually does new product use and maintenance **videos** (on average, 3-4 a month), which are posted on YouTube and can be accessed via the brand websites.

The Group is also helping to improve the transparency of information between manufacturers and consumers through a new service offered in France by the start-up Alkemics, of which it is a shareholder through the SEB Alliance fund. In 2019, Alkemics launched the "**Transparence Conso**" program: it allows manufacturers to freely share, with a single click, their product catalog and related information (ingredients, nutritional data, allergens, etc.) with consumer transparency apps, which are seeing exponential growth. Most apps, including Yuka, the leader in France in terms of downloads, have signed up to this initiative.

(1) PFOA: perfluorooctanoic acid.
(2) Restriction of the use of certain Hazardous Substances.

COOKING FOR GOOD

MAKE HEALTHY AND TASTY HOMEMADE FOOD ACCESSIBLE TO EVERYONE

Worldwide, Groupe SEB is helping answer the question "What will we eat today?" while ensuring that what is on offer is a wholesome balanced meal that is easy and hassle-free to prepare. The Group's solutions are also designed to promote a more sustainable diet, encouraging practices with a lower environmental impact.

MAKING HOMEMADE FOOD EASIER FOR EVERYONE

GROUPE SEB 2023 TARGETS

- One program to make homemade food accessible to everyone

Nutritionists all agree: reducing our intake of ultra-processed food and eating homemade dishes, where possible using fresh ingredients, plays a significant part in improving health. Nine out of ten French people think that "cooking healthy, balanced meals" and "sharing meals with family or friends" are the activities that contribute the most to their well-being [1]. At the same time, however, 50% of them say they don't have the time to prepare meals. By their very nature, the Group's products and services make home cooking easier thanks to solutions that save time and help produce recipes that allow people to eat well and enjoy their food. The Cook2Health European program confirmed that using the Group's connected products had a positive impact on health (see page 189).

Innovation supporting healthy eating

Over the years, the Group has created a series of innovations. For example, the famous Super Cocotte Seb pressure cooker (1953) was the first in a long line of pressure cookers, including Nutricook and its four cooking programs that preserve vitamins and other nutrients. More recently, in 2012, Cookeo enabled cooks to put together dishes quickly, with hundreds of step-by-step recipes that could be made in less than 15 to 20 minutes. In ten years, some 4.5 million Cookeo multi-cookers have been sold across the world. Companion then raised the bar even higher: as well as cooking, it makes the preparation of ingredients, pastry and sauces easier, using a range of accessories for chopping, mixing, beating, kneading, grating, etc. Now connected, all these products are continually upgraded with digital enhancements to offer consumers an endless supply of recipes and functionalities.

Homemade food at the heart of many activities

In many countries, Group subsidiaries are organizing events to promote home cooking. In France, *Le Grand Live* by Moulinex, which has been broadcast on social media and the Moulinex.fr website since 2020, featured a week-long series of recipes cooked by chefs, including the high-profile chef Cyril Lignac, using Cookeo and Companion. Distributors shared the series, and it remains available to watch on catch-up. The two editions (2020 and 2021) were watched live by 430,000 people (receiving more than 33,200 comments) and then watched on catch-up by approximately six million people in the weeks that followed.

There is another example of this kind of initiative in Brazil, Argentina and Chile, where Group subsidiaries are working to make homemade food more accessible for as many people as possible through a special program. It includes social media campaigns featuring nutritionists and influencers (e.g., demonstrating how to prepare healthy and easy recipes, giving advice), a partnership with the Gastromotiva foundation to support the "Solidarity Kitchens" program within disadvantaged communities, and selling Group products at reduced prices for vulnerable families.

Seb, Tefal and Moulinex sign up to the Malin Program

In its desire to make "eating well" accessible to as many people as possible, Groupe SEB includes vulnerable sections of society. Since 2017 it has been involved in the French program Malin, which aims to help young children from poor families get access to a balanced, high-quality diet and transform family eating habits. Notable Malin partners include Société Française de Pédiatrie, Croix-Rouge Française, Caisses d'allocations familiales, Blédina and Danone Communities (Danone), Lesieur and Groupe SEB via its Tefal, Seb and Moulinex brands. The French government included this program in its anti-poverty strategy and in the National Nutrition and Health Program.

In the context of unprecedented economic, social and health crises due to the Covid-19 pandemic, the Malin program stepped up its rollout in 2021 to meet urgent needs. It is now accessible in almost all of metropolitan France. Its rollout was organized with the support of the French Ministry for Solidarity and Health and aims to improve the nutrition of 160,000 children under the age of three, which is 30% of vulnerable children aged 0-3 in France, by taking action during the first 1,000 days of their lives. Many studies show that healthy eating from a young age helps to significantly reduce diet-related diseases such as diabetes and obesity.

(1) BVA survey conducted for Groupe SEB in July 2018, on a sample of 1,104 people representative of the French population, aged 18 and over.

Products at affordable prices

As part of this program, Groupe SEB offers cookware and electrical appliances at accessible prices for families (30 to 40% reduction). The objective is to offer a useful range of family products while developing a sustainable, balanced business model for the Group. These "special" sales are held four times a year on an internet platform. A study of buying habits during these campaigns and discussions with the beneficiaries give greater insight into families and their practices in order to tailor the offering to their needs. The Group also hopes to use this program as a platform to provide advice (good planning and tips) on healthier eating.

By the end of 2021, 65,000 children had benefited from the Malin program since its launch.

SUSTAINABLE, HEALTHY AND TASTY MEALS

GROUPE SEB 2023 TARGETS

- A "healthy and sustainable eating" Charter for recipes accompanying products

A healthy and sustainable recipe Charter

To tackle the double challenge of providing healthy food that has a lower environmental impact and the need to feed 10 billion humans by 2050, a dietary transition is required particularly in Western countries. Amongst these necessary changes, experts are recommending that fruit, vegetable and pulse consumption will need to double in tandem with a reduction of over 50% in animal protein consumption [(1)]. Aside from the positive health effects, the adoption of a **flexitarian diet** [(2)] reduces the carbon footprint by over 40% [(3)].

To support this movement, in 2019 Groupe SEB finalized a "Healthy and sustainable recipe Charter". More vegetables, cereals and pulses, less meat, limited amounts of fat and salt and no overly processed ingredients are the guidelines of this Charter. What this means in practice is managing the number of portions per person, limiting quantity and prohibiting certain ingredients. It was developed by the Food Science and sustainable development teams on the back in particular of the **recommendations of the National Health and Nutrition Program** (PNNS – France) and on the expertise of a dietitian and a chef active in this area.

TOWARD INTERNATIONAL EXPANSION

This Charter is a reference framework for expanding the proportion of healthy and sustainable recipes in the thousands of savory recipes that the Group shares with consumers via a whole range of channels: apps connected with products, brand websites, social media, cookbooks, etc. It was translated into English in 2020 so that it could be distributed to the various subsidiaries, which enrich the Group's collection of recipes with variants tailored to local tastes and trends.

AN AMBITIOUS OBJECTIVE IN FRANCE

In France, the Group's objective for 2023 is to have healthy and sustainable savory recipes make up **30%** of the content in the apps that come with its flagship products: the Cookeo smart multi-cooker, the Companion cooking food processor and the Actifry fryer. In 2020, the Group updated its recipe collection for the first time to bring certain recipes in line with the Charter, specifically those that were almost compliant and required just a few adjustments. The Group also focused on using pulses in its new recipes. In 2021, a flexitarian recipe pack was developed for Companion to encourage users to eat pulses and vegetables. The cookbooks take the same approach. The cookbook for the Nutricook+ steam cooker offers a balanced breakdown of recipes: pulses, meat, fruit and vegetables, and fish and seafood each represent 20% of recipes, with carbohydrates accounting for 15% and dairy products 5%. It also lists seasonal ingredients. The cookbook for the pressure cooker Clipso Minut' Eco-Respect, launched at the end of 2020, also focuses on vegetables, pulses and fish.

Solutions combining products and services

Eating quality food is the key focus of the Group's brands, which develop new solutions to promote healthy eating without compromising on enjoyment. Here are some examples.

TEFAL

Thanks to its invention of the nonstick frying pan, which makes it possible to cook with little to no oil, Tefal has been contributing to healthier eating from the outset, and continues to innovative in this area. For instance, the **Preserve frying pans** range is specifically designed for cooking on a low heat. This helps retain up to 30% more vitamin C in the food compared to high-temperature cooking.

In electrical products, the Actifry fryer (also sold under the SEB brand), which cooks healthy, tasty meals using minimal oil, has been innovative with the **My Actifry app.** It provides step-by-step help to make cooking easy and features hundreds of recipes so that people can vary their meals and eat a balanced diet. It encourages consumers to eat fresh produce, particularly fruit and vegetables, and gives advice based on the season.

Optigrill, another Tefal flagship product, offers four automatic programs solely dedicated to vegetables on its Elite model. As with previous versions, it features an exclusive grilling technology for meat and fish that considerably limits the formation of unwanted compounds. The effectiveness of this technology has been proven through assays by an independent laboratory.

On the dessert front, since 2019 the **Cake Factory** application has offered a pack of low sugar recipes.

In 2021, Tefal strengthened its partnership with Jamie Oliver (which began in 2003) to promote home-made food and a balanced diet with tasty meals. The famous chef works extensively on these topics. An extended range of *Jamie Oliver by Tefal* products will be introduced in around 30 countries.

(1) The EAT-Lancet Commission Summary Report "Food Planet Health" published in January 2019.
(2) A flexible vegetarian diet (or semi-vegetarianism).
(3) WWF France report "Pour une transition agricole et alimentaire durable" published in October 2019.

MOULINEX

An icon of home cooking, Moulinex is bolstering consumer support with its connected products. In 2019, the new **Healthy** functionality was added to the **Cookeo** multi-cooker app, providing detailed nutritional information on recipes made using the appliance. It classifies recipes into food groups – vegetables, animal proteins or starches for example – indicating the number of daily portions they offer. In October 2021, the Cookeo and Companion apps went one step further by incorporating the Nutri-Score label [(1)]. This functionality applies to both Moulinex recipes and those added by the user community, which total nearly 6,000 online recipes, the majority of which are rated A or B. Information on kcals (kilocalories) and macronutrients (amount of fat, carbohydrates, protein and salt) is now available.

SUPOR

Supor has created innovative solutions for cooking rice in a healthier way: **Healthy & Tasty** cooks rice in two stages with a system that reduces carbohydrates by 20% compared to traditional cooking methods. This new procedure has particular appeal in terms of preventing diabetes and obesity, especially in Asia-Pacific where 90% of rice production and consumption is concentrated. Healthy & Tasty was launched in 2019 under the Supor brand in China and under the Tefal brand in Malaysia, Hong Kong and Singapore.

Supor introduced vacuum technology to its blenders, which reduces the oxidization of food and conserves its nutritional value. This innovation, which features in the **Vacuum Nutrition Plus** range, was adopted by Moulinex on the European market in the **Freshboost** range.

More sustainable everyday habits

COMBATING FOOD WASTE

Combating food waste is another area to which the Group is committed. Some products can be turned into anti-waste tools such as blenders, which allow great smoothies to be made with slightly too mature fruit and to use some fruit and vegetables whole, including the skins. The Group has developed a variety of social media content about this, including recipes using peelings or vegetable tops and the organization of zero-waste festive events (Halloween, cocktails, etc.).

It also provides information about avoiding waste in its cookbooks. The cookbook included with the Moulinex juicers (Juice & Clean, Juiceo, Power Juice), for example, is abound with ideas on how to cook the pulp instead of throwing it away. Anti-waste tips are also included on the contents pages of the cookbooks for the newly launched pressure cooker Clipso Minut' Eco-Respect and the steam cooker Nutricook+. There is no longer a risk of leaving food to spoil: the "In my fridge" function is available in all Groupe SEB apps and suggests recipes based on the food available in the user's kitchen.

STORAGE BOXES

The Group's product range also includes food storage boxes. They are increasingly popular with consumers who use them to store their foodstuffs, keep leftovers in the fridge or bring food from home.

They are also used within the Group: in Mexico, for example, the subsidiary signed an agreement with companies delivering meals to employees to eliminate all single-use plastic packaging and replace it with reusable Tefal boxes. Food retailers are also very interested in reducing disposable packaging, as seen from various recent initiatives. In Germany, the retailers HIT and Edeka provide customers with Clip & Close boxes (EMSA) for their purchases at the delicatessen counter. In France, the Vrac'N Roll start-up, a pioneer in the online sale of loose organic produce, has started using Optima boxes (EMSA) for order shipments. Stackable, strong and easy to clean, they can also be kept for re-use.

BOTTLES, MUGS, ETC. TO AVOID SINGLE-USE PLASTICS

Another Group product range in sync with more responsible daily practices: vacuum flasks and thermo mugs (EMSA, Tefal, Supor brands, etc.) are a sustainable alternative to disposable cups and other single-use plastic containers that pollute the planet. This goal led Groupe SEB to acquiring a stake in Castalie in 2020 through its SEB Alliance investment fund. Castalie designs and markets micro-filtered water fountains for companies and restaurants. Water is bottled on the consumer's premises in reusable containers (flasks, bottles, glasses, etc.). As a result, there are zero kilometers between where the water is sourced and consumed and zero plastic waste.

The environmental impact of Group products has long been part of its priorities. Two chapters in this document are dedicated to its policy in this area (see Circular revolution, page 193 and Climate action, page 198).

(1) The Nutri-Score label shows consumers a recipe's nutritional value using a five-color scale combined with a series of letter ratings ranging from A to E. Since its launch in France in 2017, several European countries have adopted it.

Collaboration and partnerships

With respect to **healthy and sustainable eating**, Groupe SEB is a stakeholder in many large research or experimentation programs:

COOK2HEALTH EUROPEAN PROJECT

The Group is participating in the EIT Health European program on the subject of "Healthy living and active aging". In this regard, it coordinates the Cook2Health project (2016-2019), run alongside academic partners (Université Grenoble Alpes, Aberystwyth University and the University of Barcelona), physicians, dietitians and digital players. This unique clinical study was conducted with a large sample in France and the United Kingdom. Its results showed that regularly using connected kitchen appliances had a positive impact on health. The volunteers were given the Actifry fryer and the Cookeo multi-cooker, together with an app featuring 500 recipes and a personalized nutritional coaching service. The results showed that 43% of people using these products ate more healthily and changed their eating habits for good. These results contributed to the Group's decision to add the Nutri-Score label to recipes on the Cookeo and Companion apps (see page 187).

REGIONAL FOOD TRANSITION

In France, Groupe SEB is a key partner in the "2030 Sustainable Food System" project, led by Metropolitan Dijon and selected by the State in September 2019 under the Innovation Regions scheme. This is about creating a model at the regional level (23 municipalities, 250,000 inhabitants) that demonstrates how all residents can be encouraged to eat better by promoting local produce and reducing the environmental impact of the food chain. Groupe SEB's contribution focuses specifically on making home cooking easy so that people can eat healthily and sustainably using connected products and associated services and functions (recipes, shopping lists, cooking tips, etc.), along the lines of the Cook2Health project. In 2021, the Group made progress on the "Conscious consumer" aspect, trialing a digital service called "*Bon pour la planète, bon pour mon assiette*" (good for the planet, good for my plate) with 30 people in the city of Dijon for six months. In 2022/2023, a second trial will be conducted around food shopping patterns.

Awareness-raising initiatives Groupe SEB helps raise awareness across society of healthier and more sustainable eating through a wide variety of methods, including holding product-based activities, creating social media content, getting involved with events on this subject and more. In the Netherlands, for example, in 2021, the Group took part in the national meat-free week by holding online cooking workshops, where chefs made vegetarian recipes. Among the kitchen tools used was an OptiGrill, which is a meat grill that can also be used to cook vegetables. The subsidiary is also involved in the national anti-food waste campaign, highlighting the value of storage boxes (Tefal/Masterseal).

In France, Groupe SEB is partnered with AgroParisTech's Chair of Diet, Nutrition and Eating Behavior. It develops fun and innovative food education campaigns using mostly digital teaching tools that are designed for a broad audience, such as millennials, families, and people in precarious situations. In spring 2021, it launched an Instagram campaign targeting 18-to-35-year-olds, using the account @ jemangepourlefutur to raise their awareness of a more sustainable diet.

In 2019/20, the Group turned to the "Diet, Nutrition and Eating Behavior" Chair when preparing an e-learning module for its employees on "The secrets to healthy, balanced and sustainable eating". Based on quizzes and videos, it challenges conventional wisdom, provides basic explanations about fats, proteins and carbohydrates, and gives tips on eating well without harming the planet. This module has enjoyed great success in France, and an English version has been developed for employees worldwide.

BETTER HOME LIFE

HELP EVERYONE TO LIVE BETTER IN A HEALTHIER HOME REGARDLESS OF THEIR AGE AND HEALTH

INCLUSIVE-DESIGN PRODUCTS

GROUPE SEB TARGET

- Develop an inclusive design range of products per main product family

As well as permanent disabilities, anyone, at any time of their life, might experience limited sensory, physical or cognitive ability, due to injury, illness or old age. Certain situations may also create constraints, such as a young child in arms. Whether temporary or permanent, disability can affect the sense of touch, sight, hearing, taste or speech.

In order to make its products accessible to as many people as possible, in 2019 the Group decided to develop a practical good design guide in partnership with APF France Handicap and with the support of Caisse Nationale de Solidarité pour l'Autonomie. This guide, the Good Design Playbook, was completed in 2020. It is accessible, free of charge, to all stakeholders who are interested in taking an inclusive approach to design.

An open source Good Design Guide

The Good Design Playbook will bring together best design practice designed to facilitate daily usage for all users, in particular in terms of readability (size and color/contrast of writing and symbols), gripping, handling, weight, materials, etc.

In developing this guide, the Design team adopted a user-centered approach, with **people with disabilities being involved at all stages of the project**:

- observation: 90 hours of interviews and home testing to identify sticking points when using products;
- idea generation: three workshops, 60 participants (people with disabilities, helpers, designers, occupational therapists, anthropologists, engineers, etc.) and creativity tools to co-create solutions that help everyone;
- prototyping: bringing solution ideas to life (models and prototypes);
- evaluation of prototypes by people with or without disabilities to assess the universal added value of the inclusive product for all consumers.

The Good Design Playbook is also based on recognized standards. It is available in open-source digital format on Groupe SEB's website and on the APF France Handicap website. Applied to the area of small household appliances, it will not simply be a collection of best practices: it will also set out the methods and tools used to bring them out, in order to promote the expansion of good design to other sectors and other products and services.

This inclusive design guide, which so far has been unique in this product area, has received multiple awards. In 2021, it received the students' choice award as part of the ESSEC Grand Prix for Sustainable Consumer Industries. In 2020, it was recognized by the International Design for All Foundation in its Good Practices Awards. It was also awarded silver at the International Design Awards (IDA). In 2019, the collaborative nature of its approach was recognized twice: the Group received the Mines ParisTech & Cegos sustainable development CSR Award and the LSA "La conso s'engage" award.

Training teams

The Good Design Playbook is available on the intranet site and was translated into English in 2020 for international distribution within the Group. It was used for introductory training to familiarize employees with the concept of inclusive design. In 2021, it was rolled out to more than 80 employees in the Innovation community (France, Brazil, China, Germany and the US) and can still be accessed online as a webinar.

The Group aims for all employees involved in user experience to adopt this inclusive approach. Immersion workshops were held in 2019 to familiarize the Design team with different forms of disability and how they affect everyday use of products. These workshops may soon be extended to other teams. This training was led by a coordinator from the hizy.org platform, established by Handicap international and supported by Fonds Groupe SEB, along with three occupational therapists from CRIAS (Centre régional d'information pour l'agir solidaire).

Integration into the design process

In 2021, the Innovation teams (research, marketing, design, development) tested the inclusive design approach on six product families as part of an initial assessment phase, with the aim of improving the accessibility of forthcoming ranges. At the same time, the Group developed an inclusive methodology that will become an integral part of the product design process in 2022. Specific training on the topic will be given to support its implementation.

This new step raises awareness even more about the diversity of consumer profiles. The Group had already begun to bring people with disabilities into the design process for its products and services in 2020, particularly in user testing. These tests are configured progressively in accordance to international standards (e.g. SUS score – system usability scale). Similarly, consumer panels that assess products during pre-launch previews will be expanded to include more specific profiles.

Includeo, the first range with inclusive design

Putting the Good Design Playbook into practice, Groupe SEB launched a landmark range featuring its inclusive design approach for the first time in 2021. The Includeo breakfast set toaster, coffee maker and kettle have been designed to better meet the needs of all demographics, including the elderly, people who have disabilities, people who are left-handed, etc., while featuring a smart esthetic. The ergonomic improvements are discreet but make the products easier to use, particularly in terms of operability, safety and clear labels. In partnership with HandiCaPZéro, the operating instructions were made available online and adapted for different needs, such as enlarged characters and braille and audio versions.

For the design of this inclusive set, Groupe SEB was awarded the **2021 LSA innovation award** in the "Household appliances" category.

Instructional leaflets that are easy to read and understand

The Group is working to improve all of the instructional leaflets that come with the products, based on the European rules on making materials easy to read published by Inclusion Europe. The rules cover the clarity of sentences, the choice of words, illustrations, layout, etc. In 2020, for example, the instructions for the Cookeo Touch were rewritten using the easy-to-read rules, in partnership with a sheltered employment center that works with people with disabilities. They are available in hard copy, digital and audio versions.

Brand websites and the Group's institutional site have also launched projects to improve the sites' accessibility.

Although all this progress illustrates that the Group has been placing particular emphasis on accessibility since 2018, this focus is not new. The Clipso pressure cooker, which came on the market in 1994, can be opened with a single hand. Similarly, Supor designed a rice cooker more particularly tailored to older people (very visible operating lights, easy opening button, ergonomic handle, etc.). The Air Force Flex vacuum cleaner easily vacuums under furniture without the user having to bend down, something that is important for those with back problems.

Cross-fertilization

To further strengthen its inclusive design efforts, Groupe SEB shares its approach with students from design colleges who incorporate it into their projects, which in turn feed back into the Group's best practices. It is also involved in an inter-company working group on inclusion (including Toyota, Leroy Merlin, Sodexo, Groupe Atlantic and Sismo) in a spirit of sharing knowledge, updating/further developing the process and developing specific measures.

A HEALTHY HOME

GROUPE SEB TARGET

- Create an awareness program around healthy homes

Better indoor air quality

A good home life also means ensuring that the air that we breathe is clean. Various pollution sources, such as animal hair, dust and pollen, and volatile organic compounds, can lower air quality and cause respiratory allergies. This includes formaldehyde, which is specifically found in paints and glues used in furniture and is recognized as one of the most dangerous pollutants in the home. Since 2015, the Group meets this need to purify air with the Intense Pure Air range. Its ultra-effective filtration system contains four filters. The Allergy+ filter, for fine particles, captures allergens, while another filter equipped with exclusive NanoCaptur+TM technology, definitively destroys formaldehyde. The new version of this filter, launched in 2019, is more effective (50% longer lifespan).

Thanks to its smart purification system, Intense Pure Air automatically starts working once it detects pollution in the air. It can also be connected to an app that lets you view the indoor air quality and manage the appliance remotely, providing more information on air pollutants.

At the beginning of 2022, the Group continued to innovate with the Pure Home product, which has a portable air quality sensor to detect pollution easily in any room in the home. The 360° air purifier system comes with four filter levels and features a special allergen mode with an expanded range of functions.

CLINICALLY PROVEN EFFECTIVENESS ON RESPIRATORY ALLERGIES

The Alyatec Research Center (Strasbourg hospital) achieved a world first with Groupe SEB in 2018, conducting a clinical study aimed at demonstrating the effectiveness of the Intense Pure Air purifiers on respiratory allergies. Patients suffering from allergy-related asthma were exposed to extremely fine particles of cat allergens. The tests showed that the use of Intense Pure Air purifiers could reduce the risk of allergic reaction by a factor of ten. The results of this trial were presented at the European Academy of Allergy and Clinical Immunology (EAACI) Conference in Munich. They were also published in 2019 in *Clinical & Experimental Allergy*, the official journal of The British Society for Allergy & Clinical Immunology (BSACI).

PARTICLES AS SMALL AS VIRUSES

Furthermore, tests carried out in 2020 by an external laboratory on the Pure Air and Intense Pure Air ranges showed that their filtration was up to 99.9% effective for airborne particles as small as viruses (tests carried out on the H1N1 strain, using the full device at maximum speed). In France, the Auvergne Rhône-Alpes region tested the Intense Pure Air XL purifier and added it to its public procurement catalog at the end of 2020 as part of a campaign to equip schools and high schools, particularly their canteens.

Cleaning linen and floors without chemicals

Consumers also care about eliminating bacteria, viruses and other germs with limited use of chemicals when washing linen, floors and other surfaces. A steam/heat combination has proven to be a very effective tool in this regard. It has been integrated into a range of solutions offered by the Group. To prove their effectiveness, in 2020 the Group began a series of tests that they outsourced to independent laboratories.

For floor care, Groupe SEB has an innovative solution that doesn't require detergents: the **Clean & Steam** vacuums and steam cleans the floor in one go. Besides saving time, cleaning in this way eliminates up to 99.9% of bacteria, which are destroyed by the heat. This is especially good for people suffering from allergies and parents of young children. The new version launched in 2020, Clean & Steam Revolution, is more lightweight and compact.

For household linen and textiles, the Group's steam solutions go beyond just ironing or getting creases out, they also clean the fabrics, as demonstrated by tests that have been conducted since 2020. As such, the Access Steam portable garment steamer and the Ixeo Power all-in-one solution eliminate up to 99.99% of viruses and bacteria (tests performed on cotton fabric under strict conditions). In 2021, the new Cube clothes steamer provided extra steaming power and gave users more freedom to move around. In addition, the Group has continued its work to better understand the role of heat, steam and ultraviolet-C radiation in the destruction of bacteria and viruses with the aim of using these non-toxic and more environmentally friendly technologies further.

3.10 Circular revolution

MAKE OUR PRODUCTS AND SERVICES PART OF THE CIRCULAR ECONOMY

The Group's goal in this area is to save the planet's resources by operating on several drivers: extending product life and re-use, promoting recycling and the use of recycled materials, experiment with shared product use.

The Group's brands are committed to taking this circular economy approach, particularly Rowenta, which has been heavily involved in improving the environmental performance of its products for many years. Optimizing resource consumption is one of the pillars of its new brand platform (2020), with three main areas: product sustainability (particularly through repairing), using recycled materials and reducing energy consumption without compromising on efficiency.

The Group is also involved in several initiatives with various stakeholders. Since 2018, for example, it has supported the **Urban Mines Chair,** founded in partnership with three French "Grandes Écoles" universities (Arts et Métiers, Chimie ParisTech and Mines ParisTech) and the environmental organization Ecosystem. The Chair focuses on implementing a circular economy model that is profitable for everyone – citizens, manufacturers, recycling organizations and local authorities.

LONG-LASTING PRODUCTS

REPARABILITY

GROUPE SEB TARGET

- Over 90% of electrical appliances with the "15-year repairable product at fair prices" commitment (for Tefal, Moulinex, Rowenta, Krups, Seb, Calor)

92% of products repairable for 15 years at fair prices [1]

Product reparability is a vital aspect of the circular economy, as by increasing the lifetime of products it helps to reduce both the resources consumed and waste. It is also beneficial for consumers who get an economic benefit (generally cheaper to repair than to buy a new product) and keeps users of the Group's products loyal by extending service lives as much as possible.

The Group is a pioneer in this field. Its reparability policy, initiated in 2008, reached maturity in 2015 with its "10-year repairable product" commitment. It began taking its commitment to repair a step further in 2021, extending it to 15 years with greater work on the cost of repairs to offer very affordable rates (see below).

For Groupe SEB, its "15-year repairable product at fair prices" commitment ensures that:

- a product can be readily disassembled and reassembled;
- the spare parts are reasonably priced and readily available for at least 15 years after the last purchases;
- there is a significant network of trained repairers while ensuring optimal regional coverage.

All of this should allow a streamlined customer experience and ensure the effective repair of products for many years.

Today, the "15-year repairable product at fair prices" logo is displayed on 92% of Tefal, Rowenta, Moulinex, Krups and WMF electrical appliances in Europe, Asia, the Middle East and Africa, as well as SEB and Calor products in France and Belgium. Brazilian brand Arno also launched the same initiative in mid-2021 on an initial range of products.

The "15-year repairable product at fair prices" commitment also applies to all pressure cooker ranges, which are over 99% repairable. For this type of product, the Group keeps stocks of spare parts for up to 35 years after production has finished.

(1) Mostly repairable, on small electric appliances.

Demanding criteria

Product reparability starts from product design, and is one of the priority areas in the Group's Eco-design Guide. Right from the start, products are designed to be easily disassembled and reassembled so that only the worn parts have to be replaced. In 2016, the Group adopted a more stringent calculation method when defining the level of reparability of its electrical appliances. In addition to the criteria of availability and price of parts, this definition now includes the percentage of repairable faults.

- A **fully repairable** product (100% of faults are repairable) is when all the components that can be replaced are available and none cost more than half the price of the product.
- A product is **mostly repairable** if at least 80% of faults are repairable; one or two parts at most are not available or cost more than half of the product's price; and these parts account for less than 20% of the risk of faults.

In 2021, of the 92% of repairable electrical appliances, 78% were wholly repairable and 15% were mostly so. In parallel, the **percentage of repaired products is increasing** in approved centers: in Europe, for example, the percentage of products under warranty repaired within five days rose from 70.3% in 2012 to 85% in 2021.

An attractive repair package

In 2020, to encourage consumers to repair their products more beyond the warranty period, Groupe SEB launched a **flat-rate repair service**, with a single, fixed rate for each product category. The consumer can generally get their product repaired for less than a third of the price of an equivalent new product from the brand, whatever the malfunction, the spare parts needed, and the age of the appliance (the reparability warranty lasts for up to 15 years). They also benefit from a warranty covering the whole product for six months after the repair has been done.

This repair package has been offered for all the Group's brands in France since mid-2020. Consumers can purchase the repair package directly on the brands' websites, then follow the instructions to send the product or take it to an approved repair center. In 2021, the service was expanded to Spain, Portugal and Italy (for Tefal, Moulinex, Rowenta and Krups). It will be extended to the rest of Europe in 2022 and then to North America.

In 2021, Groupe SEB received the LSA "La conso s'engage" award for this repair package in the "Environmental Footprint" category.

Repair center and spare parts network

To ensure that repairs are of optimum quality, Groupe SEB uses a network of approved repair centers, which has gained in strength over the last 10 years. There are now over 6,200 worldwide, including 2,800 in China. The Group's local after-sales service teams are responsible for training and supporting the repair centers.

The Group guarantees the repair centers that around 50,000 listed spare parts will be available for up to 15 years after products cease to be manufactured, including products from subcontractors, at the cheapest possible price (at the end of 2021, this price remained unchanged since the 30% reduction in 2012). For products under warranty, spare parts are delivered to repair centers within 24 to 48 hours in Western Europe, rising to a maximum of four days in other parts of the world.

Nearly 7.5 million spare parts are stored at the Group's central warehouses in Faucogney in the east of France (30,000 m² in storage area). In addition, in a growing number of countries, consumers can directly order accessories, consumables and spare parts on the brand websites. In 2021, direct orders were possible on 67 brand websites across the world. In 2020, the Group expanded its storage capacity for spare parts and accessories in Hong Kong: the new local warehouse is double the size of the previous one and allows the Group to stock triple the number of items, which are then immediately available for repairers and consumers in Asia.

DIY repair and 3D printing

Customer support experienced a spike in activity in 2020/21, particularly during the lockdowns caused by the public health crisis: all around the world, consumers used and repaired their appliances more. Many consumers repaired products out of warranty themselves: in Europe, for example, the Group recorded increases of between 20% and 40% (depending on the time period) in orders for spare parts and consumables from its websites, and approved repair centers experienced similar increases in demand for these items. Conversely, the number of repairs carried out by approved centers, which were mainly on products under warranty, remained the same.

The Group also uses **3D printing**, which means some spare parts can be manufactured on demand. This simplifies inventory management and increases availability almost to infinity. Since 2020, more than 100 3D-printed functional and technical parts have been supplied to all repairers worldwide with the note "3D-printed part certified by the manufacturer". The most basic of these are available on brand websites for consumers who wish to repair their products themselves (e.g. a vacuum bag holder for an old model).

RépareSeb in Paris: a dedicated circular and solidarity economic hub

Opened in December 2020 in the 18th arrondissement of Paris, the **RépareSeb** project has a dual objective: to work toward a circular economy by repairing small domestic electrical appliances while helping people previously excluded from the world of work to get into employment. It is a joint social venture created by Groupe SEB and the Ares Group (Association pour la Réinsertion Économique et Sociale) in partnership with the City of Paris and offers several complementary services:

- small electrical appliance repair in a workshop that is certified for all Groupe SEB brands;
- appliance rental service in partnership with Eurêcook (see page 197);
- product refurbishment (mostly recovered as part of the after-sales service) for resale as "second hand" on site at fair prices;
- an incubator for start-ups in the circular economy;
- raising public awareness of responsible consumer practices.

RépareSeb ultimately aims to help around twenty people, who are seeking to enter the world of work, to find employment every year. This project has won multiple awards: the "*Projet collaboratif de l'industrie et de ses partenaires*" award from ESSEC in 2021; winner of the 11th edition of the "*Trophées Parisiens de l'économie sociale et solidaire* (ESS)" in 2020; and the LSA "*La conso s'engage*" award in the "Charity Collaboration" category for its partnership with ARES in 2020.

Raising awareness among consumers and other stakeholders

Regardless of whether the products are under warranty or not, the Group encourages consumers to repair their appliances instead of exchanging or repurchasing them. It directs them to approved repair centers using a variety of media, including product documentation, brand websites, explanatory videos…

It shares information on its reparability policy widely, in particular to its stakeholders in Europe (press, NGOs, consumer associations, public organizations, etc.). Its "15-year repairable product at fair prices" commitment is shared widely on social networks in Spain, Portugal, Romania, Poland, and other countries. As the Group is considered to be the European leader in reparability, it has been invited to present its approach at conferences organized by various public institutions, such as the Belgian Senate, the European Court of Justice and the Métropole du Grand Paris.

This commitment to reparability has won the Group many awards. In 2018, it won the award for "Social and Environmental Responsibility" at the European Business Awards in Warsaw, having been selected from 112,000 companies from 34 European countries.

PRODUCTS WITHIN THE RECYCLING LOOP

DESIGNING RECYCLABLE PRODUCTS

Product recyclability is a priority of the Group's eco-design guide (see page 201) and all products are assessed for their recycling potential using a standardized method. When designing a product, the Group gives preference to materials that can be recycled (metallic components, certain plastics like polypropylene) and plans for quick and easy disassembly.

For example, the Tefal Turbo Pro Anticalc steam iron had a heat shield (the part above the sole-plate) made from recyclable PBT, rather than non-recyclable BMC, which was the case for previous ranges. Thanks to this change made in 2016, the recyclability rate rose to 82% compared to 76% for an equivalent iron with a BMC shield. Since then, all new steam iron ranges manufactured at Pont-Evêque (France) incorporate this part. The same change was made to the Calor Express Compact steam ironing station. Another illustration of the improved recyclability: in 2018, the Erbach (Germany) site adopted a new co-injection process that removes the use of non-recyclable glue. The Eco-Respect range of food processors (Moulinex/Tefal), launched in 2021, has a recyclability rate of up to 95%.

The average potential recyclability rate for new electrical product families designed in 2020 was over 80%.

USING RECYCLED MATERIALS

GROUPE SEB 2023 TARGETS

- 50% of recycled materials in Group products (including packaging)

Groupe SEB uses more and more recycled materials in its products. In 2013, the Group set itself the target of incorporating 20% recycled materials in new products and packaging by 2020. It has now exceeded this goal, achieving 34%. The target is now 50% by 2023.

It also made a specific commitment **on recycled plastics,** with the goal of doubling the annual use in France by 2025 compared to 2017 (subject to any changes in applicable regulations that might impact this strategy). By the same token, the product design process now includes a new stage in which the purchasing and development teams thoroughly explore the possibility of using recycled plastic in various parts.

Metals: more recycled aluminum in cookware

As regards metals, across all products, most of the stainless steel used by the Group is already from recycled sources. This rate is over 80% in stainless steel cookware produced in Europe (utensils, frying pans, saucepans, stewing pots, pressure cookers, etc.). In the case of aluminum, mostly used for this product category, the proportion of recycled materials is lower but is rising on the back of efforts by the teams in question. Using recycled aluminum produces 90% less greenhouse gases than primary aluminum and consumes 16 times less energy. Tefal launched its first range of 100% recycled aluminum products in 2009 (Natura). Three years later, it introduced the first recycling system for cookware in France. Of products recently put on the market, the Eco-Respect and Resource frying pan ranges, which also use 100% recycled aluminum, won the Grand Prix de la Responsabilité Sociétale des Marques in 2019 (France).

Recycled plastic: significant progress

A PIONEERING ROLE

The Group's recycled plastics strategy began 10 years ago with the Enjoy utensils, made from 95% recycled **PET**. It has since continued to ramp up efforts in this area, led by the Purchasing, Quality, Standards and Environment and Research departments in liaison with the Industry and Marketing departments: cooperation with recyclers to improve the quality of the plastics in question, verifying their regulatory compliance, performing injection and prototype testing, launching pre-production runs, etc. Compared to plastics from oil, recycled plastics reduce the impact on global warming by up to 70%.

The Group was a pioneer in setting up the first **circular economy loop for small electrical appliances** in France with Veolia and the eco-organization Ecosystem (2015). This cooperation led to the first steam generator with a **polypropylene** casing made from recycled electrical and electronic appliances, produced in Pont-Evêque (Silence Steam, Rowenta).

Rowenta extended use of this material to the Silence Force Compact (2018) vacuum cleaner bases through specific investment in production lines at the Vernon site. In 2021, this change was made on 63% of all bagged vacuum cleaners produced on the site.

MORE AND MORE PRODUCTS WITH RECYCLED PLASTIC

The list of products using recycled plastic continues to grow. Up to 65% of the four Moulinex/Tefal Eco-Respect (2021) food processors, manufactured in Lourdes, are made from recycled plastic. This figure is set to increase in the near future with the development of new recycled plastics that can be used in components that come into contact with food.

The Expresseria (Krups) coffee machine, manufactured in Mayenne, is also moving in this direction. The bases, outer casings, bean hoppers and covers on all full-automatic machines were made from recycled PC/ABS in 2021. For example, the new full-automatic Evidence Eco Design, launched at the beginning of 2022, contains a total of 62% recycled plastic.

A number of other projects are underway, including ones around utensils and appliances for cooking meals with others (crêpes, raclette, etc.). In 2021, the Group designed a range of EMSA/Tefal storage boxes containing 85% biosourced plastic (cooking oil, wood and paper waste, etc.) as well as a range of flasks made from 50% recycled plastic (launched in 2022). Both types of plastic have been ISCC certified [(1)]. The use of recycled plastic is also growing in South America and Asia. In Brazil, an Arno fan and a non-automatic washing machine have been designed to use up to 70%, recycled plastic, while in Vietnam, a range of fans uses 50% recycled plastic. In both cases, the polypropylene comes from local recycling industries. In addition to its long-standing partnership with Veolia in France, the Group is gradually expanding its portfolio of recyclers on all continents.

END-OF-LIFE RECYCLING

In Europe, national **eco-organizations** manage the collection and processing of small electrical appliances that are at the end of their service life. Groupe SEB is particularly involved in this in France, as part of Ecosystem, the country's largest eco-organization for WEEE (Waste Electronic and Electrical Equipment).

As yet, there is no specific channel for aluminum pans, saucepans or stew pots, however. In France, for example, 60% end up as household waste (6,000 tons per year), even though they are 80% recyclable. Since 2012, Groupe SEB has expanded the number of initiatives designed to promote **cookware recycling**, in particular in Europe with the Tefal brand (France, Netherlands, Norway, etc.). The operations involve a partnership between the Group, specialist recycling companies and partner distributors. Consumers are encouraged to bring their old products back to the store, in exchange for a discount voucher to purchase a new item. The offer has focused on 100% recycled aluminum cookware since 2018. The used products are collected before being sorted and crushed. The main materials (aluminum, stainless steel and plastic) are separated, then recycled to manufacture new products, including cookware.

In France, the initiative was repeated in 2021 with the stores Leclerc (partner since the beginning), Carrefour, Auchan, Système U, Cora and BHV. In France, these actions have helped to collect and recycle more than 1,000 tons of cookware – 1.5 million products – over ten years.

Campaigns to collect and recycle frying pans and saucepans are being rolled out in ever more countries and retailers. In 2021, they ran for the first time in Russia and the United Arab Emirates.

(1) International sustainability & carbon certification – mass balance approach.

SHARED USE PRODUCTS

The Group is at the forefront of new, more sustainable, consumer models similar to product-service systems, and since 2015 has been testing an innovative **kitchen appliance rental service** in France to respond to ad hoc consumer requirements. Christened **Eurêcook**, it was initially rolled out in the Dijon area in partnership with a network of public and private sector operators such as ADEME [(1)], the ENVIE association and Groupe Casino. In October 2018, it was launched in Paris, this time in partnership with ENVIE and Monoprix, the leader in city center shopping. The principle is simple: the consumer books their Seb, Tefal or Moulinex appliance on the www.eurecook.fr website or in one of the five Parisian Monoprix stores initially participating in the campaign. They choose the length of the rental (from a weekend to a week) then pick up the appliance at one of the collection points or with their shopping delivery. Once they have been returned, the products are systematically cleaned, checked and re-packaged by workers from a professional integration scheme (ENVIE).

This service has taken on a new dimension in 2021 in Paris as part of the RépareSeb project. This service can now be rolled out throughout the country by delivering the rented product to the customer's house and having them return it at a drop-off point (see page 194).

PRODUCTS WITH MULTIPLE LIVES

GROUPE SEB TARGET

- Trial business models that give a new life to Group products

Re-use of small electrical appliances

When consumers return products, for example as part of after-sales service or in response to specific sales offers, and they can still be used, the Group makes every effort to give them a new life rather than shipping them off for dismantling or recycling.

Thus, most of the products returned to the Group's site in Alençon through distributors' after-sales services have not been used much and have a single fault. Most of them are repaired at the Parisian organization RépareSeb to be resold as second-hand products with warranties. Since 2017, Groupe SEB France has also enlisted the ENVIE Anjou inclusive employment organization to handle part of the process, whereby it dismantles and repairs the products at its workshop near Angers before reselling them at a reasonable price in its store with a one-year guarantee. In 2021, the organization refurbished more than 6,000 appliances that would have otherwise been destroyed. Since the beginning, this partnership with Groupe SEB has enabled 22 people to rejoin the world of work.

Refurbishment of frying pans and saucepans

The **All-Clad** brand extends the lifetime of products with an unprecedented offering. Since 2015, it has offered its catering customers second-hand frying pans reconditioned at the Canonsburg plant in the United States. The pans recovered from chefs are disassembled, cleaned, returned to their original condition, brushed, and polished for a pristine result. They leave the plant looking as good as new but at half the price and with much less of an impact on the environment (95% less energy consumed). This ENCORE range has received support from a number of chefs. 5,000 frying pans have been reconditioned within the past five years.

(1) French Agency for the Environment and Energy Management.

3.11 Climate action

CONTRIBUTE TO THE FIGHT AGAINST CLIMATE CHANGE THANKS TO OUR LOW-CARBON STRATEGY

From the design of a product to the end of its life, the Group takes measures to limit its environmental footprint (eco-design, eco-manufacturing, eco-logistics, recycling, etc.) and contribute to combating climate change. It does so by using its product **eco-design guide** and **ISO 14001** international certification. In the factories, offices, laboratories and warehouses, all Group employees and contractors are made aware of the importance of respecting the environment. Groupe SEB's environmental strategy is supervised by the Quality, Standards and Environment department and is coordinated across the sites by Environment, Health and Safety Coordinators. Information on Groupe SEB's environmental expenditure is available on page 290.

The data given below are for a worldwide scope for ISO 14001-certified entities [(1)]. Data concerning new acquisitions will be included progressively, as and when they are integrated into the various Group processes.

ANALYSIS OF THE GROUP'S GREENHOUSE GAS EMISSIONS

Groupe SEB measures its greenhouse gas (GHG) emissions along its entire supply chain in line with the international GHG protocol developed by the World Resources Institute and the World Business Council for sustainable development (see methodological note on page 199). This assessment distinguishes between Scope 1 and 2 greenhouse gas emissions that are directly linked to the Group's production activities and indirect Scope 3 emissions (see Glossary on the next page).

Scope 1 and 2 emissions and those part of Scope 3 (upstream and downstream transport of components and products) have been evaluated every year since 2017.

The purchase of products and services and the use of products sold are the most significant emission items in scope 3. In 2021, Groupe SEB set up a working group to define the annual calculation methods for the emissions from these two major sources. This work is due to be completed during 2022.

In 2020, total GHG emissions for Groupe SEB represented 15.5 million tons of CO_2 equivalent [(2)].

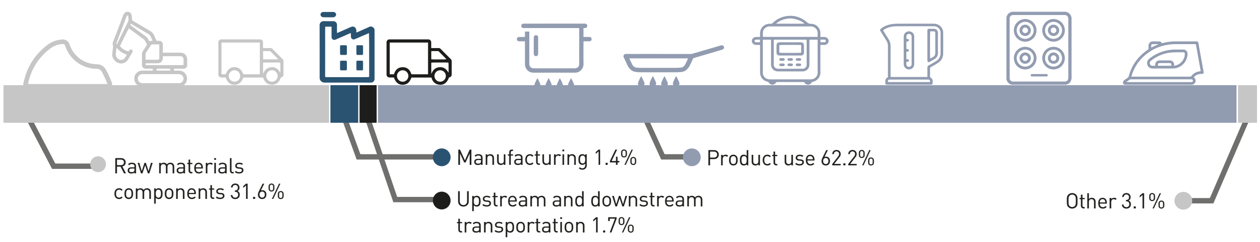
These break down as follows:

Scope 1 (absolute) = 71,532 tCO_2eq

Scope 2 (absolute) = 144,982 tCO_2eq

Scope 3 (absolute) = 15,301,744 tCO_2eq

BREAKDOWN OF GROUPE SEB'S ANNUAL GREENHOUSE GAS EMISSIONS



(1) *Certificates obtained by sites prior to their acquisition by Groupe SEB were not taken into consideration.*
(2) *Scope of Groupe SEB entities ISO 14001 certified in 2019 and before.*

GLOSSARY

Scope 1: emissions linked to the consumption of fossil fuels (mostly natural gas) used for certain industrial processes or to heat buildings on the Group's ISO 14001-certified industrial and logistics sites.

Scope 2: emissions caused by the consumption of electricity bought on the Group's industrial and logistics sites.

Scope 1 and 2 emissions consist of the Group's emissions from its plants and logistics sites (see "Eco-manufacturing" section on page 203).

Scope 3: indirect emissions that are not directly linked to the manufacture of products (e.g. purchases of goods and services, the use of products sold, and downstream and upstream transport).

Raw materials and components: emissions linked to the extraction of raw materials and the processing of materials and components by Groupe SEB.

Production: emissions linked to the energy consumed by the Group's industrial and logistics sites (combustion of fossil fuels and electricity consumption) = scopes 1 and 2.

Upstream and downstream transportation: emissions linked to the transport of elements of the value chain. Upstream applies to elements that are purchased by a Groupe Seb site. Downstream applies to finished products from the factories to the customers' warehouses. The term covers the emissions from the movement of goods by land, sea and air.

Use of products: the calculation of emissions linked to the use of products takes into account the electricity consumed by small electrical appliances, the gas and electricity required for operation, and the washing (in hot water) of cookware. For every product category, the calculation considers their hypothetical use over the year and the sales volume.

Other: this emissions item covers various types of emissions that are not very significant if taken separately. It includes, for example, emissions linked to Group employees' journeys to work, business travel, and consumers' trips to stores. It also includes emissions linked to the end of life of products.

METHODOLOGICAL NOTE

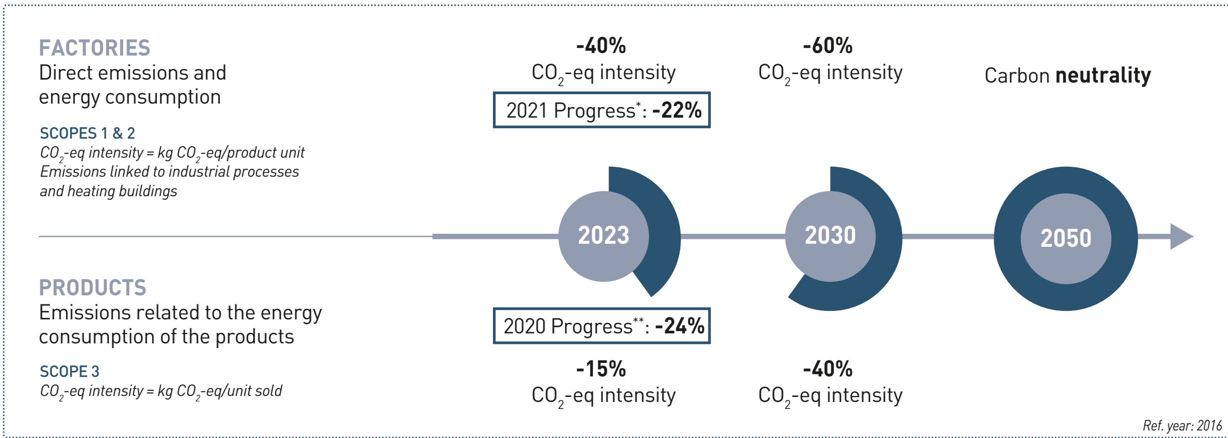
The emissions factors used are taken from databases (that of the International Energy Agency and the carbon database of ADEME [(1)]). There is a degree of uncertainty in the GHG Protocol's calculation method, since it is based on average emissions factors and given the number and type of data requested. It nevertheless provides information about the proportions of the Group's main emissions items, which serve as a useful guide for its strategies to reduce its carbon footprint.

To calculate the Group's carbon footprint, the teams used the eco-production reporting data for scopes 1 and 2, and the life cycle studies for the different product families for scope 3. The GHG emissions generated by product manufacture, described in the "Eco-manufacturing" section (page 203), and the GHG emissions linked to logistics presented in the "Eco-logistics" section (page 208), are monitored by a dedicated reporting system.

CONTRIBUTE TO CARBON NEUTRALITY IN 2050: SCIENCE BASED TARGETS

To strengthen its contribution to combating climate change, in 2016 Groupe SEB joined the Science Based Targets initiative launched by the WWF, alongside the Global Compact (UN), the WRI (World Resources Institute) and the CDP (Carbon Disclosure Project). This initiative encourages large companies worldwide to align their greenhouse gas emission reduction targets with the IPCC's recommendation for limiting the average global temperature rise to below 2 °C by the end of the century.

In 2018, the Group set out its own short and long-term SBT targets. They were officially approved by the SBT Initiative (SBTi) in 2019. Groupe SEB is thus amongst the 100 leading companies worldwide to have brought their low-carbon strategy into line with the Paris Accord.



* Intensity results of Scopes 1 and 2, with the scope being entities included in the science-based targets calculation.

** Intensity results of Scope 3 of "Use of Sold Product," with the scope being products included in the SBT targets calculation. The figure for 2021 is not currently available at the time of the URD being published because the two processes are out of sync by a few months.

(1) French Agency for the Environment and Energy Management.

The Group established special governance to achieve these goals and specify the necessary course:

- **the "product manufacturing" low-carbon strategy (scopes 1 & 2)** is defined and controlled by a low-carbon Steering Committee coordinated by the Sustainable Development department. It brings together representatives from the Cookware and Small Electrical Appliance Industry departments, the Quality Standards and Environment department, the Purchasing and Management Control department. This Committee follows the environmental road-map, which more broadly covers all issues pertaining to environmental conservation.

  The strategy for working toward carbon neutrality at industrial sites is broken down into three areas:

  - reducing the sites' energy use by optimizing consumption: energy audits, roll-out of an energy indicator (kWh/product unit) within manufacturing operations, adjusting processes, choice of less carbon-intensive energy sources, etc.,
  - increase in the share of renewable energy: on-site energy generation using solar panels, purchasing green energy through long-term Power Purchase Agreements,
  - as a final measure: offsetting residual greenhouse gas emissions by supporting ecosystem restoration projects, primarily in forestry, featuring a biodiversity conservation label.

  See details about these actions on page 203 ("Eco-manufacturing");
- **the "use of products" low-carbon strategy (scope 3)** is coordinated via the eco-design road map. Under this road map, in-depth reviews (2019) were carried out for each product category to adjust the priority areas to its particularities. Actions to reduce greenhouse gas emissions caused by the use of products generally include:

  - repairing products,
  - integrating recycled materials,
  - raising consumer awareness about the right conditions for using products,
  - reducing how much energy products consume (eco-design and new technologies).

  See details about these actions on page 193 ("Circular revolution") and page 201 ("Eco-design").

To strengthen its environmental approach, the Group worked with the **WWF** NGO, which supported it with multiple specific projects including, in 2018, the formalization of SBT targets and its eco-packaging policy (see page 202).

ECO-DESIGN

WHAT "ECO-DESIGNED PRODUCT" MEANS

Groupe SEB's eco-design policy aims to reduce the environmental footprint of the Group's products throughout their life cycle. Launched in 2003, it has continued to go from strength to strength. In 2020, the Group refined its definition of an eco-designed product. It is a product that must meet its eco-design criteria:

- a product designed to last and be repaired;
- an increasingly recyclable product;
- materials with a reduced environmental impact;
- better energy efficiency;
- more eco-friendly packaging.

There are specific criteria (quantitative thresholds and/or qualitative features) for sustainability, recyclability, energy efficiency, and the integration of materials with a reduced environmental impact for each product category: small electrical appliances, Cookware, and Kitchen Utensils and Gadgets. Formalized in 2020, these criteria were tested with the assistance of Ernst & Young to ensure that they were relevant and robust. They act as operating guidelines for the teams.

ECODESIGN LABEL AND RAISING CONSUMER AWARENESS

In 2021, to promote its eco-design with consumers, Groupe SEB created its ECOdesign label, which is certified by an independent third party (Ernst &Young) with regard to ISO 14020 and ISO 14021 standards. This label allows consumers to quickly identify the products that conform to the strictest eco-design specifications. It covers the whole gamut of products from the Group's brands, from small appliances to cookware.

The first ECOdesign certified range was launched in Europe in autumn 2021: Eco Respect is a full range of products for preparing food (Moulinex/Tefal) and is manufactured in Lourdes. The products contain up to 65% recycled plastic and are up to 95% recyclable. Packaging is made from at least 90% recycled cardboard, uses vegetable-based ink, and no longer contains plastic bags or polystyrene. Some of the Group's other products were also awarded the ECOdesign label in 2021, such as the Natural Chef frying pan (Tefal), the Clipso Minut' Eco-Respect pressure cooker (Seb/Tefal) and the Crep Party crepe maker (Tefal).

In addition to eco-design, reducing the environmental impact of products also depends on how they are used by consumers. As a result, Groupe SEB is making efforts to inform and raise awareness among users. On the Tefal and Moulinex sites, for instance, new dedicated pages are highlighting the eco-design concept, such as what it means, what the ECOdesign label is, examples of certified products, advice on how to use products in a way that limits their environmental impact, and ideas on how to be eco-responsible.

ECO-DESIGN GUIDE

Throughout the product creation process, the teams rely on the Group's **eco-design guide**, developed in 2014. It includes every stage of the life cycle of products and their packaging (extraction of raw materials, manufacturing, transport, use, and end of life). It has been distributed to the entire innovation community (e.g. the marketing, R&D, design, purchasing, quality and legal teams) and is the focus of regular training sessions.

Enhanced training

In 2020, the Group incorporated eco-design into the new Path to Innovation training program (see page 175) with a more operational perspective. The goal is to help innovation teams better understand eco-design concepts and challenges, to understand the opportunities they represent in their area, and to make the most of them by using the resources provided by the Group (tools, case studies, monitoring documents, etc.).

Two modules launched in 2021. The first focuses on the fundamentals of eco-design. It is available in an e-learning format for more than 800 employees of the Products and Innovation community around the world. The second module is a more in-depth training session that is aimed at teams directly involved in eco-design projects.

LIFE CYCLE STUDIES AND ENVIRONMENTAL PROFILES

The Group regularly updates its product life cycle analysis (LCA). These significant studies [1], which measure the various impacts of products on the environment, enable us to focus our research on reducing their ecological footprint. In 2021, around 80% of families of products defined as the most significant were covered by a life cycle analysis. Five new LCAs were conducted in 2021 (two types of frying pans, storage boxes, induction cooktops, Steampod hair straightener).

The Group has also set out to establish the environmental profile of each product family through summary fact sheets for internal use. Based on the results of the LCA study, they respond to three questions: Which stage of the product life cycle affects climate change the most? What resources are required to manufacture the product and make it work? What ways are there to reduce the impact on the climate and resources? Designed with the participation of the development, marketing and quality teams, these facts sheets have been made available on the intranet. They are both awareness-raising materials and a tool to assist with targeting eco-design efforts.

By 2025, the Group is committed to including biodiversity impact in all new LCAs to establish the current situation before undertaking measures to make improvements in this area.

(1) Life-cycle analyses carried out on models that are the most representative of each Group product family in terms of technical characteristics, sales and geographical distribution.

ENERGY EFFICIENCY

Over the whole product life cycle analysis, close to three quarters of the carbon impact comes from their energy consumption during the use phase, which far outstrips the figure for the manufacturing phase (1.3%). Aware of the importance of the energy issue, the Group has ramped up its coordination of such initiatives. It is concentrating its efforts on **about fifteen priority product families**, those with the greater impact on electrical consumption in terms of their individual consumption and the volumes sold. For each one, the Group defined a standard method for calculating consumption and energy efficiency, and selected one or two standard products that will be used as a benchmark for measuring progress. The following are some representative examples of the Group's work and progress on energy efficiency:

- **Vacuum cleaners**: in ten years (2010-2020), the Group cut the average energy consumption of its canister vacuum cleaners by more than a third, without compromising on cleaning power or noise level. To achieve this, it developed low input/high output motors, designed more effective suction nozzles and improved all air flows to reduce charge losses.
- **Kettles**: aside from temperature setting functionality, which has already been incorporated, the Group is working on multiple areas of improvement, in particular to help consumers to heat just the amount of water they need. Tefal's Delfini range, for example, has a marker for a single cup.
- **Hair dryers**: in 2020, an update to the two key ranges Studio Dry and Powerline (Rowenta/Calor) incorporated Effiwatts technology. The hair dryers consume on average 20% less energy than the standard models without affecting performance. This is what enabled Effiwatts hair dryers to obtain the Solar Impulse Efficient Solution label awarded by the Solar Impulse Foundation.
- **Fans:** this product family has improved its energy profile since 2018. The Air Protect Eco-(Samurai) fan now uses 50% less energy than the benchmark model, achieving the same performance level.
- **Steam generators**: for an increasing number of appliances, the product automatically starts in "eco" mode rather than in standard mode. This initial default setting removes the risk of the consumer using a setting that is potentially more than they need. A similar solution is currently being explored for irons.

ECO-PACKAGING

GROUPE SEB TARGET

- Zero plastic packaging
- Zero expanded polystyrene
- 90% recycled fibers

The Group's eco-design policy includes product packaging (eco-packaging). The packaging must fulfill its functions in terms of protection, storage, transport, information and handling, while minimizing its environmental impact. The Group standardized and formalized its responsible packaging policy in 2018 with the support of the WWF (World Wide Fund for Nature). In 2020, to further support project prioritization and monitoring, the Group created an eco-packaging Steering Committee comprising the Development, Marketing, Purchasing and sustainable development teams. The eco-packaging policy was produced and co-signed by the Sustainable Development department and the Purchasing department, and it has 10 targets.

Practical steps for an eco-packaging policy

The top three priorities for 2023 are to use 90% recycled fibers, eliminate internal plastic packaging and eliminate expanded polystyrene packaging. The packaging must be designed along with the product, minimizing empty space and the amount of materials needed, while guaranteeing product quality during transport. Packaging that is difficult to recycle must be limited and any superfluous packaging avoided. Suppliers are also strongly encouraged to use FSC certified cardboard sources. For printing, inks must be water or plant based, without mineral oils. With regard to inserted documents (user instructions, safety recommendations, etc.), the Group wants to make these paperless and so reduce the amount of paper used. Consumers are being made more aware of waste sorting and recycling through information given on the packaging.

Cardboard to replace plastic bags and expanded polystyrene supports

With regard to the level of **recycled fibers**, the packaging used at the European, Asian and South American production sites is already above the 90% target. The Group is therefore focusing its efforts in North America.

As regards the elimination of plastic packaging and the replacement of expanded polystyrene supports, actions were stepped up in 2020 with solutions typically made from cardboard. Woks and fondue appliances (Tefal) manufactured in Rumilly, for example, are no longer packaged in a plastic bag and are now protected and secured in place using a custom-designed cardboard sleeve. Over the past two years, the list of products that have made these changes has continued to grow: multi-cooker Cookeo (Moulinex), the five-second mini meat mincer (Tefal), etc. The Group is continuing to develop various packaging solutions for product cushioning, including "honeycomb cardboard" and molded pulp, an option that has already been used for several years now for Rowenta vacuum cleaners manufactured in Vernon.

Among the new products in 2021, the Eco-Respect range of food processors and the Clipso Minut' Eco-Respect (see ECOdesign label, page 201) meet all the eco-packaging criteria: their packaging contains at least 90% of recycled fibers, zero expanded polystyrene and zero plastic packaging, while they also use vegetable-based ink.

Eco-designed e-commerce packaging to limit overpackaging

The explosion in online sales led to a sharp increase in e-commerce retailers overpackaging products to send to consumers from their logistics platforms. To avoid this environmentally unfriendly practice, the Group has developed a specific packaging for e-commerce. The solution no longer requires the product to be repackaged between leaving the factory and arriving on the consumer's doorstep. The packaging is made from 100% recycled cardboard, which can in turn be recycled, and does not use any plastic or polystyrene bags. It meets retailers' most stringent certifications in terms of product protection and user experience.

This innovative solution, implemented in 2020 at the Tefal site in Rumilly, was awarded the Grand Prix Responsabilité Sociétale de la Marque (organized by Produrable and LinkUp Factory): Tefal took home the "Coup de cœur" favorite award for the eco-designed e-commerce packaging. Furthermore, in 2021, the Group's mail order service replaced all the plastic cushioning materials with crumpled paper.

Other examples of progress on eco-packaging include bakeware (Kaiser) intended for the 8,000 counter displays designed for retailers: since 2019, they have ceased being individually wrapped and instead are stored in bulk until placed on the counter display, before being sent to the outlets. Result: 6.5 tons of cardboard and 600 kg of plastic saved a year.

RECYCLABILITY AND USING RECYCLED MATERIALS

See page 195.

REPARABILITY

See page 193.

HARMLESSNESS AND UNPOPULAR SUBSTANCES

See page 185.

ECO-MANUFACTURING

GROUPE SEB TARGET – 2023
- 100% of plants ISO 14001 certified
- -40% carbon intensity of our plants (base year 2016)

Covid-19 has had a moderate impact on greenhouse gas emissions from plants, varying greatly between the plants around the world, closely linked to the scenario in each country and the local health measures in place. In 2021, Vietnam experienced the biggest impact (closure or slowdown of plant production for several months).

GLOBAL GROWTH BASED ON ISO 14001 CERTIFICATION

Since 2003, the Group has adopted a worldwide environment management system. This system aims, first and foremost, to prevent pollution, control the use of resources (energy and water) and reduce waste. This approach translates into **ISO 14001 certification** of sites based on compliance with applicable laws and regulations, and the principle of ongoing improvement in environmental performance and prevention of pollution.

ISO 14001 certification

Groupe SEB's goal is for all of its industrial and logistics entities to be ISO 14001 certified worldwide.

(Worldwide)

	2021	2020	2019
Number of certifiable entities	46	44	41
Entities holding ISO 14001 certification *	100%	100%	100%

* *Based on industrial and logistics entities at the end of the year considered (including the Group's head office).*

All the entities scheduled for ISO 14001 certification in 2021 successfully obtained their certificates, with several sites recently included in the certification scope: Borg El Arab in Egypt and sites in China – Supor LKA in Shaoxing, Supor and WMF in Yuhuan, and EMSA in Taicang.

Since 2017, the Group has been using the latest version of ISO 14001, which strengthens the role of management and promotes a more global approach to the impact of site operations on product life cycle.

This change implies the upskilling of the teams through training and increased involvement of the international network of 35 **Health, Safety and Environment coordinators**. When new environmental coordinators join the network, they always have a welcome meeting during which they are shown the Group's eco-manufacturing road map and all the processes and tools implemented. This network is coordinated in particular through quarterly meetings, typically using video.

ECO-INNOVATIVE PROJECTS: BEST PRACTICES FOR SHARING

In order to share best practices, each plant and logistics site worldwide is invited each year to present at least one **eco-innovative project** designed to reduce the environmental impact. It has highlighted and shared around 300 projects since 2014. More than half of these focus on reducing energy use and using renewable energy, a quarter focus on recycling and reducing waste and 20 seek to reduce water consumption. The remainder is split between several topics, prime among them is the protection of biodiversity and environmental awareness.

After a break in 2020 due to the Covid-19 pandemic, the challenge resumed in 2021 with a call for projects for both years (2020 and 2021). The Baddi site in India participated for the first time and submitted two energy projects. A total of 50 projects were received.

REDUCING THE SITES' CARBON FOOTPRINT

To achieve its low carbon targets for product manufacturing (scopes 1 and 2, see page 199), the Group acts on the two main drivers: reduction in energy consumption and use of renewable energy.

Using less energy

In 2019, the Group rolled out an energy management **standard**, based on the essential requirements of **ISO 50001**. It was incorporated into the in-house audit manual and is gradually being applied to all sites, harmonizing practices in terms of organization, energy monitoring, training, etc. Several of the Group's sites that are already ISO 50001 certified have made considerable advances in this area: Erbach (Germany), Rumilly and Tournus (France), most of WMF's European sites and the EMSA site in Emsdetten.

Since 2020, the Group has trialed a system designed to measure, monitor and manage energy consumption as a means of optimizing the energy efficiency of its sites: **DSM (digital shop-floor management) Énergie**. The system was trialed at two sites in France and will be gradually rolled out internationally. Using sensors installed on equipment, monitoring software and energy management modules, the system will allow sites to quickly take the necessary remedial actions in the event of consumption drift (alerts) and will help them carry out more in-depth analyses to refine machine settings (predicting tools). Energy experts at the industrial sites are in prime position to leverage the data collected by the system, with the support of the DSM Énergie corporate team. Everyone is trained in energy management in industry.

On the Group's sites worldwide, the search for energy efficiency has led to a multitude of actions that can be shared as good practices.

Here are some examples:

- in China, the Supor sites in Shaoxing and Hangzhou upgraded all of their plastic **injection molding machines** between 2017 and 2019, fitting them with an insulation strip that cuts energy consumption by 30% while improving operator comfort (drop in ambient temperature). Along the same lines, other Group sites made progress on insulating the plastic injection barrels, including in Emsdetten (Germany) and Mayenne (France) in 2019 and in Cajica (Colombia) in 2021. The Xiangsu site (China) launched a program to optimize insulation and the **mold** heating system with the key being energy consumption of close to 50% less when operating;
- the Shaoxing site has invested in a new all-in-one **screen printing machine** that both prints and dries the ink, cutting energy consumption by 80%;
- **compressed air** production is another area targeted for improving energy efficiency with the replacement of existing equipment with next generation compressors, often with variable speeds. In addition to their improved energy efficiency and quieter operation, in many cases they allow heat to be recovered to heat the premises. Following the Lourdes site in 2019, the Rumilly site made such investments in 2021. It has also installed a heat recovery system on a cooling unit. The Shaoxing, Hangzhou and Erbach sites are also making similar efforts in this area;
- in Germany, the WMF/Silit site in Riedlingen installed a new **heating** management system in 2021, allowing different buildings to be managed individually with many programming options (day/night, reduced activity, etc.). This helps reduce natural gas consumption for heating by nearly 30%. In Omegna (Italy), the site has taken advantage of two existing 80m wells (used for its industrial processes) to introduce a reversible cooling/heating system for its offices. The system is based on the fact that, at that depth, water remains at a stable temperature (around 10 °C), whatever the season. Passing through a circuit which does the rounds of the site premises, the water cools the buildings in summer and can heat them in winter.

Generally speaking, all the sites are continuing to gradually replace their existing lights (particularly including fluorescent tubes) with LED systems (50% to 75% lower consumption). This operation will not only reduce the energy footprint, but also generate significant savings.

Developing renewable energy

The Is-sur-Tille site (France) was the first in the Group to install a solar power air-conditioning system for an assembly workshop where the temperature was very high in the summer. Photovoltaic panels supply the electricity needed by the air-conditioning units, and when these units are not in use, it is used for other purposes. In 2021, the site went one step further, taking its organic waste (produced by maintaining green spaces and testing cookware) to a neighboring agricultural biogas plant, where it is transformed into biogas that in turn powers the industrial site. Recycling waste in this way reduces the use of fossil fuels and cuts heating-related greenhouse gas emissions by a factor of over four.

In 2019, solar panels were installed at SEB Campus in Écully with the goal of covering 20% of its energy consumption as well as at the headquarters of the subsidiary in the Netherlands. Photovoltaic electricity production began at two industrial sites in 2020: Pont-Évêque in France and Rionegro in Colombia. In Rionegro, the Group used the Power Purchase Agreement (PPA) mechanism for the first time with support from public authorities. Instead of investing in a solar power plant itself, it signed a long-term contract (20 years) with a renewable energy producer (in this case: GreenYellow). The producer financed the electricity production facilities on the site, and sells electricity back to the site at an attractive price, which is set at the beginning of the contract and stays fixed for its entire duration. Other projects that use PPAs are being explored, specifically in France, China, Egypt, Vietnam and the United States.

By 2023, one or two new renewable energy projects will be launched at a Group site every year. It should be noted that the Wilbur Curtis site in Montebello (United States), which the Group recently acquired, has solar panels that generate over half its electricity (Wilber Curtis is not yet included in Group reporting).

CONSUMPTION OF RESOURCES

(ISO 14001-certified entities)

Direct raw materials

(in tons)	2021	2020	2019
Total consumption of metals (1)	226,888	175,936	186,937
Total consumption of plastics (2)	98,570	92,628	100,558
Total consumption of packaging	162,644	106,119	106,546

(1) Data updated in 2019 and 2020 following a methodology correction.
(2) This indicator consolidates polymers including plastics and rubber.

Several sites are innovating to reduce the amount of materials used. In Riedlingen, WMF reduced as far as possible the dimensions of the steel disks used to manufacture its stewing pots. For the 24 cm diameter product range alone, the site saved over 32 tons of steel in 2019.

Steps taken to improve packaging are detailed on page 202 (Eco-packaging).

Indirect raw materials

	2021	2020 (2)	2019 (2)
Total consumption of natural gas *(in GWh)*	305.5	260.8	283.4
Total consumption of liquefied gas *(in GWh)* (1)	69.1	62.4	55.2
Total consumption of electricity *(in GWh)*	396.6	362.8	385.6
Total consumption of water *(in thousands of m³)*	3,318,7	3027.1	3398.9
Total consumption of heating oil excluding fuel *(in GWh)* (1)	3.1	1.6	1.6

(1) The units of these indicators, already declared respectively in tonnes and m³, have been standardized for the sake of consistency.
(2) Updated data for 2019 and 2020.

Total natural gas consumption increased by 17% this year. Activity recovered in Europe and Asia, which led to an increase in the use of natural gas for industrial processes and heating buildings. With natural gas being the main source of energy for heating at the Group's plants, weather patterns have a significant effect on consumption.

The increase in activity at the Supor Yuhuan and Seb Do Brasil Itatiaia sites, where liquefied gas is used in the manufacturing processes, explains the 11% rise in liquefied gas consumption.

On a similar scale, the increase in electricity consumption is also linked to a strong upturn in activity, particularly at the Supor Wuhan and Tefal Rumilly sites.

Water consumption has also increased but at lower levels than 2019, thanks to local projects.

The recovery of activity at the Hayingen and Geislingen sites, as well as seasonal variations in climate, have led to twice as much fuel oil being consumed for heating.

REDUCING WATER CONSUMPTION

The Group is mindful of conserving water resources and is implementing action plans to reduce water consumption and recycle wastewater on industrial sites. It aims to reduce water consumption by 20% per item produced by 2023 (base year: 2016). Many sites are involved in this approach: the Canonsburg site (All-Clad) has developed a program to eradicate excessive water consumption, while the sites in Hangzhou (China) and Rionegro (Colombia) recycle waste water which, after treatment, is re-used in production or to supply the washrooms. The Rionegro site has also put in place a system for capturing and storing rainwater, covering over half of the site's water needs. In Itatiaia (Brazil), some of the wastewater treated by the water treatment plant is used to clean tools.

As most of the Group's water consumption is for manufacturing **cookware**, especially in the washing stages, the Group makes investments to make production processes water efficient. For example, the Selongey (France) site began replacing its existing wash tunnels with more efficient equipment in 2019. It aims to reduce water consumption by 70%, saving 50% in natural gas and 10% in electricity. The first wash tunnel was changed in 2019, and the three others will be changed by 2026. A similar project began at the WMF site in Domazlice (Czech Republic) in 2021. In Vietnam, optimizing the circulation of water in the washing lines reduced water consumption by 20%, and in Yuhuan (Supor), automated valves were installed to regulate the use of water and cleaning products.

GROUP SITES AND WATER STRESS ZONES

In addition to reducing the volumes consumed, it is important to consider where water is used geographically to look at consumption in relation to regions under water stress where water is a sensitive resource. In 2015, the Group carried out an analysis of its industrial facilities according to the geographic location of the sites in question, using the Aqueduct Water Risk Atlas reference tool published by World Resources Institute (WRI). This tool measures availability, quality and water-related dispute risks on an aggregate basis. The assessment carried out by the Group was updated in 2021 with a view to updating its Water Strategy. The Group has also begun conducting a climate change vulnerability assessment of its activities (see "Duty of vigilance", page 142). There is a specific focus on assessing the Group's exposure to water stress over the next 10 years.

WASTE

Progress is being made in the reduction of industrial waste, capitalizing on practical initiatives. On many of the Group's plants, the largest volume of non-hazardous waste comes from the **packaging of delivered components**. To reduce this, some packaging is now being sent back to suppliers to re-use for future deliveries: in Erbach for the cardboard that protects the iron soleplates (6.4 tons of waste saved per year), in Selongey for the containers of pressure cooker modules and handles, and also in Is-sur-Tille, Vernon, Shanghai, and elsewhere. In Vietnam, the Binh Duong site (Asia Fan) eliminated the plastic sachets around the fan components.

Pallets are also re-used: in Lourdes and Vernon, component delivery pallets have been aligned with the palletization standards of the Group's finished products so that they can be re-used for shipments to customers. Some initiatives also relate to **production methods**, such as in Erbach where optimization of the assembly process of some irons has reduced the amount of glue waste from the rinsing cycles by a factor of three. In Pont-Evêque (France), the ink-pots in the tampon printing machines are being progressively modified to be able to adjust the volume of ink to production requirements, allowing the quantity used to be reduced by around a third.

(ISO 14001-certified entities)

	2021	2020 (2)	2019 (2)
Non-hazardous waste (NHW) (1) *(in tons)*	29,680	25,866	34,825
Percentage of NHW recycled *(in %)*	59.7	59.6	69
Percentage of NHW used for energy (1) *(in %)*	18.3	19.3	15.1
Production of Hazardous Waste – excluding waste oil, effluent and sludges *(in tons)*	3,016	5,033	1,991
Sludges produced by internal wastewater treatment plants *(in tons)*	4,198	3,949	3,708

(1) Excluding Oils, Metals and Sludges.
(2) Updated data for 2019 and 2020.

The recovery of global activity has led to significant variations in non-hazardous waste compared to 2020. There was less hazardous waste in 2021, which mainly comes from on-site works. In 2021, 78% of the non-hazardous waste was treated through recycling or used to produce energy. The portions of waste sent to the recycling streams are subject to highly variable local regulations and international context. The Group also records its metal waste: 19,488 tons.

GREENHOUSE GAS EMISSIONS

(ISO 14001-certified entities)

Greenhouse gas emissions (Scopes 1 and 2) *(in tons CO_2 equivalent)*	2021 (3)	2020 (2)	2019 (1)
EMEA	61,090	52,578	58,708
Americas	16,190	13,289	14,400
Asia	164,734	150,647	155,246
World	242,014	216,515	228,354

(1) Entities certified in 2018 and earlier.
(2) Entities certified in 2019 and earlier (one newly certified site compared to 2018).
(3) Entities certified in 2020 and earlier (three newly certified sites compared to 2019).

The overall rise in the energy consumption of the sites has led to a 12% increase in greenhouse gas emissions between 2020 and 2021. The increases in electricity consumption in China contributed significantly to this rise.

With regard to volatile organic compounds (VOCs), Groupe SEB regularly tests its emissions in order to treat and control these emissions. The Group has made significant investments, totaling several million euros, to improve the sites most concerned by VOCs (e.g. Rumilly). These investments aimed to treat emissions as well as to overhaul processes in order to very substantially reduce VOCs.

PREVENTION OF POLLUTION

Prevention of air, soil and water pollution is the first pillar of the Group's environmental policy, designed to protect the ecological balance around our sites. In 2018, the Group strengthened its tools in this area, putting in place an environmental risk assessment methodology common to all the sites and defining a common standard for emergency response situations. All environmental risk analyses are incorporated into a centralized database, providing a comprehensive overview at Group level and making it easier for sites to share information.

Discharges into water

All the sites have preventive systems, for example water reservoirs for extinguishing fires and pipe cut-off systems. Several of them have made significant investments since 2018 in modernizing their wastewater treatment plants, particularly Hangzhou and Shaoxing in China.

In 2019, the EMSA site in Emsdetten (Germany) worked to conserve water while reducing waste. The goal was to eliminate any risk of the dispersal of the plastic granules used in the manufacturing process to prevent them from getting into the wastewater and then into nature in the form of micro-plastics. Recovery systems were therefore installed in the various areas where the granules are used.

Chemical Oxygen Demand (ISO 14001-certified entities)

Chemical Oxygen Demand (COD) represents the amount of oxygen necessary to oxidize the organic matter and mineral content in a body of water. It is used to measure the degree of organic and chemical pollution of the water. In 2021, Groupe SEB emitted 159 tons of COD from its own wastewater treatment plants.

Impact on soil

Besides metal stamping (pressure cookers, frying pans and saucepans), surface treatments (non-stick) and the manufacture of certain components that occupy less than 10% of total production staff, most of Groupe SEB's production involves assembly operations. Groupe SEB therefore believes it has no significant impact on or material use of land. In addition, where industrial restructuring resulted in plant closures, Groupe SEB ensured that sites were reclaimed in accordance with local legislation. Where appropriate or required by law, the Group conducts soil and sub-soil surveys, even though most sites are not subject to any such compulsory assessments. Pollution studies carried out at sites that have been operational long term, confirmed that the Group's business does not have any notable impact on the soil and sub-soil.

Noise and other disturbances

At many sites, management of noise pollution must comply with regulations, and the management of any complaints in this regard must be managed in accordance with ISO 14001. All certified sites therefore have procedures in place to deal with these complaints. Furthermore, noise pollution, light pollution and odors from the Group's sites are insignificant, given its operations.

BIODIVERSITY

The Group's biodiversity policy has two priorities. The first is to minimize the environmental strain of its activities. This involves combating climate change and the overexploitation of resources through a more circular economy (use of recycled materials, ensuring products can be repaired, etc.). The second priority is to support biodiversity through specific actions (conservation gardens, shelter for wildlife, maintenance of wetlands, etc.). Faced with the urgency of the biodiversity loss, and within the framework of its commitment to the Act4nature international initiative (voluntary commitment in favor of biodiversity intended French international companies), the Group plans to support projects for the preservation of ecosystems or projects of reforestation.

Best practices

In 2019, the Group did a **global inventory of the practices** of its sites in terms of protecting biodiversity by means of a questionnaire structured by major themes (wetlands, pollinating insects, birds, woodlands, etc.). The most striking and easily replicable initiatives were compiled into a booklet for all sites worldwide. The Group encourages all its entities to take steps to protect biodiversity. For example, it is committed to eliminating the use of plant protection products in the maintenance of green spaces on all sites by 2025. This is already happening at Group headquarters: SEB Campus banned such products some years ago. In 2020, biodiversity has been integrated into the "country" roadmaps.

The SEB Campus also houses a 300 m^2 **conservation garden**, established in 2016 with the **Vavilov** Institute (Saint Petersburg), the oldest plant gene bank in the world. The Group joined the network of Vavilov gardens in order to maintain biodiversity and develop healthy and responsible eating. This garden brings together varieties created in Rhône-Alps in the 19th and 20th centuries, old Russian varieties and a collection of wild species. Employees at the Campus can sign up for workshops on aspects of gardening, which are run from March to November. To accommodate the surge in demand, double the amount of workshops were held in 2020. The garden can also be self-guided, thanks to information panels. In response to the success of this initiative, the Group decided to host a second garden by 2023, somewhere other than France if possible.

Many sites created flower meadows such as Emsdetten (Germany) or Is-sur-Tille (France). The latter installed a **swallow tower** used by a colony of swallows as a place to give birth and set up a home in a place where they were not usually found. Between 50 and 150 hatchlings take flight from there each year. Another such tower was also installed at SEB Campus. Other initiatives include: the Rumilly site (France) has hives; at Erbach (Germany), ponies take care of mowing the grass and at Canonsburg (United States) an aquatic biodiversity area was developed, using rainwater harvesting, just like at SEB Campus. Many sites also planted trees, usually fruit trees (Egypt, India, Colombia, China, etc.).

ECO-LOGISTICS

GROUPE SEB 2023 TARGETS

- -10% carbon intensity of the transportation of our products and components (GHG emissions by product transported – base year 2016)

The transport of products, as well as the raw materials and components used to manufacture them, is a major source of Groupe SEB's greenhouse gas emissions. Reducing the carbon footprint is one of the main priorities of the eco-design guide.

Groupe SEB's Supply Chain department oversees the Group's eco-logistics policy and strategy. Its eco-logistics unit coordinates all actions, in France and internationally, and consolidates annual data using the Tennaxia sustainable development reporting system. It relies on the logistics managers of the plants and commercial subsidiaries in carrying out this work.

An initial assessment of greenhouse gas emissions related to logistics transport was conducted by the Group in 2009. To reduce its emissions, **the Group is focusing on four areas:**

- increasing the loading rate of transport units (trucks or containers);
- reducing distances traveled (direct deliveries);
- developing alternative modes of transport to road (e.g., rail, river) and using alternative fuels;
- responsible purchasing (through the choice of shippers).

The eco-logistics unit and the purchasing teams developed a checking procedure for environmental criteria during transport calls for tender (2018). The aim is to prefer, at the same cost, suppliers who perform best in this area, in particular those that have signed up to the Objectif CO_2 Charter established by the French Ministry of Transport and ADEME. The criteria examined cover fuel-saving equipment, eco-driving, use of alternative fuels, route optimization software, etc.

FRET 21 SCHEME

Since 2017, Groupe SEB has been signed up to the Fret 21 scheme launched by the ADEME and the AUTF [(1)] to help companies better incorporate the impact of transport within their sustainable development strategies. Between 2017 and 2019, this scheme was piloted with routes starting at French sites. Over three years, the measures taken helped reduce greenhouse gas emissions by nearly 4% within this scope.

In 2020, the Group renewed this commitment for three years with a broader scope, such as incorporating shipping from China to Europe up to the end consumer. It aims to reduce greenhouse gas emissions by 7% within this scope, which is nearly a third of the Group's emissions from transporting products. In addition to continuing efforts already underway, the Group is focusing on using alternative fuels (B100, NVG, etc.), using low-emissions transport and rolling out the Oracle Transport Management system.

Groupe SEB uses the Fret 21 calculator for assessing GHG emissions linked to the global transportation of its products and components. It makes it possible to gradually improve the reliability of the Group's carbon analysis, in particular by reducing the extrapolation aspect.

Since 2005, Groupe SEB has also been a member of **Club Déméter**, which brings together retailers, logistics partners, manufacturers and public bodies such as ADEME, University of Aix-Marseille and Mines Paris. As a place in which to share thoughts and experiences, the aim of this club is to promote environmentally friendly logistics and to implement operational solutions designed to reduce environmental impacts.

(1) French Association of Freight Transport Users.

GREENHOUSE GAS EMISSIONS RELATED TO TRANSPORT

Worldwide (excluding Krampouz)

	2021 (2)	2020 (1)	2019
Average value of greenhouse gas emissions related to transport *(in tons of CO_2 equivalent)*	316,238	259,826	241,810

(1) Integration of EMSA entities into the 2020 reporting.
(2) Integration of WMF entities into the 2021 reporting.

The flows concerned in the calculation of greenhouse gas emissions are:

- transportation of components and raw materials between Tier 1 suppliers and the manufacturing site if this belongs to Groupe SEB;
- transportation of finished products between Tier 1 suppliers and warehouses of Groupe SEB subsidiaries;
- transportation of the finished product between its manufacturing site and the subsidiary's warehouse;
- distribution from the subsidiary's warehouse to the client's delivery address.

All modes of transport are included: road, rail, sea, river and air.

Each year, a new audit is carried out and the Supply Chain department seeks to expand the calculation scope for CO_2 emissions to cover new countries. The share of extrapolated emissions is therefore steadily declining.

In 2021, Groupe SEB emitted 316,238 tons of CO_2 equivalent: 20.5% from maritime transport, 75.6% from road transport, 3.5% from air transport and 0.4% from rail and river transport.

The carbon intensity of the transporation of products and components decreased by 3% in 2021 compared to the base year 2016.

As part of efforts to continually improve, the greenhouse gas emissions of Brazil, Supor (China) and EMSA are no longer extrapolated.

LOADING OF TRANSPORT UNITS

To reduce CO_2 emissions from the transportation of products and components, the Group is continuing to improve the loading rate of transport units. It makes particular use of the **EffyPACK** process (which stands for "PACKaging system for supply chain EFFiciencY") which uses the PackSoft software to improve palletization. The rollout of the PackSoft/EffyPACK solution continued in 2021, particularly for small appliances in China.

In 2019, the Group also chose a new transport management system (OTM – Oracle Transport Management) to optimize the container loading plans. This system makes it possible to fill the same container with products corresponding to different suppliers, references and orders. This provides greater flexibility to better adjust to the order levels of trading subsidiaries while ensuring the container is as full as possible. This system continued to be implemented internationally in 2021.

Reducing empty space in packaging

The Group also endeavors to reduce the empty space inside packaging as much as possible. Transporting less empty space means emitting less CO_2 while cutting costs. Since 2017, this parameter has been part of the product design/development process and the teams concerned (R&D, Marketing, Quality, etc.) have been trained in this topic via e-learning. The eco-logistics unit developed a tool for estimating the economic (avoided expenses in €) and ecological (avoided CO_2 kg) savings obtained by optimized product design minimizing empty space in the packaging. It tested it with multiple teams and showed that **a minor change can have a major impact**, even without modifying product design. For example, in the case of the Ultra Silence Force (Arno) desk fan launched in 2020, simply separating the fan head, neck and base during packaging (which can be easily reassembled by consumers) makes it easier to arrange the different product components. This reduces packaging volume and empty space by 30%, and so increases the number of products per pallet, bringing both environmental and economic benefits.

A similar project was conducted with the Steampod steam hair straightener (Rowenta/L'Oréal partnership): the teams reduced both the product footprint (including integrated tank) and the size of the packaging, doubling the number of products per palette as a result. The end result: out of approximately 600,000 items sold in 2020, the project helped to prevent 343 tons of CO_2 in emissions (the equivalent of traveling around the earth 72 times by car) and save 200,000 m^2 of cardboard (or 1,680 trees).

	2021	2020	2019
Container loading rate	84.6%	83.7%	83.9%
Truck loading rate (intergroup shipments) *	63.4%	63.1%	63.0%

* *Intergroup shipments refer to shipments from plants to consolidation platforms (Rumilly P2 and Mions) or subsidiaries' warehouses, as well as to shipments between consolidation platforms and subsidiaries' warehouses.*

Containers departing from China have a loading rate of 84.5%. Containers departing from Europe have a loading rate of 87.1%.

Whatever the mode of transport in question, it is physically impossible to achieve a consolidated global loading rate of 100%. Due to huge variations in the size of the products/packaging being transported, it is inevitable that some empty spaces will remain, even if state-of-the-art software solutions are used to optimize the loading configuration. This remains the case with homogeneous cargo (loading one single type of product) as the dimensions of the container or truck will never be an exact multiple of the length x height x width of the cargo's packaging. This is especially true for intercontinental transport, particularly from or to Asia, as it is necessary to leave a minimum gap between products to allow for slight variations in the volume of the packaging due to fluctuations in humidity levels.

SELECTING AND ORGANIZING MODES OF TRANSPORT

The Group also fosters research into transportation solutions with a lower environmental impact. For long distances, primarily departing from China, the maritime route emits the lowest levels of CO_2 and is the least costly. Emissions have also been improved by the use of new high-performance container ships: in 15 years, they have cut CO_2 emissions per ton transported by half.

Alternatives to road transport

In other cases (pre- and post-shipments to/from ports, transport between the Group's plants and centers or those of its subsidiaries), the Group is working hard on developing **non-road transport, i.e., transport by rail and river**, mainly in Europe. This approach is also being implemented outside Europe, such as in Mexico. In 2021, 53% of containers arriving at the port of Lázaro Cárdenas were forwarded to the subsidiary's logistics center by train. Worldwide, 11.3% of inland container transport (to or from ports) was by train or barge in 2021. In France, Groupe SEB has had the MedLink Port label since 2015. This distinction is given to the biggest users of the river route (the Rhône) departing from the port of Fos.

Direct deliveries

The Group also optimizes the how transport flows are organized to reduce the distance traveled. For example, it prioritizes direct deliveries to European customers from its plants or Mions platform in France, without passing through the subsidiaries' warehouses. These direct deliveries doubled in 2021 in terms of the number of transport units. Similarly, some containers arriving in Le Havre are dispatched directly to French retailers without passing through the Group's logistics platforms.

In the event of an urgent supply of components, the Group prioritizes trains over planes as far as possible, in particular **between China and Europe**. Rail times are half the time required for maritime freight (three weeks on average compared with six for ships and two for planes), which is often sufficient. In terms of carbon footprint and financially, it is much more favorable than planes (-94% CO_2 emissions).

IT

REDUCING THE CARBON FOOTPRINT OF IT EQUIPMENT

Groupe SEB is implementing an eco-responsible IT policy based on the 72 Green IT best practices benchmark drafted by the collaborative platform Opquast (Open Quality Standards). Its activities in this regard strive to make progress in several areas:

Eco-friendly printing policy

All of the Group's multi-functional printers were upgraded in Europe (807 machines in 2021) in 2018. The new generation of printers have improved environmental performance, particularly in terms of energy use (optimized standby mode). Moreover, the program to reduce the number of printers in service and make the shared use of multi-functional machines more widespread is gradually being extended internationally. It helps to reduce the volume of printing: a reduction of 25% in 2021 compared to 2020 (Europe excluding the WMF), the equivalent of 316 trees saved. Since 2007, the volume of printing has more than halved in Europe.

Processing of end-of-life equipment

In France, computers and telephones at the end of their useful lives have been given, since 2012, to the company Dataserv, which calls on the company working in the protected sector – Triade Avenir – to dismantle the products. In ten years, more than 13,360 devices have been managed in this way. The Group also donates some equipment to associations or schools that request it. The practice is governed by a formalized procedure and made available to all the entities worldwide. It specifies the technical and administrative rules to follow (formatting, data erasure, licenses, etc.) and aims to ensure that the beneficiaries match the Group's values.

In 2021, the Group enlisted Recyclea to recycle servers, a company that provides work to people with disabilities and employs people in professional integration programs.

Computer servers that emit less greenhouse gas

The Group's IT infrastructure rationalization project, launched in 2016, has resulted in its applications being hosted in two data centers operated by Equinix, in the Paris region. These two sites are committed to an energy efficiency approach, as attested by their ISO 50001 certification. They are 100% powered by renewable energy from hydroelectric power stations. In 2020, the Group replaced its 16 largest servers, which were hosted in the two data centers, with eight devices that are both more powerful and more energy efficient. The new storage devices contain 14 disks instead of 68, providing three times the capacity and lower energy consumption. These two changes led to a reduction in electricity consumption of approximately 18%. Another benefit is that they save space, which in turn saves energy (smaller rooms requiring fewer cooling systems, for example).

New ways of communicating as alternatives to travel

Instant communication tools such as Skype and Teams are having a significant impact on reducing travel. In 2021, the sharp increase in their use continued due to more telecommuting in the context of Covid-19. They allowed approximately 63,700 meetings to take place each month on average (nearly six times more than in 2019) as well as 760,000 one-to-one connections. The videoconferencing system, for its part, recorded an average of 19 video conferences a month (average length: 2 hours 55 minutes), the number of which fell because of the widespread use of Skype/Teams.

At the end of 2020, the Group carried out a self-assessment of 72 good practices from the Opquast benchmark, to measure how far it had traveled since the previous assessment (2013) and identify areas for improvement. In six years, the Group has increased the number of good practices implemented from 39% to 76%. The areas needing improvement included raising employee awareness, particularly on how to use search engines properly, and reducing energy use at workstations. It is worth mentioning that the development of cloud-based IT solutions makes it possible to adjust how machines and services operate depending on requirements, such as shutting some of them down at night or at weekends.

3.12 Report of the independent third-party on the verification of the consolidated non-financial statement included in the Group management report

For the year ended December 31, 2021

This is a free translation into English of the Independent Third-Party's report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the shareholders,

In our capacity as an Independent Third Party, member of Mazars Group and accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on www.cofrac.fr), we carried out work aimed at formulating a reasoned opinion that expresses a limited level of assurance on the historical information (observed and extrapolated) of the consolidated extra-financial performance statement, for the financial year ended December 31, 2021 (hereinafter respectively the "Information" and the "Statement"), presented in the management report of the group in application of the provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the Commercial Code.

CONCLUSION

Based on the procedures we performed, as described in the "Nature and scope of our work" and the evidence we collected, nothing has come to our attention that causes us to believe that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

COMMENTS

Without modifying our conclusion presented above and in accordance with article A. 225-3 of the French Commercial Code, we formulate the following comment:

- In line with the group management rules and as indicated in the methodological note, the reporting of the workforce of the entity of SUPOR in China includes temporary workers. Temporary workers represent 31% of the headcount of SUPOR in China and 10% of the total workforce.

PREPARATION OF THE NON-FINANCIAL PERFORMANCE STATEMENT

The absence of a generally accepted and commonly used framework or established practices on which to base the evaluation and measurement of the Information permits the use of different, but acceptable, measurement techniques which may affect comparability between entities and within the time.

Consequently, the Information must be read and understood with reference to the entity's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the Statement.

LIMITS INHERENT IN THE PREPARATION OF THE INFORMATION

The Information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data used. Some information is sensitive to the methodological choices, assumptions and/or estimates used for their preparation and presented in the Statement.

THE ENTITY'S RESPONSIBILITY

The Board of Directors is responsible for:

- selecting or setting appropriate criteria for the preparation of the Information;
- preparing the Statement with reference to legal and regulatory requirements, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators and also, the Information required by Article 8 of Regulation (EU) 2020/852 (EU Taxonomy);
- and implementing internal control procedures deemed necessary to the preparation of information, free from material misstatements, whether due to fraud or error.

RESPONSIBILITY OF THE INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- the fairness of Information (observed or extrapolated) provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

This is not our responsibility to express an opinion on:

- the entity's compliance with other applicable legal and regulatory requirements (in particular with regard to the Information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the due diligence plan and the fight against corruption and tax evasion);
- the compliance of products and services with applicable regulations.

REGULATORY PROVISIONS AND APPLICABLE PROFESSIONAL STANDARDS

The work described below was performed with reference to the provisions of articles A. 225-1 et seq. of the French Commercial Code, as well as with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements and with ISAE 3000.

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the requirements of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements, and the professional doctrine of the French National Association of Auditors.

MEANS AND RESOURCES

Our work was carried out by a team of 4 people between November 2021 and March 2022 and for 6 weeks.

We conducted around twenty interviews with the people responsible for preparing the Declaration, representing in particular the CSR Department, the Human Resources Department, the Training Department, the Health and Safety Department, the Environmental Department and the Supply Chain Department.

NATURE AND SCOPE OF OUR WORK

We planned and performed our work considering the risks of significant misstatement of the Information.

We are convinced that the procedures we have carried out in the exercise of our professional judgment enable us to provide a limited assurance conclusion;

- we obtained an understanding of all the consolidated entities' activities and the description of the principal risks associated;
- we assessed the suitability of the criteria of the Guidelines with respect to their relevance, completeness, reliability, neutrality and understandability, with due consideration of industry best practices, when appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225 102 1 III as well as information regarding compliance with human rights and anti-corruption and tax avoidance legislation;
- we verified that the Statement provides the Information required under article R. 225-105 II of the French Commercial Code, where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the Information required under article L. 225-102-1 III, paragraph 2 of the French Commercial Code;
- we verified that the Statement presents the business model and a description of principal risks associated with the entity's activity all the consolidated entities' activities, including when relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks;
- we referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented, and;
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important presented in Appendix; concerning the risk related to "Fight against corruption" and "Human Rights violation", our work was carried out on the consolidating entity, for the others risks, our work was carried out on the consolidating entity and on a selection of entities [(1)];
- we verified that the Statement covers the scope of consolidation, i.e., all the consolidated entities in accordance with article L. 233-16 of the French Commercial Code within the limitations set out in the Statement;
- we obtained an understanding of internal control and risk management procedures implemented by the entity and assessed the data collection process to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important presented in Appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data;
  - tests of details, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities and covers between 21% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

(1) Supor China Shaoxing Prod., Supor China Yuhuan Prod., Supor China Wuhan Prod., GS VOSTOK St Petersburg, TEFAL Tournus.

The procedures performed for a limited assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with the professional doctrine of the French Institute of Statutory Auditors ("CNCC"). Indeed, the procedures performed for reasonable assurance required more comprehensive verification work.

The Independent third party,

Mazars SAS

Paris La Défense, the 22nd of March 2022,

French original signed by

Edwige REY

CSR Partner

APPENDIX: INFORMATION CONSIDERED AS MOST SIGNIFICANT AND SELECTED ENTITIES TESTED IN DETAIL

The qualitative information (actions and results) that we considered to be the most important is that relating to the main risks:

- Health and safety conditions at work;
- Attraction and retention of talent;
- Corruption;
- Human Rights;
- Climate change.

The key performance indicators and other quantitative results that we considered the most important:

- Total workforce as of December 31, 2021;
- Lost Time Injury Rate;
- Average employee turnover rate:
- Rate of roll-out of Code of Ethics e-learning training;
- Percentage of sites with an overall compliance score greater than 80%;
- Electricity consumption;
- Gas consumption;
- Evolution of the carbon intensity per manufactured finished product (scopes 1 and 2);
- Greenhouse gas emissions related to the transportation of products and components per product sold;
- Quantity of waste generated;
- Financial and product donations for philanthropic actions (SUPOR China).

4 Commentary on the financial year

4.1 Highlights

GENERAL ENVIRONMENT

2021 was marked by a sharp recovery in the global economy, which was stronger than initially expected and a mirror image of a 2020 impacted by the emergence of the pandemic and lockdowns.

In this recovery phase, the 2021 financial year was also affected by disruptions in logistics chains, with a consequential rise in inflation – raw materials, maritime freight – and tensions in the supply of certain components, particularly electronics.

In this context, demand for small household appliances and cookware was robust, after a volatile year in 2020 but with dynamic demand. The refocusing of consumer spending on household equipment continued in 2021, with the same emphasis on cookery and more sustainable products. In all regions of the world, e-commerce remained a major growth driver throughout the year. It was supported by the continuous expansion of all online sales channels (pure players, global and regional, marketplaces, "physical" brand merchant sites, direct sales sites, etc.).

CURRENCIES

Because of its presence in around 150 countries, the Group is exposed to many currencies, the vast majority of which are "long" (in these currencies, sales exceed costs). For these currencies, movements were relatively mixed, with some of them weakening (Turkish lira -25%, Brazilian real -5%, Japanese yen -6%, Colombian peso -4%, Russian ruble -4%) and others strengthening (Canadian dollar +4%, Mexican peso +2%).

However, it should be remembered that the US dollar and the Chinese yuan are currencies for which the Group is "short", i.e., the weight of its purchases denominated in these currencies is greater than that of its sales. In 2021, the dollar fell against the euro by an average of around 4% and the yuan rose against the euro by an average of 3%. For the dollar in particular, this slight depreciation actually conceals trends of a differing nature between the first half of the year, when it fell approximately 9% on average against the euro compared to 2020, and the second half of the year, which saw growth of around 2% on average against the euro compared to 2020, particularly in light of changes in the public health and economic situations.

In response to constant exchange rate volatility, for several years the Group has hedged certain currencies to limit sudden effects on its performance or to smooth out its impact over time. At the same time, it implements an agile pricing policy, passing on higher prices to compensate for the adverse effects of weakened currencies on local profitability. In 2021, this was particularly the case in Brazil, Turkey and Russia.

In 2021, exchange rate fluctuations had a total negative impact of -€22 million on the Group's sales (compared with -€219 million in 2020) and -€25 million on the Operating Result from Activity (-€109 million in 2020).

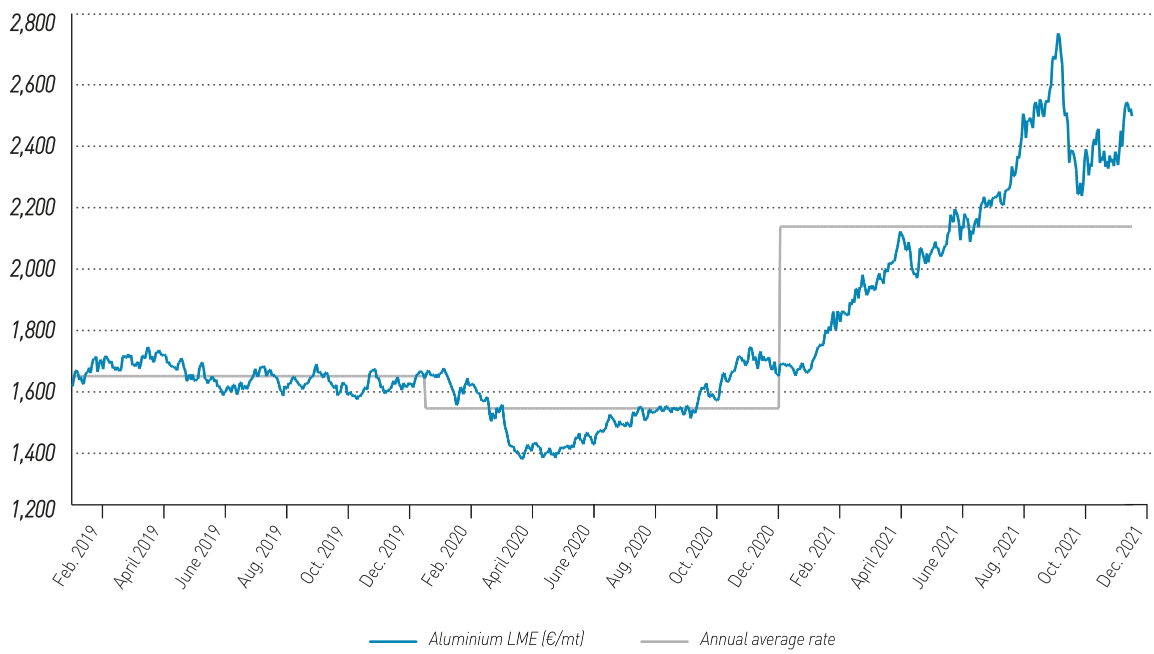
RAW MATERIALS AND TRANSPORT

The Group is exposed to fluctuations in the prices of certain materials, including metals such as aluminum and nickel, which is used to make stainless steel, and copper. It is also exposed to changes in the plastics used in the manufacture of small electrical appliances, and the paper and cardboard for packaging. These exposures are direct (for in-house production), or indirect if the manufacturing of the product is outsourced to subcontractors. In order to spread over time the effects of sometimes abrupt fluctuations in metal prices, the Group partially hedges its requirements (aluminum, nickel, copper and some plastic material related ingredients) which protects it in the event of a sharp rise in prices, but which results in some inertia in the event of decline.

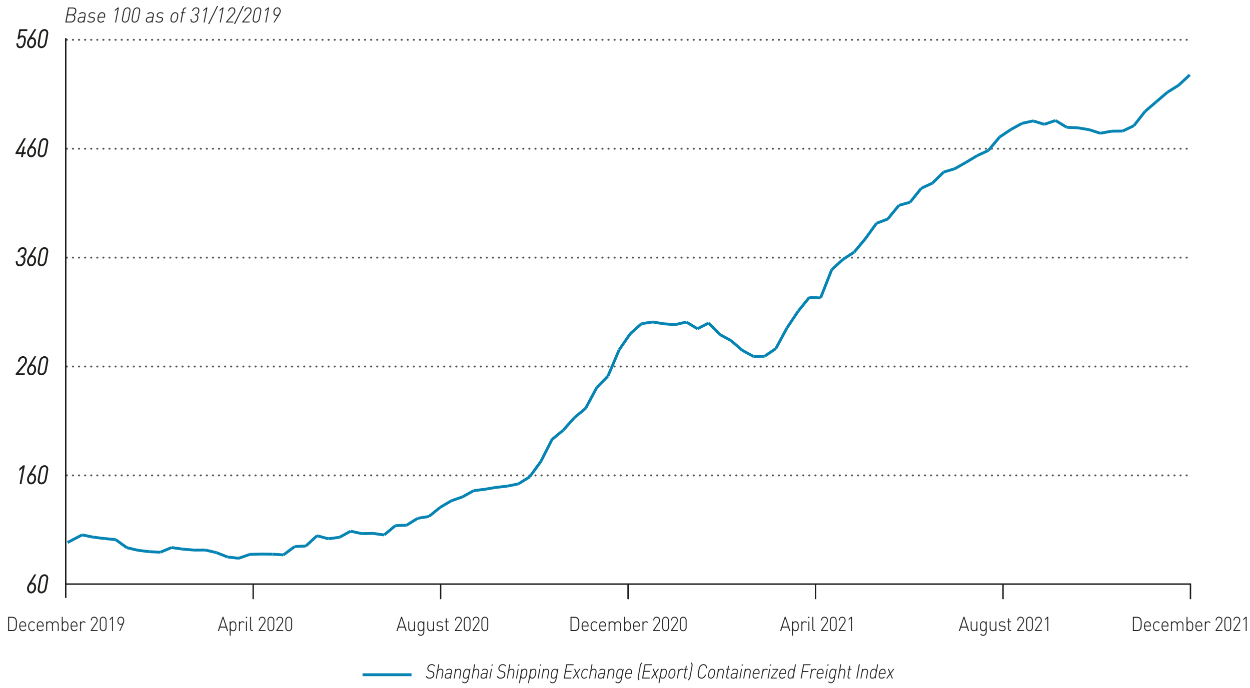
Changes in the prices of raw materials in 2021 were linked to the global pandemic and the supply chain challenges that arose. The prices of the main raw materials (including aluminum, copper and nickel) rose constantly, due in particular to the industrial recovery in China and an upturn in global consumption. In 2021, aluminum, nickel and copper thus increased by 41%, 29% and 49% respectively compared to 2020, reaching highs for the year in December. Furthermore, from mid-2020, the price of a barrel of Brent increased dramatically; from spring 2021, we witnessed a real surge as a consequence of the economic recovery that took place after lockdown. Over the financial year, the price of a barrel rose by almost 55%.

With regard to shipping, after “relative” stability for the Group in the cost of maritime freight in 2020, our costs increased considerably in 2021. They reflected the soaring prices, with historic highs reached as a result of port congestion, high demand, shortages of containers and of space on vessels, particularly on Asia-Europe and Asia-US routes. The SCFI composite indicator (each route with an assigned weight) was up 100% on average between 2020 and 2021.

EVOLUTION ALUMINIUM SPOT PRICE (LME, €/MT)



SEA FREIGHT PRICE EVOLUTION SINCE END-2019 (IN DOLLARS)



CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS

During the last year, the Annual General Meeting of 20 May 2021 reappointed for a four-year term:

- the independent directorship of Yseulys Costes;
- the independent directorship of PEUGEOT INVEST ASSETS;
- the term of office of Brigitte Forestier as the director representing employee shareholders – this reappointment was approved by the Supervisory Board of the SEB1 FCPE (company investment fund) at its meeting on 27 January 2021, in accordance with the provisions of Article 16 of the company's bylaws.

Furthermore, the Ordinary General Meeting of SEB S.A. on 6 August 2021, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the report of the Board of Directors (available on the company's website), and having noted that FÉDÉRACTIVE was permitted to submit its comments at the Annual General Meeting, proceeded to remove the directorship of FÉDÉRACTIVE with immediate effect in accordance with Resolution 1.

The directorship of FÉDÉRACTIVE ended on 6 August 2021.

Since the Ordinary General Meeting of SEB S.A. on 6 August 2021, the company's Board of Directors has been composed of 16 members.

FREE ALLOCATION OF SHARES

In order to earn the loyalty of its shareholders, Groupe SEB is proceeding with a free allocation of shares to their benefit.

Meeting on 23 February 2021, the Board of Directors, making use of the authorization it was given by the Combined Annual Shareholders' General Meeting of 19 May 2020 under Resolution 19, decided to increase the share capital by €5,030,706 through the incorporation of reserves and/or retained earnings. This will take the share capital from €50,307,064 to €55,337,770.

The share capital increase was completed on 3 March 2021 through the creation of 5,030,706 new, fully paid up shares with a nominal value of €1. The shares were allocated free of charge to all shareholders registered on 2 March 2021, to the tune of ONE new share per TEN existing shares. It is specified that all shares making up the share capital, or 50,307,064 shares, carried the same allocation right of 1 new share per 10 existing shares. The attribution right was detached on 1 March 2021 on the opening for trade of the Paris-Euronext Stock Exchange and led to a corresponding adjustment of the share price. The new shares will bear rights on 1 January 2020 and will be immediately assimilated to existing shares. They will carry the same rights as the original shares in terms of double voting rights and dividend loyalty bonus. They will give right to a dividend in respect of 2020 financial year, paid on 27 May 2021.

Rights forming fractional shares were not tradeable, nor could they be sold, and ownership of the related shares were fully or partially maintained by SEB S.A. as shares held in treasury. SEB S.A. will compensate the holders of the fractional shares in respect of the amounts due at the latest thirty (30) days after the full number of shares has been recorded in their accounts. The remainder of potential rights forming fractional shares not maintained by SEB S.A. will be sold.

New shares stemming from shares featuring separation of the legal and beneficial ownership will maintain the same structure. The new share shall be booked to the original account: as such, it will be divided in the same way as existing shares. Fractional amounts will, however, be allocated to the bare owner only.

Transactions will be cleared by BNP Paribas Securities Services – Grands Moulins de Pantin, 9 rue du Débarcadère, 93500 Pantin, France.

This free share allocation was the subject of a detailed EURONEXT release on 25 February 2021.

HOLDING COMPANY SET UP TO STRENGTHEN FAMILY CONTROL

The family shareholders of Groupe SEB, signatories of the shareholders' agreement signed on 27 February 2019, jointly hold 31.9% of the share capital. This group of 260 individuals is structured around GÉNÉRACTION and VENELLE INVESTISSEMENT.

To ensure long-term family control and strengthen ties with Groupe SEB, the concerted family shareholders created a family holding company on 12 March 2021 to strengthen its position.

On the same day, this holding company, called HRC (Holding de Renforcement du Contrôle), received a significant portion of the SEB shares held by the concert party, i.e., 6.4% of the capital of SEB S.A., with the concert continuing to hold 31.9% of the capital overall. Note that HRC is a party to the shareholders' pact of 27 February 2019 and as such is a member of the concerted group.

Using these assets together with debt, HRC aims to acquire SEB shares. This objective will be pursued gradually and in compliance with current stock market regulations.

This move reflects the family group's strong commitment to Groupe SEB, confirming its confidence in the Group's sustainable growth model and its desire to support it over the long term.

This latest step is in keeping with the shareholders' agreement of February 2019. The holding company will be managed by two members of the seventh generation of the Lescure family.

STRENGTHENING OF GROUPE SEB'S EXECUTIVE COMMITTEE

To fulfill its strategic ambitions, Groupe SEB announced on 12 April 2021 that it would be strengthening its Executive Committee, with the appointment of four new members:

- Cathy Pianon joins the Executive Committee in her role as EVP Public Affairs & Communication, as well as Chief of Staff of the CEO office;
- Philippe Schaillee joins the Executive Committee as Senior Executive VP in charge of Products and Innovation;
- Philippe Sumeire joins the Executive Committee as EVP Legal;
- Vincent Rouiller joins the Executive Committee as EVP Research.

GROUPE SEB INVESTS IN CHEFCLUB

Groupe SEB has announced on 25 January 2021 a new partnership agreement with Chefclub, as well as the acquisition of a minority stake via its investment company, SEB Alliance.

Simplifying cooking and making it accessible to all: that's what Chefclub, the start-up founded in 2016 by three brothers, Thomas, Jonathan and Axel Lang, has set as its corporate mission. Chefclub has rapidly become a leading brand in the production and dissemination of cooking content. It has already sold 700,000 books and launched a series of innovative products for kids, which more than 150,000 families have enjoyed so far, all created in collaboration with its online community. Groupe SEB decided to partner with Chefclub, in its new round of financing, for its appeal of experiential content and direct access to online communities which represents the future of e-commerce.

This acquisition is also part of joint efforts which were stepped up in H1 2021 with the launch of a range of products under the brand license "Chefclub by Tefal", including skillets, saucepans, kitchen utensils and small domestic appliances. Created in collaboration with the Chefclub community, this range combines Chefclub's expertise in the development of creative recipes with Tefal's sustainable design for simple products to make cooking easier.

The new brand "Chefclub by Tefal" enjoys unprecedented visibility on social networks and will broaden Groupe SEB's reach, particularly with Millennials, who are discovering or rediscovering the joys of cooking thanks to the start-up's content. By joining forces with Groupe SEB, world reference for small domestic appliances, Chefclub has access to recognized industrial expertise, the renown of the Tefal brand and a broader retail network which will enable its community to discover its products via the Group's retail channels.

CLOSURE OF THE ROWENTA ERBACH PLANT

On 17 March 2021, Rowenta Werke announced to all employees concerned that it would cease its activities in Erbach (Germany) effective 30 June 2022, entailing the closure of the plant.

The structural decline in the global ironing market for several years has been compounded by the effects of the Covid-19 crisis with the increase in remote working. Despite the investments and efforts made to maintain activity in Erbach, the continued drop in volumes has prompted the Group to close this longstanding site and redeploy the industrial ironing activity notably to the Pont-Evêque plant in France. This decision confirms the plant's status as a linen care expertise center.

The Group's top management will do everything in their power to minimize the social impact for each and every employee. They are working closely with the Workers' Committee to find the best solution for everyone concerned.

GROUPE SEB COMMITTED TO CARBON NEUTRALITY

With more than 360 million products sold each year worldwide, Groupe SEB is mindful of its responsibility and has made environmental issues central to its sustainable development strategy. On 20 April 2021 it pledged to gradually reduce its greenhouse gas emissions to achieve carbon neutrality by 2050, participating in the global effort to limit global warming.

After a first set of targets that reduced emissions, Groupe SEB has set new targets to achieve carbon neutrality by 2050. In 2016, the Group joined the Science-Based Targets (SBT) initiative, encouraging the world's major companies to align their greenhouse gas emissions targets with the recommendations of the Intergovernmental Panel on Climate Change (IPCC) to limit the rise in the average global temperature to 2 °C by the end of the century. This puts Groupe SEB among the top 100 companies worldwide and the top 11 French companies that have aligned their low-carbon strategy with the Paris Agreements.

To achieve its ambitious targets, Groupe SEB has set up a specific corporate governance structure and set its priorities:

Low carbon "product manufacturing" strategy:

- reducing greenhouse gas emissions from industrial plants;
- increasing the supply of renewable energy:
  - increasing the share of renewable energy: on-site power generation with solar panels,
  - purchasing renewable energy: Guaranteed origin, Renewable Energy Certificate, etc.

"Product use" low carbon strategy:

- repairing products;
- integrating recycled materials;
- raising consumer awareness about how to use products efficiently;
- reducing the energy consumption of products (eco-design and new technologies).

GROUPE SEB STRENGTHENS ITS PARTNERSHIP WITH JAMIE OLIVER

In 2021, Groupe SEB and renowned British chef and food campaigner, Jamie Oliver, significantly expanded their partnership, which began in 2003 in some countries.

More than 25 million items of cookware have been sold to date as part of this partnership, which marries Jamie Oliver's food passion and knowledge with Tefal's technology and expertise.

From now on, a broader range of kitchen electrical products will be available to our consumers worldwide, under the *Jamie Oliver by Tefal* label.

GROUPE SEB PARTNERS UP WITH BACK MARKET

BackMarket

On 22 July 2021, Groupe SEB announced a partnership with Back Market, the leading market place for reconditioned devices. This partnership is accompanied by the acquisition of an indirect stake through its investment vehicle SEB Alliance. It reflects both players' strong commitment to giving products a second life.

It was Groupe SEB's Spanish subsidiary that began to market its own reconditioned small domestic appliances, under the brands Rowenta, Moulinex and Krups. The products are sold on Back Market platforms in France, Spain and Portugal.

This new high-potential sales channel is meeting increasing consumer demand for a circular economy.

4

ROWENTA IS REVOLUTIONIZING THE VACUUM CLEANER WITH THE X-Ô

On 23 September 2021, at a unique, live-streamed event in Paris, Rowenta unveiled its latest innovation in vacuuming: X-Ô.

Designed and manufactured at the Vernon plant in France, X-Ô is the culmination of three years of research and development. Combining the expertise of the marketing, design and production teams, it aims to transform the market and housework habits.

Packed full of technology, this breakthrough innovation combines the power of a cylinder vacuum cleaner with the handling of a wireless upright cleaner. Powerful, silent, light and agile, X-Ô is unparalleled on the market and primarily targets performance for consumers. It has been marketed in France since the end of October.

It is fully repairable and its spare parts will be available for 15 years.

2021: MAJOR INVESTMENTS IN FRANCE

Groupe SEB has made more than €150 million in investments in France in 2021.

This includes an average investment of €60 million in production at its 11 industrial sites. This recurring investment reflects the Group's commitment to manufacturing in France.

In addition, investment was made in two major projects in 2021:

- the opening of a Research Center and the creation of a Global Innovation Hub for the small electrical appliance business at its campus in Ecully. Accommodating between 150 and 200 researchers, it brings all the players in the innovation chain together on the same site. They will develop new concepts from the study of consumer behaviors and requirements. The aim is to accelerate the development and launch of the Group's new products. €12 million has been invested in this project;
- the construction of a logistics platform at Bully-les-Mines in the Hauts-de-France region. Covering an area of more than 26 hectares, the site will host a distribution center of more than 100,000 m^2 for European markets. The platform is expected to be operational in the first half of 2023. Groupe SEB has committed around €85 million to this project.

INAUGURATION OF THE RÉPARESEB REPAIR CENTER

On 12 October, the Group launched RépareSeb: its first Paris center for collaborative repair, the circular economy and inclusive employment.

RépareSeb is a 900 m^2 space located in Porte de La Chapelle, Paris. This unprecedented project is the result of an employment joint venture between Groupe SEB and the ARES Group, the leading player in integration through economic activity in the Greater Paris region. This organization deals mainly with the repair and refurbishment of the Group's products, as well as the rental of small electrical appliances.

GROUPE SEB STRENGTHENS ITS PRESENCE IN AFRICA

On 21 December 2021, Groupe SEB announced that it had signed an agreement with Preciber, a family company in Morocco owned by M. Mohammed Berrada and Precima, leading to the creation of the joint venture Groupe SEB Maroc, which is 55% controlled by Groupe SEB.

Founded in 1971, Precima, of which M. Berrada is one of the founders, operates primarily in three areas:

- the manufacture and distribution of cooking appliances such as pressure cookers under the EXPRESS brand;
- the manufacture and distribution of gas appliances, and;
- the marketing of water heaters and boilers.

Relying on a strong local partner such as Preciber will enable Groupe SEB to step up the development of its sales in Morocco and make the most of the strong potential of this market.

Groupe SEB Maroc will import and distribute exclusively Groupe SEB products in Morocco (small household appliances and cookware), as well as distributing EXPRESS brand pressure cookers through modern distribution channels.

At the same time, Groupe SEB has invested via SEB Alliance in the Cathay AfricInvest Innovation fund to identify start-ups active on the African continent in line with its innovation policy. This fund is one of the largest of its kind in Africa.

Having set up a joint venture in Egypt in 2018, Groupe SEB is thus confirming its desire to have a strong foothold in Africa.

FINANCING

GROUPE SEB ISSUES A NEW €350 MILLION SCHULDSCHEIN AND REFINANCES ITS SYNDICATED CREDIT FACILITY

On 15 December 2021, Groupe SEB successfully completed the issue of a new Schuldschein of €350 million, split into three maturities of 5, 7 and 10 years.

Initially intended to be €200 million, the issue was increased to €350 million due to very high oversubscription. The very strong order book exceeded €1,000 million, once again demonstrating investors' confidence in Groupe SEB's strategy and outlook.

This new issue will enable Groupe SEB:

- to refinance the financing instruments that expired in 2021;
- to extend the average maturity of its debt;
- to benefit from very attractive financing conditions.

The Group also announced that it had finalized the refinancing of its syndicated credit facility, for an amount of €990 million and a maturity of 5 years, with two options to extend for 1 year.

Groupe SEB's short-term debt is rated A2 by Standard & Poor's. Its long-term debt is unrated.

4.2 Commentary on consolidated sales

DETAILS OF ACTIVITY BY GEOGRAPHIC AREA – 2021

Sales *(in € millions)*	2020	2021	Change 2021/2020	
			As reported	Like-for-like *
EMEA	**3,307**	**3,892**	**+17.7%**	**+18.7%**
Western Europe	2,406	2,770	+15.2%	+14.9%
Other countries	901	1,121	+24.5%	+28.9%
AMERICAS	**876**	**1,082**	**+23.5%**	**+19.1%**
North America	622	788	+26.6%	+18.0%
South America	254	293	+15.7%	+22.0%
ASIA	**2,182**	**2,458**	**+12.6%**	**+10.7%**
China	1,626	1,860	+14.4%	+10.7%
Other countries	556	598	+7.5%	+10.6%
TOTAL CONSUMER	**6,365**	**7,431**	**+16.7%**	**+16.0%**
Professional business	575	628	+9.2%	+10.2%
GROUPE SEB	**6,940**	**8,059**	**+16.1%**	**+15.5%**

DETAILS OF ACTIVITY BY REGION – FOURTH QUARTER 2021

Sales *(in € millions)*	Q4 2020	Q4 2021	Change 2021/2020	
			As reported	Like-for-like *
EMEA	**1,189**	**1,294**	**+8.9%**	**+7.6%**
Western Europe	876	928	+5.9%	+5.5%
Other countries	313	367	+17.1%	+13.5%
AMERICAS	**292**	**309**	**+5.7%**	**+2.5%**
North America	206	238	+15.7%	+11.8%
South America	86	71	18.2%	19.8%
ASIA	**600**	**713**	**+18.8%**	**+12.7%**
China	430	532	+23.6%	+14.5%
Other countries	170	181	+6.8%	+8.1%
TOTAL CONSUMER	**2,081**	**2,316**	**+11.3%**	**+8.4%**
Professional business	**147**	**172**	**+17.2%**	**+14.4%**
GROUPE SEB	**2,228**	**2,488**	**+11.7%**	**+8.8%**

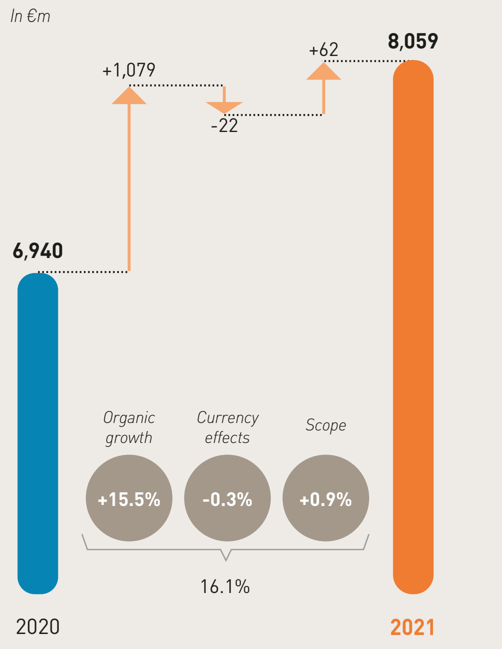
* *Like-for-like: at constant exchange rates and scope of consolidation* *Rounded figures in € millions.* *% calculated on non-rounded figures*

In 2021, Groupe SEB reported revenue of €8,059 million, an increase of 16.1% compared to 2020, with like-for-like growth of 15.5% (€1,079 million). Exchange rate and scope effects were therefore limited over the year, at -€22 million and +€62 million respectively (StoreBound[1]). Compared with 2019, which provides a more standardized basis for comparison than the highly unusual 2020, our annual sales rose by 9.6%.

The Consumer business had a very strong year and the Group strengthened its global leadership in Small Domestic Equipment. At €7,431 million, sales in 2021 increased by 16.7% compared to 2020, +16% of which like-for-like. All our geographic areas and all our product lines contributed to this performance. E-commerce remained a major growth driver throughout the year and its weighting in our revenue continued to increase in most of our markets. Strong demand resulted in healthy sales within a lackluster environment.

Professional business (comprised around 90% of the Coffee business) reported annual revenue of €628 million, a like-for-like increase of 10.2%. In 2021, it regained positive momentum after a difficult 2020, marked by the almost complete shutdown of the hotel and catering sector. The upturn in our sales was based both on the reopening of cafés/restaurants and on the deployment of specific contracts.

DEVELOPMENT IN SALES 2020-2021



(1) *Acquired in July 2020, incorporated from 1 August 2020.*

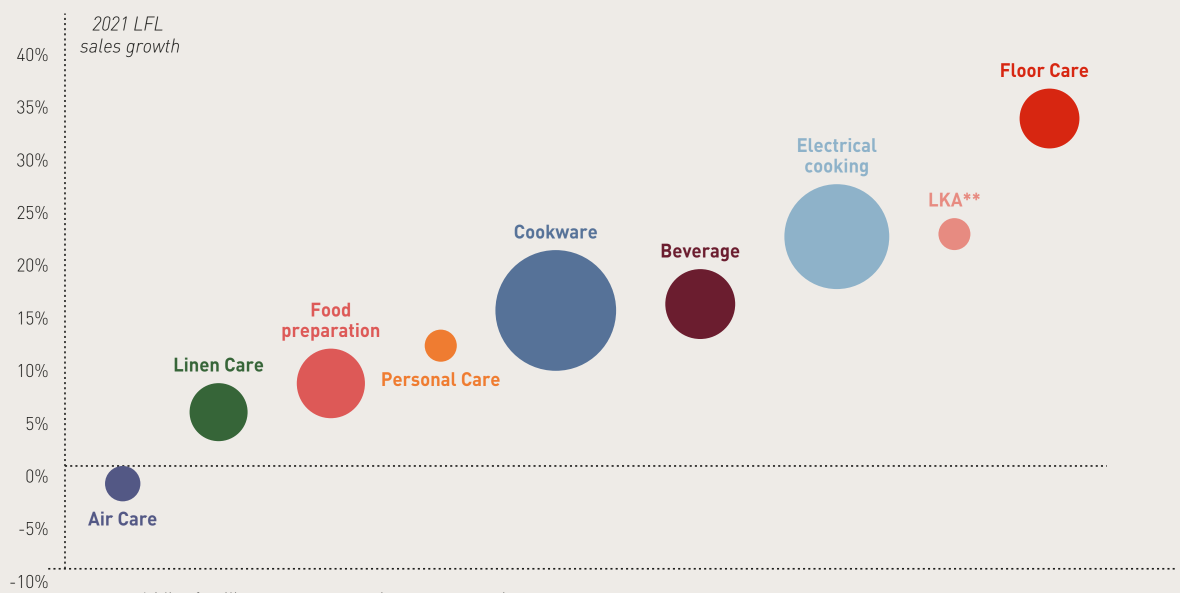
PRODUCT PERFORMANCES

The Small Domestic Equipment market remained very buoyant over the year, with a special mention, as always, for cookware, as well as for home care.

Consumer sales amounted to €7,431 million, up 16% like-for-like.

All product lines contributed to this solid momentum, driven by very strong demand.

CHANGE IN CONSUMER SALES BY PRODUCT LINES, LFL*



* *Like-for-like: at constant exchange rates and scope.*
** *Large Kitchen Appliances.*

COOKWARE

Accounting for around 35% of consumer revenue, **Cookware** covers a wide range of products from pressure cookers to thermal mugs, not to mention frying pans and saucepans – made from a range of materials, coated and non-coated, with fixed and detachable handles –, woks, food storage containers, kitchen utensils or bakeware.

It should be remembered that 2020 represented an historic low; first half activity had indeed been heavily impacted by the prolonged halt in production at the industrial site of Wuhan in China, because of the Covid-19 pandemic. In this context, our sales of cookware posted very strong growth in the first half, which normalized in the second half of the year. Over the 12-month period, growth was more than 15% like-for-like.

This robust organic growth in revenue was driven by frying pans and saucepans with fixed and detachable handles, by pressure cookers, as well as by utensils, accessories and knives.

In geographical terms, sales momentum was fairly widespread:

- in China, across the entire range (woks, saucepans and frying pans, pressure cookers, isothermal mugs, etc.);
- in France and Germany, where major loyalty programs boosted lively day-to-day business;
- in Japan, South Korea and Russia, where the Group benefited from the launch of its new G6 range;
- in the United States, where All-Clad achieved record performances.

ELECTRICAL COOKING APPLIANCES

- As in 2020, **electric cooking** achieved double-digit growth over 2021, across all categories. Among the flagship products that fueled growth, we should however mention in particular:
  - oil-less fryers, the international growth of which continues, in Eurasia, China (western category) and Colombia, for example;
  - grills, for which the strong European foothold is extending to more countries;
  - rice cookers in China and electric pressure cookers (new models in China, continuing success of Cook4me, international version of Cookeo, in Japan);
  - user-friendly cooking appliances, sandwich makers and appliances riding the "home-made" wave (Cake Factory appliance, yogurt makers, etc.). The category was also driven by StoreBound's Dash products (mini waffle makers, for example).
- **In food preparation,** the sustained increase in our sales came from several ranges of food preparation appliances: pastry blenders, food processors (Cuisine Companion), mixers, beaters, shredders, etc. Activity in blenders, the main food preparation category, remained stable, at the high level reached in 2020.
- Sales in **beverage preparation** increased significantly over the year. Sales vitality was widespread, both geographically and by category. Coffee preparation was a major contributor to growth, particularly automatic espresso coffee machines (full auto). Added to this was the very good performance of kettles, the momentum of which was excellent in France, China and Japan.

LINEN, HOME AND PERSONAL CARE

- **Home care** ended the year with sales up by more than 30% like-for-like. Although activity was up slightly in canister vacuum cleaners – with or without bags – it was the robotic and versatile models that sustained strong momentum, within a very buoyant market. Growth was very strong in Western Europe and Eurasia, regions that traditionally drive this category, as well as in China.
- In **linen care,** 2021 was marked by a better oriented demand. The gradual return to office working and more social activities encouraged greater use of irons, after the major slump in 2020. Revenue for this category therefore increased over the year. Steam generators and garment steamers were the main drivers of this growth, sustained geographically by Europe.
- Our sales of **home comfort** were down slightly over the year. Poor weather conditions (particularly in Brazil) impacted the resale of fans, which is by far the main contributor to the category. Still modest in size, activity was sustained in air purifiers, driven in particular by growing interest in virucidal products.
- A small player in the field of **personal care,** the Group achieved double-digit growth over the year, driven by all product lines in the category: professional hair care (SteamPod straightener), styling, removal.

PROFESSIONAL BUSINESS

The Professional division, composed 90% of the Professional Coffee business, posted revenue of €628 million in 2021, up 10.2% on a like-for-like basis. It regained positive momentum after a difficult 2020.

Two successive trends emerged in 2021:

- a 26.2% like-for-like decrease in the first quarter, impacted by the near total shutdown in the hospitality and catering sector and by demanding 2020 comparatives (pre-Covid);
- on a low comparative base in 2020, activity bounced back very sharply over the following nine months, in line with the reopening of the HoReCa sector.

The increase in annual sales of 10.2% on a like-for-like basis reflected both the gradual recovery of day-to-day business – machinery and service – and the roll-out of one-off deals with certain customers (in the UK and the US in particular). Day-to-day business is based on a highly diversified customer portfolio, which WMF and Schaerer are committed to expanding continuously to increase development opportunities. At the same time, innovation (improvement of machine functionality, connected ecosystems deployed around equipment, etc.) remained a major growth driver.

Furthermore, sales of hotel equipment ended the year slightly up, after a more dynamic second half.

PERFORMANCES BY REGION

Sales *(in € millions)*	2020	2021	Change 2021/2020 As reported	Change 2021/2020 Like-for-like *
EMEA	**3,307**	**3,892**	**+17.7%**	**+18.7%**
Western Europe	2,406	2,770	+15.2%	+14.9%
Other countries	901	1,121	+24.5%	+28.9%

* *Like-for-like: at constant exchange rates and scope of consolidation.*

WESTERN EUROPE

A top-quality fourth quarter (+6% like-for-like) enabled the Group to close 2021 with a record performance: revenue of almost €2.8 billion, up 15% like-for-like. Growth in 2019 was 13% (published data), showing strong momentum, over and above the crises encountered.

In a context of high demand, all our markets made positive contributions to growth across all distribution channels (offline and online) and in the vast majority of product categories, particularly cookware items, electric cooking and home care.

As stated, price increases in Europe were implemented in the fourth quarter to help offset the effect of rising raw materials and freight costs.

France crossed the threshold of €900 million in revenue for the first time. At the end of a good fourth quarter, the Group achieved growth of 18.5% over 2020 on a like-for-like basis, and by more than 20% compared to 2019. This performance was fueled by almost all categories, from cookware to floor care, with gains in market share as well. In addition, there were major loyalty programs with certain key accounts.

Germany also ended the year with excellent performance after a dynamic fourth quarter. The main drivers of this very favorable momentum were cookware (new G6 range, Ingenio) and electric cooking (with Optigrill remaining the top performer).

However, business in the United Kingdom was more complicated, disrupted by major logistics issues.

OTHER EMEA COUNTRIES

In other eurozone countries, annual revenue also set a record high, of more than €1.1 billion. The 28.9% like-for-like increase reflects a very strong performance throughout the year. After an exceptional first half (+55% like-for-like), the second half marked a return to the more standard levels of growth of recent years, albeit over a particularly high level in 2020.

This historic performance is the result of:

- favorable market momentum;
- general outperformance of the Group with market share gains in almost all its countries and product lines;
- the continued progress made in e-commerce, both with our pure player and click & mortar customers, as well as the deployment of the direct sales offering to offline and online consumers.

Growth was widespread across all eurozone countries.

In the product sector, the growth drivers remained floor care (versatile and robotic), electric cooking (grills and oil-less fryers), cookware (Titanium, Ingenio) and automatic espresso machines. Also of note was the very strong performance of WMF in the region.

Over the year, the Group was disadvantaged by the depreciation of certain currencies (Turkish lira, Russian ruble, etc.) and by supply chain disruptions (increase in raw materials and freight costs). In response, it successfully passed on compensatory price increases in the different regions.

Sales *(in € millions)*	2020	2021	Change 2021/2020 As reported	Change 2021/2020 Like-for-like *
AMERICAS	**876**	**1,082**	**+23.5%**	**+19.1%**
North America	622	788	+26.6%	+18.0%
South America	254	293	+15.7%	+22.0%

* *Like-for-like: at constant exchange rates and scope of consolidation.*

NORTH AMERICA

With revenue approaching €800 million for 2021, the Group had a good year in North America. The very strong increase in annual sales (+26.6% compared to 2020 and +34% compared to 2019) was fueled by both:

- organic growth, of 18% compared to 2020;
- the integration of StoreBound [(1)], counting for an additional seven months compared to 2020.

Business in 2021 was volatile. After a very strong first half (+51% like-for-like), the third quarter was impacted by the temporary closure of our cookware plant in Vietnam (government health restrictions). Sales returned to growth in the fourth quarter, which was close to 12% like-for-like. The United States and Mexico are the driving forces.

In the USA, our revenue was up nearly 20% like-for-like over the year, with strong momentum in the fourth quarter. All-Clad in premium cookware and StoreBound in electric cooking (Dash brand) fed growth. In particular, the latter has made further progress in expanding distribution. Business was more complicated for Tefal, though less disrupted in the fourth quarter by the problems of cookware supply.

In Mexico, the Group achieved very strong performances in 2021, both annual and quarterly. There were many drivers: product dynamics, balanced distribution mix, sustained core business and a major loyalty program.

SOUTH AMERICA

In South America, 2021 was again marked by a very uncertain overall environment that varied from country to country. On the monetary front, the high volatility of exchange rates (mainly the Brazilian real and the Colombian peso) persisted. However, it produced a moderately negative currency impact on annual sales.

The Group's revenue in South America posted organic growth of 22% over the year. However, this performance includes situations that vary from country to country.

In Colombia, in a tense economic and health context, demand was nevertheless very strong. Our business reflected this momentum, increasing by more than 35% like-for-like over the year. Although more modest in terms of growth, the fourth quarter remained very well-oriented. In particular, it benefited from three days "without VAT", which boosted sales (particularly electric cooking). All distribution channels contributed to strong sales: large food stores, electro-specialists, traditional brands, e-commerce and our own store network (27, +4 vs 2020, with growth of around 35%).

In response to this momentum, our two industrial sites in Colombia ran at full capacity, achieving record production volumes.

4

In Brazil, on the other hand, the economic situation was complicated and the fourth quarter proved difficult. After a good first half of the year, business deteriorated sharply in a generally deteriorating environment.

Sales *(in € millions)*	2020	2021	Change 2021/2020 As reported	Like-for-like *
ASIA	**2,182**	**2,458**	**+12.6%**	**+10.7%**
China	1,626	1,860	+14.4%	+10.7%
Other countries	556	598	+7.5%	+10.6%

* *Like-for-like: at constant exchange rates and scope of consolidation.*

CHINA

The Group ended the 2021 financial year in China with an excellent performance. Record annual revenue of €1,860 million represented organic growth of 10.7% compared to 2020. The fourth quarter was particularly buoyant. Sales were up 14.5% like-for-like, a significant acceleration compared to the third quarter. Online momentum (including excellent performances at Double 11) more than compensated for the drop in store footfall. For Supor, this was reflected in new market share gains.

It should be noted that, compared to 2019, sales for 2021 were up 4% like-for-like over the year, including +18% in the fourth quarter. Therefore, after a highly unusual 2020, Supor resumed its sustained growth trajectory.

The very favorable momentum for 2021 is based on several factors:

- the solid contribution of all our major product lines: cookware, electrical cooking appliances, home care (mainly vacuum cleaners), fixed kitchen equipment;
- the rapid growth of new categories (oil-less fryers, ovens, floor washers, built-in cooking appliances, etc.);
- constant improvement of the product mix through innovation and a cross-functional approach to premiumization;
- Supor's enhanced presence on new e-commerce platforms and the development of direct sales.

Together, these drivers were strong catalysts for profitable growth and confirm the relevance of the market access transformation model implemented by Supor.

(1) Acquired in July 2020, incorporated from 1 August 2020.

OTHER ASIAN COUNTRIES

In Asia, excluding China, after a slight contraction in the third quarter, the Group's revenue recovered strongly in the fourth quarter (+8.1% like-for-like). Growth in like-for-like sales over the year stood at +10.6% compared to 2020. Compared to 2019, the trend was also very positive: +10.9% (published data).

In Japan, after a buoyant fourth quarter, organic growth for the year was more than 10%, driven by:

- our network of own stores (51 at the end of the year, +6 vs. 2020), which continued their rapid growth;
- online sales, particularly with pure players.

As for products, the year's top performers remained cookware, electric cooking and beverage preparation, boosted in the fourth quarter by the launch of new products.

In South Korea, after a disrupted third quarter (partial closure of the port of Ningbo in China), the release of supplies resulted in a good sell-in at the end of the year. Over the 12 months, cookware and e-commerce were the growth drivers.

In practically all other countries, the Group achieved double-digit organic growth, fueled by the expansion of its product offering and by increased exposure to e-commerce.

4.3 Commentary on consolidated results

INCOME STATEMENT

OPERATING RESULT FROM ACTIVITY (ORFA)

Driven by robust activity, the 2021 Operating Result from Activity (ORfa) climbed to an **all-time high of €813 million**, increasing by **more than 34%** compared to 2020 and by **almost 10%** compared to 2019. At **10.1%** (compared to 8.7% in 2020), the operating margin from activity was back to 2019 levels.

Excluding currency and scope effects of -€25 million and +€4 million respectively, the ORfa for 2021 was €834 million, an increase of 38% compared to 2020, comprising the following:

- **a volume effect of +€193 million,** directly linked to the very strong momentum of Consumer sales, all geographic areas combined, and to the recovery of the Professional business;
- **a price-mix effect of +€387 million**, reflecting a generally lackluster Small Household Equipment market in 2021, an improvement in the mix fueled by innovation and limited price increases, to offset the depreciation of certain currencies (Brazilian real, Turkish lira, etc.) and help offset the additional supply chain costs;
- **an increase of €189 million in cost of sales**, broken down into an increase in the costs of raw materials and components, as well as shipping costs, partially offset by increased productivity at our industrial sites;
- **an increase of €136 million in capital expenditure on growth drivers**, both in R&D and in advertising and marketing activation, reaching 10.4% of sales in 2021;
- **controlled overheads (commercial and administrative)**, which went down from 12.9% to 11.4% of revenue.

OPERATING PROFIT AND NET PROFIT

The Operating Result of €715 million showed an improvement of **42%** compared to €503 million in 2020.

It took into account an Incentive and Profit-sharing expense of €39 million, an increase of 63% on the 2020 amount (€24 million), reflecting the good results of French entities in 2021. It also included other income and expenses, of -€59 million (-€78 million in 2020), half of which was linked to the costs of the announced closure of the Erbach site in Germany.

Financial income for 2021 was -€64 million, close to the levels of previous years. It included an IFRS 16 expense of €12 million, versus €12.5 million in 2020.

In 2021, Groupe SEB achieved **record net profit, Group share, of €454 million,** versus €301 million in 2020 and €380 million in 2019. This profit was after:

- a tax expense of €143 million, representing an effective tax rate for the 2021 financial year of 21.9% (21.2% in 2020);
- taking minority interests of €54 million into account, compared to €48 million in 2020, with the increase of €6 million fueled by Supor and StoreBound.

Adjusted EBITDA crossed the one billion mark for the first time in 2021, reaching **€1,041 million,** versus €851 million in 2020 and €966 million in 2019.

BALANCE SHEET

At 31 December 2021, **consolidated shareholders' equity totaled €3,291 million**, an increase of €556 million compared to the end of 2020, mainly due to the net profit for 2021 being taken into account and positive conversion differences (yuan in particular).

On the same date, **net debt stood at €1,524 million** (including €335 million of IFRS 16 debt), practically stable compared to the end of 2020. This stability, even though adjusted EBITDA increased by €190 million, was mainly due to the variation in the working capital requirement (WCR). At the end of 2021, **WCR stood at €1,115 million** (compared to €848 million at the end of 2020) and represented **13.8% of sales** (12.2% at the end of 2020). This rise resulted from a significant increase in inventories intended to secure the availability of finished products. It also reflected the increase in raw materials and transport prices.

Compared to 2019 (16.5%), the WCR/sales ratio was down sharply and within the structural optimization trajectory initiated more than 10 years ago.

In this context, **free cash flow** for the year amounted to **€306 million.**

At 31 December 2021, **the adjusted net financial debt/EBITDA ratio stood at 1.46x** and 1.26x excluding the effect of IFRS 16. It was a significant improvement compared to 31 December 2020 (1.78x and 1.56x respectively). **The Group's net debt/consolidated equity ratio** was **46%** (compared with 56% at end-2020) and 36% excluding IFRS 16.

CAPITAL EXPENDITURE

CAPEX * amounted to €213 million, compared with €183 million in 2020, representing approximately 2.6% of revenues.

Capital expenditure in 2021 will mainly concern:

- the construction of a logistics platform at Bully-les-Mines. The site will house a future distribution center of more than 100,000 m^2 for the European markets,
- projects in China: acquisition of tooling for new products in the Small Domestic Equipment sector; and, as in previous years, investments in capacity production equipment,
- investments in new product development at Mayenne (WMF Perfection coffee machine) and capacity increases at the Rumilly and Pont Evêque sites.

In addition, there were expenditures on production related computer softwares, capitalized development costs and redevelopment of the Group's own stores.

4.4 Commentary on SEB S.A.'s results

PRESENTATION OF SEB S.A.'S RESULTS

SEB S.A., the parent company of Groupe SEB, is a holding company. It therefore defines and implements the Group's development strategy. It holds financial interests that give it direct and indirect control over Group companies. SEB S.A. also manages the Group's cash, implements the financing policy and centralizes the management of the market risks to which the subsidiaries and the Group are exposed.

The financial statements of SEB S.A. at 31 December 2021 are characterized by the following amounts and transactions:

Operating income and expenses resulted in a loss of €20.8 million in 2021, compared with a loss of €20.6 million in 2020.

Net financial income increased, standing at €139.1 million in 2021, compared with €120.1 million in 2020. This net financial income mainly comprises:

- dividends received, which increased to €173.9 million in 2021, compared with €133.7 million in 2020;
- unfavorable foreign exchange effects in 2021 amounted to €26.5 million, versus a loss of €16.5 million in 2020, and included the net cost of hedging of €11.4 million.

Profit from ordinary activities before tax was therefore €118.4 million in 2021, compared with €99.5 million in 2020. An exceptional profit of €13.2 million was recorded, versus a loss of €2.1 million in 2020.

* *Cash outflows for purchase of PP&E and intangible assets.*

As SEB S.A. is the lead company of the tax consolidation group, it posted tax income of €31.1 million in 2021 (compared to €27.2 million in 2020), corresponding primarily to the tax savings related to the deduction of the losses of the loss-making subsidiaries from the total group's tax result of €23.3 million in 2021.

SEB S.A.'s net profit for 2021 was €162.6 million, compared with €124.6 million for 2020.

At 31 December 2021, total assets amounted to €5,826.7 million, compared with €5,868.6 million at the end of 2020, representing a decrease of €41.9 million.

Non-current assets amounted to €4,153.9 million, up €34.4 million compared to 31 December 2020. They were primarily composed of equity investments for a net amount of €1,658.8 million, compared with €1,614.5 million in 2020, and long- and medium-term loans granted for €2,494.9 million, versus €2,502.5 million in 2020.

In terms of liabilities, the company's equity stood at €1,346.2 million at 31 December 2021, compared with €1,305.7 million in 2020. SEB S.A.'s total borrowings and financial debt amounted to €4,162.3 million at 31 December 2021, compared with €4,302.3 million in 2020.

ACQUISITIONS OF EQUITY INVESTMENTS

During the year, SEB S.A. took a majority stake in Groupe SEB Ré, a captive reinsurance company.

DIVIDENDS PAID OUT IN THE LAST THREE FISCAL YEARS

	Dividends	Share premium
2019	106,554,007	4,072,106
2020	71,704,976	2,898,150
2021	117,770,092	4,327,109

BREAKDOWN OF TRADE RECEIVABLES BY DUE DATE

	Article D. 441 I.-2: Invoices issued and not settled at the closing date of the fiscal year period that are in arrears					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(1) Late payment tranches						
Number of invoices concerned						5
Total amount of invoices concerned incl. VAT		3.3	0	0	0	3.3
Percentage of total amount of purchases incl. VAT for the year		15.8%	0.00%	0.00%	0.00%	15.8%
(B) Invoices excluded from (1) relating to debts and receivables that are disputed or not reported						
Number of invoices excluded	0					
Total amount of invoices excluded	0					
(C) Payment deadlines for references used (contractual or statutory deadline – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment deadlines used to calculate late payments	Legal deadlines: for French customers, payment deadlines range from 0 to 60 days. Contractual deadlines: for foreign customers, payment deadlines range from 0 to 180 days.					

BREAKDOWN OF TRADE PAYABLES BY DUE DATE

	Article D. 441 I.-1: Invoices received and not settled at the closing date of the fiscal year period that are in arrears					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
(1) Late payment tranches						
Number of invoices concerned						27
Total amount of invoices concerned incl. VAT		0	0	0	0	0.0
Percentage of total amount of purchases incl. VAT for the year		0.25%	0.00%	-0.30%	0.00%	-1.07%
(B) Invoices excluded from (1) relating to debts and receivables that are disputed or not reported						
Number of invoices excluded	4					
Total amount of invoices excluded	0.3					
(C) Payment deadlines for references used (contractual or statutory deadline – Article L. 441-6 or Article L. 443-1 of the French Commercial Code)						
Payment deadlines used to calculate late payments	Legal deadlines: for French suppliers, payment deadlines range from 15 days to 60 days; for foreign suppliers, payment deadlines are scheduled from 30 to 60 days. Contractual deadlines: for foreign suppliers, payment deadlines range from 30 to 60 days.					

SUMPTUARY EXPENSES AND NON-TAX DEDUCTIBLE EXPENSES

Pursuant to the provisions of Article 223 quater of the French General Tax Code, it is specified that the financial statements for the previous fiscal year contain sumptuary expenses of €17,093 corresponding to the depreciation of passenger vehicles. This expense is not deductible from the tax result under Article 39-4 of the French General Tax Code.

4.5 Outlook

This outlook is an extract from the annual results press release published on February 24, 2022. It do not take into account events that have occurred since then, in particular the conflict between Russia and Ukraine.

Against the backdrop of an unstable health situation and a disrupted supply chain, Groupe SEB ended the 2021 financial year with a record performance in terms of both revenue and results. Anticipation and responsiveness in the face of logistics disruptions, rigorous business management and strict cost control enabled it to more than offset nearly €300 million in headwinds, while increasing its investments in growth drivers. It also consolidated its global leadership in Small Domestic Equipment. The Group therefore emerged stronger from these two highly unusual years.

In 2022, the Group will continue to deploy its best performing products around the world and maintain a steady pace of new product launches. Supported by strong advertising and marketing activation, they will drive growth and enrich the mix. Recurring productivity gains, internal cost control and the effect of price rises will add to these drivers. These elements should combine to offset the additional costs of materials and sea freight, which are still under pressure. **For 2022, Groupe SEB is therefore targeting revenue growth in both its Consumer and Professional businesses, and an increase in its Operating profit from activity.**

4.6 Post-balance sheet events

GROUPE SEB ANNOUNCES CHANGES TO ITS GOVERNANCE FROM 1 JULY 2022

The Board of Directors of Groupe SEB met on 10 February 2022, under the Chairmanship of Thierry de La Tour d'Artaise. Following his proposal and the recommendations of the Governance and Compensation Committee, the Board decided to **separate the functions of Chairman and Chief Executive Officer**.

The Board decided to retain Thierry de La Tour d'Artaise as Chairman of the Board of Directors, a position he has held since 2000, and appoint Stanislas de Gramont as Chief Executive Officer from 1 July 2022.

The Board of Directors firmly believes that the proposed change will ensure the sustainability of the Group's performance, values and commitments, as well as the quality of its governance. **This dual governance**, based on the relationship of trust established between Thierry de La Tour d'Artaise and Stanislas de Gramont, will allow the Group to combine forward-looking prospects with operational excellence.

Stanislas de Gramont, whose responsibilities have been regularly enhanced as part of the active pairing formed with Thierry de La Tour d'Artaise since joining the Group, will be able to fully demonstrate his qualities by becoming the Group's Chief Executive Officer.

CURRENT SITUATION OF THE CONFLICT BETWEEN RUSSIA AND UKRAINE

Event that occured after the Board of Directors meeting of February 24, 2022

Since the publication of the 2021 results on February 24, 2022, the geopolitical environment has deteriorated considerably with the invasion of Ukraine by Russia.

In 2021, these two countries accounted for less than 5% of consolidated revenues and approx. 2% of Group's total assets at the end of December.

In Ukraine, the Group is present through a commercial subsidiary and has 124 employees. It is fully committed to ensuring the health and safety of its employees in the country, and every effort is being made to provide day-to-day assistance and financial support for them and their families. In the current context, commercial activity has of course been suspended.

The Group has a historical presence in Russia, with both a sales subsidiary in Moscow with 324 employees and a small cookware assembly workshop in St. Petersburg with 70 employees. For the time being, the business continues to operate in Russia but media investments have been stopped.

We continue to assess developments in the situation in real time, both in Ukraine and in Russia, and we are implementing the decisions of the European and French authorities, with whom we are working in close coordination.

This conflict is also generating new uncertainties, notably in terms of currency volatility, supply chain, and raw material and energy prices. **The Group is constantly monitoring developments in the situation and their potential direct and/or indirect effects on its businesses and financial situation.**

LAC1 FUND, MANAGED BY BPIFRANCE HAS ACQUIRED A STAKE IN GROUPE SEB

Event that occured after the Board of Directors meeting of February 24, 2022

On March 23, 2022 Lac1 * fund, managed by Bpifrance on behalf of French and international investors, has annouced the acquisition of a stake in Groupe SEB.

This investment (its fifth investment since the creation of the fund in 2020) in a family-owned, industrial, French company is fully in line with the Lac1 fund's investment strategy: to support French listed world leaders that offer strong value creation potential while addressing today's environmental and societal challenges.

With this investment, **Lac1 asserts its commitment to the Group's strategy and his desire to be involved in the long term at his side.**

Groupe SEB's Board of Directors decided to propose the appointment of Bpifrance, representing Lac1, as a board member of the Group. This nomination will be submitted to the next Shareholders' Meeting on May 19, 2022. Acting on a proposal from the Governance and Remuneration Committee, the Board of Directors of Groupe SEB has selected Anne Guérin, Executive Director of Bpifrance in charge of the financing activities and of the regional network, to sit on the Board as the permanent representative of Bpifrance.

* *Lac1 fund invests on a long-term basis in the capital of publicly listed French multinationals and is involved in their governance. Lac1 fund has an initial investment capacity of €4.2B, after holding a first close with Bpifrance, and around thirty subscribers including large French and international institutional investors, as well as large companies and family offices. Lac1 is managed by Bpifrance Investissement leveraging on Bpifrance's positioning within its ecosystem, its knowledge of technological and environmental transitions, as well as its strong expertise in the governance of listed companies.*

5 Consolidated Financial Statements

5.1 Financial statements

CONSOLIDATED INCOME STATEMENT

Year ended 31 December

(in € millions)	31/12/2021	31/12/2020
Revenue (Note 5)	8,058.8	6,940.0
Operating expenses (Note 6.1)	(7,245.5)	(6,334.6)
OPERATING RESULT FROM ACTIVITY	**813.3**	**605.4**
Statutory and discretionary employee profit-sharing (Note 6.2)	(39.4)	(24.2)
RECURRING OPERATING PROFIT	**773.9**	**581.2**
Other operating income and expense (Note 7.1)	(59.1)	(77.9)
OPERATING PROFIT	**714.8**	**503.3**
Finance costs (Note 8)	(43.1)	(39.8)
Other financial income and expense (Note 8)	(21.4)	(21.0)
PROFIT BEFORE TAX	**650.3**	**442.5**
Income tax (Note 9)	(142.7)	(93.8)
PROFIT FOR THE PERIOD	**507.6**	**348.7**
Non-controlling interests (Note 20)	(53.8)	(48.2)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**453.8**	**300.5**
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT PER SHARE *(IN UNITS)*		
Basic earnings per share (Note 10)	8.42	6.00
Diluted earnings per share (Note 10)	8.36	5.96

The accompanying Notes 1 to 35 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € millions)	31/12/2021	31/12/2020
PROFIT BEFORE MINORITY INTERESTS	**507.6**	**348.7**
Foreign currency translation adjustments	163.9	(109.8)
Gains (losses) on cash flow hedges	79.6	(12.9)
Change in fair value of financial assets *	34.1	26.5
Revaluation of employee benefits *	28.5	(11.3)
Tax effect	(28.2)	6.6
OTHER COMPREHENSIVE INCOME	**277.9**	**(100.9)**
COMPREHENSIVE INCOME	**785.5**	**247.8**
Non-controlling interests	(71.9)	(41.9)
COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	**713.6**	**205.9**

* *Items that will not be reclassified to profit or loss.*

CONSOLIDATED BALANCE SHEET

Year ended 31 December

ASSETS *(in € millions)*	31/12/2021	31/12/2020
Goodwill (Note 11)	1,707.8	1,642.4
Other intangible assets (Note 11)	1,289.9	1,261.6
Property plant and equipment (Note 12)	1,265.6	1,219.5
Other investments (Note 14.1)	162.0	108.0
Other non-current financial assets (Note 14.2)	16.3	15.9
Deferred taxes (Note 9)	129.8	107.7
Other non-current assets (Note 17)	52.9	47.2
Long-term derivative instruments – assets (Note 24)	11.6	17.9
NON-CURRENT ASSETS	**4,635.9**	**4,420.2**
Inventories (Note 15)	1,839.6	1,211.5
Trade receivables (Note 16)	934.6	965.4
Other receivables (Note 17)	232.4	160.6
Current tax assets (Note 9)	38.9	42.0
Short-term derivative instruments – assets (Note 24)	115.7	36.2
Financial investments and other current financial assets (Note 14)	60.6	664.7
Cash and cash equivalents (note 18)	2,266.5	1,769.4
CURRENT ASSETS	**5,488.3**	**4,849.8**
TOTAL ASSETS	**10,124.2**	**9,270.0**

LIABILITIES *(in € millions)*	31/12/2021	31/12/2020
Share capital (Note 19.1)	55.3	50.3
Reserves and retained earnings (Note 19.3)	2,969.1	2,436.8
Treasury stock (Note 19.4)	(34.3)	(19.6)
Equity attributable to owners of the parent	2,990.1	2,467.5
Non-controlling interests (Note 20)	300.6	267.3
CONSOLIDATED SHAREHOLDERS' EQUITY	**3,290.7**	**2,734.8**
Deferred taxes (Note 9)	234.0	191.0
Employee benefits and other non-current provisions (Note 21 and Note 22)	298.9	355.9
Long-term borrowings (Note 23)	2,230.8	2,285.8
Other non-current liabilities (Note 26)	54.1	52.0
Long-term derivative instruments – liabilities (Note 24)	15.3	15.5
NON-CURRENT LIABILITIES	**2,833.1**	**2,900.2**
Employee benefits and other current provisions (Note 21 and Note 22)	132.0	122.9
Trade payables (Note 26)	1,614.7	1,260.3
Other current liabilities (Note 26)	546.7	493.3
Current tax liabilities	51.8	35.9
Short-term derivative instruments – liabilities (Note 24)	50.0	50.4
Short-term borrowings (Note 23)	1,605.2	1,672.2
CURRENT LIABILITIES	**4,000.4**	**3,635.0**
TOTAL EQUITY AND LIABILITIES	**10,124.2**	**9,270.0**

The accompanying Notes 1 to 35 are an integral part of these Consolidated Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 December

(in € millions)	31/12/2021	31/12/2020
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**453.8**	**300.5**
Depreciation, amortization and impairment losses	272.0	273.9
Change in provisions	7.0	25.8
Unrealized gains and losses on financial instruments	12.7	(23.3)
Income and expenses related to stock options and bonus shares	27.1	29.2
Gains and losses on disposals of assets	4.7	3.5
Other	5.7	5.0
Non-controlling interests	53.8	48.2
Current and deferred taxes	142.7	93.8
Finance costs	40.5	37.5
CASH FLOW (1) (2)	**1,020.0**	**794.1**
Change in inventories and work in progress	(574.1)	(59.4)
Change in trade receivables	49.3	107.7
Change in trade payables	242.6	251.5
Change in other receivables and payables	9.6	62.0
Income tax paid	(133.5)	(158.9)
Net interest paid	(40.5)	(34.5)
NET CASH FROM OPERATING ACTIVITIES	**573.4**	**962.5**
Proceeds from disposals of assets	3.2	6.3
Purchases of property, plant and equipment (2)	(183.2)	(158.4)
Purchases of software and other intangible assets (2)	(29.7)	(24.1)
Purchases of financial assets (3)	580.8	(675.4)
Acquisitions of subsidiaries, net of cash acquired	(13.3)	(17.1)
NET CASH USED BY INVESTING ACTIVITIES	**357.8**	**(868.7)**
Increase in borrowings (2)	1,507.4	1,669.2
Decrease in borrowings	(1,743.0)	(616.5)
Issue of share capital	0.0	0.0
Transactions between owners (4)	(62.3)	(48.4)
Change in treasury stock	(39.1)	1.8
Dividends paid, including to non-controlling interests	(151.5)	(101.0)
NET CASH USED BY FINANCING ACTIVITIES	**(488.5)**	**905.1**
Effect of changes in foreign exchange rates	54.5	(15.0)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**497.1**	**983.9**
Cash and cash equivalents at beginning of period	1,769.4	785.5
Cash and cash equivalents at end of period (+)	2,266.5	1,769.4

(1) Before net finance costs and income taxes paid.
(2) Excluding IFRS 16, the effects of which are presented in Note 13.
(3) Note 14. Investments in other financial assets.
(4) Including purchase of Supor shares for €63.5 million in 2021 and €51.6 million in 2020.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in € millions)	Share capital	Share premiums [(1)]	Reserves and retained earnings [(1)]	Translation Differences [(1)]	Treasury shares	Equity attributable to owners of the parent	Non-controlling interests	Consolidated shareholders' equity
AT 31 DECEMBER 2019	**50.3**	**103.7**	**2,235.9**	**55.5**	**(52.8)**	**2,392.6**	**234.9**	**2,627.5**
Profit for the period			300.5			300.5	48.2	348.7
Other comprehensive income			8.9	(103.5)		(94.6)	(6.3)	(100.9)
COMPREHENSIVE INCOME			**309.4**	**(103.5)**		**205.9**	**41.9**	**247.8**
Dividends paid			(74.4)			(74.4)	(26.6)	(101.0)
Issue of share capital								
Reduction of share capital								
Changes in treasury stock					33.2	33.2		33.2
Gains (losses) on sales of treasury stock, after tax			(30.2)			(30.2)		(30.2)
Exercise of stock options			28.5			28.5	0.7	29.2
Acquisition of StoreBound			(31.0)			(31.0)	12.3	(18.7)
Other movements [(2)]			(57.1)			(57.1)	4.1	(53.0)
AT 31 DECEMBER 2020	**50.3**	**103.7**	**2,381.1**	**(48.0)**	**(19.6)**	**2,467.5**	**267.3**	**2,734.8**
Profit for the period			453.8			453.8	53.8	507.6
Other comprehensive income			114.1	145.7		259.8	18.1	277.9
COMPREHENSIVE INCOME			**567.9**	**145.7**		**713.6**	**71.9**	**785.5**
Dividends paid			(121.0)			(121.0)	(30.5)	(151.5)
Issue of share capital	5.0					5.0		5.0
Reduction of share capital								
Changes in treasury stock					(14.7)	(14.7)		(14.7)
Gains (losses) on sales of treasury stock, after tax			(23.8)			(23.8)		(23.8)
Exercise of stock options			26.8			26.8	0.3	27.1
Change in put options granted to minority shareholders			(28.5)			(28.5)		(28.5)
Other movements [(3)]			(34.8)			(34.8)	(8.4)	(43.2)
AT 31 DECEMBER 2021	**55.3**	**103.7**	**2,767.7**	**97.7**	**(34.3)**	**2,990.1**	**300.6**	**3,290.7**
Dividends proposed for 2021			(140.7)			(140.7)		(140.7)
BALANCE AFTER APPROPRIATION AT 31 DECEMBER 2021	**55.3**	**103.7**	**2,627.0**	**97.7**	**(34.3)**	**2,849.4**	**300.6**	**3,150.0**

(1) Reserves and retained earnings in the balance sheet.
(2) Including buybacks and cancellations of Supor shares for €51.6m in 2020.
(3) Including buybacks and cancellations of Supor shares for €63.5m 2021 and impact of the IFRIC decision on post-employment benefits for €33.2m.

5

SUMMARY OF NOTES

5.2 Notes to the Consolidated Financial Statements

SEB S.A. and its subsidiaries (together "Groupe SEB" or "the Group") are a world reference in the design, manufacture and marketing of cookware and Small Domestic Equipment: pressure cookers, irons and steam generators, kettles, coffee machines, deep fryers, toasters and food processors. The Group is also world leader of the professional automatic coffee machine market.

SEB S.A.'s registered office is at Chemin du Moulin Carron, 69130 Écully, France and it is listed on the Euronext-Paris Eurolist market (ISIN code: FR0000121709).

5.2.1 GENERAL PRINCIPLES

The financial statements of Group companies are prepared in accordance with local generally accepted accounting principles. They are restated to comply with Group accounting policies.

The notes to the Financial Statements include analyses of assets and liabilities by maturity where disclosure of this information is required.

NOTE 1. ACCOUNTING PRINCIPLES

Note 1.1. Applicable accounting principles

The Financial Statements were authorized for publication by the Board of Directors on 24 February 2022 and will be approved by the Annual General Meeting on 19 May 2022.

As a company listed in a European Union member State and pursuant to regulation (EC) no. 1606/2002 of 19 July 2002, the Group's published Consolidated Financial Statements for FY 2021 and the comparative financial statements for FY 2020 were prepared in accordance with the IFRS (International Financial Reporting Standards) as adopted by the European Union at 31 December 2021.

These guidelines can be downloaded from the European Commission's website. This includes the standards published by the IASB (International Accounting Standards Board), namely the IFRS, IAS (International Accounting Standards) and the interpretations from the International Financial Reporting Interpretations Committee (IFRIC) and the former Standard Interpretations Committee (SIC).

MANDATORY NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

The Group adopted the following amendments applicable as of 1 January 2021. This date of application matches that of the IASB:

- amendment to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform" – Phase 2. This amendment provides flexibility measures for the consequences of changes in financial instrument contracts measured at amortized cost and hedging relationships. Furthermore, this amendment specifies the information to be provided in the Appendix;
- IFRS 16 amendment relating to Covid-19 rent reductions after 30 June 2021.

These amendments had no material impact on the Group's accounts.

The Group has also applied the IFRIC decision on the accounting method for accounting post-employment benefit plans with certain characteristics. This change in method has resulted in a €33.2 million reduction of the provisions for personnel benefits.

The decision taken by the IFRIC in March 2021 on the costs of implementing Cloud-based applications is still being analyzed within the Group. However, the Group does not anticipate any significant impacts associated with the application of this decision.

NEW EARLY-ADOPTED STANDARDS AND INTERPRETATIONS

The following standards and interpretations optional at 31 December 2021 have not been applied early:

- amendment to IAS 16 Property, plant and equipment, regarding the handling of proceeds generated during operational tests on fixed assets prior to their commissioning;
- amendment to IAS 37 regarding the costs of fulfilling a contract in the case of loss-making contracts;
- amendment linked to the IFRS 2018-2020 cycle of improvements, specifically:
  - amendment to IFRS 16 relating to rental incentives,
  - amendment to IFRS 9 relating to charges and fees to be included in the 10% test for the derecognition of a financial liability,
  - amendment to IFRS 3 with reference to the conceptual framework.

The Group does not, however, anticipate any material impact related to the application of these new standards.

Note 1.2. Use of estimates

The preparation of Consolidated Financial Statements in accordance with IFRS requires the use of estimates and assumptions that have an impact on the reported amounts of assets and liabilities – such as accumulated depreciation, amortization and impairment losses – and contingent assets and liabilities on the date of the Consolidated Financial Statements, as well as on income and expenses for the year. These estimates are made on a going concern basis and reflect amounts and assumptions that management considers relevant and reasonable given the Group's operating environment and past experience. The Group has taken into account the issues related to climate change but has not identified, to date, any specific risk that would have a material impact on its estimates. The main estimates and assumptions used to prepare the consolidated financial statements concern the measurement of pension liabilities (Note 22), deferred taxes (Note 9), property, plant and equipment (Note 12), intangible assets (Note 11), investments in associates and other investments (Note 14), impairment of current assets (Note 15 and 16), short and long-term provisions (Note 21), certain financial instruments (Note 24).

The Consolidated Financial Statements for the period are prepared on the basis of financial parameters for the market available at the end of the period. The value of certain assets, such as goodwill and trademarks, is estimated at each year-end based on the long-term economic outlook and management's best estimates. In accordance with IAS 36, the Group presented in Note 11.4 "Procedures for conducting impairment tests", the assumptions used and results obtained by calculating the sensitivity to fluctuations in these estimates. These estimates can be adjusted to any change in the circumstances on which they were based or when any new information comes to light. Actual results may differ from these estimates and assumptions.

Despite a difficult general environment due to the Covid-19 pandemic (various lockdown measures in the various countries, roll-out of vaccination campaigns, new monetary impairments, etc.), the Group's business activities rose sharply throughout the 2021 financial period. Moreover, the review of its trade receivables portfolio did not bring to light any elements requiring the adjustment of expected loss estimates (see Note 16).

Note 1.3. Translation of foreign financial statements and currency transactions

1.3.1. Translation of the financial statements of foreign operations

The financial statements of foreign entities are prepared in their functional currency, corresponding to the currency of the primary economic environment in which the entity operates. The functional currency of most foreign entities is their local currency.

The Group's reporting currency is the euro.

The financial statements of the Group's subsidiaries are translated into euros by the closing rate method, as follows:

- assets and liabilities in a functional currency other than the euro are translated at the closing rate at the balance sheet date and income statement items are translated at the weighted average rate for the year;
- the resulting exchange differences are recognized as a separate component of equity, under "Translation differences".

The financial statements of subsidiaries whose functional currency is not the local accounting currency are initially translated into the functional currency using the historical rate method, as follows:

- non-monetary assets and liabilities: non-current assets, inventories and securities and the corresponding movements recorded in the income statement are translated at the historical exchange rate;
- monetary assets and liabilities: cash, short and long-term loans and borrowings, operating receivables and payables are translated at the closing rate at the balance sheet date;
- income statement items are translated at the weighted average exchange rate for the year, apart from amortization and impairment losses on non-monetary items;
- the resulting exchange differences are recognized in the income statement for the year. With the exception of foreign exchange gains or losses related to items recognized directly under other comprehensive income.

Financial statements prepared in the functional currency are then translated into euros using the closing rate method.

1.3.2. Translation of foreign currency transactions

Foreign currency transactions are recognized and measured in accordance with IAS 21 – Effects of Changes in Foreign Exchange Rates. Transactions in currencies other than the functional currency are recognized at the exchange rate prevailing on the transaction date.

Monetary assets and liabilities denominated in currencies other than the functional currency are translated at the closing exchange rate. The resulting exchange gains and losses are recognized in the income statement except where they are recognized directly under other comprehensive income or refer to eligible cash flow hedges or hedges of a net investment in a foreign entity.

Non-monetary foreign currency assets and liabilities carried at historical cost are translated using the exchange rate on the date of the transaction. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated at the exchange rate on the date on which this fair value was measured.

Where a profit or a loss on a non-monetary item is recognized under other comprehensive income, any exchange component of this profit or loss is recognized directly under other comprehensive income. In contrast, where a profit or a loss on a non-monetary item is recognized directly in the income statement, any exchange component of this profit or loss is recognized in the income statement.

The Group's exposure to certain currency risks is hedged using forward contracts and options (Note 24).

5.2.2 HIGHLIGHTS AND POST-BALANCE SHEET EVENTS

NOTE 2. CHANGES IN SCOPE OF CONSOLIDATION

Note 2.1. Transactions in 2021

GROUPE SEB RÉ: THE GROUP'S CAPTIVE REINSURANCE COMPANY

The Group has decided to set up a captive reinsurance company to optimize the placement of its risks. This French-registered company, with share capital of €4.4 million, was approved by the French Prudential Supervisory and Resolution Authority (ACPR) on 18 June 2021.

COFFEE TECHNOLOGY

In May 2021, under a partnership with one of its subcontractors, the Group acquired a majority 60% stake in the newly created Coffee Technology company.

GROUPE SEB MAROC

In December 2021, the Group took a majority 55% stake in the newly created Groupe SEB Maroc. This new partnership will enable the Group to step up the development of its sales in Morocco and make the most of the strong potential of this market.

On 1 January 2021, the Group consolidated Feeligreen for the first time. Other noteworthy events over the period include: creation of Hainan Supor E-commerce Co. Ltd, liquidation of WMF Group Hong Kong Ltd and Tefal India Household Appliances, merger of the Vietnamese entities of Groupe SEB Vietnam and EMSA Vietnam and merger of Prolog Brand GmbH into WMF GmbH. These transactions have no material impact on the Group's consolidated financial statements.

Note 2.2. Follow-up on significant transactions in 2020

STOREBOUND

On 31 July 2020, Groupe SEB acquired a majority 55% stake in StoreBound, owner of the Dash kitchenware brand, a leading brand for health-conscious consumers in the United States.

Founded in 2010, StoreBound develops kitchenware to improve everyday life under several brands such as Dash, Sobro, Chef Geoffrey Zakarian, and others. The company sells and markets its products through leading US off-line and on-line distributors. In just eight years, StoreBound has developed its industry's largest social media audience in the United States, with more than one million followers on Instagram, generating billions of advertising impressions for the distribution of its products in North and South America, Europe and Asia. StoreBound has launched more than 200 products based on an efficient omnichannel distribution model combining in-store sales, e-commerce and social media. StoreBound is based in New York. It has been included in the list of the fastest-growth companies published by Inc. Magazine for four consecutive years and broke into the Top 100 of the Entrepreneur 360 list in 2019.

The acquisition price included two earnouts based on an EBITDA multiple which at 31 December 2020 were estimated at $20 million. This estimate was revised upwards during the first half of 2021.

Furthermore, two put options on minority interests were also granted as part of this acquisition of a majority stake. These two options, the valuation of which is based on EBITDA multiples, may be exercised no later than March 2025 and no later than March 2028. This resulted in the recording of estimated long-term bank borrowings of €34.8 million at 31 December 2020. This debt was revalued at 31 December 2021 by adjusting equity.

The net fair value of the acquired assets and assumed liabilities at 31 July 2020 is as follows:

(in € millions)	31/07/2020
Non-current assets *	37.2
Inventories	20.1
Trade receivables	14.6
Net debt	(21.3)
Trade payables	(17.1)
Other net liabilities	(4.9)
TOTAL NET ASSETS	**28.6**
PERCENTAGE INTEREST	**55%**
TOTAL NET ASSETS ACQUIRED	**15.7**
Non-controlling interests	12.9
Acquisition price including earnout clauses	46.1
Final goodwill	30.4

* *Including the DASH brand valued by an independent expert at $40 million*

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By way of a reminder, as part of the streamlining of its activities, the Group sold its "Garden" business at the end of June 2020 and its subsidiary Boehringer Gastro Profi GmbH, which specializes in the sale and marketing of hotel products. The net impact of these two transactions, which amounted to €6.6 million, was recorded in other operating expenses.

NOTE 3. HIGHLIGHTS AND LITIGATION

FREE ALLOCATION OF SHARES

A bonus share scheme for SEB S.A. (one share offered for 10 shares held) was approved by the Board of Directors on 23 February 2021. All shares comprising the share capital carried the same right to one new share for ten previous shares, without any increase. The share capital of SEB S.A. increased by 10%, or 5,030,706 shares. The capital now consists of 55,337,770 shares, with a par value of €1, or a total amount of €55,337,770.

CREATION OF A HOLDING COMPANY TO STRENGTHEN FAMILY CONTROL

To ensure long-term family control and strengthen ties with Groupe SEB, the concerted family shareholders (GÉNÉRACTION and VENELLE INVESTISSEMENT) created a family holding company on 12 March 2021 to strengthen its position. On the same day, this holding company, called HRC (Holding de Renforcement du Contrôle), received a significant portion of the SEB shares held by the concerted parties, i.e. 6.4% of the capital of SEB S.A., with this group continuing to hold 31.9% of the capital. Note that HRC is a party to the shareholders' pact of 27 February 2019 and as such is a member of the concerted group.

FINANCING (NOTE 23.1)

In December 2021, Groupe SEB issued a *Schuldschein* private placement for €350 million, split into three maturities of 5, 7 and 10 years, and renewed the Group's syndicated loan for a period of five years (with two options to extend for 1 year) for €990 million.

It should be noted that the "ORNAE" bonds (bonds redeemable in cash and/or existing shares) issued in November 2016 were repaid in full without the allocation of existing shares.

INVESTIGATION BY THE FRENCH COMPETITION AUTHORITY

In October 2013, the French Competition Authority conducted an inquiry into the pricing and listing practices of several domestic appliance manufacturers, including Groupe SEB France and Groupe SEB Retailing, with regard to certain online retailers.

To our knowledge, this case is still under investigation.Given the uncertain outcome of the proceedings, no provision was funded in the financial statements at 31 December 2021.

INCIDENT AT A LOGISTICS WAREHOUSE IN SPAIN

On 8 January 2021, following the heavy snow caused by Storm Filomena, the roof of our Madrid logistics center collapsed, destroying some of the inventory. This warehouse was leased from an external owner and operated by an external service provider. On 13 April 2021, a fire broke out in the same warehouse during the intervention of a company commissioned by the owner, destroying all the inventory in the process of appraisal.

The due diligence of our insurers is still ongoing and an alternative storage solution has been set up to supply the Spanish market. Based on the most recent estimate of compensation to be received from insurers and after full inventory depreciation, a net expense of €2.7 million was recorded in the financial statements at 31 December 2021.

In terms of operating losses, the insurers are still assessing the claim. For the financial period, €1.8 million was recorded under the heading of tax credit for the non-repayable advance already received.

CLOSURE OF THE ERBACH PLANT

The Group has decided to close this site located in Germany as of 30 June 2022 and redeploy the industrial ironing activity specifically to the Pont-Evêque plant in France (Note 21.3).

RISK RELATING TO THE REDEMPTION OF WMF MINORITY INTERESTS IN 2015

Following the takeover of WMF by KKR and the procedure for compulsory redemption of minority shares, to reduce the holdings, in 2015 the minority shareholders of WMF took legal action to challenge the valuation of their shares.

The purpose of this type of action, which is not unusual, is to obtain a higher price by challenging the valuation made during the procedure, although with no specification or justification of the quantum of the request, since the judge will be responsible for setting a higher price depending on their appraisal of the case. The initial appraisal, established for the procedure, had been confirmed by an initial legal expert in 2015 and was not challenged by the second expert appointed by the judge in 2017 and who delivered a report in July 2020. The judge issued an order on 9 November 2021 addressing additional technical questions to WMF and the experts about certain valuation criteria and assumptions in the business plan used for the 2015 valuation. The judge ultimately suggested that the parties should reach a transactional agreement; however, no agreement has been reached at this stage.

As a reminder, when WMF was acquired by Groupe SEB, contingent liabilities were recorded under the heading of various risks (regulatory, tax, social and environmental) (see Note 21.4).

In the past 12 months, other than the proceedings reflected in the financial statements and described in the accompanying notes, there have been no other government, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware) which may have or have had in the recent past significant effects on the Group and/or its financial position or profitability.

NOTE 4. SUBSEQUENT EVENTS

CHANGE IN THE GROUP'S GOVERNANCE

On 10 February 2022, the Board of Directors approved the proposal of its Chairman and Chief Executive Officer to change the governance of the Group by separating the functions of Chairman and Chief Executive Officer. This decision will take effect on 1 July 2022.

On the date these financial statements were approved by the Board of Directors, on 24 February 2022, no other subsequent material event had occurred.

5.2.3 INCOME STATEMENT

NOTE 5. REVENUE

Revenue corresponds to the value, excluding tax, of goods and services sold by consolidated companies in the course of their ordinary activities, after eliminating intra-group sales.

"CONSUMER" BUSINESS

This business encompasses the sales and marketing of cookware and small electrical appliances. The Group relies on a large, diversified network of distributors: mass food retailers, specialists, traditional stores/convenience stores or groups of independents, e-commerce (pure players – directly or via marketplaces – online sales platforms of bricks-and-mortar customers, Click & Mortar, etc.).

The Group also has a network of stores, operated either directly, under franchise, or via exclusive distribution, and is committed to a direct online sales strategy (online DTC), which combines brands' own websites with marketplaces.

Revenue from this business is recognized upon transfer of control of the product and corresponds to the transaction price obtained in exchange for the products and services rendered, i.e. after taking into account the terms of the contract and usual commercial practices such as trade discounts or rebates.

Sales deductions are therefore booked for deferred rebates granted to customers on the basis of contractual or constructive commitments identified at the period-end. Advertising expense contributions billed by customers, the cost of consumer promotions, loyalty vouchers granted by retailers and some miscellaneous sales are also recognized as a deduction from Group revenue.

Freight and other costs billed to customers are treated as an integral part of revenue.

"PROFESSIONAL" BUSINESS

This activity includes the design, manufacture and marketing of professional automatic coffee machines, premium hotel equipment as well as crepe makers, waffle makers, planchas and grills for professionals.

Revenue from the sale and marketing of machines is recognized upon transfer of control of the product and is assessed at the transaction price obtained in exchange for the products and services rendered, i.e. after deduction of trade discounts or rebates.

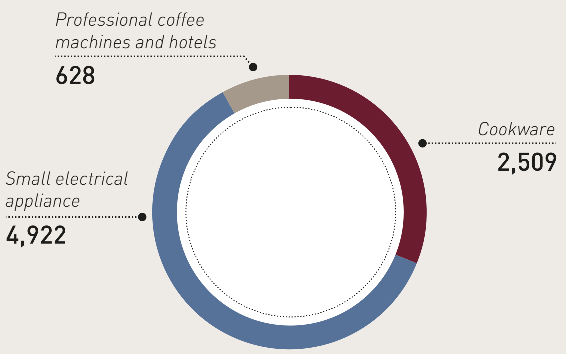
Revenue from the sales and marketing of annual or multi-year maintenance contracts is recognized, over time, as the service is provided.

Freight and other costs billed to customers are treated as an integral part of revenue.

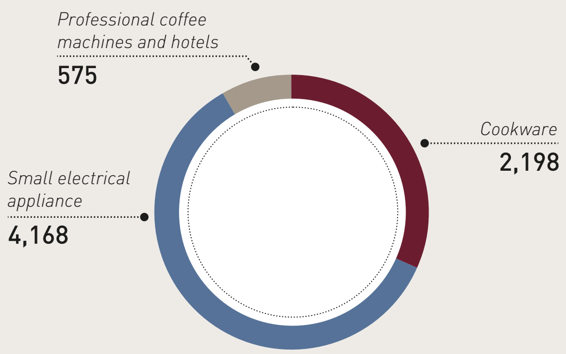
REVENUE BY GEOGRAPHICAL LOCATION OF THE CUSTOMER AND BUSINESS SECTOR

(in € millions)	2021	2020
Western Europe	2,770.3	2,405.5
Other countries	1,121.3	901.0
TOTAL EMEA	**3,891.6**	**3,306.5**
North America	788.2	622.5
South America	293.3	253.6
TOTAL AMERICAS	**1,081.5**	**876.1**
China	1,860.3	1,626.2
Other countries	597.8	556.3
TOTAL ASIA	**2,458.1**	**2,182.5**
TOTAL CONSUMER	**7,431.2**	**6,365.1**
TOTAL PROFESSIONAL	**627.6**	**574.9**
TOTAL	**8,058.8**	**6,940.0**

REVENUE BY BUSINESS SECTOR - 2021



REVENUE BY BUSINESS SECTOR - 2020



NOTE 6. OPERATING RESULT FROM ACTIVITY AND RECURRING OPERATING PROFIT

(in € millions)	31/12/2021	31/12/2020
Revenue (Note 5)	8,058.8	6,940.0
Operating expenses (Note 6.1)	(7,245.5)	(6,334.6)
OPERATING RESULT FROM ACTIVITY	**813.3**	**605.4**
Statutory and discretionary employee profit-sharing (Note 6.2)	(39.4)	(24.2)
RECURRING OPERATING PROFIT	**773.9**	**581.2**

The Group's main performance indicator is the **Operating Result from Activity (ORfA)**.

Operating Result from Activity corresponds to revenue less operating expenses.

Exchange gains and losses on manufacturing and sales transactions denominated in foreign currencies and their related hedging transactions are included in Operating Result from Activity.

Recurring Operating profit corresponds to Operating Result from Activity less statutory and discretionary employee profit sharing.

Note 6.1. Operating expenses

Operating expenses comprise the cost of sales, research and development costs (for the non-capitalized portion), advertising costs and distribution and administrative expenses.

ORfA does not include discretionary and non-discretionary profit-sharing or other non-recurring operating income and expense.

(in € millions)	2021	2020
COST OF SALES SUB-TOTAL	**(4,952.5)**	**(4,280.9)**
Research and development costs (Note 11)	(150.4)	(132.3)
Advertising	(203.3)	(143.7)
Distribution and administrative expenses	(1,939.2)	(1,777.7)
OPERATING EXPENSES	**(7,245.5)**	**(6,334.6)**

Note 6.2. Employee benefits expenses

(in € millions)	2021	2020
Wages and salaries (excluding temporary staff costs)	(1,051.0)	(986.0)
Payroll taxes	(185.1)	(168.7)
Pension and other post-employment benefit plan costs	(71.3)	(71.5)
Service cost under defined benefit plans	(17.4)	(22.0)
EMPLOYEE BENEFITS EXPENSES INCLUDED IN OPERATING EXPENSES	**(1,324.8)**	**(1,248.2)**
Discretionary and non-discretionary profit-sharing	(39.4)	(24.2)
TOTAL EMPLOYEE BENEFITS EXPENSES	**(1,364.2)**	**(1,272.4)**

Breakdown by geographical segment 2021	EMEA	Americas	Asia	Total
Employee benefits expense (excluding temporary staff costs)	(933.9)	(122.8)	(307.5)	**(1,364.2)**
Average number of employees *(in units)*	15,867	2,888	14,377	**33,132**

Breakdown by geographical segment 2020	EMEA	Americas	Asia	Total
Employee benefits expense (excluding temporary staff costs)	(884.7)	(116.4)	(271.3)	**(1,272.4)**
Average number of employees *(in units)*	16,074	2,741	14,469	**33,284**

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NOTE 7. OPERATING PROFIT

Operating profit is comprised of all the recurring and non-recurring income and expenses generated in the course of the Group's ordinary activities, including income and expenses resulting from one-off decisions or transactions that are unusual in terms of their amount.

Note 7.1. Other operating income and expenses

Other non-recurring operating income and expenses primarily include the following items:

- costs of significant restructuring plans as well as non-recurring and significant costs related to the consolidation of new entities within the Group;
- impairment losses on property, plant and equipment and intangible assets, including goodwill;
- costs related to business combinations (excluding the costs of issuing equity instruments or of new debt contracted for the purpose of the business combination) and remeasurement of any previously held investment on the date control was obtained;
- gains or losses recognized upon losing control of a subsidiary, including the remeasurement at fair value of any retained investment;
- gains and losses on unusual, abnormal and infrequent events (litigation, asset disposals, etc. involving unusually large amounts) and changes in provisions booked for these types of events.

(in € millions)	2021	2020
Restructuring costs	(39.6)	(50.5)
Impairment losses	(4.8)	(3.7)
Gains and losses on asset disposals and other	(14.7)	(23.7)
OTHER OPERATING INCOME AND EXPENSES	**(59.1)**	**(77.9)**

Note 7.2. Restructuring costs

2021

Restructuring costs in 2021 totaled €39.6 million and mainly related to the closure of the Erbach production site in Germany (see Note 3) for €25.7 million and the closure of the Shanghai production site for €8.9 million.

2020

Restructuring costs in 2020 came to €50.5 million, mainly related to WMF, particularly with the continuation of the restructuring plan announced in July 2019 for €27 million, the finalization of the optimization plan for the Retail business for €0.9 million, and a restructuring plan for WMF's professional activities for €16.1 million.

In addition, restructuring costs in the United States, Spain, Colombia, Brazil and Canada were recorded at €6.5 million.

Note 7.3. Impairment losses

In application of the principle described in Note 11.3, certain manufacturing CGUs are tested for impairment by comparing the carrying amount of the assets of each CGU with their recoverable amount. Thus, as part of the WMF restructuring plan, and in particular the restructuring of its cookware business, impairments of €3.5 million and €1.7 million were recognized in 2020 and 2021.

Furthermore, in 2021, as part of the closure of the production site, industrial assets at the Erbach site were written down for the amount of €3.2 million.

Note 7.4. Gains and losses on asset disposals and other

2021

The "Gains and losses on asset disposals and other" section primarily includes:

- the effects of the termination of the distribution contract in Morocco for €2.2 million;
- a €2.7 million estimate of the residual risk connected to the claim involving the Sesena logistics warehouse in Spain
- €2.6 million for consumer complaints connected to the US product warranty policy.

2020

In 2020, this item included in particular:

- the impact of the sale of Boerhinger, which generated an accounting loss of €4.9 million;
- €4.0 million in additional accounting adjustments recognized in the financial statements of Groupe SEB Deutschland for prior financial years;
- the impact of the sale of ESMA's Garden business, which generated an accounting loss of €1.7 million;
- €5.6 million in transaction fees related to M&A transactions during the period.

NOTE 8. FINANCE RESULT

FINANCE COSTS

Finance costs are recognized in the income statement in the period in which they are incurred.

Interest income and expenses are recognized using the effective interest method.

Dividend income is recognized when the shareholder's right to receive payment is established.

Gains and losses on borrowings in foreign currencies and related hedges are reported under "Finance costs".

OTHER FINANCIAL INCOME AND EXPENSES

SEB S.A. is the main provider of financing for its subsidiaries. As resources (current accounts and long-term loans) are issued in the operating currency of the subsidiaries, SEB S.A. is exposed to currency risks on this financing. Gains and losses on these intra-Group borrowings in foreign currencies and related hedges are reported under "Other financial income and expenses".

The interest costs on long-term employee benefits set out below represents the difference between the annual discounting of commitments and the expected return on the corresponding financial assets held in a hedging contract for these commitments, as well as the discounting charges for other long-term liabilities and provisions.

(in € millions)	31/12/2021	31/12/2020
FINANCE COSTS	**(43.1)**	**(39.8)**
Exchange gains and losses and financial instruments	(15.9)	(12.5)
Interest cost on long-term employee benefit obligations	(0.8)	(2.4)
Fair value of the optional portion of ORNAE bonds net of calls	0.5	3.8
Other miscellaneous financial expenses	(5.2)	(9.9)
OTHER FINANCIAL INCOME AND EXPENSES	**(21.4)**	**(21.0)**

In 2020, the "Other miscellaneous financial expenses" line mainly included the impairment of the financial current account in the non-consolidated company Feeligreen for €3.2 million, and various financial expenses that are not material when taken individually. In 2021, this line mainly included various financial expenses that are not material when taken individually.

It should be noted that "ORNAE" bonds (bonds redeemable in cash and/or existing shares) were repaid in full in November 2021.

NOTE 9. INCOME TAX

The "Income tax" line in the income statement includes current tax for the period and changes in deferred taxes.

In accordance with IAS 12 – Income Taxes, deferred taxes are recognized, using the liability method, for temporary differences between the carrying amounts of assets and liabilities and their tax base. They are determined using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Temporary differences include:

a) taxable temporary differences, which are temporary differences that will result in taxable amounts in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled; and

b) deductible temporary differences, which are temporary differences that will result in amounts that are deductible in determining taxable profit (tax loss) of future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax assets are recognized for deductible temporary differences and tax loss carryforwards to the extent that it is probable that future taxable profits will be available in the foreseeable future against which they can be utilized.

Deferred tax assets previously unrecognized at the date of a business combination or during the 12-month purchase price allocation period are subsequently recognized as an adjustment to profit or loss provided they meet the recognition criteria.

In accordance with IAS 12, deferred tax assets and liabilities are not discounted.

Note 9.1. Income tax expense

Profit (loss) before tax amounted to €650.3 million versus €442.5 million in 2020.

(in € millions)	2021	2020
Current tax assets and liabilities	159.9	142.3
Deferred tax assets and liabilities	(17.2)	(48.5)
INCOME TAXES	**142.7**	**93.8**

Current income tax expense corresponds to taxes paid or payable in the short term on profit for the year, based on local tax rates and tax laws in the Group's host countries.

Group companies in France, Italy and the United States have elected for group relief. The agreements guarantee neutrality for each of the companies included in the scope and generate no significant tax savings apart from the immediate offset of the deficits on profits.

Note 9.2. Analysis of income tax expense

The difference between the effective tax rate of 21.9% (21.2% in 2020) and the statutory French tax rate of 28.41% in 2021 (including additional contribution) breaks down as follows:

(in %)	2021	2020
Statutory French tax rate	**28.4**	**32.0**
Effect of differences in tax rates (1)	(7.1)	(13.0)
Unrecognized and relieved tax loss carryforwards	1.9	3.7
Prior period tax loss carryforwards recognized and utilized during the period	(1.9)	(0.8)
Other (2)	0.6	(0.7)
EFFECTIVE TAX RATE	**21.9**	**21.2**

(1) The "Effect of differences in tax rates" line is linked to the distribution of income in the geographic areas.
(2) The "Other" line mainly includes withholdings at source of 2.3%, offset by the effect of the revaluation of the Lagostina brand in Italy. In 2020, this line included withholding tax of 2.2% and refunds or the elimination of tax risks in Germany and Brazil.

Note 9.3. Deferred tax assets and liabilities on the balance sheet

(in € millions)	2021	2020
Intangible assets (brands)	(301.0)	(302.0)
Capitalized development costs	(10.3)	(9.4)
Property, plant and equipment	(33.3)	(33.0)
Net tax loss carryforwards	77.4	62.8
Provisions for pensions and other employee-related liabilities	48.8	63.3
Elimination of intra-Group gains	44.8	37.7
IFRS 16	2.4	2.3
Other temporary differences	67.0	95.0
TOTAL DEFERRED TAX ASSETS (LIABILITIES)	**(104.2)**	**(83.3)**
Of which:		
Deferred tax assets	129.8	107.7
Deferred tax liabilities	(234.0)	(191.0)

"Other liabilities" mainly correspond to the shareholding debt valued at approximately €4.9 million.

Deferred tax liabilities on "other temporary differences" are principally comprised of deferred taxes on non-deductible provisions.

The change in net deferred tax liabilities on the balance sheet is explained as follows:

(in € millions)	
NET DEFERRED TAXES AT 31/12/2020	**(83.3)**
Deferred taxes for the period recognized in profit or loss	17.2
Effect of taxes recognized in equity	(37.8)
Effect of changes in foreign exchange rates	0.3
Effect of changes in the scope of consolidation	(0.5)
Other	(0.1)
NET DEFERRED TAXES AT 31/12/2021	**(104.2)**

Deferred taxes recognized in consolidated equity principally derive from deferred tax liabilities related to actuarial gains and losses on pension liabilities after taking into account the IFRIC decision, derivative instruments and gains or losses on treasury shares.

Note 9.4. Other information

At 31 December 2021, the Group had a number of unrecognized deductible temporary differences and tax loss carryforwards. These amounts are listed per category as well as per expiration date in the table below:

At 31/12/2021 (in € millions)	Deductible temporary differences	Tax losses	Total
2022		0.8	0.8
2023	0.1	1.2	1.3
2024		1.2	1.2
2025		0.6	0.6
2026 and beyond	0.1	5.1	5.2
Unlimited	10.8	81.8	92.6
TOTAL	**11.0**	**90.7**	**101.7**

Unrecognized tax loss carryforwards went from €95.4 million in 2020 to €90.7 million in 2021. The item mainly concerns Germany (€35.0 million in 2021, €35.3 million in 2020), Brazil (€40.6 million in 2021, €36.4 million in 2020) and India (€5.4 million in 2021, €4.9 million in 2020).

NOTE 10. EARNINGS PER SHARE

Basic earnings per share correspond to profit attributable to owners of the parent divided by the weighted average number of shares outstanding during the period, excluding treasury stock.

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding to take into account the dilutive effect of stock options and other consolidated equity instruments issued by the company.

(in € millions)	2021	2020
Numerator		
Profit attributable to owners of the parent	453.8	300.5
After tax effect of dilutive potential shares		
Profit used to calculate diluted earnings per share	453.8	300.5
Denominator		
Weighted average number of ordinary shares used to calculate basic earnings per share	53,885,865	50,072,727
Effect of dilutive potential shares	385,770	342,867
Weighted average number of ordinary shares used to calculate diluted earnings per share	54,271,635	50,415,595
BASIC EARNINGS PER SHARE *(IN €)*	**8.42**	**6.00**
DILUTED EARNINGS PER SHARE *(IN €)*	**8.36**	**5.96**

The dilutive impact is mainly linked to performance share plans (see Note 19.2).

5.2.3 BALANCE SHEET

NOTE 11. INTANGIBLE ASSETS

GOODWILL

Goodwill arising from consolidated companies is booked as a balance sheet asset under "Goodwill".

On the takeover date, any excess between the net fair value of the identifiable assets acquired and liabilities assumed of the company being taken over and the acquisition price is recorded as goodwill. The consideration transferred is measured as the fair value of assets transferred, equity instruments issued and liabilities incurred by the acquirer to the former owner on the acquisition date, plus any contingent consideration. In the case of an acquisition carried out in stages, the difference between the carrying amount of the previously held interest and its acquisition-date fair value is recorded directly in the income statement on the acquisition date under "Other operating income and expenses".

For each business combination, any non-controlling interest (minority interest) in the acquired company may be measured either at fair value on the acquisition date (full goodwill method) or at the non-controlling interest's proportionate share of the acquired company's identifiable net assets (partial goodwill method).

The fair values provisionally attributed to identifiable assets acquired and liabilities assumed, non-controlling interests measured at fair value and the various components of the consideration transferred may be adjusted by the acquirer for a period of twelve months after the acquisition date.After that period, any adjustments are recognized prospectively in profit or loss with no adjustment to goodwill.

Goodwill is not amortized but is tested for impairment at least once a year.For the purpose of these tests, goodwill is allocated to cash generating units (CGU). These CGUs are uniform groups of assets the ongoing use of which generates cash inflows that are largely independent from the cash inflows generated by other groups of assets.

The method used to test cash generating units for impairment is described in Note 11.3.

When impairment is noted, the difference between the carrying amount of the asset and its recoverable amount is recognized in other operating expenses. This impairment loss is first allocated to goodwill. Impairment losses on goodwill are not reversible.

Badwill (negative goodwill) is recognized directly in the income statement under "Other operating income and expenses" and is attributed in full to the acquirer.

OTHER INTANGIBLE ASSETS

Software licenses and internal software development costs are recognized as intangible assets when it is probable that they will generate future economic benefits.

They are amortized by the straight-line method over useful lives ranging from three to five years.

Other software licenses and software development costs are expensed as incurred. Patents, licenses and trademarks with a finite useful life are amortized over the shorter of the period of legal protection and their expected useful life.

Trademarks considered in their entirety with an indefinite useful life are not amortized but are tested for impairment.

In business combinations, order books and customer relationships are recorded as recurring transactions with existing customers at the date of acquisition.

The Group also holds certain trademarks – such as the Tefal international trademark and the Seb and Calor regional trademarks – which are not recognized as a balance sheet asset.

DEVELOPMENT COSTS

Under IAS 38 – Intangible Assets, research costs are recognized as an expense and development costs must be recognized as an intangible asset when the Group can demonstrate (IAS 38, paragraph 57) (non-exhaustive list):

- its intention to complete the development project;
- that it is probable that the expected future economic benefits attributable to the intangible asset will flow to the Group;
- its ability to reliably measure the cost of the intangible asset.

Development costs that do not fulfill the criteria defined in the standard are recognized during the year in which they are incurred.

In Groupe SEB's Consolidated Financial Statements, qualifying development costs incurred after the advance design phase and before the manufacturing phase are recognized as intangible assets.

Development costs are amortized on a straight-line basis over three to five years, corresponding to the same useful life as that applied to specific tooling.

Note 11.1. Product Development Costs

(in € millions)	2021	2020
RESEARCH AND DEVELOPMENT GROSS EXPENDITURE	**(165.0)**	**(144.4)**
Research tax credit	7.2	7.8
RESEARCH AND DEVELOPMENT NET EXPENDITURE	**(157.8)**	**(136.6)**
as a% of revenue	2.0%	2.0%
CAPITALIZED DEVELOPMENT COSTS	**7.5**	**4.3**
as a% of R&D expenditure	2.0%	3.1%
AMORTIZATION FOR THE PERIOD RECOGNIZED IN COST OF SALES	**(5.5)**	**(4.7)**
RESEARCH AND DEVELOPMENT COSTS RECOGNIZED IN THE INCOME STATEMENT (NOTE 6.1)	**(150.4)**	**(132.3)**
TOTAL COST RECOGNIZED IN THE INCOME STATEMENT	**(155.9)**	**(137.1)**
as a% of revenue	1.9%	2.0%

Note 11.2. Change in intangible assets

2021 *(in € millions)*	Patents and licenses	Trademarks	Goodwill	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	39.7	1,079.3	1,712.0	132.3	29.3	169.1	3,161.7
Acquisitions/additions	0.2			6.9	7.5	15.1	29.7
Disposals				(6.5)	(4.6)	(0.1)	(11.2)
Other movements *			9.8	5.8	3.3	(5.2)	13.7
Foreign currency translation adjustments	1.9	28.8	60.9	1.8	0.4	9.3	103.1
AT 31 DECEMBER	**41.8**	**1,108.1**	**1,782.7**	**140.3**	**35.9**	**188.2**	**3,297.0**
Depreciation and impairment losses							
At 1 January	32.9	8.9	69.6	80.0	10.1	56.2	257.7
Foreign currency translation adjustments	1.8	0.7	5.3	1.0	0.1	2.5	11.4
Depreciation and amortization expense	3.5			17.6	5.5	9.5	36.1
Net impairment losses							
Depreciation and impairment written off on disposals				(6.5)	(1.7)		(8.2)
Other movements *					2.3		2.3
AT 31 DECEMBER	**38.2**	**9.6**	**74.9**	**92.1**	**16.3**	**68.2**	**299.3**
Carrying amount at 1 January	6.8	1,070.4	1,642.4	52.3	19.2	112.9	2,904.0
CARRYING AMOUNT AT 31 DECEMBER	**3.6**	**1,098.5**	**1,707.8**	**48.2**	**19.6**	**120.0**	**2,997.7**

* *Including changes in scope of consolidation.*

2020 (in € millions)	Patents and licenses	Trademarks	Goodwill	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	41.2	1,062.9	1,687.7	128.4	36.9	183.1	3,140.2
Acquisitions/additions				12.3	4.3	7.4	24.0
Disposals				(6.9)	(2.5)	(0.3)	(9.7)
Other movements *	0.5	46.2	60.0	3.4	(8.7)	(16.9)	84.5
Foreign currency translation adjustments	(2.0)	(29.8)	(35.7)	(4.9)	(0.7)	(4.2)	(77.3)
AT 31 DECEMBER	**39.7**	**1,079.3**	**1,712.0**	**132.3**	**29.3**	**169.1**	**3,161.7**
Depreciation and impairment losses							
At 1 January	30.4	10.1	76.4	86.1	15.3	48.7	267.0
Foreign currency translation adjustments	(1.6)	(1.2)	(6.8)	(4.0)	(0.5)	(1.6)	(15.7)
Depreciation and amortization expense	3.7			17.4	4.7	9.3	35.1
Net impairment losses							
Depreciation and impairment written off on disposals				(5.0)	(2.6)	(0.3)	(7.9)
Other movements *	0.4			(14.5)	(6.8)	0.1	(20.8)
AT 31 DECEMBER	**32.9**	**8.9**	**69.6**	**80.0**	**10.1**	**56.2**	**257.7**
Carrying amount at 1 January	10.8	1,052.8	1,611.3	42.3	21.6	134.4	2,873.2
CARRYING AMOUNT AT 31 DECEMBER	**6.8**	**1,070.4**	**1,642.4**	**52.3**	**19.2**	**112.9**	**2,904.0**

* *Including changes in scope of consolidation.*

Note 11.3. Impairment rules for fixed assets and definition of CGUs

In accordance with IAS 38, intangible assets with an indefinite useful life – corresponding to trademarks and goodwill – are not amortized but are tested for impairment at each year end. Intangible assets with a finite useful life are amortized by the straight-line method over their estimated useful life. Amortization expenses are included in "Operating Result from Activity".

In accordance with IAS 36 – Impairment of Assets, the net carrying amount of property, plant and equipment and intangible assets (with a finite or indefinite useful life) is tested at the appearance of impairment. Assets with an indefinite useful life – corresponding in the case of the Group to goodwill and trademarks and intangible assets in progress – are tested for impairment at least once a year. Assets with a finite life are tested whenever events or circumstances indicate that their carrying amount may not be recovered.

Impairment tests are performed at the level of each Cash-Generating Unit (CGU). A CGU is defined as an identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other groups of assets. The value in use of these units is determined by reference to net discounted future cash flows. An impairment loss is recognized for any excess in an asset's carrying amount over the recoverable amount of the unit tested. Recoverable amount corresponds to the higher of the unit's fair value less costs to sell and its value in use, calculated using the discounted cash flows method. The impairment loss thus determined is first allocated against goodwill and then pro-rata to the other intangible and tangible assets based on their carrying amounts.

Losses on CGUs and on assets with an indefinite useful life is recorded in "Other operating income and expenses". Impairment losses recognized for non-financial assets other than goodwill are reviewed at each annual and interim period-end or adjusted as necessary.

The Group has refined the definition of Cash-Generating Unit (CGUs) to better align them to the Group's matrix organization, since there is a high interdependence of cash flows within the same geographical area. The definition of "Consumer EMEA" CGU was therefore reviewed. It now encompasses all activities in this area, whereas previously it only included activities relating to cookware and electronic cooking appliances. For this same reason, the Group has identified a new "Consumer North America" CGU in order to group together all the assets in this area given that flows within this geographical area cannot be analyzed individually. This new "Consumer North America" CGU mainly includes the long-term assets from All Clad and StoreBound activities. The "Professional" CGU definition has not changed. In addition, the independent Supor, Brazil, Colombia and Vietnam CGUs remain.

The Group's long-term assets are now allocated to the following CGUs:

- a "Professional" CGU comprising intangible assets and industrial assets (mainly tools, machinery and buildings) related to professional activities (professional coffee machines and hotels) to which a portion of the goodwill calculated at the time of the WMF acquisition has been allocated;
- a CGU called "Consumer EMEA" covering all Consumer activities in the EMEA area. This CGU includes intangible assets and industrial assets (mainly tools, machinery and buildings) related to its "Consumer" activities in the EMEA region, to which a portion of the goodwill calculated at the time of the WMF acquisition has been allocated;

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- a CGU called "Consumer North America" covering all Consumer activities in the North America area. This CGU includes intangible assets and industrial assets (mainly tools, machinery and buildings) related to its "Consumer" activities, including intangible assets (brands and Goodwill) resulting from the acquisition of StoreBound;
- independent CGUs for Group subsidiaries with both industrial and commercial activities and whose cash inflows remain highly independent.

Note 11.4. Procedures for conducting impairment tests

Intangible assets with indefinite useful lives (brands and goodwill) have been tested for impairment in accordance with the accounting method described above and their net book value is generally compared with their value in use.

The discount rates used were based on a weighted average cost of capital that factors in market borrowing rates, gearing ratio, beta and country risk using Damodaran methodology. The mature country risk premium used for 2021 was 4.93%. Specific equity risk premiums ranging from 0% to 3.0% were applied to the Group's different CGUs, according to their size, region and other specific characteristics.

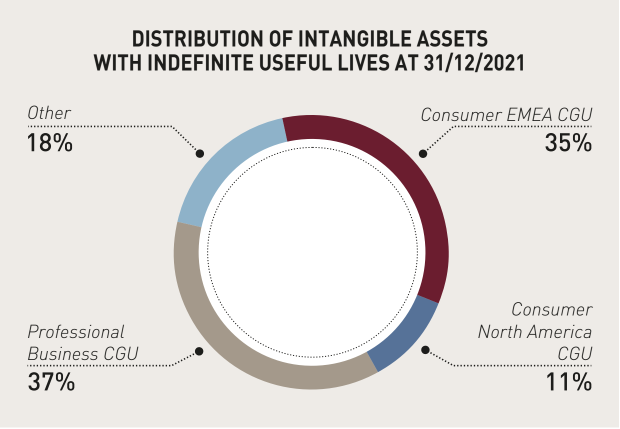
During the 2020 tests, an additional risk premium of 0.5 points was added to take into account the context of the Covid-19 pandemic. This additional risk premium was not extended in 2021.

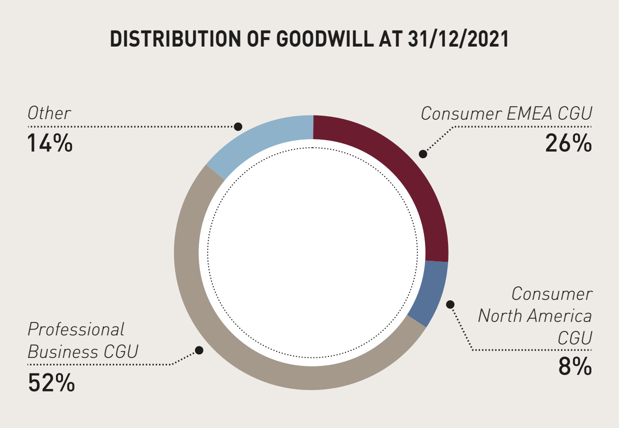
The 2021 tests were conducted on the basis of a medium-term sales and ORfA (Operating Result from Activity) forecast, with the first year being the Group's scope for 2022.

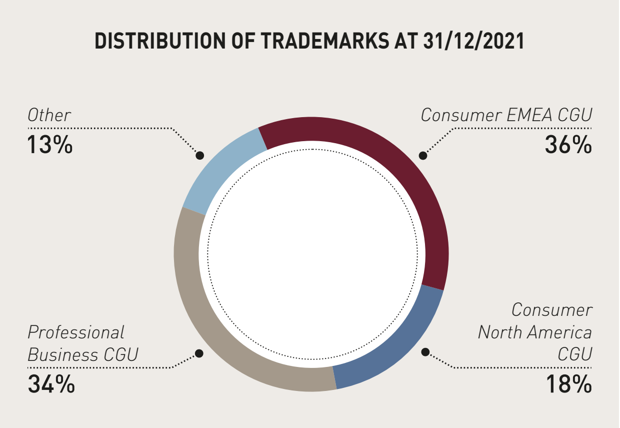
The long-term assets allocated to each CGU include the assets of distribution and production companies located in the geographical area of the CGU as well as a portion of the assets of sites located outside this geographical area but which have manufactured products marketed in this area. This portion is determined using an allocation key based on the cost of sales.

A portion of the goodwill and industrial assets located in China is therefore allocated to the "Consumer EMEA" and "Consumer North America" CGUs. Due to this allocation a portion of Supor assets are therefore tested twice. As a listed group, Supor assets are tested on the basis of their market valuation.

DISTRIBUTION OF LONG-TERM ASSETS ACROSS THE VARIOUS CGUS OF THE GROUP







"PROFESSIONAL BUSINESS" CGU

The test of this CGU, which included trademarks with a net value of €366.2 million and goodwill for €874.5 million (including in particular intangible assets arising from the allocation of the WMF, Wilbur Curtis and Krampouz purchase price), was carried out by comparing the carrying amount with its value in use.

The value in use is defined as the sum of discounted cash flows based on a five-year business plan and taking into account a terminal value based on the cash flow of the final year of the plan. The business plan used for the Professional Business CGU, whose activity is the most severely impacted by the current pandemic, is based on the assumption that ORfA will return to pre-epidemic levels (in absolute terms) from 2023 (compared to 2024 in the test carried out in 2020). The pre-pandemic operating margin level should be exceeded from 2025.

The main actuarial assumptions used were as follows:

- a discount rate of 7.76% (compared with 7.79% in 2020);
- and a long-term growth rate of 2% in line with forecasts for the sector.

This test did not indicate any impairment risk for the assets allocated to this CGU. The test margin was significantly revised upwards compared to 2020 (25% compared to 16% in 2020). The terminal value represents 82% of the value in use of the CGU (compared to 80% in 2020).

The sensitivity of the test to changes, taken in isolation, in the assumptions used to calculate the value in use of this CGU at the end of 2021 is as follows:

- a 1-point decrease in the growth rate would have reduced the test margin to 11%, compared to 3% in 2020;
- the one-point increase in the WACC rate would have reduced the test margin to 6% (compared to zero in 2020);
- moreover, if the terminal value had been calculated on the assumption of a 5% growth in sales in the final year of the test, this test margin would have been 22%.

"CONSUMER EMEA" CGU

The test of this CGU, which included net trademark values for €389.8 million and for goodwill for €442.2 million (of which €307 million in trademarks and €240 million in goodwill from the allocation of the WMF purchase price), was carried out by comparing the carrying amount with its value in use. The main brands allocated to this CGU are Rowenta, Lagostina, EMSA and OBH Nordica.

The carrying amount of this CGU also includes a share of the goodwill and industrial assets in our consumer business in China. The share of Supor goodwill incorporated into this CGU in 2021 amounts to €115.8 million.

The value in use is defined as the sum of discounted cash flows based on a five-year business plan and taking into account a terminal value based on the cash flow of the final year of the plan.

The main actuarial assumptions used were as follows:

- a discount rate of 7.76% (compared with 7.79% in 2020);
- a long-term growth rate of 2% in line with forecasts for the household goods sector.

This test did not indicate any impairment risk for the assets allocated to this CGU. The effects of the Covid-19 pandemic had no impact on this test margin, which was very high.

A one-point change in the discount rate or long-term growth rate, or significant changes in the assumptions in the business plan regarding revenue and profitability, would not affect the valuation of this CGU.

"CONSUMER NORTH AMERICA" CGU

The test of this CGU, which included trademarks with a net value of €193.1 million and goodwill for €137.5 million (including in particular intangible assets arising from the allocation of the All Clad and StoreBound purchase price), was carried out by comparing the net carrying amount with its value in use.

The carrying amount of this CGU also includes a share of the goodwill and industrial assets in our consumer business in China. The share of Supor goodwill incorporated into this CGU in 2021 amounts to €50 million. In accordance with IAS 36, the net carrying amount of this CGU was also revalued at €25 million, taking into account a portion of StoreBound's goodwill attributable to minority interests and not recognized at the time of the acquisition of this company due to the application of the partial goodwill method.

The value in use is defined as the sum of discounted cash flows based on a five-year business plan and taking into account a terminal value based on the cash flow of the final year of the plan.

The main actuarial assumptions used were as follows:

- a 9.4% discount rate after applying a higher risk premium on part of the business plan considered to be more ambitious;
- a long-term growth rate of 2% in line with forecasts for the household goods sector.

This test did not indicate any impairment risk for the assets allocated to this CGU.

A one-point change in the discount rate or long-term growth rate, or significant changes in the assumptions in the business plan regarding revenue and profitability, would not affect the valuation of this CGU.

OTHER CGUS TESTED SEPARATELY

Groupe SEB Andean

This CGU previously called Imusa (including net trademark value and goodwill for €11.8 million and €18.5 million respectively at 31 December 2021) was tested by comparing the carrying amount to its value in use. The value in use is defined as the sum of discounted cash flows based on a five-year business plan and taking into account a terminal value based on the cash flow of the final year of the plan. The main actuarial assumptions used were as follows:

- a discount rate of 11.3% (compared with 12.57% in 2020); and
- and a long-term growth rate of 3% in line with forecasts for the sector.

The test did not lead to any impairment loss being recognized.

The sensitivity of the test to changes, taken in isolation, in the assumptions used to calculate the value in use of this CGU at the end of 2021 is as follows:

- the use of an 18% discount rate (i.e. +5 points) would not affect the valuation of this CGU;
- a one-point decrease in the growth rate to perpetuity would not result in any additional impairment loss being recognized;
- the use of an unchanged Operating Result from Activity or an assumption of stagnant sales over the course of the business plan would not give rise to any additional impairment loss.

Supor

At 31 December 2021, the Supor CGU (including the trademark for €118.7 million and goodwill for €400.3 million) was compared to its market value. ZJ Supor is listed on the Shenzhen stock market and the share has enough liquidity to make this a good basis for comparison. At 31 December 2021, Supor shares were trading at CNY 62.24. The carrying amount at the same date was CNY 23.12 per share.

It should be noted that a portion of the goodwill and industrial assets of Supor is also integrated into the long-term assets of the Consumer EMEA and Consumer North America CGUs, as presented above.

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recognized at their net acquisition cost and are depreciated by the straight-line method over their estimated useful lives.

Maintenance and repair costs are expensed as incurred.

The useful lives are as follows:

- buildings and components: 10-40 years;
- plant and machinery: 10 years;
- office equipment: 3-10 years;
- vehicles: 4-5 years;
- tooling: 1-5 years.

Each asset component with a useful life that is different from that of the asset to which it belongs is depreciated separately. Useful lives are reviewed at regular intervals and the effect of any adjustments are recognized prospectively.

No items of property, plant or equipment have been revalued.

Note 12.1. Change in property, plant and equipment

2021 *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed assets in progress	Total
Cost						
At 1 January	79.2	1,156.8	1,359.9	431.0	71.9	3,098.8
Acquisitions/additions (1)	6.3	104.7	61.8	32.9	77.0	282.7
Disposals		(55.7)	(94.4)	(43.0)	(1.3)	(194.4)
Other movements (2)	2.2	29.9	28.2	8.1	(64.7)	3.7
Foreign currency translation adjustments	1.3	25.1	31.7	2.5	1.0	61.6
AT 31 DECEMBER	**89.0**	**1,260.8**	**1,387.2**	**431.5**	**83.9**	**3,252.4**
Depreciation and impairment losses						
At 1 January	9.4	501.0	1,071.0	297.9		1,879.3
Foreign currency translation adjustments	0.1	7.6	22.4	2.0		32.1
Additions	0.7	97.2	89.1	44.4		231.4
Net impairment losses			4.8			4.8
Depreciation and impairment written off on disposals		(32.5)	(91.9)	(38.2)		(162.6)
Other movements (2)		2.0	0.3	(0.5)		1.8
AT 31 DECEMBER	**10.2**	**575.3**	**1,095.7**	**305.6**		**1,986.8**
Carrying amount at 1 January	69.8	655.8	288.9	133.1	71.9	1,219.5
CARRYING AMOUNT AT 31 DECEMBER (3)	**78.8**	**685.5**	**291.5**	**125.9**	**83.9**	**1,265.6**

(1) Of which €28 million related to the creation of the new Bully logistics platform (€23 million of which are assets in progress).
(2) Including changes in scope of consolidation.
(3) Of which €326 million related to the application of IFRS 16 (Note 13).

Breakdown of acquisitions/additions *(in € millions)*	2021	2020
New IFRS 16 leases (Note 13)	64.8	71.9
Upward change in leases (Note 13)	34.7	45.9
IFRS 16 impact of StoreBound acquisition		(2.2)
Other purchases of property, plant and equipment per cash flow statement	183.2	158.4
TOTAL	**282.7**	**274.0**

2020 *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed assets in progress	Total
Cost						
At 1 January	84.1	1,061.1	1,332.1	477.2	114.1	3,068.6
Acquisitions/additions	0.1	117.9	60.9	41.6	53.5	274.0
Disposals	(1.9)	(26.4)	(59.0)	(19.2)	(0.6)	(107.1)
Other movements (1)	1.5	39.8	56.4	(58.9)	(92.9)	(54.1)
Foreign currency translation adjustments	(4.6)	(35.6)	(30.5)	(9.7)	(2.2)	(82.6)
AT 31 DECEMBER	**79.2**	**1,156.8**	**1,359.9**	**431.0**	**71.9**	**3,098.8**
Depreciation and impairment losses						
At 1 January	8.2	432.3	1,047.2	332.9		1,820.6
Foreign currency translation adjustments	(0.1)	(7.5)	(20.5)	(5.7)		(33.8)
Additions	0.8	96.1	91.8	47.2		235.9
Net impairment losses			0.9	2.8		3.7
Depreciation and impairment written off on disposals	(0.4)	(11.1)	(58.3)	(15.5)		(85.3)
Other movements (1)	0.9	(8.8)	9.9	(63.8)		(61.8)
AT 31 DECEMBER	**9.4**	**501.0**	**1,071.0**	**297.9**		**1,879.3**
Carrying amount at 1 January	75.9	628.8	284.9	144.3	114.1	1,248.0
CARRYING AMOUNT AT 31 DECEMBER (2)	**69.8**	**655.8**	**288.9**	**133.1**	**71.9**	**1,219.5**

(1) Including changes in scope of consolidation.
(2) Of which €331 million related to the application of IFRS 16 (Note 13).

The Group owns most of its plants and generally rents its logistics warehouses, commercial and administrative premises, with the exception of its head office in Ecully. All leases are with unrelated lessors and reflect normal market terms.

The Group also started to build a logistics warehouse at the Bully site (Pas-de-Calais).

This large-scale project is estimated at €85 million. Investments during the period were €28 million, including €5 million for land.

Note 12.2 Location of the Group's main industrial sites

They are distributed as follows:

NOTE 13. LEASES

Under IFRS 16 "Leases", all leases (except where exempted by the standard) result in the recognition on the balance sheet of an asset (representing the right to use the leased asset during the lease) and a liability (in respect of lease payment obligations).

On the date on which the lease takes effect, the use right is measured at cost including the initial amount of the liability, the advance payments made to the lessor and the initial direct costs incurred in concluding the lease. This may also include an estimate of the costs of restoring the leased asset as per the lease.

When the lease comes into effect, the lease payment liability represents the present value of lease payments under the lease. Rents are discounted at the lessee's marginal borrowing rate.

The lease payments factored into the calculation of the liability include fixed lease payments (including lease payments considered fixed in substance), variable lease payments based on a rate or index (using the rate or index on the date on which the lease takes effect), residual value guarantees, the exercise price of purchase options, penalties for cancellation or non-renewal of leases. The term of the lease is the non-cancelable period over which the Group is entitled to use the asset as well as periods covered by lease renewal options, which are reasonably certain to be exercised and periods covered by cancellation options that the Group does not intend to exercise.

Upon first-time application of this standard, an analysis of existing leases found:

- the absence of complex leases and pretty uniform types of leases within the Group primarily regarding the leasing of offices, stores, warehouses, vehicles and a number of industrial assets;
- relatively short leases except for a number of stores;
- fixed lease payments in virtually all cases.

As of 31 December 2021, the average term of leases falling within the scope of the IFRS 16 standard was 3.4 years, identical to the rate in December 2020. The average marginal borrowing rate at 31 December 2021 was 3.5%, compared to 4% at 31 December 2020.

The remaining lease expense related to the variable portion of contracts and other exemptions (short-term contracts relating to low-value assets) at 31 December 2021 amounted to €44.3 million compared with €39.7 million at 31 December 2020.

Note 13.1. Changes in right of use and breakdown by type of asset

Change in right-of-use over the period 2021

Carrying amount (in € millions)	01/01/2021	New contracts	Upward change in contracts	Downward change in contracts	Depreciation and amortization expense	Foreign currency translation adjustments	31/12/2021
Land	1.4	0.1			(0.2)	0.1	1.4
Buildings	296.0	56.6	30.6	(23.0)	(67.3)	4.1	297.0
Machinery and equipment	7.8	3.1	0.5	(0.3)	(2.6)	0.2	8.7
Other property, plant and equipment	26.2	5.0	3.6	(2.4)	(13.2)	(0.2)	19.0
TOTAL	**331.4**	**64.8**	**34.7**	**(25.7)**	**(83.3)**	**4.2**	**326.1**

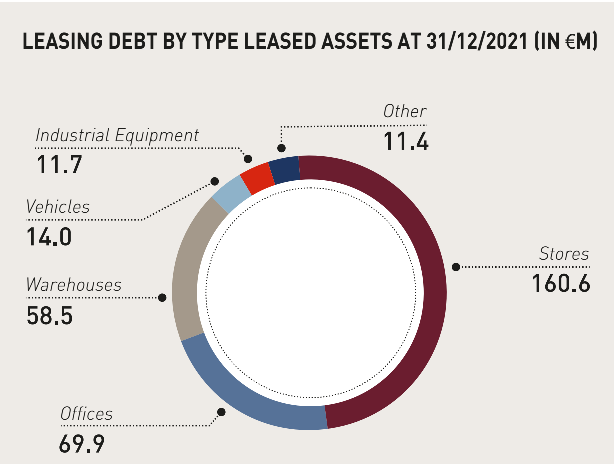
The value of these licenses is an integral part of the property, plant and equipment values presented in Note 12.1.

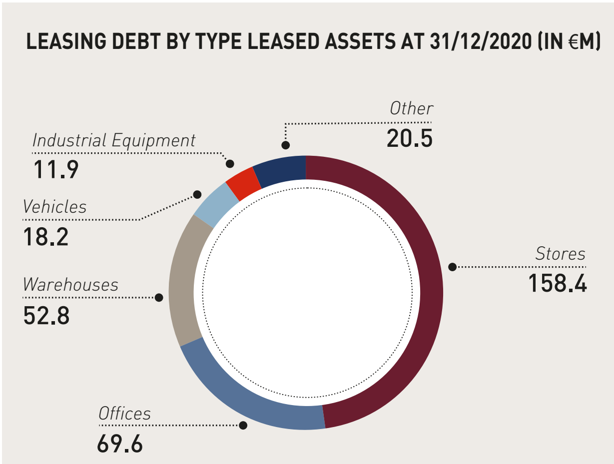
Change in right-of-use over the period 2020

Carrying amount (in € millions)	01/01/2020	New contracts	Upward change in contracts	Downward change in contracts	Depreciation and amortization expense	Foreign currency translation adjustments	31/12/2020
Land	3.5			(1.5)	(0.4)	(0.2)	1.4
Buildings	293.6	61.5	33.3	(13.4)	(67.5)	(11.5)	296.0
Machinery and equipment	7.4	2.2	1.5	(0.1)	(2.9)	(0.3)	7.8
Other property, plant and equipment	24.3	8.2	11.2	(2.0)	(14.7)	(0.8)	26.2
TOTAL	**328.8**	**71.9**	**45.9**	**(17.0)**	**(85.5)**	**(12.8)**	**331.4**

The value of these licenses is an integral part of the property, plant and equipment values presented in Note 12.1.

Breakdown by type of asset





Note 13.2. Change in lease liabilities

(in € millions)	01/01/2021	New leases and lease amendments	Repayment	Financial expenses	Foreign currency translation adjustments	31/12/2021
Lease liabilities *	338.9	73.7	(93.7)	12.0	4.0	334.9

* *See Note 23.1 Total borrowings.*

(in € millions)	01/01/2020	New leases and lease amendments	Repayment	Financial expenses	Foreign currency translation adjustments	31/12/2020
Lease liabilities *	333.7	100.8	(94.7)	12.5	(13.4)	338.9

* *See Note 23.1 Total borrowings.*

The short-term lease liability totaled €71.8 million at 31 December 2021 compared with €70.8 million at 31 December 2020.

Note 13.3. Remaining lease expense and off-balance sheet commitments

The remaining lease expense following application of IFRS 16 breaks down as follows:

				Breakdown of remaining lease expense		
(in € millions)	Prior to application of IFRS 16	IFRS 16 adjustment	Remaining lease expense	Short-term lease payments	Lease payments for low-value assets	Variable portion of lease payments
Lease expense	(138.0)	93.7	(44.3)	(9.4)	(2.6)	(32.3)

Off-balance sheet commitments relating to remaining lease expense

(in € millions)	Less than one year	More than one year but less than five years	More than five years	Total commitments
Short-term lease payments	4.4			4.4
Lease payments for low-value assets	1.9	2.8	0.1	4.8
Variable portion of lease payments	25.0	7.8	0.9	33.7
TOTAL COMMITMENTS	**31.3**	**10.6**	**1.0**	**42.9**

NOTE 14. INVESTMENTS IN OTHER FINANCIAL ASSETS

Financial instruments are accounted for in accordance with IFRS 9 – Financial Instruments.

Financial assets are recognized in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. They are recognized at the fair value of the consideration given or received. The transaction costs directly attributable to the acquisition of the financial assets are included in the initial valuation. Acquisition costs include direct external transaction costs.

The classification of financial assets into each of the categories defined by IFRS 9 (amortized cost, fair value through other comprehensive income, fair value through profit or loss) is dependent on the management systems put in place by the Group and their contractual cash flow characteristics.

EQUITY INSTRUMENTS HELD

These assets are measured at fair value through profit or loss or for those not held for trading designated at fair value through other comprehensive income (cannot be reclassified to profit or loss). This classification is irrevocable.

These assets are presented on the "Other investments" line in the balance sheet and mainly relate to those taken by SEB Alliance.

FINANCIAL ASSETS RECOGNIZED AT AMORTIZED COST

These assets include the loans and receivables presented in the "Other non-current financial assets" and "Financial investments and other current financial assets" balance sheet items.

These assets are measured at amortized cost, using the effective interest method.

SHORT-TERM FINANCIAL INVESTMENTS

The Group makes short-term financial investments with no significant risk of a change in value but whose maturity on the subscription date is longer than three months. These financial assets recognized using the amortized cost method do not meet the definition of cash equivalents. They are classified in the "Financial investments and other current financial assets" balance sheet item and are an integral part of the determination of the Group's net debt.

BANK ACCEPTANCE DRAFTS

In its Chinese subsidiaries, the Group receives Bank Acceptance Drafts issued by leading local banks for the payment of trade receivables. These financial instruments, with no risk of impairment and whose only counterparty risk is that of the bank, have maturities of less than one year.

They are classified in the "Financial investments and other current financial assets" balance sheet item and are an integral part of the determination of the Group's net debt.

It should be noted that when the Group's Chinese subsidiaries also ask their local banks to issue Bank Acceptance Drafts for their suppliers, such drafts are placed in the "Financial debts" balance sheet item (Note 23).

(in € millions)	2021	2020
OTHER INVESTMENTS	**162.0**	**108.0**
OTHER NON-CURRENT FINANCIAL ASSETS	**16.3**	**15.9**
Financial investments	57.6	622.5
Bank Acceptance Drafts in China (Note 14.3.2)	0.5	40.2
Other current financial assets	2.5	2.0
FINANCIAL INVESTMENTS AND OTHER CURRENT FINANCIAL ASSETS	**60.6**	**664.7**
TOTAL INVESTMENTS, FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS	**238.9**	**788.6**

	2021
TOTAL INVESTMENTS, FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS	**788.6**
Change in fair value in other comprehensive income	30.1
Change in fair value recognized in the income statement	
Proceeds/outflows (see consolidated cash flow statement)	(580.8)
Currency translation adjustment	4.6
Other including changes in the scope of consolidation	(3.6)
TOTAL INVESTMENTS, FINANCIAL INVESTMENTS AND OTHER FINANCIAL ASSETS	**238.9**

Note 14.1. Financial investments

14.1.1. Investments in associates

The Group has not had any investments in associates since 2017.

14.1.2. Other investments

The "Other investments" item stood at €162.0 million at 31 December 2021 compared with €108.0 million at 31 December 2020.

It consists primarily of minority holdings in various entities. This line includes equity investments made in connection with the Zebra company amounting to €13.1 million and in Castalie amounting to €3.4 million.

In accordance with IFRS 9, the non-consolidated investments and securities should be booked at Fair Value. The Group decided to book the change is fair value in Other Comprehensive Income without any reclassification to profit or loss, even if the event of disposal. The change in fair value of these investments amounted to €30.1 million in 2021 compared with €26.5 million in 2020.

Note 14.2. Other non-current financial assets

The "Other non-current financial assets" item stood at €16.3 million at 31 December 2021 compared with €15.9 million at 31 December 2020.

These assets are mainly comprised of endorsements and guarantees, chiefly for property leases.

Note 14.3. Financial investments and other current financial assets

14.3.1. Financial investments

These short-term financial investments with a maturity of over three months on the subscription date are worth €57.6 million at 31 December 2021 (including €25.0 million in China) compared with €622.5 million (including €14.4 in China) at 31 December 2020.

14.3.2. Bank Acceptance Drafts

Bank Acceptance Drafts issued by leading Chinese banks received as part of the trade receivables settlement totaled €0.5 million at 31 December 2021, compared to €40.2 million at 31 December 2020.

NOTE 15. INVENTORIES

Raw materials and goods purchased for resale are measured at purchase cost, using the weighted average cost method.

Work-in-progress and finished products are measured at cost, including raw materials and labor and a portion of direct and indirect production costs.

In accordance with IAS 2, inventories are measured at the lower of cost, determined as explained above, and net realizable value.

Net realizable value corresponds to the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale (mainly distribution costs).

The carrying amount of inventories does not include any borrowing costs.

	2021			2020		
(in € millions)	Cost	Depreciation	Carrying amount	Cost	Depreciation	Carrying amount
Raw materials	418.5	(31.3)	387.2	324.0	(31.3)	292.7
Work in progress	15.1	(1.7)	13.4	12.1	(1.9)	10.2
Finished products and goods purchased for resale	1,469.7	(30.7)	1,439.0	940.3	(31.7)	908.6
TOTAL	**1,903.3**	**(63.7)**	**1,839.6**	**1,276.4**	**(64.9)**	**1,211.5**

NOTE 16. TRADE RECEIVABLES

Trade receivables are initially recognized at their transaction price (defined according to IFRS 15). The estimated amounts of deferred rebates (see Note 5) granted to customers and not yet settled at the closing date are recognized by offsetting customer receivables. These receivables are impaired, on the basis of the credit losses expected at maturity in accordance with the asset impairment model introduced by IFRS 9.

(in € millions)	2021	2020
Trade receivables	958.7	994.9
Provision for doubtful debt	(24.1)	(29.5)
TOTAL	**934.6**	**965.4**

The Group divests trade receivables and applies the reverse factoring programs of some of its customers. As these sales of receivables are without recourse, they are deconsolidated. The amount sold at 31 December 2020 was €34 million. At 31 December 2021, the amount of trade receivables sold and deconsolidated was €125 million.

A receivables aging analysis is presented in Note 25.

NOTE 17. OTHER RECEIVABLES AND NON-CURRENT ASSETS

(in € millions)	2021	2020
Non-current prepaid expenses	2.5	0.8
Prepaid and recoverable taxes and other non-current receivables (2)	50.4	46.4
OTHER NON-CURRENT ASSETS	**52.9**	**47.2**
Current prepaid expenses	15.7	12.3
Advances paid (1)	101.1	55.3
Prepaid and recoverable taxes and other receivables (2)	115.6	93.0
OTHER CURRENT RECEIVABLES	**232.4**	**160.6**

(1) Including €89.5 million from Supor in 2021 and €39.0 million in 2020.
(2) Including VAT claims amounting to €136.3 million at 31 December 2021 and €122.6 million at 31 December 2020.

Non-current tax receivables mainly relate to tax receivables in Brazil: ICMS, PIS and COFINS.

The methods for calculating PIS and COFINS taxes were clarified on 15 March 2017, when the Brazilian Supreme Court ruled that ICMS should be excluded from their calculation basis. These calculation methods were again confirmed by the Supreme Court on 13 May 2021. Following these court decisions, in 2018 our industrial subsidiary Seb do Brasil recorded a tax receivable of 213 million Brazilian reals (including interest on arrears) in connection with the surplus tax paid since 2004. This receivable is pending repayment following a formal request to the state of Rio de Janeiro. In 2019, our commercial subsidiary Seb Comercial registered a tax receivable of 51 million Brazilian reals for the surplus tax paid since 2013. This receivable has been regularly compensated since then.

NOTE 18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and on hand and short-term investments in money market instruments.

Cash equivalents are mainly composed of very short-term investments, such as SICAV money market funds, whose market value corresponds to their carrying amount at the balance sheet date.

(in € millions)	2021	2020
Cash at bank	1,794.5	1,209.2
Investment securities	472.0	560.2
TOTAL	**2,266.5**	**1,769.4**

The €497.1 million change in cash and cash equivalents over the financial year was due to €573.4 million in cash generated from operations, allocated to investment activities in the amount of €357.8 million and financing activities in the amount of (€488.5) million.

The consolidated cash flow statement is presented using the indirect method and cash flows are analyzed between operating, investing and financing activities.

IAS 7 – Statement of Cash Flows was amended following the publication of IAS 27R. The aggregate cash flows arising from obtaining or losing control of a subsidiary are classified as investing activities while cash flows arising from changes in ownership interests in a fully consolidated subsidiary are classified as financing activities.

Transactions with jointly controlled entities or entities accounted for by the equity method continue to be classified as investing activities.

NOTE 19. EQUITY

Note 19.1. Share capital

At 31 December 2021, the capital consisted of 55,337,770 shares with a nominal value of €1 (versus 50,307,064 at 31 December 2020).

Some shares enjoy double voting rights (Article 35 of the bylaws) and a supplementary dividend (Article 46 of the bylaws). Shares acquire double voting rights when they are fully paid-up and have been registered in the name of the same owner for at least five years. The supplementary dividend of 10% of the unit value of the reference dividend is granted to holders of shares registered without interruption for two financial years preceding the dividend payment, and which are still registered on the ex-dividend date. For any one shareholder, this supplement is limited to a number of shares that may not exceed 0.5% of the share capital.

After deducting treasury shares, the weighted average number of shares outstanding in 2021 was 53,885,865 (50,072,727 in 2020).

At 31 December 2021, the Family voting block owned 32.61% of the capital with these shares representing 38.80% of the theoritical voting rights at Extraordinaly Shahoreders' Meetings.

Note 19.2. Share-based payments

Stock option plans are measured and recognized in accordance with IFRS 2 – Share-Based Payment.

Stock options represent a benefit for the grantee and, accordingly, are treated as part of the Group's compensation costs. Option grants are not cash-settled, and the benefit is therefore recognized as an expense over the vesting period by adjusting equity. They are valued on the basis of the fair value of the underlying equity instruments on the award date. As the stock options and performance shares granted to employees of Group subsidiaries are only exercisable for SEB S.A. shares, they are deemed to be equity-settled share-based payments.

The fair value of stock options at the grant date is determined using the Black & Scholes option pricing model. This model takes into account the option exercise price and period, market data at the grant date (risk-free interest rate, share price, volatility, expected dividends) and grantee behavior assumptions (average holding period of the options).

The fair value of performance shares corresponds to the share price on the grant date less a discount covering the lock-up feature and the value of future dividends that will not be received during the vesting period.

The compensation cost recorded for each plan is determined by multiplying the fair value per option or performance share by the estimated future number of shares to be delivered. The estimated number of shares is adjusted at each balance sheet date, as necessary, based on a revised estimate of the probability of non-market-based performance criteria being met, leading to an adjustment of the compensation cost.

The compensation cost is recognized in employee benefits expense on a straight-line basis over the option or performance share vesting period by adjusting equity. When a grantee leaves the Group before the end of the vesting period, resulting in the rights to the options or performance shares being forfeited, the cumulative compensation cost is canceled by recording an equivalent amount in income. Conversely, if a grantee leaves the Group earlier than originally expected, while maintaining his or her rights to the stock options held, amortization of the cost of his or her options or performance shares is accelerated.

19.2.1. Stock options

There are no more subscription and purchase option plans, as the last plan from June 2012 expired in June 2020.

19.2.2. Performance shares

Each year, the Board of Directors awards performance shares to certain employees and executive officers.

Since 2017, performance shares awarded under the plans are only finally vested after a period of three years, with no lock-in period. In addition, the final vesting of performance shares is subject to the achievement of objectives identical to those used to calculate the variable compensation of the Group's senior managers and executives, based on revenue and Operating Result from Activity.

At 31/12/2021	Date		Number of shares				
Type	of grant (1)	of vesting	granted	vested	canceled	Outstanding	Share price on the grant date
Performance shares	16/05/2018	16/05/2021	203,075 (2)	192,830	10,245	-	160.9
Performance shares	22/05/2019	22/05/2022	248,645 (3)	200	5,510	242,935	155.9
Performance shares	19/05/2020	19/05/2023	213,148 (4)	-	1,200	211,948	112.3
Performance shares	20/05/2021	20/05/2024	200,000			200,000	151.3
TOTAL			**864,868**	**193,030**	**16,955**	**654,883**	

(1) The grant date corresponds to the date on which the Board of Directors granted the rights.
(2) Of which 17,745 shares granted as part of the free award transaction, 1 share in return for 10 held as of 03/03/2021.
(3) Of which 22,145 shares awarded under the free share award transaction, 1 share in return for 10 held as of 03/03/2021.
(4) Of which 19,268 shares awarded under the free share award transaction, 1 share in return for 10 held as of 03/03/2021.

As the shares granted for the 2018, 2019, 2020 and 2021 plans have no lock-up clause, the fair value only takes into account the absence of dividends during the vesting period.

The main assumptions used to determine the fair value of performance shares were as follows:

Assumptions	2021 plan	2020 plan	2019 plan	2018 plan
Share price on the grant date *(in €)*	151.3	112.3	155.9	160.9
Risk-free interest rate (5-year rate)	0.00%	-0.27%	0.00%	1.28%
Average interest rate on a 5-year general purpose loan				
Discounted average rate of dividends not received	2.45%	1.65%	2.45%	2.25%
Discount for the lock-up *(as a% of the price on the vesting date)*	0.00%	0.00%	0.00%	0.00%
INITIAL VALUE *(IN € MILLIONS)*	**28.8**	**20.8**	**33.6**	**28.5**
Expense for 2021 *(in € millions)*	5.9	7.3	10.4	2.1

A performance share plan was also set up within the Supor Group in 2017. The residual expense for 2021 was €1.5 million (€3.4 million in 2020). A new plan was set up at the beginning of 2022 with no impact on the 2021 accounts.

19.2.3. Employee share ownership plan

When employee rights issues are carried out, if the shares are offered at a discount to market price, the difference between the offer price and the market price is recorded as an expense. The expense is measured on the date the rights are granted, corresponding to the point at which both the Group and the employees understand the characteristics and terms of the offer.

It takes into account matching employer contributions to the plan and any discount offered on the shares, less the deemed cost to the employee of the lock-up applicable to the shares.

It is recognized in full in the income statement in the year of the rights issue, provided the shares are not subject to any vesting condition, as in this case the shares are issued in exchange for employee services rendered in prior periods. The charge is recognized on the income statement, under "Discretionary and non-discretionary profit-sharing".

No new plan has been set up since "Horizon 2019".

Note 19.3. Reserves and retained earnings (before appropriation of profit)

Retained earnings include reserves shown on the balance sheet of SEB S.A. (of which €1,267.6 million was available for distribution at 31 December 2021, compared with €1,232.5 million at 31 December 2020), and SEB S.A.'s share of the retained earnings of consolidated subsidiaries subsequent to their acquisition or incorporation.

SEB S.A.'s share of the retained earnings of foreign subsidiaries is considered to be permanently invested. Any withholding taxes or additional taxes on distributed income are only recognized when distribution of these amounts is planned or considered probable.

Note 19.4. Treasury shares

The Group buys back shares for the following purposes:

- for cancellation in order to reduce the company's share capital;
- for allocation to employees, senior managers or senior executives of the company or of related companies upon exercise of stock options or vesting of performance shares;
- for delivery on redemption, conversion, exchange or exercise of share equivalents.

Share buybacks are carried out based on market opportunities and only when the Group has sufficient cash to fund the transactions.

Treasury stock is deducted from equity at cost. The consideration paid or received is recognized directly in equity.

The Group set up collars on treasury shares from July 2019 to cover its performance share and employee share ownership plans. The call options are classified as equity instruments. The put options sold simultaneously with these call options are classified as financial instruments and are part of the Group's net debt.

In 2021, the Group bought back 373,289 shares at a weighted average price of €142.78 and sold 287,990 shares at an average price of €49.27. The €23.8 million after tax loss on the sales was recognized directly in equity without affecting profit (loss) for the period.

At 31 December 2021, the Group held 230,627 treasury shares at an average price of €148.53 per share.

Movements in treasury shares were as follows:

	Transactions	
(in number of shares)	**2021**	2020
Shares held in treasury at 1 January	**145,328**	**362,443**
Share purchases	**373,289**	**127,404**
Buyback plan	293,591	4,100
Liquidity contract	79,698	123,304
Sales	**(287,990))**	**(344,519)**
Disposals	(95,160))	(127,502)
Shares allocated on exercise of stock options, and under the performance share and employee share ownership plans	(192,830))	(217,017)
Shares canceled during the period		
SHARES HELD IN TREASURY AT 31 DECEMBER	**230,627**	**145,328**

	Transactions	
(in € millions)	**2021**	2020
Shares held in treasury at 1 January	**19.6**	**52.8**
Share purchases	**53.3**	**15.8**
Buyback plan	41.5	0.6
Liquidity contract	11.8	15.2
Sales	**(38.7)**	**(49.0)**
Disposals	(14.0)	(15.7)
Exercise of call options, allocation of performance shares and capital	(24.6)	(33.3)
Shares canceled during the period		
SHARES HELD IN TREASURY AT 31 DECEMBER	**34.3**	**19.6**

The Group set up collars on treasury shares from July 2019 broken down into call and put options. These put options, which are an integral part of the Group's debt, are presented in the table below:

Put options	2021	2020
Number of shares	348,431	257,200
Amount in millions of euros	5.8	5.0
Change in Fair Value impacting the Net Financial Expense in millions of euros	2.1	2.1

NOTE 20. NON-CONTROLLING INTERESTS

Acquisitions or disposals of non-controlling interests that do not affect the Group's control of a subsidiary are treated as transactions between owners and accounted for in equity.

The carrying amounts of the subsidiary's assets (including goodwill recognized upon obtaining control) and liabilities remain unchanged.

When the Group grants a put option to a minority shareholder for the securities it holds in the subsidiary in question, a financial liability is recorded on the balance sheet at fair value through equity. Subsequent changes in this debt are also recorded through equity.

In the event of the disposal of non-controlling interests resulting in a loss of control of a subsidiary, a gain (loss) on disposal is recognized for the difference between the selling price, the fair value of the interest retained in the subsidiary and the carrying amount of all the assets (including goodwill) and liabilities as well as non-controlling interests in the subsidiary, following reclassification in profit or loss of the gains and losses recognized in other comprehensive income attributable to owners of the parent. The remeasurement at fair value of the retained investment therefore affects profit or loss.

Changes in non-controlling interests are as follows:

(in € millions)	2021	2020
AT 1 JANUARY	**267.3**	**234.9**
Non-controlling interests in profit	53.8	48.2
Dividends paid	(30.5)	(26.6)
Exercise of stock options	0.3	0.7
Non-controlling interests in shares issues by subsidiaries		4.1
Changes in scope of consolidation and acquisition by the Group of non-controlling interests in subsidiaries	(11.4)	12.3
Foreign currency translation adjustments	21.1	(6.3)
TOTAL AT 31 DECEMBER	**300.6**	**267.3**

Since 31 December 2008, non-controlling interests have primarily concerned the non-controlling interests of the ZJ Supor Group. The share of non-controlling interests therefore mainly changed in line with changes in the ZJ Supor Group's reserves (particularly profit and translation adjustments), purchases, sales or any other voluntary adjustments to Seb's stake in ZJ Supor. At 31 December 2021, Groupe SEB held 82.44% of Supor's shares.

It should be noted that since 2020, the impact of the acquisition of 55% of StoreBound (Note 2.2) resulted in a €18.8 million increase in minority interests.

The ZJ Supor Group is made up of various subsidiaries, whose name, line of business, location and percentage of interest are shown in Note 33 herein. The 2020 dividends paid to non-controlling interests in 2021 were €24.8 million. The 2021 profit (loss) of this sub-group taken by itself was €255.4 million on revenue of €2,819.6 million. The impact of the sub-group on the consolidated statement of comprehensive income consists solely of foreign currency translation adjustments.

SUMMARY 2021 BALANCE SHEET OF THE SUPOR SUB-GROUP (IN € MILLIONS)

ASSETS	2021	2020	LIABILITIES	2021	2020
Non-current assets	817	734	Shareholders' equity	1,561	1,355
Inventories	412	284	Long-term provisions	7	6
Trade receivables	314	238	IFRS 16 debt	26	22
Other receivables	115	64	Trade payables	456	356
Cash and cash equivalents	670	596	Other current liabilities	278	177
TOTAL	2,328	1,916	TOTAL	2,328	1,916

SUMMARY 2021 CASH FLOW STATEMENT OF THE SUPOR SUB-GROUP (IN € MILLIONS)

	2021	2020
Net cash from operating activities	198	320
Net cash used by investing activities	(39)	(51)
Net cash used by financing activities	(148)	(189)
Currency translation adjustment	64	(10)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS GROSS	75	70

The gross cash presented above also includes the Supor financial investments and Bank Acceptance Drafts (see Note 14).

Financing activities during the period mainly concerned the payment of dividends to Groupe SEB and non-controlling interests and the purchase of Supor shares for €63.5 million.

Since this group is located in China, the cash it generates is subject to the foreign exchange controls in effect in that country.

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NOTE 21. PROVISIONS AND CONTINGENT LIABILITIES

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation:

A) PROVISIONS FOR WARRANTY COSTS

As part of its Consumer business, the Group provides a warranty on its products to consumers. The estimated costs of the warranty are accrued at the time of sale, based on historical data.

This item also includes provisions for product recalls. These costs are incurred when a recall decision is determined by Groupe SEB.

B) PROVISION FOR CLAIMS AND LITIGATION

As a general principle, all known claims and litigation involving the Group are reviewed by management at each period-end. All necessary provisions have been recorded to cover the related risks, as estimated after obtaining advice from outside legal advisors.

C) RESTRUCTURING PROVISION

The Group is considered as having a constructive obligation when management has a detailed formal plan for the restructuring, or has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features and no inflow of economic benefits is expected that would offset the costs of the plan.

The amount of the related provision corresponds to forecast cash outflows under the plan.

In a business combination, a contingent liability will be recognized where there is a current obligation arising from past events and its fair value can be measured reliably.

Provisions are classified as short-term or long-term according to whether the obligation is expected to be settled within or beyond one year.

(in € millions)	2021 non-current	2021 current	2020 non-current	2020 current
Pension and other post-employment benefit obligations (Note 22)	240.2	18.3	302.2	20.3
Product warranties (Note 21.1)	9.5	43.3	7.4	37.6
Claims and litigation and other contingencies (Note 21.2)	47.1	29.5	44.2	17.8
Restructuring provisions (Note 21.3)	2.1	40.9	2.1	47.2
TOTAL	**298.9**	**132.0**	**355.9**	**122.9**

Provision movements (other than provisions for pensions and other post-employment benefits) over the year are as follows:

(in € millions)	01/01/2021	Increases	Reversals	Utilizations	Other movements *	31/12/2021
Product warranties (Note 21.1)	45.0	29.5	(1.8)	(20.5)	0.6	52.8
Claims and litigation and other contingencies (Note 21.2)	62.0	25.8	(5.2)	(7.7)	1.7	76.6
Restructuring provisions (Note 21.3)	49.3	35.4	(1.2)	(40.9)	0.4	43.0
TOTAL	**156.3**	**90.7**	**(8.2)**	**(69.0)**	**2.7**	**172.3**

* *"Other movements" include foreign currency translation adjustments and the effect of changes in the scope of consolidation.*

(in € millions)	01/01/2020	Increases	Reversals	Utilizations	Other movements *	31/12/2020
Product warranties (Note 21.1)	46.2	14.3	(1.4)	(15.3)	1.2	45.0
Claims and litigation and other contingencies (Note 21.2)	61.0	12.9	(5.5)	(5.7)	(0.7)	62.0
Restructuring provisions (Note 21.3)	31.6	44.3	(2.2)	(22.0)	(2.4)	49.3
TOTAL	**138.8**	**71.5**	**(9.1)**	**(43.0)**	**(1.9)**	**156.3**

* *"Other movements" include foreign currency translation adjustments and the effect of changes in the scope of consolidation.*

Note 21.1. Product warranties

Provisions are recorded for the estimated cost of repairing or replacing products sold under warranty to customers and consumers. The warranty, which is either legal or contractual, generally covers a period of one or two years. Provisions for product recalls are recorded as soon as the recall is decided.

Note 21.2. Claims and litigation and other contingencies

Certain subsidiaries are involved in claims and litigation with third parties.

At 31 December, this item included:

(in € millions)	2021	2020
Supplier claims and litigation	5.6	1.9
Local government claims, litigation and contingencies	7.6	5.4
Commercial claims, litigation and contingencies	0.1	0.1
Employee claims, litigation and contingencies	6.1	4.8
Other claims, litigation and contingencies	57.3	49.8
TOTAL	**76.6**	**62.0**

The "Other claims, litigations and contingencies" item mainly includes the liabilities acquired with WMF (see Note 21.4). The provisions for the other claims, litigations and risks under this item are not material when taken individually.

Note 21.3. Restructuring provision

Restructuring provisions break down as follows:

(in € millions)	2021	2020
Severance costs	40.5	48.7
Site closure costs	2.5	0.6
TOTAL	**43.0**	**49.3**

The current portion of the restructuring provision amounted to €40.9 million and mainly related to the closure of the Erbach industrial site in Germany and the WMF restructuring plan for cookware and professional activities.

Note 21.4. Contingent liabilities

Provisions for contingent liabilities were estimated at €48 million in connection with the WMF acquisition which covered litigation, tax, environmental and regulatory risks.

At 31 December 2021, the residual provision for such liabilities totaled €33.4 million (no change compared to 31 December 2020).

No other contingent liabilities have been identified to date.

NOTE 22. EMPLOYEE BENEFITS

Employee benefits include retirement plans, other post-employment benefits and other long-term benefits.

Pension and other post-employment benefit plans

In some countries, the Group is required to pay length-of-service awards to employees on retirement or pension benefits under formal pension plans. The Group also pays contributions to government-sponsored pension plans in its various host countries. The accounting treatment of these pension and other post-employment benefit plans depends on the type of plan.

There are two categories of retirement plans:

Defined contribution plans

Contributions to these plans are recognized as an expense for the period to which they relate.

Defined benefit plans

In accordance with IAS 19, as amended – Employee Benefits, obligations are calculated annually by independent actuaries using the projected Unit credit method based on final salaries. This method sees each period of service as giving rise to an additional Unit of benefit entitlement and measures each Unit separately to build up the final obligation. The final obligation is then discounted. The actuarial assumptions used to calculate the obligation include staff turnover rates, mortality rates, the discount rate and the retirement age.

The assumptions vary according to local laws and regulations in the host countries concerned.

A provision is recorded in the balance sheet for any unfunded obligations, corresponding to defined benefit obligations not covered by plan assets.

Current service cost, corresponding to the increase in the present value of the defined benefit obligation resulting from employee service in the current period, and the effect of liquidations and plan reductions, are recognized in the Operating Result from Activity.

Actuarial gains and losses, resulting from changes in actuarial assumptions and experience adjustments (i.e. the effects of the differences between the previous actuarial assumptions and what has actually occurred) are recognized in "Other comprehensive income".

Interest income or interest expense calculated on the defined benefit obligation net of the value of plan assets by applying the discount rate used to determine the defined benefit obligation is recognized in "Other financial income and expenses".

The difference between the actual return on plan assets and the interest income calculated by applying the discount rate is recorded in other comprehensive income.

For plans that have a surplus – corresponding to the excess of plan assets over the defined benefit obligation – the Group applies the limit provided for in IAS 19, as amended in determining any asset recognized in the balance sheet.

Other long-term benefits

Certain subsidiaries pay jubilees to employees who have completed a certain number of years' service or offer employees "time savings accounts". The cost of these long-term benefits is calculated on an actuarial basis and recognized in profit over the service lives of the employees concerned. Actuarial gains and losses are recognized immediately in profit during the period in which they are generated, as their deferral is not allowed under IFRS.

Pension and other post-employment benefit costs are classified as operating expenses, except for the interest cost, which is included in other financial income and expenses in accordance with the alternative treatment allowed under IAS 19.

Contributions to external funds and payments to employees are reported in the cash flow statement under "Cash flows from operating activities".

Note 22.1. Assumptions used to determine pension and similar commitments

Provisions for pension and other post-employment benefit obligations, determined as explained in the accounting principle set out above, primarily concern France (mainly length-of-service awards) and Germany (mainly pension plans). The obligations are determined by qualified actuaries using a certain number of assumptions. These assumptions are revised once a year.

Discount rates are determined based on the yields of investment grade corporate bonds with maturities that match the remaining life of the benefit obligations at the measurement date.

Assumptions	France 2021	Germany 2021
Economic assumptions		
Rate of salary increases	between 2.30% and 4.00%	between 1.80% and 2.50%
Discount rate (based on Iboxx AA)	0.00% and 0.85%	0.00% and 0.85%
Average remaining service life of participating employees	15.5	14.8
Demographic assumptions		
Retirement age	62 to 65 years *	65
Staff turnover	0% to 12.6%	0% to 7.5%
Mortality tables	TH/TF 00-02 (with age difference)	HEUBECK RT 2018 G

* *Depending on employee age and category (management or other).*

Assumptions	France 2020	Germany 2020
Economic assumptions		
Rate of salary increases	between 2.50% and 4.00%	between 1.75% and 2.50%
Discount rate (based on Iboxx AA)	-0.15% and 0.35%	-0.12% and 0.35%
Average remaining service life of participating employees	15.4	16.0
Demographic assumptions		
Retirement age	62 to 65 years *	65
Staff turnover	0% to 14.8%	0% to 7.5%
Mortality tables	INSEE TD/TV 2014-2016	HEUBECK RT 2018 G

* *Depending on employee age and category (management or other).*

Impact of the application of the IFRIC decision at 31 December 2021

The Group has applied the IFRIC decision on the methods used for spreading out post-employment benefit plans over time, which have certain characteristics. This change in method resulted in a €33.2 million reduction in the provision for France with a direct impact on the Group reserves.

Note 22.2. Pension and other post-employment benefit obligations and current value of the funds

The provision is based on the net amount between the commitment (actuarial debt with future wages) and assets value:

	2021			
(in € millions)	France	Germany	Other countries	Total
Projected benefit obligation based on final salaries	111.0	207.3	72.3	390.6
Present value of plan assets	(70.2)	(7.4)	(54.5)	(132.1)
DEFICIT	**40.8**	**199.9**	**17.8**	**258.5**
Recognized liability	40.8	199.9	17.8	258.5
Recognized asset				
NET	**40.8**	**199.9**	**17.8**	**258.5**

	2020			
(in € millions)	France	Germany	Other countries	Total
Projected benefit obligation based on final salaries	149.6	228.9	74.3	452.8
Present value of plan assets	(66.2)	(7.5)	(56.6)	(130.3)
DEFICIT	**83.4**	**221.4**	**17.7**	**322.5**
Recognized liability	83.4	221.4	17.7	322.5
Recognized asset				
NET	**83.4**	**221.4**	**17.7**	**322.5**

Note 22.3. Recognized costs

The cost recognized in the income statement for pension and other post-employment benefit plans breaks down as follows:

	2021			
(in € millions)	France	Germany	Other countries	Total
Service cost	8.1	4.6	4.7	17.4
Interest cost	0.2	0.7	0.6	1.5
Expected return on plan assets	(0.1)		(0.3)	(0.4)
Other	(1.5)	1.3		(0.2)
COST FOR THE PERIOD	**6.7**	**6.6**	**5.0**	**18.3**

	2020			
(in € millions)	France	Germany	Other countries	Total
Service cost	8.2	3.7	4.8	16.7
Interest cost	0.8	1.5	0.4	2.7
Expected return on plan assets	(0.3)	(0.1)	(0.1)	(0.5)
Other	(1.6)	3.0	(0.3)	1.1
COST FOR THE PERIOD	**7.1**	**8.1**	**4.8**	**20.0**

Note 22.4 Change in gains and losses recorded in other comprehensive income

	2021			
(in € millions)	France	Germany	Other countries	Total
Amount at 1 January	(55.6)	(58.5)	(10.2)	(124.3)
Actuarial gains and losses	3.2	14.4	4.2	21.8
Return on plan assets greater/ (less than) expected return	6.4	0.2	0.3	6.9
Other	0.2	(0.3)		(0.1)
AMOUNT AT 31 DECEMBER	**(45.8)**	**(44.2)**	**(5.7)**	**(95.7)**

	2020			
(in € millions)	France	Germany	Other countries	Total
Amount at 1 January	(51.6)	(48.0)	(13.4)	(113.0)
Actuarial gains and losses	(4.2)	(11.0)	2.0	(13.2)
Return on plan assets greater/ (less than) expected return	0.2		1.0	1.2
Other		0.5	0.2	0.7
AMOUNT AT 31 DECEMBER	**(55.6)**	**(58.5)**	**(10.2)**	**(124.3)**

Note 22.5. Movements in provisions

Movements in provisions break down as follows:

(in € millions)	2021	2020
Net at 1 January	322.5	308.6
Cost for the period	18.3	20.0
Contributions paid	(19.8)	(17.1)
Actuarial gains and losses and other changes *	(62.5)	11.0
NET AMOUNT AT 31 DECEMBER	**258.5**	**322.5**

* *Including the impact of a €33.2 million reduction in the provision related to the IFRIC decision.*

Note 22.6. Movements in pension and other post-employment benefit obligations

Movements in pension and other post-employment benefit obligations 2021

	2021			
(in € millions)	France	Germany	Other countries	Total
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY 2021	**149.6**	**228.9**	**74.3**	**452.8**
Service cost	8.1	4.6	4.7	17.4
Interest cost	0.2	0.7	0.6	1.5
Benefits paid	(9.1)	(13.2)	(5.2)	(27.5)
Plan amendments				
Actuarial gains and losses	(3.6)	(13.1)	(4.3)	(21.0)
Curtailments/Settlements	(1.3)		0.1	(1.2)
Other *	(32.9)	(0.6)	2.1	(31.4)
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER 2021	**111.0**	**207.3**	**72.3**	**390.6**

* *Including the impact of a €33.2 million reduction in the provision related to the IFRIC decision.*

Movements in pension and other post-employment benefit obligations 2020

	2020			
(in € millions)	France	Germany	Other countries	Total
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY 2020	**144.4**	**223.6**	**75.7**	**443.7**
Service cost	8.2	3.7	4.8	16.7
Interest cost	0.8	1.5	0.4	2.7
Benefits paid	(6.8)	(13.9)	(3.5)	(24.2)
Plan amendments				
Actuarial gains and losses	4.3	13.9	(2.3)	15.9
Curtailments/Settlements	(2.3)	0.1	(0.1)	(2.3)
Other	1.0		(0.7)	0.3
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER 2020	**149.6**	**228.9**	**74.3**	**452.8**

Note 22.7. Analysis of plan assets

Change in plan assets in 2021

(in € millions)	2021			
	France	Germany	Other countries	Total
PLAN ASSETS AT 1 JANUARY 2021	**66.2**	**7.5**	**56.6**	**130.3**
Expected return on plan assets	0.2		0.2	0.4
Contributions paid	1.9	(0.4)	(0.5)	1.0
Benefits paid	(4.6)		(4.1)	(8.7)
Actuarial gains and losses and other	6.5	0.3	2.3	9.1
PLAN ASSETS AT 31 DECEMBER 2021	**70.2**	**7.4**	**54.5**	**132.1**

Change in plan assets in 2020

(in € millions)	2020			
	France	Germany	Other countries	Total
PLAN ASSETS AT 1 JANUARY 2020	**68.8**	**7.4**	**58.9**	**135.1**
Expected return on plan assets	0.3	0.1	0.1	0.5
Contributions paid		(0.4)	(1.0)	(1.4)
Benefits paid	(3.1)		(2.6)	(5.7)
Actuarial gains and losses and other	0.2	0.4	1.2	1.8
PLAN ASSETS AT 31 DECEMBER 2020	**66.2**	**7.5**	**56.6**	**130.3**

Plan assets in France are managed by three insurance companies and are invested as follows:

- 40% of the general portfolio of these insurance companies is primarily composed of government bonds, corporate bonds mostly rated AAA or AA, shares in blue-chip international companies (managed directly) and high-yield office property;
- approximately 10% in bond funds;
- the balance in equity funds.

The return on these funds was 11.52% in 2021.

The actual return on plan assets for 2021 should be in line with the expected rate, and actuarial gains and losses generated in 2022 are not expected to be material.

The only contributions to these plans are paid by the employer. Plan members make no contributions.

Note 22.8. Other information

22.8.1. Cash outflows expected in future periods

Expected cash outflows *(in € millions)*	France	Germany	Other	Total
In less than 1 year	7.4	12.7	0.4	20.5
> 1 year	33.3	187.2	17.4	237.9
TOTAL	**40.7**	**199.9**	**17.8**	**258.4**

22.8.2. Expected contributions to plans in the following year

No material contribution is currently planned.

22.8.3. Sensitivity analysis

A 0.25% reduction in the discount rate would increase the projected benefit obligation by around €12.3 million and a 0.25% increase in the discount rate would reduce the obligation by approximately €14.3 million. The impact on 2021 service cost of a change in the projected benefit obligation resulting from the application of either of the above discount rates would not be material.

NOTE 23. BORROWINGS

Borrowings are accounted for in accordance with IFRS 9 – Financial Instruments.

Borrowings are recognized in the balance sheet of the Group when the Group becomes a party to the contractual provisions of the instrument. They are recognized at the fair value of the consideration received. Transaction costs directly attributable to the issue of the financial liability are included in the initial measurement of all financial assets and liabilities. Acquisition costs include direct external transaction costs.

Financial liabilities comprise borrowings and other financing, including bank overdrafts, and operating liabilities. Borrowings and other financial liabilities are measured at amortized cost, determined by the effective interest method.

Some financial liabilities hedged by interest rate swaps are hedged against future cash flows. Changes in the fair value of the swap are recorded in the balance sheet, with the effective portion recorded in other comprehensive income.

These financial instruments, with no risk of impairment and whose only counterparty risk is that of the bank, are classified as short-term.

When the Group's Chinese subsidiaries ask their local banks to issue Bank Acceptance Drafts for their suppliers they are classified in the "Financial debts" balance sheet item.

Note 23.1. Total borrowings

Total borrowings includes all short- and long-term borrowings.

(in € millions)	2021	2020
Bonds	996.6	1,494.7
Bank borrowings		
IFRS 16 debt	263.1	268.1
Negotiable European Medium Term Note (NEU MTN)	195.0	125.0
Other debts (including private placements)	767.5	385.4
Employee profit-sharing	8.6	12.6
LONG-TERM BORROWINGS	**2,230.8**	**2,285.8**
Bonds	507.5	155.9
Bank borrowings	2.5	8.1
IFRS 16 debt	71.8	70.8
Short- and medium-term Negotiable European Commercial Paper (NEU CP and NEU MTN)	890.5	1,087.9
Current portion of long-term borrowings	132.9	349.5
SHORT-TERM BORROWINGS	**1,605.2**	**1,672.2**
TOTAL BORROWINGS	**3,836.0**	**3,958.0**

At 31 December 2021, Group debt was composed of short-term and long-term borrowings. The Group has diversified its financing sources, and borrowings now comprise:

- €698.5 million in private placement notes (*Schuldschein* instruments);
- a €500 million bond debt due in 2022;
- a €500 million bond debt due in 2024;
- a €500 million bond debt due in 2025;
- €863 million in Negotiable European Commercial Paper (NEU CP) (outstanding from a €1 billion program with an A2 short-term rating from Standard & Poor's);
- €220 million in Negotiable European Medium Term Notes (NEU MTN) (outstanding from a €500 million program).

At 31 December 2021, the weighted average interest rate on long-term bank borrowings (falling due in over a year) was 1.36%.

At 31 December 2021, none of these borrowings were subject to early repayment clauses based on covenants.

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Characteristics and maturities of total borrowings (nominal values)

At 31 December 2021 *(in € millions)*	Issuing currency	Term	Outstanding balance	Due: In less than 1 year	Due: 1 to 5 years	Due: In more than 5 years	Original interest rate
Schuldschein	EUR	2023	102.5		102.5		Variable *
Schuldschein	EUR	2023	180.0		180.0		Fixed
Schuldschein	EUR	2024	18.0		18.0		Variable *
Schuldschein	EUR	2026	48.0		48.0		Fixed
Schuldschein	EUR	2026	46.0		46.0		Variable *
Schuldschein	EUR	2028	104.0			104.0	Fixed
Schuldschein	EUR	2028	73.0			73.0	Variable *
Schuldschein	EUR	2031	15.0			15.0	Variable *
Schuldschein	EUR	2031	112.0			112.0	Fixed
Bond 1	EUR	2022	500.0	500.0			Fixed
Bond 2	EUR	2024	500.0		500.0		Fixed
Bond 3	EUR	2025	500.0		500.0		Fixed
Negotiable European Commercial Paper (NEU CP)	EUR	2022	863.0	863.0			Fixed
Negotiable European Medium Term Note (NEU MTN)	EUR	2024 and 2026	100.0		100.0		Fixed
Negotiable European Medium Term Note (NEU MTN)	EUR	2022 and 2023	120.0	25.0	95.0		Variable
Other bank borrowings (including overdrafts)			137.3	71.6	35.3	30.4	Variable
IFRS 16 debt			334.9	71.8	217.2	45.9	Variable
Employee profit-sharing	EUR		12.9	4.3	8.6		Variable
Bank acceptance drafts	CNY	2022	69.4	69.4			Fixed
TOTAL			**3,836.0**	**1,605.1**	**1,850.6**	**380.3**	

* *Partly hedged by floating rate for fixed rate swaps.*

Loan maturities (undiscounted nominal amounts, including accrued interest)

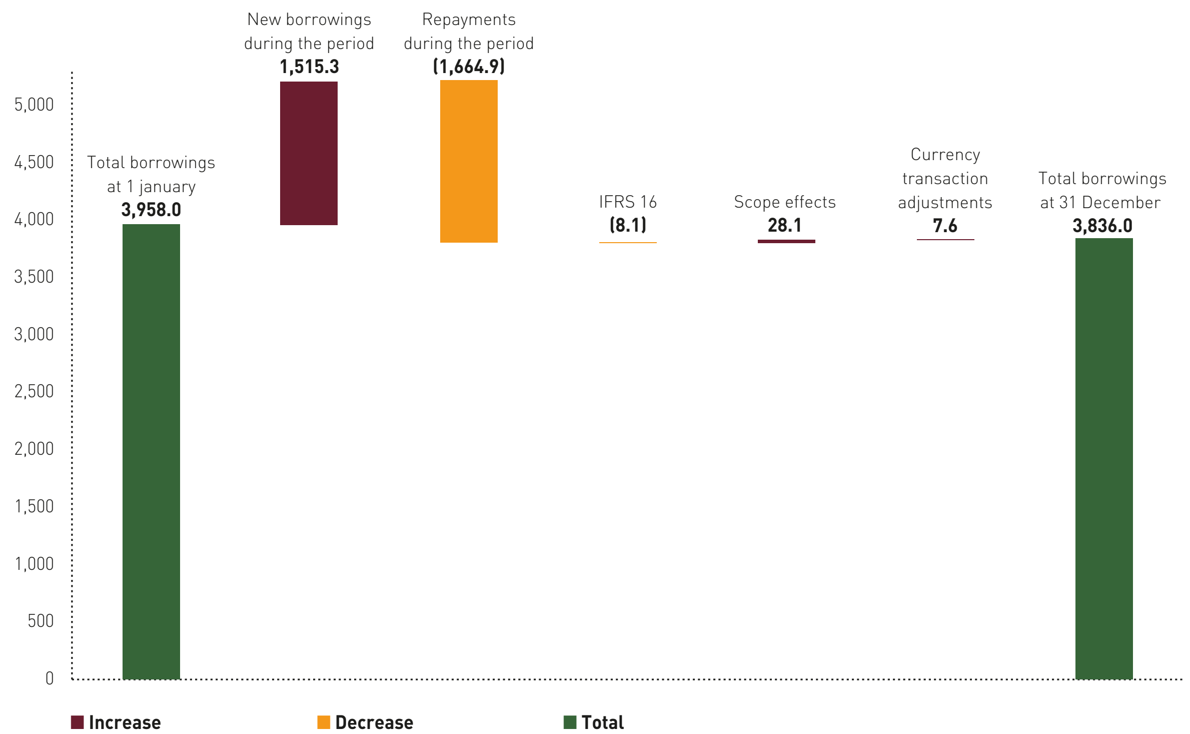
At 31 December 2021 (in € millions)	Issuing currency	Term	Expected cash outflows	Due: In less than 1 year	Due: 1 to 5 years	Due: In more than 5 years
Schuldschein	EUR	2023	105.1	1.3	103.8	
Schuldschein	EUR	2023	185.8	2.9	182.9	
Schuldschein	EUR	2024	18.4	0.2	18.2	
Schuldschein	EUR	2026	53.5	1.1	52.4	
Schuldschein	EUR	2026	48.1	0.4	47.7	
Schuldschein	EUR	2028	110.9	1.0	4.0	105.9
Schuldschein	EUR	2028	79.0	0.7	3.3	75.0
Schuldschein	EUR	2031	17.3	0.2	0.8	16.3
Schuldschein	EUR	2031	126.6	1.5	5.8	119.3
Bond 1	EUR	2022	511.9	511.9		
Bond 2	EUR	2024	522.5	7.5	515.0	
Bond 3	EUR	2025	527.5	6.9	520.6	
Negotiable European Commercial Paper (NEU CP)	EUR	2021	863.0	863.0		
Negotiable European Medium Term Note (NEU MTN)	EUR		228.5	26.9	201.6	
TOTAL			**3,398.1**	**1,425.5**	**1,656.1**	**316.5**

Confirmed credit facilities

The Group also has a €990 million confirmed and undrawn syndicated credit facility available until December 2026 (with two 1-year extension options) (see Note 3).

This credit line does not include any acceleration clauses.

CHANGES IN LIABILITIES INCLUDED IN GROUP FINANCING ACTIVITIES (IN €M)



New borrowings during the period amounting to €1,513.3 million primarily included the new €350 million *Schuldschein* (see Note 3) and €863 million in Negotiable European Commercial Paper (NEU CP).

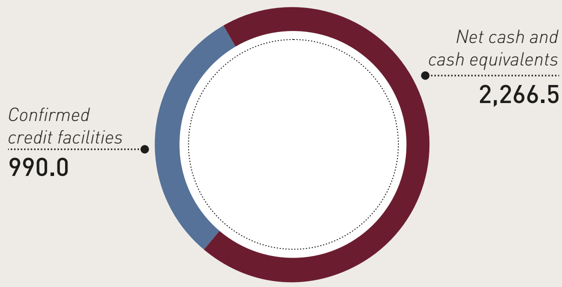
Note 23.2. Net debt

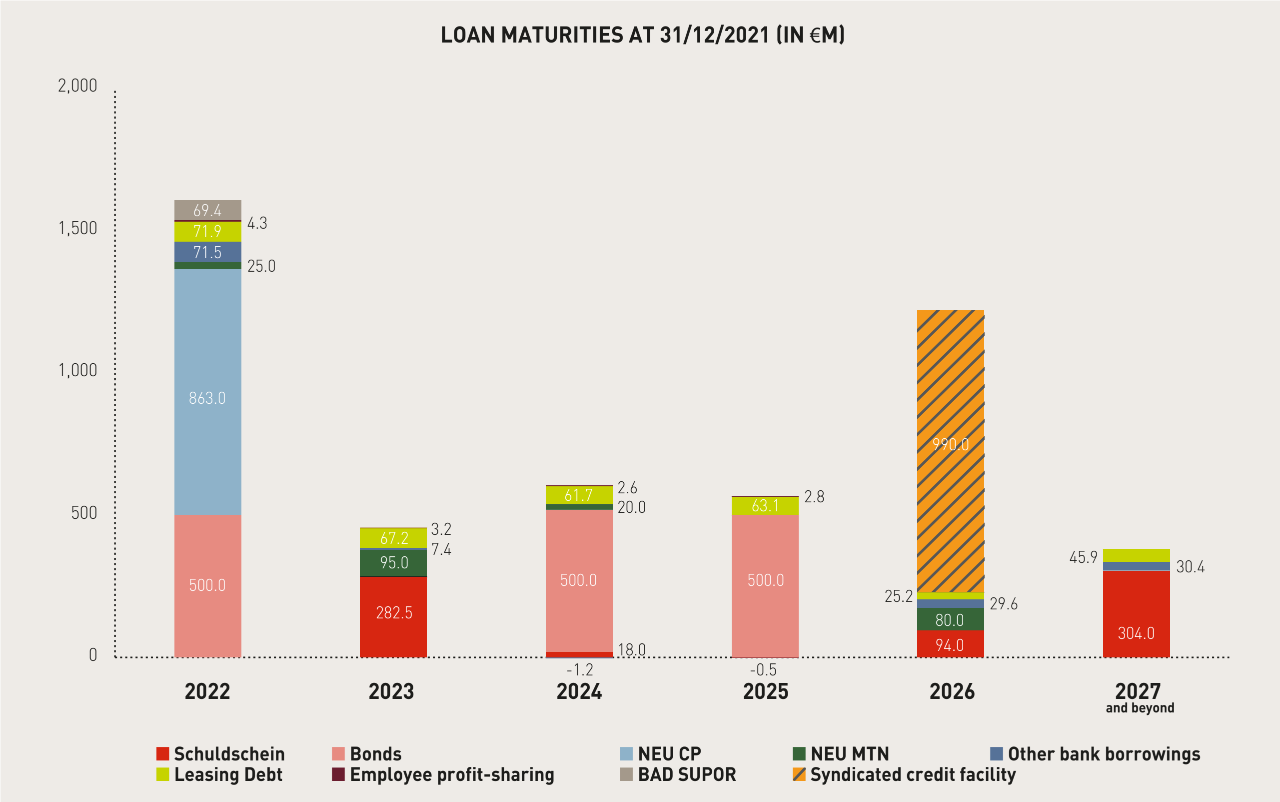
Net debt corresponds to total long-term and short-term borrowings less cash and financial investments and other current financial assets with no significant risk of a change in value (see Note 14) as well as derivative instruments used for Group financing. It also includes financial debt from application of the IFRS 16 standard "Leases" in addition to short-term investments with no risk of a substantial change in value but with maturities of over three months.

(in € millions)	2021	2020
Long-term borrowings	2,230.8	2,285.8
Short-term borrowings	1,605.2	1,672.2
TOTAL BORROWINGS	**3,836.0**	**3,958.0**
Net cash and cash equivalents [(1)]	(2,266.5)	(1,769.4)
Financial investments and other current financial assets [(1)] [(2)]	(58.1)	(662.7)
Derivative instruments (net)	12.2	(7.9)
NET DEBT	**1,523.6**	**1,518.0**

(1) Including €678 million in China versus €598 million at 31 December 2020.
(2) Excluding guarantees and sureties.

NET CASH AND UNUSED CONFIRMED CREDIT FACILITIES AT 31/12/2021 (IN €M)





NOTE 24. FAIR VALUE OF FINANCIAL INSTRUMENTS

Market risks (interest rate, currency and commodity price risks) are hedged, generally through the use of derivative instruments. In accordance with IFRS 9, derivative instruments are measured at fair value.

The measurement of changes in fair value depends on the accounting classification of the instrument. Derivative instruments designated as the hedging instrument in a hedging relationship may be classified as either fair value, cash flow hedges or net investment:

- a fair value hedge is a hedge of the exposure to changes in fair value of a recognized asset or liability, or an unrecognized firm commitment that is attributable to a particular risk and could affect profit;
- future cash flow hedges allow hedging of highly likely future cash flow fluctuations;
- net investment hedges allow the hedging of currency risks relating to the net situation of a holding in a consolidated foreign subsidiary outside the eurozone. The hedged net investment may also result from an intra-group loan to a non-eurozone consolidated foreign subsidiary that is not repayable within a scheduled or foreseeable time frame.

The change in fair value of derivative instruments designated at fair value hedge is recognized in profit, offsetting the unrealized gain or loss recognized on the hedged item for the effective portion of the hedge.

In the case of cash flow hedges, the effective portion of the gain or loss arising from remeasurement of the derivative instrument at fair value is recognized as other comprehensive income and the ineffective portion as profit or loss. The cumulative gains and losses on cash flow hedges recognized in equity are reclassified into profit when the hedged item affects profit.

In the case of net investment hedging, changes in the fair value of the hedging instrument are recognized as other comprehensive income, with the exception of the ineffective part which is recognized as profit or loss. The amounts recorded in other comprehensive income are only reclassified to the income statement when the investment is deconsolidated.

When the Group categorizes a hedging relationship as a “Hedge of a net investment in a foreign operation” due to the non-repayable nature of the intragroup loan set up within a scheduled or foreseeable period, changes in the fair value of the hedging instrument are recorded in other comprehensive income, with the exception of the ineffective portion recorded in profit or loss. The amounts recorded in other comprehensive income are only reclassified to the income statement when the investment is deconsolidated.

Hedge accounting is applied when the conditions set out in IFRS 9 are met:

- the hedging relationship is formally designated and documented at the inception of the hedge;
- the economic link between the hedged item and the hedging instrument is documented, as are the potential sources of ineffectiveness.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognized in profit.

The Group applies the provisions permitted or required by IFRS 9 for the treatment of hedging costs for all qualifying instruments.

Note 24.1. Carrying value and fair value of financial assets and liabilities by accounting category

Financial assets consist of shares in subsidiaries and affiliates as well as operating receivables (excluding tax and social security claims), debt securities and other cash equivalents classified as current assets. The fair value of trade and other receivables is equivalent to their carrying amount, in view of their short maturities.

Non-current financial assets consist mainly of investments in non-consolidated companies (minority interests without significant influence), certain related receivables and receivables due beyond one year. In accordance with IFRS 9, these non-current financial assets for which the management model is to collect contractual cash flows and the flows resulting from disposals are recognized at fair value in other items of comprehensive income without subsequent reclassification to profit or loss, even in the event of disposal (see Note 14).

The fair value of borrowings that are not quoted in an active market are measured by the discounted cash flow method, applied separately to each individual facility, based on market rates observed at the period-end for similar facilities and the average spread obtained by the Group for its own issues.

The fair value of derivative instruments is determined by the discounted future cash flows method using forward exchange rates, market interest rates, and aluminum, copper, nickel and plastics prices at 31 December 2021.

	2021		Financial instruments by category				
(in € millions)	Carrying amount	Fair value	At fair value through profit or loss (excluding derivatives)	Fair value through other items of comprehensive income	Assets at amortized cost	Borrowings at amortized cost	Derivative instruments
ASSETS							
Other investments (1)	151.8	151.8		151.8			
Other non-current financial assets	16.4	16.4			16.4		
Other non-current assets (2)	3.3	3.3			3.3		
Long-term derivative instruments – assets	11.6	11.6					11.6
Trade receivables	934.6	934.6			934.6		
Other current receivables (2)	126.3	126.3			126.3		
Short-term derivative instruments – assets	115.7	115.7					115.7
Financial investments and other current financial assets	60.6	60.6			60.6		
Cash and cash equivalents	2,266.5	2,266.5	2,266.5				
TOTAL FINANCIAL ASSETS	**3,686.8**	**3,686.8**	**2,266.5**	**151.8**	**1,141.2**		**127.3**
LIABILITIES							
Long-term borrowings	2,230.8	2,253.7				2,253.7	
Other non-current liabilities (3)	3.4	3.4				3.4	
Long-term derivative instruments – liabilities	15.3	15.3					15.3
Trade payables	1,614.7	1,614.7				1,614.7	
Short-term borrowings	1,605.2	1,612.4				1,612.4	
Other current liabilities (3)	182.7	182.7				182.7	
Short-term derivative instruments – liabilities	50.0	50.0					50.0
TOTAL FINANCIAL LIABILITIES	**5,702.0**	**5,732.2**				**5,666.9**	**65.3**

(1) Of which non-reclassifiable Fair Value through OCI: see Statement of Comprehensive Income.
(2) Excluding prepaid expenses and tax/social security receivables.
(3) Excluding prepaid income and tax/social security payables.

(in € millions)	2020 Carrying amount	Fair value	Financial instruments by category: At fair value through profit or loss (excluding derivatives)	Fair value through other items of comprehensive income	Assets at amortized cost	Borrowings at amortized cost	Derivative instruments
ASSETS							
Other investments [1]	95.5	95.5		95.5			
Other non-current financial assets	15.9	15.9			15.9		
Other non-current assets [2]	2.9	2.9			2.9		
Long-term derivative instruments – assets	17.9	17.9					17.9
Trade receivables	965.4	965.4			965.4		
Other current receivables [2]	67.6	67.6			67.6		
Short-term derivative instruments – assets	36.2	36.2					36.2
Financial investments and other current financial assets	664.7	664.7			664.7		
Cash and cash equivalents	1,769.4	1,769.4	1,769.4				
TOTAL FINANCIAL ASSETS	**3,635.5**	**3,635.5**	**1,769.4**	**95.5**	**1,716.5**		**54.1**
LIABILITIES							
Long-term borrowings	2,285.8	2,342.7				2,342.7	
Other non-current liabilities [3]	3.2	3.2				3.2	
Long-term derivative instruments – liabilities	15.5	15.5					15.5
Trade payables	1,260.3	1,260.3				1,260.3	
Short-term borrowings	1,672.2	1,680.5				1,680.5	
Other current liabilities [3]	161.9	161.9				161.9	
Short-term derivative instruments – liabilities	50.4	50.4					50.4
TOTAL FINANCIAL LIABILITIES	**5,449.3**	**5,514.5**				**5,448.6**	**65.9**

(1) Of which non-reclassifiable Fair Value through OCI: see Statement of Comprehensive Income.
(2) Excluding prepaid expenses and tax/social security receivables.
(3) Excluding prepaid income and tax/social security payables.

Note 24.2. Derivative instruments

The fair value of derivative instruments is as follows:

	2021		
		Fair value	
(in € millions)	Notional amount	Assets	Liabilities
FAIR VALUE HEDGES			
Forward sales of foreign currencies	511.2	23.4	(4.6)
Forward purchases of foreign currencies	146.9	2.6	(7.6)
Optional currency purchase strategy	59.6	3.5	
Optional currency sale strategy	47.9	0.3	(2.1)
Revaluation of intra-Group transactions		1.9	(12.7)
TOTAL		**31.7**	**(27.0)**
TRADING			
BRL	74.3	0.1	(0.6)
CHF	41.3		(1.4)
CLP	12.1		(0.1)
COP	11.3	0.3	
JPY	61.2	0.3	
MXN	23.6		(0.3)
RUB	78.8	1.9	
USD	28.7		(0.1)
Other currencies	77.4		(0.2)
TOTAL		**2.6**	**(2.7)**
CASH FLOW HEDGES			
Forward purchases and sales of foreign currencies	1,225.9	37.2	(8.7)
Optional foreign exchange strategies	800.2	28.8	(5.4)
Floating/fixed rate swaps	224.5		(2.2)
Cross-currency swaps	181.7	2.8	(8.8)
Commodity hedges (aluminum, nickel, copper and plastic)	177.6	17.6	(0.1)
TOTAL		**86.4**	**(25.2)**
NET INVESTMENT HEDGES			
Net investment hedges	257.8	2.5	(4.6)
TOTAL		**2.5**	**(4.6)**
TREASURY SHARES			
Put on Treasury Shares		4.0	(5.8)
TOTAL		**4.0**	**(5.8)**
TOTAL DERIVATIVE INSTRUMENTS		**127.2**	**(65.3)**
NET IMPACT ON EQUITY (INCLUDING IN PROFIT OR LOSS)		**61.9**	

The fair value of commodity hedging instruments not yet due but for which the fixing has already occurred was recorded at €2.1 million in other operating receivables.

	2020			
	Assets		Liabilities	
(in € millions)	Notional amount	Fair value	Notional amount	Fair value
FAIR VALUE HEDGES				
Forward sales of foreign currencies	109.8	2.1	181.5	(2.8)
Forward purchases of foreign currencies	127.0	2.3	282.7	(5.6)
Optional hedging strategic purchases	17.4	0.1	14.0	(1.0)
Optional hedging sales	8.3	0.2	2.0	
Revaluation of intra-Group transactions		7.8		(6.1)
TOTAL		**12.5**		**(15.5)**
TRADING				
AUD			9.2	(0.1)
BRL	56.7	2.1		
CAD			0.6	
CLP			14.0	(0.3)
GBP	2.6		9.1	(0.1)
JPY			2.0	
MXN			17.4	
RUB	20.3	0.7		
THB	19.1	0.1	2.1	
TRY	0.8			
UAH	1.1		1.1	
USD	53.0	1.7	147.1	(0.2)
Other currencies	41.6	0.2	33.0	(0.2)
TOTAL		**4.8**		**(0.9)**
CASH FLOW HEDGES				
Forward purchases and sales of foreign currencies	405.8	5.0	453.5	(13.0)
Option hedges (foreign currencies)	289.1	12.9	571.4	(24.3)
Floating/fixed rate swaps			341.5	(5.1)
Cross-currency swaps	156.0	11.7		(0.1)
Commodity hedges (aluminum, nickel, copper and plastic)	36.6	3.1	13.2	(0.5)
TOTAL		**32.7**		**(43.0)**
NET INVESTMENT HEDGES				
Net investment hedges	50.4	1.9	238.1	(0.8)
TOTAL		**1.9**		**(0.8)**
ORNAE				
Redemption option				(0.6)
Call on ORNAE		0.3		
TOTAL		**0.3**		**(0.6)**
TREASURY SHARES				
Put on Treasury Shares		1.8		(5.0)
TOTAL		**1.8**		**(5.0)**
TOTAL DERIVATIVE INSTRUMENTS		**54.0**		**(65.8)**
NET IMPACT ON EQUITY (INCLUDING IN PROFIT OR LOSS)				**(11.8)**

The instruments expiring beyond one year are primarily cash flow hedges. They also include cross currency swaps and puts on own shares.

At 31 December 2021, the fair value of these instruments breaks down as follows:

At 31 December 2021 *(in € millions)*	In less than 1 year	1 to 5 years	In more than 5 years	Total
Cross-currency swaps	(0.5)	(4.1)	(1.4)	(6.0)
Forward purchases and sales of foreign currencies	25.1	3.4		28.5
Optional foreign exchange strategies	22.5	0.9		23.4
Floating/fixed rate swaps	(1.4)	(0.8)		(2.2)
Commodity hedges (aluminum, nickel, copper and plastic)	17.5			17.5
Put on Treasury Shares	(1.6)	(0.2)		(1.8)
TOTAL	**61.6**	**(0.8)**	**(1.4)**	**59.4**

Note 24.3. Information on financial assets and liabilities recognized at fair value

In accordance with IFRS 13 and the amended IFRS 7, fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The hierarchy breaks down into three levels as follows:

- level 1: instrument quoted in active markets;
- level 2: valuation techniques for which all significant inputs are based on observable market data;
- level 3: valuation techniques for which any significant input is not based on observable market data.

	31 December 2021			
(in € millions)	Total	Level 1	Level 2	Level 3
ASSETS				
Other investments	151.8		151.8	
Derivative instruments	127.3		127.3	
Cash and cash equivalents	2,266.5	2,266.5		
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**2,545.6**	**2,266.5**	**279.1**	
LIABILITIES				
Derivative instruments	65.3		65.3	
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**65.3**		**65.3**	

The portfolio of derivative instruments used by the Group to manage risk mainly includes forward purchases and sales of foreign currencies, option strategies, interest rate swaps, cross currency swaps, foreign exchange swaps, commodity swaps and options and own share option strategies. These instruments are classified as Level 2, as their fair value is calculated using internal valuation models based on observable data.

NOTE 25. FINANCIAL RISK MANAGEMENT

Note 25.1. Risk management

Risks are managed centrally by the Group Corporate Finance and Treasury.

Hedging transactions are carried out in the financial markets with a limited number of high-quality partners in order to avoid counterparty risk. Hedging transactions are managed centrally. They are carried out in specific cases by Group subsidiaries when required by local regulations but these transactions remain under the control of the Group Corporate Finance and Treasury.

Note 25.2. Financial market risks

25.2.1. Currency risks

The majority of the Group's sales are billed in currencies other than the euro, mainly the US dollar, Chinese yuan, Russian ruble, Brazilian real, Japanese yen and Korean won. Most billing currencies correspond to the functional currencies of the subsidiaries concerned and do not give rise to any transactional currency risk at the local level.

Similarly, goods purchased for resale (sourced products) billed in US dollars or Chinese yuan are bought from Asian suppliers by a Group subsidiary, SEB Asia, whose functional currency is also the US dollar.

The main sources of transactional currency risks therefore arise from:

- intra-group billings between Group companies when they bill or purchase products or services in a currency other than their functional currency;
- purchases of industrial components and finished products from external suppliers by the manufacturing subsidiaries, which are billed in a currency other than their functional currency (for example, components purchased by the Group's production plants that are billed in US dollars or Chinese yuan).

These risks are managed at Group level by SEB S.A., which acts as the subsidiaries' sole counterparty, except where this is not possible due to local regulations. Transactional foreign exchange positions open on the balance sheet are hedged partially through forward or optional hedges.

The Group's overall currency risk management policy sets very strict rules for the hedging of currency risks associated with highly probable future transactions.

CURRENCY RISKS ON INTRA-GROUP AND EXTERNAL CUSTOMER COMMERCIAL TRANSACTIONS

The Group's net exposure to notional currency risks primarily concerns the following currencies (excluding the functional currencies of Group companies).

In 2021 *(in € millions)*	USD	CNY	RUB	BRL	KRW	GBP	MXN	PLN	Other
NET POSITION BEFORE HEDGING	**(238)**	**(284)**	**45**	**21**	**19**	**18**	**17**	**17**	**90**
NET POSITION AFTER HEDGING	**23**	**25**	**16**	**2**		**(1)**	**1**		**13**

In 2020 *(in € millions)*	USD	CNY	RUB	BRL	KRW	GBP	JPY	CAD	Other
NET POSITION BEFORE HEDGING	**(53)**	**(209)**	**39**	**11**	**18**	**7**	**13**	**9**	**106**
NET POSITION AFTER HEDGING	**1**	**43**	**3**	**1**	2	**1**	**4**	5	**21**

At 31 December 2021, the euro was trading at USD 1.1326, RUB 85.3004, CNY 7.2042 and JPY 130.38.

At 31 December 2021, the sensitivity analysis of the position after hedging was as follows:

(in € millions)	USD	CNY	RUB	BRL	KRW	GBP	MXN	PLN	Other
HYPOTHETICAL CURRENCY APPRECIATION	**10%**	**10%**	**10%**	**10%**	**10%**	**10%**	**10%**	**10%**	**10%**
IMPACT ON PROFIT	**2.6**	**2.8**	**1.8**	**0.2**	**0.0**	**(0.1)**	**0.1**	**0.0**	**1.3**

CURRENCY RISKS ON FINANCIAL TRANSACTIONS

SEB S.A. is the main provider of financing for its subsidiaries. The resources granted to subsidiaries are made in their operating currency through SEB S.A. with access to stable resources in euros. It is exposed to currency risks related to the financing granted to Group subsidiaries. This exposure is hedged by borrowing or lending in the subsidiary's functional currency using currency swaps. Currency risks on financing are therefore systematically hedged from the moment there are competitive derivative instruments available on the market.

The Group does not apply hedge accounting to these transactions.

In 2021 *(in € millions)*	USD	Other
Total assets	434	358
Total liabilities	(285)	(63)
NET POSITION BEFORE HEDGING	**149**	**295**
Hedging positions	(153)	(322)
NET POSITION AFTER HEDGING	**(4)**	**(26)**

In 2020 *(in € millions)*	USD	Other
Total assets	430	169
Total liabilities	(393)	(53)
NET POSITION BEFORE HEDGING	**37**	**116**
Hedging positions	(56)	(126)
NET POSITION AFTER HEDGING	**(19)**	**(10)**

The appreciation or depreciation of these currencies, assuming all other variables remained the same, would have an impact on profit.

At 31 December 2021, the sensitivity analysis of the net position after hedging was as follows:

(in € millions)	USD	Other
Hypothetical currency appreciation	10%	10%
IMPACT ON PROFIT	**(0.4)**	**(3.1)**

CURRENCY RISKS ON NET INVESTMENTS

Groupe SEB is also exposed to currency risks on its net investment in foreign operations, corresponding to the impact of changes in exchange rates for the subsidiaries' functional currencies on SEB S.A.'s share in their net assets.

At 31 December 2021, the nominal amount of hedges classified as net investment hedges and fair values recognized in equity are:

In 2021 *(in € millions)*	BRL	CNY	Total
Nominal amount of hedges classified as NIH	**28.7**	**229.0**	**257.7**
Fair value in equity	(0.1)	(2.0)	(2.1)

In 2020 *(in € millions)*	BRL	CNY	Total
Nominal amount of hedges classified as NIH	**50.4**	**238.1**	**288.5**
Fair value in equity	1.4	(0.3)	1.1

25.2.2. Interest rate risk

Group policy consists of hedging interest rate risks based on trends in market interest rates and changes in the Group's overall debt structure.

The following table presents the net debt maturity schedule at the end of December 2021, based on interest rate reset dates:

In 2021	Overnight to 1 year		Due in 1 to 5 years		More than 5 years	
(in € millions)	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate
Total assets	1,750.3	574.3				
Total liabilities	(172.8)	(1,432.4)	(522.5)	(1,328.0)	(164.3)	(216.0)
NET NOMINAL VALUE BEFORE HEDGING	**1,577.5**	**(858.1)**	**(522.5)**	**(1,328.0)**	**(164.3)**	**(216.0)**

Floating/fixed interest rate swaps were arranged to hedge interest payable by January 2024.

The Group is mainly hedged on the monetary interest rate, Euribor 6-month.

In 2021 *(in € millions)*	Less than one year	Due in 1 to 5 years	More than 5 years
Floating/fixed rate swaps	52.0	172.5	
Cross-currency swaps	22.7	90.9	68.1

Assuming total borrowings remain constant at 31 December 2021 levels throughout the year and with the same currency breakdown, an immediate 1% rise in interest rates would add an estimated €8.1 million to financial expenses and would have no material impact on net debt.

The change in the fair value of the interest rate swap at 31 December 2021 was as follows:

(in € millions)	31/12/2021
FAIR VALUE AT 1 JANUARY	**(5.2)**
Change in fair value	5.8
Amount recognized in income statement	
FAIR VALUE AT 31 DECEMBER	**0.6**

25.2.3. Commodity risk

Commodity risks arising from changes in the prices of certain raw materials used by the Group – mainly aluminum, copper, nickel used to produce stainless steel and plastics – are hedged by derivative instruments. The Group anticipates its needs for the coming year (except for China) and applies appropriate hedging according to its needs.

The Group uses swaps and options to set the prices of these commodities. These hedges of raw material purchases are qualified as cash flow hedges under IFRS 9 when the criteria listed in Note 24 are met.

At 31 December 2021, the commodity derivative instruments showed an unrealized gain of €17.3 million. In 2020, the unrealized latent gain stood at €2.6 million.

Derivative instruments expiring in 2021 generated a €20.2 million gain (€4.5 million loss in 2020).

SENSITIVITY ANALYSIS OF HEDGED COMMODITIES

On the portfolio of raw materials, a 10% increase in raw material prices at 31 December 2021 would have had a €12.2 million positive impact on equity. A 10% fall would have an equivalent negative effect, assuming all other variables remained constant.

Excluding derivatives, a 10% increase or decrease in raw material prices versus their average prices in 2021 would have had a €10.8 million positive or negative impact on the Operating Result from Activity.

25.2.4. Equity risk and treasury stock

It is not Group policy to hold significant portfolios of equities or equity funds.

The Group does, however, hold a portfolio of treasury stock. It thus established:

- a liquidity contract set up in order to ensure that there is a sufficiently liquid market for its shares and to stabilize the share price;
- the share buyback program, mainly for allocation on exercise of performance shares awarded to employees.

Treasury stock is deducted directly from equity. Gains and losses from sales of treasury shares are also recognized in consolidated equity.

Based on the closing SEB share price on 31 December 2021 (€136.9), the market value of shares held in treasury at that date stood at €31.6 million. A 10% increase or decrease in the SEB share price would therefore have led to a €3.2 million change in the market value of treasury stock.

ZJ Supor, which is now 82.44%-owned by Groupe SEB, is listed on the Shenzhen Stock Exchange. At 31 December 2021, the share price was CNY 62.24, valuing Groupe SEB's investment at €5,759.7 million. Changes in the Supor share price have no impact on Groupe SEB's Consolidated Financial Statements, as ZJ Supor is fully consolidated.

Note 25.3. Liquidity risk

To manage the liquidity risk that may arise due to financial liabilities reaching maturity or needing to be settled early, the Group implements a financing strategy based on:

- maintaining cash and cash equivalents at a certain level at all times (€2,266.5 million at 31 December 2021);
- short-term financial investments with top-ranked counterparties in the amount of €58.1 million at 31 December 2021;

  and additional liquid resources including:
- a €1 billion Negotiable European Commercial Paper (NEU CP) program. At 31 December 2021, €863 million had been drawn down;
- a €500 million Negotiable European Medium Term Note (NEU MTN) program. At 31 December 2021, €220.0 million had been drawn down;
- credit facilities:
  - a €990 million syndicated credit facility expiring in 2026,
  - several *Schuldschein* credit lines totaling €698.5 million maturing in 2023, 2024, 2026, 2028 and 2031,
  - a €500 million bond debt due in 2022,
  - a €500 million bond debt due in 2024,
  - a €500 million bond debt due in 2025,

Cash and cash equivalents and debt are described in Note 18 and Note 23, respectively.

Furthermore, the Group's borrowings and credit facilities do not include any acceleration clauses.

Note 25.4. Credit risk

Groupe SEB is exposed to credit risk in the event of customer default, as well as to counterparty risk related to the investment of its cash and cash equivalents (mainly bank credit balances and financial investments), to the subscription of derivative products and unused credit facilities.

The Group has implemented procedures to regulate and limit credit risk and counterparty risk.

25.4.1. Trade receivables

At the period-end, trade receivables broke down as follows based on their age:

		Past due			
(in € millions)	Current	0-90 days	91-180 days	Over 181 days	Total
Net trade receivables	757.3	155.1	10.1	12.1	934.6

To avoid default risks, Groupe SEB sets individual credit limits that are regularly updated based on the customer's financial position and payment history.

Groupe SEB's main customers are well-known international retailers, and for the year ended 31 December 2021, no single customer accounted for more than 6.5% of sales.

Groupe SEB has taken out insurance with COFACE to cover customer credit risk. At 31 December 2021, most of the Group's subsidiaries were covered by insurance on trade receivables that would apply in the event of non-recovery.

25.4.2. Financial instruments

Furthermore, the Group has chosen to work only with first-rate Banks in France and abroad.

NOTE 26. TRADE PAYABLES AND OTHER LIABILITIES

Trade payables and other liabilities are measured at fair value at the time of initial recognition, then at amortized cost.

At the end of the period, trade payables and other liabilities broke down as follows by maturity:

(in € millions)	2021	2020
Accrued taxes and employee benefits expenses	47.5	46.9
Other liabilities	6.6	5.1
OTHER NON-CURRENT LIABILITIES	**54.1**	**52.0**
Accrued taxes and employee benefits expenses	346.4	318.7
Due to trade payables of non-current assets	26.2	16.3
Advances received *	145.8	124
Other liabilities	28.3	34.3
OTHER CURRENT LIABILITIES	**546.7**	**493.3**
TRADE PAYABLES	**1,614.7**	**1,260.3**

* *Including €140 million from Supor at 31 December 2021 (€120.5 million at 31 December 2020).*

Non-current accrued taxes and employee benefits expense corresponds mainly to employee time savings accounts in France.

5.2.4. OTHER INFORMATION

NOTE 27. ENVIRONMENTAL EXPENDITURE

Environmental expenditure and capital expenditure at the Group's industrial sites amounted to €12.1 million in 2021 (€9.8 million in 2020).

These amounts include routine environmental management system costs, covering areas such as water and waste management. They do not include taxes on packaging or the cost of disposing of waste electrical and electronic equipment.

The main costs are presented below, including the breakdown between amounts recognized as expenses and as capital expenditure.

	2021			2020		
(in € millions)	Expenditure	Capital expenditure	Total	Expenditure	Capital expenditure	Total
Ambient air quality	0.9	2.3	3.2	0.7	0.7	1.4
Waste water management and water saving systems	2.1	0.6	2.7	1.9	0.5	2.4
Waste management	3.7		3.7	3.6	0.2	3.8
Soil protection and decontamination	0.5	0.2	0.7	0.3	0.3	0.6
Other environmental protection measures	1.5	0.3	1.8	1.3	0.3	1.6
TOTAL	**8.7**	**3.4**	**12.1**	**7.8**	**2.0**	**9.8**

NOTE 28. OFF-BALANCE SHEET COMMITMENTS

For several years now, the Group's reporting system has included detailed reporting of off-balance sheet commitments to identify the nature and purpose. The process provides for the reporting by consolidated subsidiaries, in their consolidation packages, of information about the following commitments that they have given:

- guarantees, endorsements and bonds;
- security interests (mortgages and pledges);
- leases (variable or exempt rent contracts in accordance with IFRS 16), purchase and investment obligations;
- other commitments.

Commitments related to operating activities:

(in € millions)	2021	2020
Firm orders for the acquisition of industrial and logistics assets (1)	78.5	35.8
Guarantees and bonds given (2)	25.3	20.8
Leases (3)	42.9	40.1
Miscellaneous financial commitments including tripartite contracts in China	58.2	45.7
TOTAL COMMITMENTS GIVEN	**204.9**	**142.4**
Guarantees received for trade receivables under credit insurance policies	868.1	765.3
Miscellaneous financial commitments	27.8	0.3
TOTAL COMMITMENTS RECEIVED	**895.9**	**765.6**

(1) Of which €57 million relate to commitments relating to the Bully platform.
(2) Mainly in Brazil.
(3) See Note 13.3 Leases.

As part of three-parties contracts signed with leading Chinese banks and selected distributors, the Group receives Bank Acceptance Drafts which are recorded under other financial assets (see Note 14) and provides collateral to the bank in the event of default by the distributor. If the suppliers endorse these Bank Acceptance Drafts, they are deconsolidated as the collateral granted to the bank is not attached to the Draft.

The theoretical risk incurred by the Group under these three-parties contracts at 31 December 2021 stood at CNY 323.7 million, or €44.9 million; this risk stood at CNY 264 million, or €33 million, at 31 December 2020.

NOTE 29. RELATED PARTY TRANSACTIONS

Note 29.1. Transactions with associates and non-consolidated companies

The Consolidated Financial Statements include transactions carried out in the normal course of business with related companies and majority interests in non-consolidated companies.

All of these transactions are carried out on arm's length terms.

(in € millions)	2021	2020
Revenue	7.2	
Other income	1.3	1.5
Purchases	42.0	41.0
Other non-current financial assets		
Trade receivables	4.4	5.1
Trade payables	5.2	8.2
Collateral given by the Group	92.4	59.8

Income from ordinary activities corresponds to sales made to the company Zebra.

Groupe SEB mainly completed purchases with Anzaï, a kitchen utensil supplier of Supor, amounting to €34.4 million in 2021 (€32.9 million in 2020), as well as €7.3 million with Numberly (1000 Mercis Group) for services.

Financial guarantees given by the Group to banks in connection with the external financing of subsidiaries stood at €92.4 million at 31 December 2021 (versus €59.8 million at 31 December 2020).

Note 29.2. Directors' and officers' compensation and benefits

The directors and members of the Group Executive Committee are the current members listed in the corporate governance section of the annual report along with the members of the Group Executive Committee who retired in 2021 or left the Group during the period.

The following table provides an analysis of the compensation and benefits paid to the members of the Board of Directors and the Executive Committee:

(in € millions)	2021	2020
SHORT-TERM BENEFITS		
Fixed remuneration	5.1	6.0
Variable remuneration	5.1	5.1
Remuneration allocated to directors	0.6	0.6
OTHER BENEFITS		
Post-employment benefits	1.4	0.8
Share-based payments (stock options)	8.9	8.2
TOTAL	**21.1**	**20.7**

Changes in remuneration and other benefits are directly related to changes to the Group Executive Committee in 2021.

The remuneration and other benefits of Group executive officers are detailed in Chapter 2.5 Remuneration Policy. They are not covered in this note.

NOTE 30. SEGMENT INFORMATION

In accordance with IFRS 8 – Operating segments, financial information is presented based on the internal information reviewed and used by the chief operating decision makers, i.e. the members of the Executive Committee.

The Group's activities are organized into two activities (Consumer and Professional). Consumer activities are also monitored by geographic area.

The Executive Committee assesses the performance of the segments on the basis of:

- revenue and Operating profit or loss; and
- net capital invested defined as the sum of segment assets (goodwill, property, plant and equipment and intangible assets, inventory and trade receivables) and segment liabilities (trade payables, other operating liabilities and provisions).

Performance in terms of financing and cash flow and tax on profits is monitored at Group level and is not allocated per segment.

Financial information by location of assets

The data below includes internal transactions established under terms and conditions similar to those offered to third parties, i.e. they include the effects of the Group's internal transfer prices.

"Inter-segment revenue" corresponds to sales to external customers located within the geographical segment.

"External revenue" corresponds to total sales (within the Group and to external customers) generated outside the geographical segment by companies within the geographical segment.

	"Consumer" business			"Professional" business	Intra-Group transactions	Total
(in € millions)	EMEA	AMERICAS	ASIA			
31/12/2021						
Revenue						
Inter-segment revenue	3,870.9	1,027.5	2,449.6	627.6		7,975.6
External revenue	253.0	0.4	1,934.1		(2,104.3)	83.2
TOTAL REVENUE						**8,058.8**
Profit (loss)						
Operating Result from Activity	301.6	86.3	401.3	67.0	(42.9)	813.3
Operating profit	216.9	81.8	393.9	65.1	(42.9)	714.8
Finance costs and other financial income and expenses						(64.5)
Profit (loss) attributable to associates						
Income tax						(142.7)
PROFIT FOR THE PERIOD						**507.6**
Consolidated balance sheet						
Segment assets	3,285.5	940.8	2,140.5	1,677.6	(721.6)	7,322.8
Financial assets						2,632.7
Tax assets						168.7
TOTAL ASSETS						**10,124.2**
Segment liabilities	(1,535.1)	(301.4)	(1,184.8)	(252.7)	627.6	(2,646.4)
Borrowings						(3,901.3)
Tax liabilities						(285.8)
Equity						(3,290.7)
TOTAL EQUITY AND LIABILITIES						**(10,124.2)**
Other information						
Capital expenditure and purchases of intangible assets	194.7	17.7	74.2	25.8		312.4
Depreciation and amortization expense	(153.2)	(19.3)	(64.1)	(29.9)		(266.5)
Impairment losses	(5.0)	0.2				(4.8)

(in € millions)	"Consumer" business EMEA	AMERICAS	ASIA	"Professional" business	Intra-Group transactions	Total
31/12/2020						
Revenue						
Inter-segment revenue	3,273.9	853.6	2,181.6	574.9		6,884.0
External revenue	233.2	0.3	1,529.7		(1,707.2)	56.0
TOTAL REVENUE						**6,940.0**
Profit (loss)						
Operating Result from Activity	136.1	68.5	412.1	2.4	(13.7)	605.4
Operating profit	69.3	58.2	409.4	(19.9)	(13.7)	503.3
Finance costs and other financial income and expenses						(60.8)
Profit (loss) attributable to associates						
Income tax						(93.8)
PROFIT FOR THE PERIOD						**348.7**
Consolidated balance sheet						
Segment assets *	2,867.6	827.6	1,555.1	1,608.4	(350.5)	6,508.2
Financial assets						2,612.1
Tax assets						149.7
TOTAL ASSETS						**9,270.0**
Segment liabilities	(1,185.2)	(235.9)	(922.7)	(211.2)	270.6	(2,284.4)
Borrowings						(4,023.9)
Tax liabilities						(226.9)
Equity						(2,734.8)
TOTAL EQUITY AND LIABILITIES						**(9,270.0)**
Other information						
Capital expenditure and purchases of intangible assets	156.8	16.8	98.6	25.8		298.0
Depreciation and amortization expense	(148.8)	(19.3)	(59.0)	(43.4)		(270.5)
Impairment losses	(4.0)	(0.1)				(4.1)

* *After reallocating a portion of WMF Goodwill (€711 million) to the segment assets of the "Professional" business.*

NOTE 31. FEES PAID TO STATUTORY AUDITORS

The breakdown of fees paid to Statutory auditors and members of their networks is as follows:

	Deloitte				KPMG			
	Amount (excluding tax)		In %		Amount (excluding tax)		In %	
(in € thousands)	2021	2020	2021	2020	2021	2020	2021	2020
AUDIT								
Statutory auditor, certification, review of individual and consolidated financial statements	1,828		96%		1,982		87%	
Other services performed by the networks for fully integrated subsidiaries	75		4%		293		13%	
TOTAL	**1,903**		**100%**		**2,275**		**100%**	

	PricewaterhouseCoopers Audit				Mazars			
	Amount (excluding tax)		In %		Amount (excluding tax)		In %	
(in € thousands)	2021	2020	2021	2020	2021	2020	2021	2020
AUDIT								
Statutory auditor, certification, review of individual and consolidated financial statements		1,876		89%		2,358		95%
Other services performed by the networks for fully integrated subsidiaries		229		11%		123		5%
TOTAL		2,105		100%		2,481		100%

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5.2.5. LIST OF CONSOLIDATED COMPANIES AT 31 DECEMBER 2021

NOTE 32. CONSOLIDATION CRITERIA

Material companies that are controlled by SEB S.A. either directly or indirectly are consolidated.

The profits of subsidiaries acquired or disposed of during the year are recognized in the consolidated income statement from the acquisition date or up to the disposal date.

Where necessary, the financial statements of subsidiaries are restated to comply with Group accounting policies.

Material companies over which SEB S.A. exercises significant influence, directly or indirectly, are accounted for by the equity method.

Certain companies fulfilling all of the above criteria are not consolidated because they are not material to the Group:

- revenue of less than €15 million;
- total assets of less than €15 million;
- total debt of less than €5 million.

All intra-group transactions have been eliminated in consolidation.

NOTE 33. FULLY CONSOLIDATED COMPANIES

Company	Core business [2]	Headquarters	Registration no.	% voting rights	% interest
EMEA					
EUROPE					
SEB S.A. [1]	Parent company	France	300349636		
Calor S.A.S. [1]	*	France	956512495	100	100
S.A.S. SEB [1]	*	France	302412226	100	100
Tefal S.A.S. [1]	*	France	301520920	100	100
Rowenta France S.A.S. [1]	*	France	301859880	100	100
Groupe SEB Moulinex S.A.S. [1]	*	France	407982214	100	100
SIS S.A.S. [1]	***	France	399014216	100	100
SEB Développement S.A.S. [1]	***	France	016950842	100	100
Groupe SEB France S.A.S. [1]	**	France	440410637	100	100
Groupe SEB Retailing S.A.S. [1]	**	France	440410884	100	100
SEB Internationale S.A.S. [1]	*Holding company*	France	301189718	100	100
Groupe SEB Export S.A.S. [1]	**	France	421266271	100	100
SEB Alliance S.A.S. [1]	*Holding company*	France	440410918	100	100
Immobilière Groupe SEB S.A.S. [1]	***	France	799230388	100	100
Financière Billig S.A.S.	*Holding company*	France	811798941	100	99.74
Krampouz S.A.S.	*	France	387558315	100	100
Ethera S.A. [1]	*	France	520944182	95.4	95.4
Groupe SEB Ré	***	France		100	100
Feeligreen	***	France	538799370	71.19	71.19
Rowenta Werke GmbH [3]	*	Germany		100	100
Groupe SEB Deutschland GmbH [3]	**	Germany		100	100
EMSA GmbH [3]	*	Germany		100	100
Groupe SEB Osterreich GmbH	**	Austria		100	100
Groupe SEB Belgium S.A. NV	**	Belgium		100	100
Groupe SEB Denmark AS	**	Denmark		100	100
Groupe SEB Iberica S.A.	**	Spain		99.92	99.92
Groupe SEB Finland OY	**	Finland		100	100
Groupe SEB UK Ltd.	**	United Kingdom		100	100
Tefal UK Ltd.	Dormant	United Kingdom		100	100
Groupe SEB Hellados S.A.	**	Greece		100	100
Groupe SEB Italia SpA	**	Italy		100	100
Lagostina SpA	*	Italy		100	100
Casa Lagostina S.R.L	**	Italy		100	100
Coffee Technology	*	Italy		60	60
Groupe SEB Norway AS	**	Norway		100	100
Groupe SEB Nederland BV	**	Netherlands		100	100
Rowenta Invest BV	*Holding company*	Netherlands		100	100
SEB Portugal Electrodomesticos Ltda.	**	Portugal		100	100
Tefal – OBH Nordica Group AB	***	Sweden		100	100
Groupe SEB Schweiz GmbH	**	Switzerland		100	100
SEB Professional France SARL [1]	**	France	421742586	100	100

Company	Core business [2]	Headquarters	Registration no.	% voting rights	% interest
WMF France Consumer Goods S.A.R.L. [1]	**	France	309434017	100	100
Schaerer France S.A.R.L.	**	France	537799777	100	100
Finedening TopCo GmbH	*Holding company*	Germany		100	100
WMF GmbH	*	Germany		100	100
Silit-Werke Beteiligungsgesellschaft GmbH	***	Germany		100	100
Silit Haushaltswaren GmbH	***	Germany		100	100
Silit-Werke GmbH & Co. KG	*	Germany		100	100
ProHeq GmbH	*	Germany		100	100
W. F. Kaiser u. Co. GmbH [3]	*	Germany		100	100
ProLOG – Logistics Services GmbH & Co. KG [3]	***	Germany		100	100
ProLOG Temp GmbH	***	Germany		100	100
WMF Consumer-Electric GmbH [3]	**	Germany		100	100
ProMONT Montage GmbH	*	Germany		100	100
Schaerer Deutschland GmbH	**	Germany		100	100
WMF Immobilienverwaltungs GmbH	***	Germany		100	100
WMF in Österreich Ges.m.b.H.	**	Austria		100	100
SEB Professional Belux	**	Belgium		100	100
SEB Professional Iberia S.A.	**	Spain		100	100
SEB Professional United Kingdom Ltd.	**	United Kingdom		100	100
SEB Professional Nederland B.V.	**	Netherlands		100	100
Schaerer Netherlands BV	**	Netherlands		100	100
Schaerer AG	*	Switzerland		100	100
EURASIA					
Groupe SEB Bulgaria EOOD	**	Bulgaria		100	100
Groupe SEB MKU & P D.O.O.	**	Croatia		100	100
Groupe SEB for Trade and Consultancy	*Holding company*	Egypt		100	100
Groupe SEB for Importation	**	Egypt		66.3	55
Groupe SEB Egypt for Household Appliances	*	Egypt		55	55
Groupe SEB Central Europe Ltd.	**	Hungary		100	100
Groupe SEB India PVT Ltd.	*	India		100	100
Groupe SEB Baltic OU	**	Latvia		100	100
Groupe SEB Maroc	**	Morocco		55	55
Groupe SEB Polska ZP Z.O.O.	**	Poland		100	100
Groupe SEB CR s.r.o	**	Czech Republic		100	100
Groupe SEB Romania S.R.L.	**	Romania		100	100
Groupe SEB Vostok ZAO	*	Russia		100	100
Groupe SEB Slovensko s.r.o	**	Slovakia		100	100
Groupe SEB d.o.o.	**	Slovenia		100	100
Groupe SEB Istanbul EV A.S.	**	Turkey		100	100
Groupe SEB Ukraine	**	Ukraine		100	100
WMF Bulgaria EOOD	**	Bulgaria		100	100
Coffee Day Schaerer Technologies p.l.	*	India		51	51
ProHeq (CZ) s.r.o.	*	Czech Republic		100	100

Company	Core business [2]	Headquarters	Registration no.	% voting rights	% interest
AMERICAS					
NORTH AMERICA					
Groupe SEB Canada Inc.	**	Canada		100	100
Groupe SEB USA	**	United States		100	100
All-Clad Metal-Crafters LLC	*	United States		100	100
Groupe SEB Holdings Inc.	*Holding company*	United States		100	100
Imusa USA Corp.	**	United States		100	100
Wilbur Curtis Co., Inc.	*	United States		100	100
CEI RE Acquisition LLC	***	United States		100	100
SEB Professional North America	**	United States		100	100
StoreBound LLC	**	United States		55	55
Groupe SEB Mexico S.A. de CV	**	Mexico		100	100
Groupe SEB Servicios S.A. de CV	***	Mexico		100	100
SOUTH AMERICA					
Groupe SEB Argentina S.A.	**	Argentina		100	100
SEB Do Brasil Produtos Domesticos Ltda.	*	Brazil		100	100
SEB Comercial de Produtos Domesticos Ltda.	**	Brazil		100	100
Lojas SEB de Produtos Domesticos Ltda.	**	Brazil		100	100
SEB Serviços LTDA	***	Brazil		100	100
Groupe SEB Chile Ltda.	**	Chile		100	100
Groupe SEB Andean S.A.	*	Colombia		100	99.5
Groupe SEB Venezuela S.A.	**	Venezuela		100	100
Corporación GSV 2015, C.A.	***	Venezuela		100	100
ASIA					
CHINA					
Zhejiang Supor Co.Ltd	*Holding company*	China		82.4	82.4
Zhejiang Shaoxing Supor Domestic Electrical Appliances	*	China		100	82.4
Wuhan Supor Pressure Cooker Co.Ltd	*Holding company*	China		100	82.4
Wuhan Supor Cookware Co.Ltd	*	China		100	82.4
Wuhan Supor Recycling Co.Ltd	***	China		100	82.4
Yuhuan Supor Cookware Sales Co.Ltd	***	China		100	82.4
Zhejiang Supor Plastic & Rubber Co.Ltd	*	China		100	82.4
Zhejiang Supor Electrical Appliance Manufacturing Co.Ltd	*	China		100	82.4
Hangzhou Omegna Commercial Trade Co.Ltd	**	China		100	82.4
Shanghai Supor Cookware Marketing Co.Ltd	**	China		100	82.4
SSEAC Co. Ltd	*	China		100	82.4
EMSA Taicang Co. Ltd.	*	China		100	100
Zhejiang WMF Housewares Co., Ltd.	*	China		100	82.4
Zhejiang Shaoxing Supor Housewares Co., Ltd.	**	China		100	82.4
Zhejiang Supor Large Kitchen Appliance Manufacturing Co., Ltd.	**	China		100	82.4
Shanghaï WMF Enterprise Development Co.Ltd	*	China		100	82.4
Zhejiang Supor Water Heaters Co. Ltd	*	China		52	42.9

Company	Core business (2)	Headquarters	Registration no.	% voting rights	% interest
Hainan Supor E-Commerce Co.,Ltd	**	China		100	82.4
GS Innovation Center Co.Ltd	***	China		100	100
WMF Shanghai Co. Ltd	***	China		100	100
SEB Professional (Shanghai) Co. Ltd	**	China		100	100
WMF (He Shan) Manufacturing Co. Ltd	*	China		100	100
Groupe SEB (Shenzen) Co. Ltd.	***	China		100	100
ASIA-PACIFIC					
Groupe SEB Australia PTY Ltd.	**	Australia		100	100
Groupe SEB Korea Co. Ltd.	**	South Korea		100	100
SEB Asia Ltd.	**/***	Hong Kong		100	100
Groupe SEB Japan Co. Ltd.	**	Japan		100	100
Groupe SEB Malaysia SND. BHD	**	Malaysia		100	100
Groupe SEB Singapore PTE Ltd.	**	Singapore		100	100
South East Asia Domestic Appliances PTE, Ltd	***	Singapore		100	91.04
Groupe SEB Thailand Ltd.	**	Thailand		100	100
PT Groupe SEB Indonesia MSD	**	Indonesia		66.67	60.7
Vietnam Fan Joint Stock Company	*	Vietnam		100	100
Vietnam Supor	*	Vietnam		100	82.4
AFS Vietnam Management Co. Ltd.	***	Vietnam		100	91.04
WMF (Hong Kong) Manufacturing Co. Ltd.	*Holding company*	Hong Kong		100	100
SEB Professional Japan Corporation K.K.	**	Japan		100	100

(1) Companies within the tax consolidation group in France.
(2) Core business:
** Manufacturing, sales and marketing;*
*** Sales and marketing;*
**** Services.*
(3) These entities claim the exemption according to § 264 para.3 HGB (German Commercial Code). This Corporate Financial Report is the liberating Financial Statement.

NOTE 34. TRANSACTIONS WITH ASSOCIATES

Company	Core business (2)	Headquarters	Registration no.	% interest
	None			

NOTE 35. NON-CONSOLIDATED COMPANIES WHERE GROUPE SEB HAS A% INTEREST OF AT LEAST 20%

Company	Core business (1)	Headquarters	Registration no.	% interest
Groupe SEB Pars (whose relative size is not significant)	**	Iran		72
Wuhan ANZAI Kitchenware Co. Ltd. (whose relative size is not significant)	*	China		30
Gastromedia Sp.z.o.o.	***	Poland		20
Bauscher Hepp Inc.	Holding company	United States		49
Groupe SEB Media S.A.S.	***	France	539534792	100
WMF Gastronomie Service GmbH	***	Germany		100
4iTECH 4.0 (S.A.S.)	*	France	829128420	22.7
RepareSEB S.A.S. (whose relative size is not significant)	***	France	892136920	49
Zebra (S.A.S.)	*	France	877821116	21.9

(1) Core business:
** Manufacturing, sales and marketing;*
*** Sales and marketing;*
**** Services.*

5.3 Statutory auditors' report on the consolidated financial statements

For the year ended December 31, 2021

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of SEB S.A.

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of SEB SA for the year ended December 31, 2021.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2021 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit and Compliance Committee.

BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirement rules required by the French Commercial Code (*code de commerce*) and the French Code of Ethics (*code de déontologie*) for statutory auditors for the period from January 1, 2021 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of regulation (EU) N° 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled entities during the financial year that are not disclosed in the management report or in the notes to the consolidated financial statements are as follows:

- for DELOITTE & ASSOCIÉS: issue of reports required by law in connection with a share capital increase;
- for KPMG: issue of attestations relating to the accounting information of entities.

EMPHASIS OF MATTER

Without qualifying the opinion, we draw your attention to the change in accounting method regarding the application of the IFRIC's decision on the methods of allocating over time the expense relating to post-employment benefit schemes presenting certain features, as described in Note 1.1 "Applicable accounting principles – Mandatory new standards, amendments and interpretations" to the consolidated financial statements.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

MEASUREMENT OF THE RECOVERABLE AMOUNT OF GOODWILL AND TRADEMARKS WITH INDEFINITE USEFUL LIVES

<table>
<tr><th>RISK IDENTIFIED</th><th>OUR RESPONSE</th></tr>
<tr><td colspan="2">See Note 11 “Intangible assets” to the consolidated financial statements</td></tr>
<tr><td>As at December 31, 2021, goodwill and trademarks with indefinite useful lives recorded in the consolidated statement of position had respective net carrying amounts of €1,708 million and €1,099 million, representing around 28% of total consolidated assets.

In valuing these assets, the Group performs annual impairment tests on goodwill and trademarks with indefinite useful lives and whenever there is any indication of impairment according to the methods described in Note 11.3 and 11.4 to the consolidated financial statements. For the purpose of these tests, goodwill and trademarks with indefinite useful lives are grouped into cash-generating units (CGUs) as described in Note 11.3 to the consolidated financial statements.

We deemed the measurement of the values in use used to determine the recoverable amount of goodwill and trademarks with indefinite useful lives to be a key audit matter due to:
■ the materiality of goodwill and trademarks with indefinite useful lives in the consolidated financial statements;
■ the significant estimates underlying the calculation of their value in use, including revenue and operating income rate forecasts, the perpetual growth rates used to determine the terminal value and discount rates;
■ the sensitivity of the measurement of these values in use to certain assumptions, including changes in the discount rate, perpetual growth rate or business operating income.</td><td>Our work involved (i) assessing compliance of the methodology applied by Management with current accounting standards and (ii) obtaining an understanding of the internal control procedures relating to the measurement of goodwill and trademarks with indefinite useful lives.

We also assessed the main estimates adopted, considering in particular:
■ the methods and parameters used by Management to determine the discount rates and perpetual growth rates applied to the estimated cash flows. With the help of our valuation specialists in the audit team, we recalculated these discount rates using the most recent external market data given the economic and financial context specific to each CGU;
■ consistency of the future cash flow projections of the CGUs with regard to past results and our knowledge of the activities;
■ when a Group entity is listed (e.g. the SUPOR Group), assessing the market value with the share price;
■ the sensitivity scenarios used by Management following our verification of their mathematical accuracy.

We also assessed the appropriateness of the disclosures provided in the consolidated financial statements.</td></tr>
</table>

MEASUREMENT AND RECOGNITION OF PROVISIONS FOR DEFERRED REBATES

RISK IDENTIFIED	OUR RESPONSE
See Note 5 "Revenue" and Note 16 "Trade receivables" to the consolidated financial statements	
■ SEB's consolidated revenues are recognized after deduction of rebates and discounts. These include trade discounts or rebates, as well as the advertising contributions invoiced by clients and consumer promotions. ■ Management assesses the amount of provisions for deferred rebates granted to customers and offset against trade receivables based on the contractual or constructive commitments of SEB Group entities identified at the period-end. ■ Given the complex and diverse nature of the numerous existing agreements with retailers, there is a risk that the provision may be incorrectly estimated. We therefore deemed the valuation and recognition of provisions for deferred rebates to be a key audit matter.	Our work primarily involved: ■ assessing the appropriateness of the accounting rules applied with regard to the recognition of deferred rebates in line with revenue recognition principles; ■ obtaining an understanding of and assessing the internal control procedures relating to the measurement and recognition of deferred rebates in line with revenue and testing the effectiveness of key controls relating to these procedures; ■ assessing the consistency of changes in deferred rebates with changes in revenue; ■ analyzing the differences between the amounts set aside for provisions in the previous reporting period and amounts actually paid during the period and assessing the validity of reversals of provisions that may no longer be required; ■ for a defined sample, testing the calculation of the year-end provisions for deferred rebates based on the contractual terms and, in particular, (i) verifying the consistency with the accounting records of the rebatable revenue base used to calculate the rebates, (ii) assessing compliance of the applied rebate rates with contractual rates, and (iii) verifying the mathematical accuracy of the year-end provision calculation.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Board of Directors.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial performance statement required by Article L. 225-102-1 of the French Commercial Code is included in the Group's information given in the management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

FORMAT OF PRESENTATION OF THE FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*code monétaire et financier*), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the consolidated financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed statutory auditors of SEB SA by the Annual General Meeting held on May 20, 2021.

As at December 31, 2021, DELOITTE & ASSOCIÉS et KPMG S.A. were both in their first year of engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is expected to liquidate the Company or to cease operations.

The Audit and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT AND COMPLIANCE COMMITTEE

We submit a report to the Audit and Compliance Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Compliance Committee with the declaration provided for in Article 6 of regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit and Compliance Committee the risks that may reasonably be thought to bear on our independence and the related safeguard.

Paris-La Défense, March 23, 2022

The Statutory Auditors

KPMG S.A.

Eric ROPERT

DELOITTE & ASSOCIÉS

Patrice CHOQUET

Frédéric MOULIN

5.4 History of significant consolidated items and ratios

5.4.1. HISTORY OF SIGNIFICANT CONSOLIDATED ITEMS

(in € millions)	2021	2020	2019 [(6)(7)]	2018	2017	2016 [(5)]	2015	2014	2013	2012
RESULTS										
Sales in France	948	796	780	775	804	779	739	700	666	689
Sales outside France	7,111	6,144	6,574	6,037	5,681	4,221	4,031	3,553	3,495	3,371
Total sales	8,059	6,940	7,354	6,812	6,485	5,000	4,770	4,253	4,161	4,060
Operating Result from Activity	813	605	740	695	661	505	428	368	410	415
Operating profit	715	503	620	626	580	426	371	314	364	368
Profit attributable to owners of the parent	454	301	380	420	375	259	206	170	200	194
Depreciation, amortization and impairment losses	272	274	278	179	178	123	146	123	112	109
Employee benefits expenses [(1)]	1,407	1,315	1,373	1,286	1,250	831	802	753	737	698
Discretionary and non-discretionary profit sharing and bonuses and matching contributions to employee savings plans	39	24	37	34	38	37	31	33	37	48
EBITDA [(2)]	987	777	899	805	765	550	508	434	475	475
Adjusted EBITDA [(3)]	1,041	851	966	829	808	591	533	455	485	474
BALANCE SHEET (AT 31 DECEMBER)										
Shareholders' equity after appropriation	3,150	2,612	2,553	2,196	1,861	1,747	1,829	1,650	1,460	1,395
Net debt	1,524	1,518	1,997	1,578	1,905	2,019	316	453	416	556
Non-current assets	4,442	4,247	4,260	3,576	3,508	3,583	1,654	1,593	1,413	1,434
Capital expenditure	312	298	701	215	192	181	153	201	127	128
Inventories and work-in-progress	1,840	1,212	1,189	1,181	1,112	1,067	821	823	731	681
Trade receivables net of advances received	789	841	1,017	939	1,016	1,053	886	768	740	836
Trade payables net of advances made	1,514	1,205	991	999	906	915	695	637	525	508
Net cash from operating activities	573	962	682	724	457	576	376	271	298	313
Number of employees at 31 December *(in units)*	32,695	32,847	34,263	33,974	32,319	32,871	26,024	25,759	24,682	24,758
SHARES (IN €)										
Total number of shares outstanding *(in thousands)*	55,338	50,307	50,307	50,169	50,169	50,169	50,169	50,169	50,169	50,169
Weighted average number of shares after treasury stock *(in thousands)*	53,886	50,073	49,779	49,661	49,597	49,749	49,037	48,694	48,344	47,718
Adjusted diluted earnings per share	8.36	5.96	7.58	8.38	7.50	5.15	4.14	3.45	4.08	4.01
Net income	2.45	2.14	1.43	2.14	2.00	1.72	1.54	1.44	1.39	1.32
Yield per share *(in %)* [(4)]	1.79	1.44	1.08	1.90	1.29	1.34	1.63	2.34	2.12	2.37
Price range:										
High	159.20	153.30	166.80	175.90	169.90	136.00	97.45	68.99	69.50	67.85
Low	115.40	86.35	107.00	105.60	115.70	79.90	58.01	56.85	51.50	46.70
Price at 31 December	136.90	149.00	132.40	112.80	154.45	128.75	94.60	61.57	65.70	55.71
Stock market capitalization *(in € millions)*	7,575.7	7,495.7	6,660.7	5,659.1	7,748.6	6,459.3	4,746.0	3,088.9	3,296.1	2,794.9
Average daily trading volume (number of shares)	64,434	68,839	53,796	56,108	53,452	60,252	79,811	56,210	75,245	90,232

(1) Excluding discretionary and non-discretionary profit sharing and matching contributions to employee savings plans, including temporary staff costs. Since the Group's transition to IFRS in 2004, the reported amounts have also included the service cost of pension and other post-employment benefits.

(2) Earnings before interest, taxes, depreciation and amortization (including amortization and impairment of goodwill and trademarks, and depreciation and amortization expense reported under "Other operating income and expenses").

(3) Operating Result from Activity minus discretionary and non-discretionary profit-sharing, to which are added operating depreciation and amortization.

(4) Dividend for the year expressed as a percentage of the closing share price at the year-end.

(5) The balance sheet and income statement for 2016 were restated in subsequent years. The restatements were not material.

(6) After the first application of IFRS 16.

(7) Excluding Krampouz.

5.4.2 HISTORY OF CONSOLIDATED RATIOS

(in %)	2021	2020	2019 [3]	2018	2017	2016	2015	2014	2013	2012
PROFITABILITY RATIOS										
Return on equity before appropriation of previous year's profit	16.59	11.44	16.46	21.36	20.43	13.55	11.94	11.09	13.66	14.47
Net profit/Sales	5.63	4.33	5.16	6.16	5.78	5.17	4.32	4.00	4.80	4.78
FINANCIAL RATIOS										
Net debt/shareholders' equity before appropriation [2]	46.30	55.51	76.02	68.39	96.96	109.98	16.57	26.27	27.14	38.04
Financial costs, net/Revenue	0.80	0.88	0.83	0.47	1.11	1.16	1.00	1.15	1.32	1.54
Net debt/Adjusted EBITDA (in value) [2]	1.46	1.78	2.07	1.90	2.36	3.42	0.59	1.00	0.86	1.17
INVESTMENT RATIOS [1]										
Investments/Sales	3.88	4.30	9.53	3.15	2.97	3.63	3.23	4.73	3.05	3.14

(1) Capital expenditure on property, plant and equipment, software and development costs.
(2) According to the definition of net debt, Note 23.2.
(3) After the first application of IFRS 16.

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6 Company financial statements

6.1 Financial statements

INCOME STATEMENT

Year ended 31 December

(in € millions)	Notes	2021	2020
Other income		2.5	2.3
Operating income		**2.5**	**2.3**
Other purchases and external charges		8.3	8.0
Taxes other than income tax		2.0	2.0
Wages and salaries		6.6	8.2
Payroll taxes		1.9	1.6
Depreciation and amortization expense		3.4	2.3
Other expenses		1.0	0.9
Operating expenses		**23.3**	**22.9**
OPERATING PROFIT (LOSS)	**2**	**(20.8)**	**(20.6)**
Financial income		**360.9**	**422.9**
Financial expenses		**221.8**	**302.8**
FINANCIAL RESULT	**3**	**139.1**	**120.1**
PROFIT (LOSS) FROM ORDINARY ACTIVITIES		**118.4**	**99.5**
Non-recurring income		**82.3**	**58.3**
Non-recurring expenses		**69.1**	**60.4**
EXCEPTIONAL PROFIT	**4**	**13.2**	**(2.1)**
Income taxes (income)	5	(31.1)	(27.2)
PROFIT FOR THE PERIOD		**162.6**	**124.6**

BALANCE SHEET

Year ended 31 December

Assets *(in € millions)*	Notes	2021 Gross	2021 Depreciation/ Amortization	2021 Net	2020 Net
Patents, licenses and other rights		0.2	0.1	0.1	0.1
Financial investments		1,887.0	228.2	1,658.8	1,614.5
Loans to subsidiaries and affiliates		2,519.1	24.2	2,494.9	2,502.5
Other non-current assets		0.1		0.1	2.4
NON-CURRENT ASSETS		**4,406.3**	**252.5**	**4,153.9**	**4,119.6**
Accounts receivable		6.9		6.9	6.1
Other receivables		502.9		502.9	578.7
Investment securities		506.4		506.4	577.2
Cash		636.4		636.4	571.0
Prepaid expenses		0.2		0.2	0.1
CURRENT ASSETS		**1,652.7**		**1,652.7**	**1,733.0**
Deferred financing costs		6.7		6.7	6.0
Bond redemption premium		3.2		3.2	3.7
Conversion losses		10.2		10.2	6.4
TOTAL ASSETS		**6,079.1**	**252.5**	**5,826.7**	**5,868.6**

Liabilities (before appropriation of profit) *(in € millions)*	Notes	2021	2020
Share capital		55.3	50.3
Additional paid-in capital		114.9	114.9
Revaluation reserve		16.9	16.9
Legal reserve		5.5	5.2
Regulatory reserves		0.8	0.8
Revenue reserves		7.9	7.9
Retained earnings		982.3	985.1
Profit (loss) for the period		162.6	124.6
EQUITY	**10**	**1,346.2**	**1,305.7**
Provisions for contingencies		97.1	86.0
Provisions for charges		133.0	134.1
PROVISIONS FOR CONTINGENCIES AND CHARGES	**11**	**230.0**	**220.1**
Bank borrowings	12	2,213.5	2,294.8
Other borrowings	12	1,948.8	2,007.5
Trade payables		3.0	3.1
Accrued taxes and employee benefits expenses		5.0	4.6
Other liabilities	13	67.5	29.5
LIABILITIES		**4,237.8**	**4,339.5**
Conversion gains		12.6	3.3
TOTAL LIABILITIES		**5,826.7**	**5,868.6**

6.2 Notes to the SEB S.A. financial statements

SIGNIFICANT EVENTS OF THE YEAR

CHANGES TO THE BOARD OF DIRECTORS

The Annual General Meeting of SEB S.A. of 20 May 2021 voted in favor of the:

- reappointment of Yseulys Costes as a director;
- reappointment of Peugeot Invest Assets as a director;
- reappointment of Brigitte Forestier as director representing employee shareholders.

Furthermore, the Annual General Meeting of SEB S.A. of 6 August 2021 approved the resolution to revoke the directorship of FÉDÉRACTIVE.

As a result, as of 6 August 2021, the Board of Directors had 16 members:

- the Chairman;
- eight directors representing the Founder Group, including the Chairman and:
  - four directors from VENELLE INVESTISSEMENT,
  - two directors from GÉNÉRACTION,
  - one director from FÉDÉRACTIVE;
- five independent directors;
- two directors representing employees;
- one director representing employee shareholders.

HOLDING COMPANY SET UP TO STRENGTHEN FAMILY CONTROL

To ensure long-term family control and strengthen ties with the Company, the family shareholders (GÉNÉRACTION and VENELLE INVESTISSEMENT), acting in concert, created a family holding company on 12 March 2021 to strengthen its position. On the same day, this holding company, called HRC (Holding de Renforcement du Contrôle), received a significant portion of the SEB shares held by the concerted parties, i.e. 6.4% of the capital of SEB S.A., with this group continuing to hold 31.9% of the capital. Note that HRC is a party to the shareholders' pact of 27 February 2019 and as such is a member of the concerted group.

AWARD OF BONUS SHARES

A bonus share scheme for SEB S.A. (one share offered for 10 shares held) was approved by the Board of Directors on 23 February 2021. All shares comprising the share capital carried the same right to one new share for ten previous shares, without any increase. The share capital of SEB S.A. increased by 10%, or 5,030,706 shares. The capital now consists of 55,337,770 shares, with a par value of €1, or a total amount of €55,337,770.

FINANCING

Issue of a Schuldschein private placement

On 15 December 2021, SEB S.A. issued a Schuldschein of €350 million, split into three maturities of 5, 7 and 10 years. This issue enabled SEB S.A. to refinance the financing instruments that expired in 2021, to extend the average maturity of its debt, and to benefit from very attractive financing conditions.

Refinancing of its syndicated credit facility

In December 2021, SEB S.A. also finalized the refinancing of its syndicated credit facility, for an amount of €990 million and a maturity of 5 years, with two options to extend for 1 year.

Redemption of "ORNAE" bonds

On 17 November 2021, the "ORNAE" bonds (bonds redeemable in cash and/or existing shares) issued in November 2016 were repaid in full without the allocation of existing shares.

SUBSIDIARIES

Establishment of a "captive reinsurance" subsidiary

In March 2021, SEB S.A. set up a captive reinsurance company to optimize the placement of Groupe SEB's risks. This French-registered company, with share capital of €4.4 million, was approved by the French Prudential Supervisory and Resolution Authority (ACPR) on 18 June 2021.

Recapitalization of its subsidiary Immobilière Groupe SEB

On 22 November 2021, SEB S.A. recapitalized its subsidiary Immobilière Groupe SEB by increasing the share capital by €40 million. This recapitalization was fully paid up in the form of debt conversion.

Acquisition of majority stakes, through SEB Internationale

In May 2021, SEB Internationale, a direct subsidiary of SEB S.A., acquired a majority 60% stake in Coffee Technology, a company recently created in partnership with one of its subcontractors.

In December 2021, SEB Internationale also took a majority 55% stake in the newly created Groupe SEB Maroc. This new partnership will enable the Group to step up the development of its sales in Morocco and make the most of the strong potential of this market.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 1.1. Principles

General accounting conventions were applied, in line with the principle of prudence and in compliance with the general rules on the preparation and presentation of annual financial statements set out in French law and France's Chart of Accounts (Plan Comptable Général) governed by regulation 2014-03 issued by the French Accounting Standards Authority (Autorité des Normes Comptables, "ANC") on 5 June 2014.

Note 1.2. Cash and cash equivalents and financial instruments

SEB S.A. takes care of cash management and risks related to the Group's financing. Several notes to the financial statements in this appendix refer to the following principles:

- SEB S.A. takes care of the Group's long-term and short-term financing needs. With respect to the financing of subsidiaries, SEB S.A. has set up an automatic daily bank balance reporting system for some subsidiaries, while for others cash requirements or surpluses are transferred manually. Short-term loans or borrowings between Group companies and SEB S.A. pay interest at the spot base rate for the currencies concerned, plus or minus an intermediation margin.
- For subsidiaries in receipt of medium- or long-term financing, in particular SEB Internationale, WMF GmbH, Wilbur Curtis, and the Brazilian subsidiaries, the rate applied is a fixed rate or the three-month currency swap rate plus an intermediation margin.
- SEB S.A. raises capital on the financial markets and/or from financial institutions in euros. SEB S.A. buys and sells foreign exchange hedges that enable it to convert its euro financing into its subsidiaries' local currency. Exposure to currency risks on the financing of non-euro subsidiaries is hedged in this way.
- The company puts competitiveness and transactional hedges in place to cover its subsidiaries' exposure to currency risks. The hedged transactions are recorded for the guaranteed price by SEB S.A. for the operating subsidiaries and in their own currency for market subsidiaries. A provision may be set aside to cover the unhedged portion of the risk.

Clarification of ANC regulation no. 2015-05:

- foreign exchange hedges linked to current accounts, intra-Group loans/borrowings, and foreign currency bank accounts are revalued on the balance sheet to offset the revaluation at the closing rate of these items. The premium/discount is taken to profit or loss over the term of the hedge;
- the competitiveness and transactional hedges taken out with banking counterparties are backed in accounting terms by foreign exchange hedges granted to Group subsidiaries. In the event of a significant difference between the rates realized with the banking counterparties and the rates granted to the subsidiaries, any gains or losses realized by SEB S.A. will be passed on to the subsidiaries that initiated the hedging requests;
- currency translation adjustments on hedges and hedged items are classified in the income statement under Net financial income and expense. The company does not engage in optimization transactions that entail additional risks for the business;
- financial income and expenses relating to interest rate hedges are recognized in the income statement symmetrically to the income and expenses generated by the hedged item;
- the company centrally manages raw materials price increase risks by entering into raw materials derivative contracts on behalf of Group subsidiaries. Realized gains and losses on derivatives entered into with bank counterparties are written back to the subsidiaries that initiated the hedging requests;
- the fair value of the instruments and information on the volume and nature of the instruments (type of income/underlyings) and the amount of deferred realized gains and losses on the balance sheet are disclosed in Note 16.

Clarification of conversion and valuation procedures:

Cash and short-term bank loans denominated in foreign currency at the period-end are converted into local currency at the exchange rate on the last business day of the period, and foreign exchange translation adjustments are recognized in profit for the period under "Foreign Exchange gains" or "Foreign Exchange losses".

NOTE 2. OPERATING PROFIT

(in € millions)	2021	2020
Other income	2.5	2.3
Operating income	**2.5**	**2.3**
Other purchases and external charges	8.3	8.0
Taxes other than income tax	2.0	2.0
Wages, salaries and payroll taxes	8.5	9.8
Depreciation, amortization and impairment losses	3.4	2.3
Other expenses	1.0	0.9
Operating expenses	**23.3**	**22.9**
OPERATING PROFIT (LOSS)	**(20.8)**	**(20.6)**

Operating profit for the financial year was -€20.8 million, compared with -€20.6 million in 2020.

Operating expenses were generally stable over the financial year, consisting primarily of external expenses of €8.3 million and personnel expenses of €8.5 million. These personnel costs were down €1.3 million in connection with the cost of capital losses on the treasury shared acquired under the bonus share award plans awarded to SEB S.A. staff, which fell to €2.6 million from €4.2 million the previous year.

Operating income and expenses include transactions with related companies, carried out under normal market conditions.

NOTE 3. FINANCIAL RESULT

(in € millions)	2021	2020
Dividends	173.9	133.7
Interest expenses	(42.4)	(36.7)
Interest income	34.2	36.7
Other financial income (expenses)	(26.5)	(16.5)
Net reversal/increase in provision for impairment of financial items		2.9
TOTAL	**139.2**	**120.1**

Dividends received during the financial year totaled €173.9 million, compared with €133.7 million in 2020. They mainly came from SEB Internationale (€60 million), Rowenta Invest (€50 million), Tefal (€24.3 million) and Groupe SEB France (€21.9 million).

Other financial income and expenses consist primarily of foreign exchange income for the period, i.e. a net amount of -€21.7 million (including -€11.4 million in hedging costs), compared with -€13.2 million in 2020.

NOTE 4. EXCEPTIONAL PROFIT

(in € millions)	2021	2020
Gains/(losses) on sales of treasury shares	(24.5)	(31.3)
Reversal (increase) in provision for losses on treasury shares	(7.2)	1.9
Income from subsidiaries	43.9	27.4
Other non-recurring income and expenses	(0.1)	(0.1)
Reversal (increase) in provision for charges for tax group	1.1	
TOTAL	**13.2**	**(2.1)**

Over the year, the sale of treasury shares generated a total net loss of €24.5 million, compared with €31.3 million in 2020 (287,990 treasury shares were sold over the period, including 95,160 under the liquidity contract and 192,830 as part of performance share programs).

Discounting over the period of the provision for unrealized losses on treasury shares resulted in a net expense of -€7.2 million for the year, compared with a net reversal of €1.9 million in 2020.

Over the year, other income from subsidiaries mainly consisted of amounts to be received or amounts already rebilled to subsidiaries in connection with capital losses incurred on treasury shares, of -€24 million and -€19 million respectively.

NOTE 5. INCOME TAX

Note 5.1. Analysis of income tax

Since 2015, SEB S.A. has signed a tax group agreement with all its subsidiaries benefiting from the tax group system, setting the rules for the tax group. The contract specifies that the tax group will take effect retroactively from 1 January 2013 and, pursuant to the provisions of Article 223 A et seq. of the French General Tax Code, will be tacitly renewed for additional five-year periods.

The agreement also provides that subsidiary companies which are members of the tax group should be placed in a situation during consolidation comparable to the situation that they would have been in if the Group did not exist.

With regard to the calculation of tax liability, each subsidiary “shall pay the parent company, by way of contribution to the Group’s income tax, irrespective of the actual amount of said tax, a sum equal to the tax that it would have paid on earnings and/or net long-term capital gains for the financial year had it been taxed separately, minus all the tax deductions to which the subsidiary would have been entitled in the absence of consolidation, including its tax loss carryforwards”.

The agreement also states that at the “end of a loss-making financial year, the subsidiary shall not be entitled to make any claim on the parent company on this basis, even if the parent company establishes a claim against the French Treasury by opting to carry back the total loss”.

Concerning tax credits, the subsidiaries’ liability to the parent company shall be reduced:

- for tax credits that cannot be carried forward and cannot be refunded. If the subsidiary is loss-making, these claims shall be offset by the parent company against the income tax owed by the Group;
- for all tax credits that cannot be carried forward but can be refunded. The fraction of the claim in excess of the income tax owed by the subsidiary shall be repaid to the subsidiary by the parent company.

Lastly, if the subsidiary leaves the tax group, the agreement provides that compensation shall be paid insofar as it can be determined, by mutual agreement, that the subsidiary has paid too much tax as a result of its membership of the Group.

Income tax for the financial year ended 31 December 2021 breaks down as follows:

(in € millions)	Before tax	Tax	Profit for the period
Profit (loss) from ordinary activities	118.4	(14.7)	103.7
Exceptional profit	13.1	4.8	17.9
Tax loss carryforwards generated/(used)		9.9	9.9
Tax group		31.1	31.1
Other income and expenses			
TOTAL	**131.5**	**31.1**	**162.6**

Note 5.2. Tax group

The tax group recorded a profit for the 2021 financial year.

The €31.1 million in tax savings was recognized in the company's financial statements as current tax income, breaking down as follows:

- income of €23.3 million for tax losses by consolidated subsidiaries used in the financial year;
- income of €3.4 million connected with tax credits not allocated by loss-making subsidiaries;
- a tax saving of €4.4 million resulting from the application of the specific tax group rules for determining the individual profit or loss.

In addition, under the tax agreement signed with member companies, the tax savings made by the Group as a result of the tax group are retained by the parent company.

Since the agreement was implemented, provisions have not been recorded in the financial statements of SEB S.A. to cover the tax loss carryforwards generated by members of the tax group other than SEB S.A. Only reversals of provisions are recorded when tax loss carryforwards are used. In this regard, the Company recorded a provision reversal of €1.1 million.

Note 5.3. Deferred tax assets and liabilities

At 31 December 2021, deferred tax assets totaled €3.3 million (compared with €1.1 million at 31 December 2020), corresponding to unrealized exchange gains deductible the year following their recognition.

NOTE 6. NON-CURRENT ASSETS

The gross amount of shares in subsidiaries and affiliates on the balance sheet is the sum of the purchase price (after statutory revaluation if necessary) plus additional charges.

Impairment tests are conducted at each year-end to check that the net book value does not exceed the net asset value. If the net asset value is inferior to the net book value, a provision for impairment is observed, equal to the amount of the difference.

The net asset value is pegged to the value in use determined according to the share of the net asset, adjusted where necessary for potential capital gains on intangible assets (brands and technologies), land assets or financial assets.

Treasury shares are classified as follows:

- all treasury shares bought back for allocation under existing or future stock option or performance share plans are classified as "investment securities";
- all other classes of treasury shares—mainly treasury shares held under a liquidity contract—are classified as "other non-current assets".

At year-end, an impairment loss is recognized in connection with the liquidity agreement whenever the average purchase price of treasury shares held in the portfolio is higher than the average share price for the last month of the year.

(in € millions)	2020	Increase	Decrease	2021
Patents, licenses and other rights	0.2			0.2
Financial investments	1,842.7	44.3		1,887.0
Loans to subsidiaries and affiliates	2,526.7	1079.6	1087.2	2,519.1
Other non-current financial assets	2.4		2.3	0.1
GROSS VALUE	**4,372.0**	**1,123.9**	**1,089.5**	**4,406.4**
Patents, licenses and other rights	(0.1)			(0.1)
Provisions for investments and related receivables	(252.4)			(252.4)
PROVISIONS	**(252.5)**			**(252.5)**
TOTAL NET VALUE	**4,119.5**	**1.123.9**	**1.089.5**	**4,153.9**

- SEB S.A.'s holdings consist of securities held directly by the Company in French subsidiaries and in one foreign entity. The change during the financial year reflects the investment of €4.3 million in the new "captive reinsurance" company, and the €40 million capital increase in Immobilière Groupe SEB.
- Loans to subsidiaries and affiliates consist of advances made by SEB S.A. to its subsidiaries in connection with the Group's financial policy (see Note 1.2 under the Summary of significant accounting policies).
  - At 31 December 2021, these net receivables from subsidiaries totaled €2,519.1 million, including medium- and long-term loans totaling €1,547.6 million (€270.8 million of which are repayable within one year) and current account advances of €971.5 million. These loans and advances were primarily provided to SEB Internationale (€588 million), WMF Group GmbH (€499.7 million) and Wilbur Curtis (€195 million).
  - During the year, the Company granted new advances totaling €1,079.6 million, split between new long-term loans of €703.7 million (including €555.4 million to SEB Internationale as part of a new loan, as well as €53.1 million to Storebound and €40 million to Wilbur Curtis) and an increase in current account advances to its subsidiaries of €375.9 million.
  - In addition, the loans granted by the Company fell over the period to total €1,087.2 million, mainly due to the repayment of SEB Internationale's long-term loans of €784.2 million and repayments of current account advances in the amount of €226 million.
- As a rule, other non-current financial assets mainly include treasury shares under the liquidity agreement. At 31 December 2021, the Company had sold all of the portfolio it held under the liquidity agreement. Over the financial year, 79,698 shares were bought back at an average price of €148.27 and 95,160 shares were sold at an average price of €149.10 per share.

NOTE 7. MATURITIES OF OTHER LOANS

			Due by 31/12/2021		
(in € millions)	2020	2021	Less than one year	Due in 1 to 5 years	More than 5 years
Tax receivables	29.9	21.0	9.7	11.3	
Accruals of subsidiaries	45.4	67.8	23.8	44.0	
Financial instruments	35.2	39.5	38.2	1.3	
Other financial investments	468.1	374.6	344.6	30.0	
TOTAL	**578.7**	**502.9**	**416.3**	**86.6**	

Other financial investments are made up of financial deposits with a maturity of less than one year and with availability ranging from 32 days to 91 days. In theory, all the investment lines mature within the year, with the exception of €30 million.

NOTE 8. INVESTMENT SECURITIES

Treasury shares are classified as follows:

- All treasury shares bought back for allocation under existing or future stock option or performance share plans are classified as "investment securities";
- All other classes of treasury shares—mainly treasury shares held under a liquidity contract—are classified as "other non-current assets".

(in € millions)	2021	2020
Treasury shares	34.3	17.4
Investment securities	472.1	559.8
TOTAL	**506.4**	**577.2**

At 31 December 2021, SEB S.A. held a total of 230,627 treasury shares (compared with 145,328 at 31 December 2020) at an average price of €148.53, notably to cover current stock option plans.

At 31 December 2021, the unrealized loss on investment securities totaled €0.1 million.

NOTE 9. BOND REDEMPTION PREMIUMS AND DEFERRED FINANCING COSTS

(in € millions)	2021	2020
Deferred financing costs	6.7	6.0
Bond redemption premiums	3.2	3.7
TOTAL	**9.9**	**9.7**

Capitalized deferred financing costs (up by a net amount of €0.7 million) include the costs of setting up a new syndicated credit facility.

Charges to be deferred that have a maturity of more than one year total €4.8 million.

NOTE 10. EQUITY

Share capital

At 31 December 2021, the share capital was €55,337,770, taking into account the bonus share award transaction completed during the financial year. This was made up of 55,337,770 fully paid-up shares, representing 82,059,801 "theoretical" voting rights and 81,829,174 "effective" voting rights (excluding treasury shares).

Bonus share award

In order to earn the loyalty of its shareholders, SEB S.A. is proceeding with a free allocation of shares to their benefit.

Meeting on 23 February 2021, the Board of Directors, making use of the authorization it was given by the Combined Annual Shareholders' General Meeting of 19 May 2020 under Resolution 19, decided to increase the share capital by €5,030,706 through the incorporation of reserves from retained earnings. This will take the share capital from €50,307,064 to €55,337,770.

The share capital increase was completed on 3 March 2021 through the creation of 5,030,706 new, fully paid up shares with a nominal value of €1. The shares were allocated free of charge to all shareholders registered on 2 March 2021, to the tune of one new share per ten existing shares. It is specified that all shares making up the share capital, or 50,307,064 shares, carried the same allocation right of 1 new share per 10 existing shares. The attribution right was detached on 1 March 2021 on the opening for trade of the Paris-Euronext Stock Exchange and led to a corresponding adjustment of the share price. The new shares will bear rights on 1 January 2020 and will be immediately assimilated to existing shares. They will carry the same rights as the original shares in terms of double voting rights and dividend loyalty bonus. They will give right to a dividend in respect of 2020 financial year, paid on 27 May 2021.

The free award transaction has no significant impact on the amount of the Company's equity.

■ **Changes in equity**

EQUITY AT 31 DECEMBER 2020 BEFORE APPROPRIATION OF PROFIT	**1,305.7**
Issue of share capital	5.0
Allocation of retained earnings to the share capital	(5.0)
2020 dividend paid in 2021	(122.1)
Profit (loss) for the period	162.6
EQUITY AT 31 DECEMBER 2021	**1,346.2**

NOTE 11. PROVISIONS FOR CONTINGENCIES AND CHARGES

In accordance with the principles of ANC regulation no. 2015-05, the company recognizes a provision for currency risks, on the basis of an aggregate net position determined per currency at year-end.

The company funds a provision for contingencies for expected losses on performance shares under performance share plans granted to all Group employees.

The company also records provisions on the balance sheet for the tax savings resulting from the implementation of the tax group, relating to the utilization of losses incurred by certain subsidiaries, which may have to be transferred back to them if and when they leave the consolidation group.

(in € millions)	2020	Increases	Releases of surplus provisions	Utilizations	2021
Provisions for currency risks	6.4	10.2		6.4	10.2
Provisions for contingencies	79.6	44.3	12.4	24.6	86.9
PROVISIONS FOR CONTINGENCIES	**86.0**	**54.5**	**12.4**	**31.0**	**97.1**
Provisions for Tax Group	134.1			1.1	133.0
PROVISIONS FOR CHARGES	**134.1**			**1.1**	**133.0**
TOTAL	**220.1**	**54.5**	**12.4**	**32.1**	**230.1**

A provision for currency risks was recorded in the financial statements at 31 December 2021, in the amount of €10.2 million (compared with €6.4 million in 2020) to cover currency risk on the invoices hedged.

The provision for other contingencies represents the expected loss on performance share grants pertaining to the plans currently vesting. The total provision stood at €86.9 million in 2021, compared with €79.6 million in 2020, with the change discussed in Note 4.

Lastly, the Company's financial statements continue to include a €133 million provision, to address the risk of having to refund the tax used by the tax group to the subsidiaries. During the financial year, the Company made a reversal of €1.1 million.

In addition, Management reassessed the risk and now considers that, in the event of a negotiation with its subsidiaries regarding an exit from the tax group, the tax saving to be considered would be the saving that the subsidiary could achieve in the future.

NOTE 12. MATURITIES OF BORROWINGS

(in € millions)	2020	2021	Due by 31/12/2021 Less than one year	Due in 1 to 5 years	More than 5 years
Bonds	1,509.3	1,509.4	509.4	1,000.0	
Other financial debts (including private placements)	777.3	701.7	3.2	394.5	304.0
Bank borrowings	8.1	2.5	2.5		
Bank borrowings	**2,294.8**	**2,213.6**	**515.1**	**1,394.5**	**304.0**
NEU Commercial Paper	975.0	863.0	863.0		
NEU Medium Term Notes	236.5	220.0	25.0	195.0	
Group borrowings	779.7	853.9	853.9		
Employee profit-sharing	16.4	11.9	3.3	8.6	
Other borrowings	**2,007.5**	**1,948.8**	**1,745.2**	**203.6**	
TOTAL	**4,302.3**	**4,162.4**	**2,260.3**	**1,598.1**	**304.0**

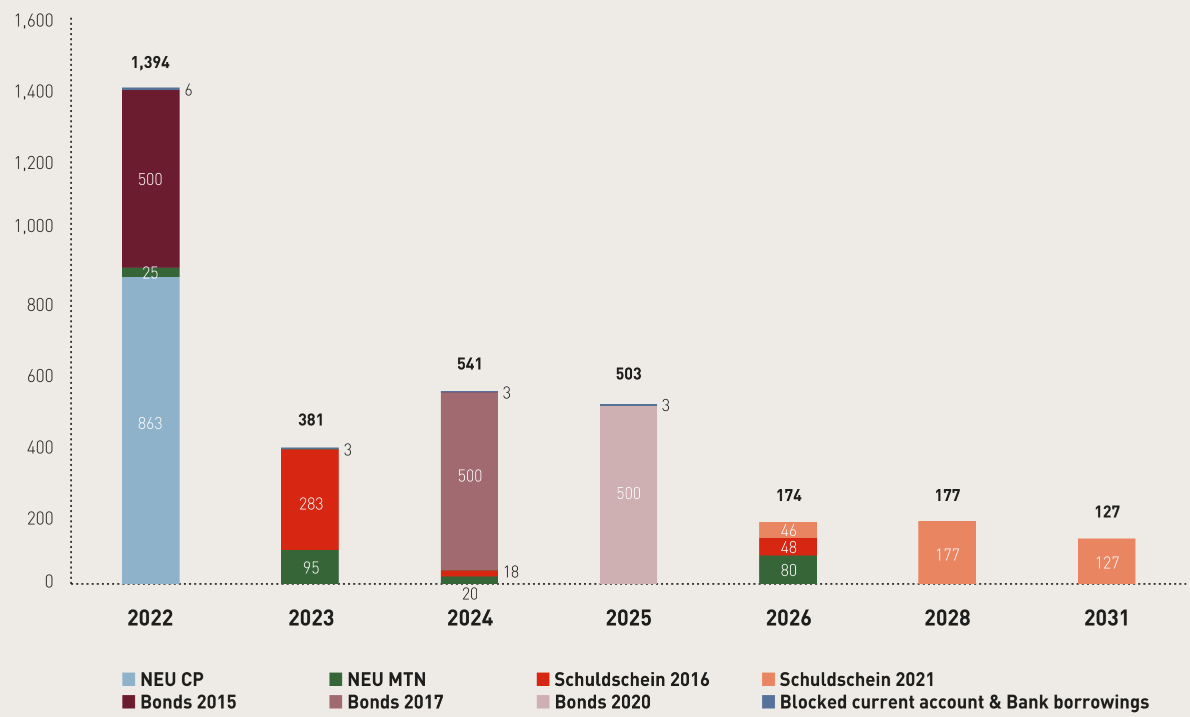
On 15 December 2021, SEB S.A. issued a Schuldschein of €350 million, split into three maturities of 5, 7 and 10 years. On 13 December 2021, SEB S.A. repaid two tranches of the Schuldschein issued in 2016 that were due to mature, in the amount of €277 million.

Furthermore, at 31 December 2021, NEU MTN totaled €220 million (down €16.5 million compared with 31 December 2020) and NEU CP totaled €863 million (down €112 million compared with 31 December 2020).

This NEU CP was issued as part of a €1 billion NEU CP program, which has a short-term rating of A2 awarded by Standard & Poor's.

It should be noted that the "ORNAE" bonds (bonds redeemable in cash and/or existing shares) issued in November 2016 were repaid in full without the allocation of existing shares.

LOAN MATURITIES AT 31/12/2021 (IN €M)



NOTE 13. DEBT MATURITY SCHEDULE

(in € millions)	2020	2021	Due by 31/12/2021 Less than one year	Due in 1 to 5 years	More than 5 years
Trade payables	3.1	3.0	3.0		
Accrued taxes and employee benefits expenses	4.6	5.0	4.4	0.6	
Other liabilities	29.5	67.5	67.5		
TOTAL	**37.2**	**75.5**	**74.9**	**0.6**	

Other liabilities consist primarily of liability cash instruments totaling €44.2 million and subsidiaries' current income tax accounts totaling €16.5 million.

OTHER INFORMATION

NOTE 14. EMPLOYEES

The average number of employees was two (in accordance with the previous financial year).

NOTE 15. STOCK OPTION AND PERFORMANCE SHARE PLANS

At 31/12/2021	Date		Number of shares				
Type	of grant	of vesting	granted	vested	canceled	Outstanding	Share price on the grant date
Performance shares	16/05/2018	16/05/2021	203,075(1)	192,830	10,245		160.9
Performance shares	22/05/2019	22/05/2022	248,645(2)	200	5,510	242,935	155.9
Performance shares	19/05/2020	19/05/2023	213,148(3)		1,200	211,948	112.3
Performance shares	20/05/2021	20/05/2024	200,000			200,000	151.3
TOTAL			**864,868**	**193,030**	**16,955**	**654,883**	

(1) Of which 17,745 shares granted as part of the free award transaction, 1 share in return for 10 held as of 03/03/2021.
(2) Of which 22,145 shares granted as part of the free award transaction, 1 share in return for 10 held as of 03/03/2021.
(3) Of which 19,268 shares awarded under the free share award transaction, 1 share in return for 10 held as of 03/03/2021.

As part of its share buyback program, approved by the Combined Annual General Meeting of 20 May 2021, SEB S.A. entered into further transactions for 65,511 treasury share options (tunnel). These transactions were conducted to partially cover the free share award plans for employees, subject to performance conditions, maturing in 2022, 2023 and 2024.

As a reminder, SEB S.A. had entered into transactions during the past financial year involving 70,000 treasury share options (tunnel). These transactions were intended to partly cover the performance-based share award plan for employees, maturing in 2023.

As the plans for 2022 to 2024 involve a maximum number of shares, SEB S.A. may enter into other such transactions up to the overall amount of the plans should it wish to increase the level of coverage.

NOTE 16. FINANCIAL COMMITMENTS

	31/12/2021		31/12/2020	
(in € millions)	Notional amount	Market value	Notional amount	Market value
VIS-À-VIS THE MARKET				
COMMITMENTS ON THE BALANCE SHEET				
FX hedges for competitiveness and transactional risk				
Forward sales of foreign currencies	457.6	(9.9)	292.2	(0.7)
Forward purchases of foreign currencies	(821.8)	23.6	(414.7)	(3.4)
Optional currency sale strategy	(11.7)	0.3	(21.1)	(0.8)
Optional currency purchase strategy	(11.7)	1.5	(21.1)	0.1
Financial FX hedges				
Currency swaps	301.6		158.6	4.2
Optional currency sale strategy				
Optional currency purchase strategy				
Cross-currency swaps	181.7	(8.8)	156.0	11.7
Forward financial sales/purchases	14,9	(0.1)	(132.8)	(0.3)
Other hedges				
Puts on treasury shares (including premiums paid)		(1.8)		(3.2)
OFF-BALANCE SHEET COMMITMENTS				
FX hedges for competitiveness				
Forward sales of foreign currencies	505.0	(4.6)	268.0	1.6
Forward purchases of foreign currencies	(678.3)	33.2	(399.3)	(9.4)
Optional currency sale strategy	(337.4)	2.2	560.5	6.6
Optional currency purchase strategy	(337.4)	21.2	560.5	(5.7)
Financial FX hedges				
Forward financial sales	28.7	(0.1)	50.4	1.4
Forward financial purchases	(253.3)	(4.5)		
Optional currency sale strategy	229.0	2.5	238.1	0.5
Optional currency purchase strategy	229.0		238.1	(0.8)
Fixed-rate payer swaps	(224.5)	(2.2)	(341.5)	(5.3)
Cross-currency swaps	181.7	2.8	156.0	(0.1)
Other hedges				
Raw materials derivatives	177.6	17.5	49.8	2.6

(in € millions)	31/12/2021 Notional amount	31/12/2021 Market value	31/12/2020 Notional amount	31/12/2020 Market value
WITH SUBSIDIARIES				
COMMITMENTS ON THE BALANCE SHEET				
Revaluation of intra-Group transactions	(225.0)	(10.9)	(151.0)	1.6
OFF-BALANCE SHEET COMMITMENTS				
Raw materials derivatives	(177.0)	17.5	(49.8)	2.6

The use and accounting treatment of financial instruments are discussed under the Summary of significant accounting policies. Notional amounts represent the notional amounts of the contracts. The market value of financial instruments represents the gain or loss that would have been recognized had the contracts been settled on the market at 31 December 2021. It is estimated based on the exchange rate and interest rate at 31 December 2021, or obtained from the counterparty banks with which the commitments were made.

Expiry of commitment relating to the "ORNAE" bond issue

With respect to the "ORNAE" bond issue (bonds redeemable in cash and/or existing shares), it should be noted that the right to exercise the allocation of shares expired on 17 November 2021, with no such exercise having been made.

Commitments received by SEB S.A.

The company has unused confirmed credit facilities available under the following terms:

- A new, unused syndicated credit facility of €990 million that expires in December 2026, refinancing the previous syndicated credit facility of €960 million and the bilateral credit facility of €50 million.

The Company also has the following programs:

- A €500 million NEU MTN program, €220 million of which has been used;
- A €1,000 million NEU CP program, €863 million of which has been used.

Commitments given by SEB S.A.

The Company has given guarantees to various banking counterparties to cover banking commitments totaling €40.2 million. It also granted Groupe SEB Ré a guarantee covering the annual reinsurance commitment of €4 million.

NOTE 17. PENSION COMMITMENTS

The following table provides an analysis of the compensation and benefits paid to SEB S.A. executive officers:

(in € millions)	2021	2020
SHORT-TERM BENEFITS		
Fixed remuneration	1.8	1.8
Variable remuneration	1.9	2.4
Remuneration as a member of the Board of Directors	0.03	0.03
OTHER BENEFITS		
Share-based payments (stock options)	3.7	4.3
Value of the performance shares awarded for the period	3.1	3.9
Other benefits in kind and in cash	0.05	0.07

Pension commitments

Executive officers are members of the collective supplementary pension plan set up for Groupe SEB's senior managers on French contracts (members of the Executive Committee).

For senior managers in office on 3 July 2019, the provisions of Order no. 2019-697 of 3 July 2019 on supplementary work pension plans forced the Group to freeze and close this plan as of 31 December 2019.

This scheme complements the statutory schemes and is composed as follows:

- A defined-benefit deferred compensation plan, under which beneficiaries are subject to seniority and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration for the past three years;
- A supplementary defined-benefit plan, subject to seniority and service conditions, with the potential benefits accruing per year of service being 0.8% of the reference compensation calculated on the average of the annual target compensation over the preceding three years and capped at 20 years' service, i.e. a maximum of 16% of the reference compensation.

Groupe SEB executives became potentially eligible for the defined benefit plans after eight years of service on the Groupe SEB Executive Committee, and subject to completion of their careers within the Group.

At its meeting of 16 December 2021, the Board of Directors laid out a new plan for this group of individuals that was in keeping with France's PACTE Law on business growth and transformation and with Ordinance No. 2019-697.

The new plan was presented to the staff representative body (CSE) on 20 December 2021 and implemented the following day, i.e. 21 December 2021, with retroactive effect from 1 January 2020 for Groupe SEB senior managers on French contracts (members of the Executive Committee) who were in office on that date and met the eligibility conditions.

Groupe SEB's goal for the old plan is to outsource all commitments through contributions to a collective fund to which payments are made on a regular basis.

For the new plan implemented on 21 December 2021 (supplementary pension plan with defined benefits and certain entitlements, pursuant to Article L. 137-11-2 of the French Social Security Code), Groupe SEB aims to outsource all commitments to a collective fund to which payments are made annually.

New plan "L. 137-11-2"

Following the freeze and closure of the previous plan and the publication of the Department of Social Security's directive of 23 December 2020, the implementation of a new plan with defined benefits and certain rights, meeting the conditions set out in Article L. 137-11-2 of the French Social Security Code, was decided by the Board of Directors on 16 December 2021, on the recommendation of the Governance and Remuneration Committee of 9 December 2021.

This new plan applies to members of the General Management Committee and/or the Executive Committee, with the exception of those who have received an additional pension corresponding to the maximum entitlements under the previous plan and/or who benefit from an equivalent retirement plan in another country.

This new plan provides for payment to the beneficiary, at the earliest of the date on which they have liquidated their pension under a mandatory pension plan to which they have contributed, or from the statutory retirement age referred to in Article L. 161-17-2 of the French Social Security Code, of a life annuity with the possibility of reversion.

The reference remuneration used to calculate entitlements in respect of the year in question only includes the fixed portion of the salary taken into account when calculating social security contributions and the bonus paid subject to contributions, in application of Article L. 242-1 of the French Social Security Code.

The annual entitlements correspond to 1% of the reference remuneration defined above.

Annual entitlements are conditional on compliance with conditions related to the annual assessment of the beneficiary's professional performance. Performance is calculated on the basis of the Business Revenue and Operating Result from Activity objectives set by the Board of Directors over the year in question. This calculation is defined annually by the Governance and Remuneration Committee at the start of the year when calculating the C1, which is also used to calculate the variable portions for the Group's corporate executive officers as specified above. If actual performance is equal to or greater than 100%, the entitlements will equal 1% of the reference remuneration. If actual performance is between 0% and 100%, the entitlements will be prorated. Therefore, entitlements may be nil (0%). Annual entitlements may not exceed 3% of the reference remuneration. Furthermore, the total percentage points applied to the same beneficiary is capped at 30 points over their entire career and all their employers combined.

Entitlements are revalued annually by a coefficient equal to the changes in the social security ceiling. In the event of departure from the Company and prior to drawing their pension, the entitlements are revalued annually in the same way. In addition, in the event of the death of the beneficiary before they draw their pension, entitlements are retained for the benefit of the beneficiaries.

The amount payable is financed exclusively by premiums paid by Groupe SEB to an insurance company. With regard to the social security contributions associated with payment of the annuity, the Company is obliged to pay a contribution based on premiums paid to the insurance company at the rate of 29.7% set by the French Social Security Code.

The various conditions of the pension plan imply that at 31 December 2021 Thierry de La Tour d'Artaise will be able to receive, at the legal retirement age, a gross replacement ratio (including statutory plans) of 30.36% of his reference remuneration. This would correspond to a replacement ratio of 22.73% of his reference remuneration (not counting statutory plans). Thierry de La Tour d'Artaise is not eligible to join the new plan of 21 December 2021 as he has reached the maximum amount of entitlement applicable under the previous plan.

The various conditions of the former pension plan imply that at 31 December 2021 Stanislas de Gramont will be able to receive, at the legal retirement age, a gross replacement ratio (including statutory plans) of 14.30% of his reference remuneration. This would correspond to a replacement ratio of 3.99% of his reference remuneration (not counting statutory plans). Stanislas de Gramont will be able to join the new plan implemented on 21 December 2021 as from 1 January 2022. This information will be subject to ex-ante/ex-post approval at the Annual General Meeting of 19 May 2022. The replacement ratios under the new plan were still being calculated at the time this document was published.

Severance allowance and non-compete payments

THIERRY DE LA TOUR D'ARTAISE

Thierry de La Tour d'Artaise is not entitled to a severance allowance in the event that his corporate office is terminated.

His employment contract, which has been in force since he joined Groupe SEB in 1994 and was last amended when he was appointed Chief Executive Officer of the company, was suspended on 1 March 2005 for the duration of his term of office.

This contract stipulates that in the event of termination of employment at the employer's initiative, except on grounds of serious misconduct or gross negligence, or forced departure as a result of a change in the control of Groupe SEB, Thierry de La Tour d'Artaise shall receive, by way of settlement, a total severance allowance equivalent to two years' remuneration. In accordance with the provisions set forth in Article L. 225-42-1 of the French Commercial Code, an amendment to this contract was signed making the termination benefits subject to performance conditions. The termination benefit is set at two years' remuneration (calculated based on the average remuneration earned during the last two financial years), and is adjusted for the rate of achievement of his targets for the last four years of service:

- if the average percentage achieved is below 50%, no termination benefits shall be paid;
- if the average percentage achieved is between 50% and 100%, the termination benefit shall be between 75% and 100%, based on a straight-line calculation;
- if the average percentage achieved is higher than 100%, the termination benefit shall remain at 100%.

The Board of Directors retains the right to reduce such termination benefits, by half at most, if the previous year-end presents a net loss, without such benefits falling below the fixed compensation plus bonuses of the previous year-end, should application of the performance criteria based on the achievement of objectives entitle the payment of termination benefits.

Thierry de La Tour d'Artaise's employment contract does not contain a non-compete clause.

Entitlement to stock options in the event of termination:

The last stock option plan (known as the "15 June 2012 stock option plan") lapsed on 16 June 2020 at the end of its eight-year term. The clause relating to the terms and conditions of holding stock options is therefore no longer relevant for the 2021 financial year.

STANISLAS DE GRAMONT

Stanislas de Gramont is entitled to a severance allowance in the event that his corporate office is terminated.

The reference remuneration used to calculate the severance allowance consists of the last two years of fixed and variable remuneration that Stanislas de Gramont received in his capacity as Chief Operating Officer.

In accordance with the provisions set forth in Article L. 225-42-1 of the French Commercial Code, payment of the severance allowance shall be subject to performance conditions, assessed as follows:

- the severance allowance shall be adjusted for the rate of achievement of targets, in said capacity, for the period limited to the last four financial years (in the event of a term of office exceeding four years);
- if the average percentage achieved is below 50%: no termination benefit is paid;
- if the average actual performance represents 50% to 100% of the targets: the termination benefit is comprised between 75% and 100%, based on a straight-line calculation;
- if the average percentage achieved is above 100%: 100% of the benefit is paid.

As his service within the company exceeded 24 months, the maximum amount of termination benefits reached the cap of 24 months' remuneration in December 2020.

Furthermore, termination benefits are only paid in the event of forced departure, and will still be capped at two years' remuneration (fixed and variable received). This includes the non-compete clause.

Pursuant to the non-compete agreement, in case of termination of his appointment of office as Chief Operating Officer, by means of dismissal or resignation, he shall be prohibited for a one-year period (renewable once) from working in any manner with a competitor of Groupe SEB, on a worldwide basis.

In consideration for this non-compete clause and for its entire duration, Stanislas de Gramont will receive a monthly non-compete payment amounting to 50% of his monthly average fixed and variable remuneration (paid or due depending on the circumstances) over his last 12 months of service within the Group.

The Board of Directors may release Stanislas de Gramont from this obligation by waiving the non-compete clause.

This corporate mandate agreement dated 12 December 2018, which includes the non-compete clause, and the severance terms and conditions described above, were approved by the shareholders at their Annual General Meeting of 20 May 2021, in accordance with "ex-ante and ex-post Say-on-Pay" procedures.

Continuation of employment contract

Thierry de La Tour d'Artaise began his career at Groupe SEB in 1994 and was appointed Vice-Chairman in 1999. He was appointed Chairman and CEO in 2000. In accordance with changing governance practice, his employment contract was suspended in 2005.

In accordance with the provisions of the AFEP-MEDEF Code, the Board of Directors reexamined the situation of Thierry de La Tour d'Artaise at its meetings of 17 February 2012 and 19 May 2016 and agreed that his employment contract should remain suspended due to his age, his personal situation and his seniority within Groupe SEB.

With regard to Stanislas de Gramont, who was appointed Chief Operating Officer on 3 December 2018, the Board of Directors of 23 October 2018 decided to hire him solely under a corporate mandate (so no applicable employment contract).

The remuneration policy and components applicable to these two individuals were approved at the Annual General Meeting of 20 May 2021, in accordance with the "ex-ante and ex-post Say-on-Pay" procedure, and are described in detail in Chapter 2.5 "Remuneration policy" of the Universal Registration Document.

NOTE 18. POST-BALANCE SHEET EVENT

Change in the Group's governance

On 10 February 2022, the Board of Directors of SEB S.A. approved the proposal of its Chairman and Chief Executive Officer to change the governance of the Group by separating the functions of Chairman and Chief Executive Officer. This decision will take effect on 1 July 2022.

NOTE 19. LIST OF SUBSIDIARIES AND AFFILIATES

Note 19.1. Detailed information concerning subsidiaries and affiliates

19.1.1. Subsidiaries (more than 50%-owned)

(in € millions)	Share capital [1]	Reserves and retained earnings	Percentage share of capital held	Gross carrying amount of shares in other subsidiaries and affiliates	Aggregate carrying amount of shares in other subsidiaries and affiliates	Loans and advances granted and received by the company	Guarantees and bonds given	Dividends received by the company over the period
Calor S.A.S.	16.5	(76.2)	100%	83.9		121.7		
S.A.S. SEB	19.4	(1.1)	100%	195.5	139.4	41.3		
Tefal S.A.S.	7.1	31.2	100%	6.6	6.6	35.1		24.3
Rowenta France S.A.S.	8.0	(13.5)	100%	29.4	28.6	24.8		
SEB Développement S.A.S.	3.3	1.7	100%	18.0	18.0			6.0
Rowenta Invest BV [2]	55.3	241.2	100%	211.8	211.8			50.0
SEB Internationale S.A.S.	830.0	1,009.3	100%	949.4	949.4	588.0		60.0
Groupe SEB France	42.0	90.4	98%	73.9	73.9			21.9
Groupe SEB Export	5.8	25.0	100%	38.0	38.0	55.6		8.9
Groupe SEB Moulinex	20.0	(0.3)	100%	176.8	91.3	22.1		
Groupe SEB Retailing	1.0	0.9	100%	3.0	3.0			0.9
SEB Alliance	30.0	(6.1)	100%	30.0	30.0	77.0		
Immobilière Groupe SEB	37.5	3.2	100%	50.0	50.0	67.1		
Ethera	2.4	(8.0)	56.9%	1.6		5.3		
Groupe SEB RE (Captive) [2]	4.4		99.0%	4.3	4.3			

(1) The equity of subsidiaries does not include net profit (loss) for the period, as the company financial statements were not finalized at the date of publication of this document.
(2) BFC equity not including profit or loss for the period.

19.1.2. Affiliates (10% to 50%-owned)

(in € millions)	Share capital	Reserves and retained earnings	Percentage share of capital held	Gross carrying amount of shares in other subsidiaries and affiliates	Aggregate carrying amount of shares in other subsidiaries and affiliates	Loans and advances granted and received by the company	Guarantees and bonds given	Dividends received by the company over the period
S.I.S.	0,8	2,4	46.8%	0,5	0,5	14,2		1,9

The company considers that disclosure of results of individual subsidiaries could be seriously prejudicial to its interests.Additional information analyzed by geographic segment is provided at consolidated level. Group consolidated revenue generated by direct and indirect subsidiaries and affiliates totaled €8,058.8 million, and profit attributable to owners of the parent came to €453.8 million.

Note 19.2. General information concerning other subsidiaries and affiliates

The carrying amount of securities of other subsidiaries and affiliates totals €0.2 million.

6.3 Five-year financial summary

	2021	2020	2019	2018	2017
SHARE CAPITAL AT YEAR-END					
a) share capital	55,338	50,307	50,307	50,169	50,169
b) number of shares outstanding	55,337,770	50,307,064	50,307,064	50,169,049	50,169,049
c) number of convertible bonds outstanding					
OPERATIONS AND PROFIT (LOSS) FOR THE PERIOD					
a) net revenue, excluding tax					
b) profit before tax, depreciation, amortization and provisions	145,400	98,073	103,585	111,271	178,787
c) income taxes	(31,077)	(27,178)	(28,881)	(29,899)	(26,464)
b) profit after tax, depreciation, amortization and provisions	162,611	124,594	130,402	99,557	268,762
e) dividend payout*	140,700	123,237	74,603	110,377	103,288
EARNINGS PER SHARE (IN UNITS)					
a) profit after tax but before depreciation, amortization and provisions	3.19	2.49	2.63	2.81	4.09
b) profit after tax, depreciation, amortization and provisions	2.94	2.48	2.59	1.98	5.36
c) dividend per share *	2.45	2.14	1.43	2.14	2.00
EMPLOYEES					
a) number of employees	2.00	2.00	2.00	1.83	2.00
b) total payroll	6,641.2	8,154.49	5,961.35	2,495.40	3,600.70
c) employee benefits paid (payroll taxes)	1,892.80	1,626.93	1,698.79	960.20	1,458.37

* *Provisional amounts.*

6.4 Statutory auditors' report on the financial statements

For the year ended December 31, 2021

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To Annual General Meeting of SEB S.A.

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of SEB SA for the year ended December 31, 2021.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2021 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit and Compliance Committee.

BASIS FOR OPINION

AUDIT FRAMEWORK

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

INDEPENDENCE

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2021 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of regulation (EU) No 537/2014.

Furthermore, the non-audit services that we provided to your Company and its controlled entities during the financial year that are not disclosed in the management report or in the notes to the financial statements are as follows:

- for Deloitte & Associés: issue of reports required by law in connection with a share capital increase;
- for KPMG S.A.: issue of attestations relating to the accounting information of entities.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

VALUATION OF INVESTMENTS IN SUBSIDIARIES

RISK IDENTIFIED	OUR RESPONSE
See Note 6 «Non-current assets» to the annual financial statements	
At December 31, 2021, investments in subsidiaries are booked for a net carrying amount of €1,658.8 million, which represents around 28% of total assets. At the year-end, investments in subsidiaries are valued by the Company with reference to values in use, estimated based on the share of net assets, adjusted, where necessary, for potential capital gains arising from intangible assets (brands and technologies), real estate or financial assets, as described in Note 6 - "Non-current assets" to the annual financial statements. If this value is lower than the net carrying amount, a provision for impairment is recorded for the difference. We have considered the valuation of investments in subsidiaries to be a key audit matter due to: ■ the materiality of these assets in the SEB S.A. balance sheet, ■ the need for Management to use estimates and assumptions to determine the balance sheet amount, and ■ the sensitivity of this valuation to some of these assumptions.	Our work consisted mainly in (i) assessing the compliance of the methodology adopted by Management with current accounting standards and (ii) obtaining an understanding of the internal control procedures relating to the valuation of investments in subsidiaries. We also reviewed the methods used by Management to determine the balance sheet amount based on the estimates obtained and documented according to the various criteria described below. For valuations based on the share of net assets, we verified that the shareholders' equity amount matched the audited accounts of the relevant entities. Where applicable, for estimates based on forecast data, we: ■ verified the consistency of the assumptions used in the cash flow forecasts with past performances and the economic environment, ■ compared some of these assumptions with market data or documented evidence, ■ analyzed the methods and parameters used to determine the present value of estimated cash flows, ■ verified the mathematical accuracy of these estimates.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS WITH RESPECT TO THE FINANCIAL POSITION AND THE FINANCIAL STATEMENTS PROVIDED TO THE SHAREHOLDERS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to the payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

REPORT ON CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.22-10-9 of the French Commercial Code relating to remunerations and benefits received or awarded by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlled companies within the scope of consolidation. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

OTHER LEGAL AND REGULATORY VERIFICATIONS OR INFORMATION

FORMAT OF THE PRESENTATION OF THE FINANCIAL STATEMENTS INTENDED TO BE INCLUDED IN THE ANNUAL FINANCIAL REPORT

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in the European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (code monétaire et financier), prepared under the responsibility of the Chairman and Chief Executive Officer, complies with the single electronic format defined in the European Delegated Regulation No 2019/815 of December 17, 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

APPOINTMENT OF THE STATUTORY AUDITORS

We were appointed statutory auditors of SEB SA by the Annual General Meeting held on May 20, 2021.

As at December 31, 2021, DELOITTE & ASSOCIÉS et KPMG S.A. were both in their first year of engagement.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is expected to liquidate the Company or to cease operations.

The Audit and Compliance Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

OBJECTIVES AND AUDIT APPROACH

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L.823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT TO THE AUDIT AND COMPLIANCE COMMITTEE

We submit a report to the Audit and Compliance Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Compliance Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Compliance Committee with the declaration provided for in Article 6 of regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics for statutory auditors. Where appropriate, we discuss with the Audit and Compliance Committee the risks that may reasonably be thought to bear on our independence and the related safeguard.

Paris-La Défense, March 22, 2022

The Statutory Auditors

KPMG S.A.	DELOITTE & ASSOCIÉS	
Eric ROPERT	Patrice CHOQUET	Frédéric MOULIN

7 Information concerning the company and its share capital

7.1 Information concerning the company

NAME: SEB S.A.

Registered office: Campus SEB – 112 chemin du Moulin Carron 69130 Écully – France

Tel.: +33 (0) 472 18 18 18 Fax: +33 (0) 472 18 16 55

Business registration number: 300 349 636 RCS Lyon

Industrial classification (NACE) code: 6 420 Z

LEI code: 969500WP61NBK098AC47

SEB share ISIN code: FR0000121709

Form: société anonyme (public limited company)

Financial year: 1 January to 31 December

Legislation: French

Duration: 99 years from 27 December 1973

CONSULTATION OF LEGAL DOCUMENTS

The Company's bylaws, minutes of Annual General Meetings and other company documents may be consulted at the company's registered office.

Company regulatory documents may be consulted on the Groupe SEB website: www.groupeseb.com

CORPORATE PURPOSE (ARTICLE 3 OF THE BYLAWS)

The purpose of the company in France and abroad covers:

- investment in any company involved in any form of business and, therefore, the acquisition or subscription of all types of shares, debentures, capital holdings and interests, all types of marketable securities, as well as the disposal of the said investments and marketable securities;
- all operations concerning the financing of its subsidiaries and other companies in which it owns or may acquire a holding;
- the acquisition and registration of all patents for inventions and the granting of all forms of licenses for the use of these patents;
- the acquisition, construction, management of real estate and its disposal;
- all operations contributing to the development of the company and to the achievement of the purpose specified above.

ALLOCATION OF PROFITS (ARTICLES 46 AND 47 OF THE BYLAWS)

Profits are allocated in accordance with legal requirements and regulations. Dividends are drawn, as a priority, from distributable profits.

The Annual General Meeting may offer shareholders a choice between payment of dividends in cash or in new shares whose price is set beforehand as provided for by law.

A supplementary dividend payment per share of 10% of the unit value of the reference dividend, which may be rounded down to the nearest even number of euro cents, will be paid in respect of shares registered without interruption by the same shareholder in the nominal register for at least two financial years preceding the dividend payment, and which are still registered on the ex-dividend date. For any one shareholder, this supplement is limited to a number of shares that may not exceed 0.5% of the share capital. The supplementary dividend may be modified or cancelled by a decision of the Extraordinary General Meeting, which will decide the terms and conditions thereof.

The General Meeting may, in addition, decide to distribute sums drawn from the reserves at its disposal; in this case, the decision will expressly indicate the reserve items from which the deductions have been made.

From 1 January 2023, should the Board of Directors, acting on the authorization of the Annual General Meeting, decide to increase the share capital by capitalization of reserves, profits or premiums, shares held in registered form for at least two years at 31 December preceding the transaction and which remain registered until the day before the share allocation, would entitle their holders to a share allocation increased by 10%, this number being rounded down in the case of fractional shares. The new shares thus created will carry the same rights (higher dividend and double voting rights) as the original shares. Pursuant to the law, the number of securities eligible for these increases may not exceed 0.5% of the company's share capital for any one shareholder.

ANNUAL GENERAL MEETINGS (ARTICLE 28 ET SEQ. OF THE BYLAWS)

Shareholders are notified of Annual General Meetings in accordance with the law.

All shareholders have the right to attend Annual General Meetings or to be represented at them, regardless of the number of shares they hold, provided that their shares are fully paid up and registered either in their name or in the name of the intermediary registered on the shareholder's behalf, by midnight, French time, on the second business day preceding the meeting, either in the registered share accounts held by the company or in the bearer share accounts held by the authorized intermediary.

DOUBLE VOTING RIGHTS (ARTICLE 35 OF THE BYLAWS)

Each member attending the Annual General Meeting is entitled to exercise one vote for every share they own or represent. Double voting rights are granted to all fully paid-up shares, provided they are held in registered form in the name of the same shareholder for a certain period of time. This holding period, set by the founders at two years when the company was incorporated in 1973, was extended to five years at the Annual General Meeting of 15 June 1985. Double voting rights expire if the share is converted to a bearer share or if ownership is transferred, except in cases where the transfer involves a change of name in the register subsequent to a family inheritance or gift. In the event of a capital increase by capitalization of reserves, profits or share premiums, double voting rights are conferred, as soon as they are issued, on registered shares allocated free of charge to a shareholder in respect of the shares already held for which they benefit from the said right.

LIMITATION OF VOTING RIGHTS

There is no statutory limitation on voting rights.

THRESHOLD CLAUSE (ARTICLE 8 OF THE BYLAWS)

Article 8 of the Company's bylaws provides that any natural or legal person, acting alone or in concert, who comes to hold, directly or indirectly, as defined by Articles L. 233-7 and L. 233-9 of the French Commercial Code, 0.5% of the share capital or voting rights, or any multiple of that percentage, shall be required to notify the company of the total number of shares they hold within a period of four trading days of crossing one of these thresholds or any other threshold provided for in law.

The notification must be repeated each time a further threshold of 0.5% of the share capital or voting rights is crossed, whether upwards or downwards.

Failure to comply with these reporting obligations and upon request, duly recorded in the minutes of the Annual General Meeting, by one or more shareholders holding at least 0.5% of the share capital or voting rights, will result in the shares in excess of the amount that has not been properly reported being stripped of their voting rights until such time as the situation is rectified and for any Shareholders' Meetings that may take place within a period of two years after the date on which they are properly reported.

IDENTITY OF BEARER SHAREHOLDERS

In accordance with the legal and regulatory provisions in force, the company may at any time request the following from Euroclear France, the organization responsible for clearing the securities:

- the personal name or company name, year of birth, address and nationality of company shareholders;
- the number of securities they each hold;
- where applicable, any restrictions to which these shares may be subject.

SEB S.A. makes such a request on 31 December every year.

SHARE CAPITAL AT 31 DECEMBER 2021

At 31 December 2021, the share capital amounted to €55,337,770 and consisted of 55,337,770 fully paid-up shares with a par value of €1, representing 82,059,801 total "theoretical" voting rights and 81,829,174 total "effective" voting rights (excluding treasury shares).

There are no stricter conditions than the law for modifying shareholders' rights.

FACTORS WHICH COULD AFFECT A TAKEOVER BID

Pursuant to Article L. 22-10-11 of the French Commercial Code, the factors that could affect a takeover bid are as follows:

STRUCTURE OF THE COMPANY'S SHARE CAPITAL

See following page: "Breakdown of share capital and voting rights at 31 December 2021".

SHAREHOLDER AGREEMENTS OF WHICH THE COMPANY IS AWARE

See paragraph: "Shareholder agreements – Action in concert".

POWERS OF THE BOARD OF DIRECTORS IN THE EVENT OF A TAKEOVER BID

The Annual General Meeting of 20 May 2021 authorized the Board of Directors to implement a share buyback program for the company's shares and to use financial delegations to increase the share capital during a public offer period, subject to the legal and regulatory provisions.

OTHER

At 31 December 2021, SEB S.A. held 82.44% of the share capital of Chinese company Zhejiang Supor Co, Ltd., whose shares are listed on the Shenzhen Stock Exchange. Considering its value and strategic importance, this shareholding constitutes an essential asset of SEB S.A. within the meaning of Article L. 433-3, III of the French Monetary and Financial Code; consequently, any proposed takeover bid for SEB S.A. falling within the scope of this Article will give rise to the filing of an irrevocable and fair takeover bid for the entire share capital of Zhejiang Supor Co., Ltd. under the terms and conditions of the aforementioned code.

7.2 Information on the share capital

BREAKDOWN OF SHARE CAPITAL AND VOTING RIGHTS AT 31 DECEMBER 2021

	Share capital		Votes			
At 31/12/2021	Total shares	%	EGM	% theoretical votes	OGM	% theoretical votes
I.SHAREHOLDERS FROM THE FOUNDER GROUP						
I.1.FAMILY VOTING BLOCK	**18,044,412**	**32.61%**	**31,839,209**	**38.80%**	**31,839,209**	**38.80%**
VENELLE (1)	8,229,041	14.87%	16,377,408	19.96%	16,377,408	19.96%
GÉNÉRACTION (2)	5,374,401	9.71%	10,614,944	12.94%	10,608,458	12.93%
HRC (3)	3,924,978	7.09%	3,924,983	4.78%	3,924,983	4.78%
OTHER CONCERT PARTIES (4)	515,992	0.93%	921,874	1.12%	928,360	1.13%
I.2.OTHER FAMILY SHAREHOLDERS						
FÉDÉRACTIVE (5)	3,970,712	7.18%	7,919,108	9.65%	7,919,108	9.65%
OTHER (6)	1,179,785	2.13%	2,358,895	2.87%	2,358,895	2.87%
II.OTHER SHAREHOLDERS						
FSP	2,620,575	4.74%	5,241,150	6.39%	5,241,150	6.39%
PEUGEOT INVEST ASSETS	2,223,674	4.02%	4,447,348	5.42%	4,447,348	5.42%
EMPLOYEES	1,397,614	2.53%	2,303,235	2.81%	2,303,235	2.81%
INVESTORS	22,295,562	40.29%	23,119,607	28.17%	23,119,607	28.17%
INDIVIDUALS	3,374,809	6.10%	4,600,622	5.61%	4,600,622	5.61%
TREASURY SHARES	230,627	0.42%	230,627	0.28%	230,627	0.28%
TOTAL	**55,337,770**		**82,059,801**		**82,059,801**	

(1) VENELLE includes SAS Venelle Investissement, its associates and members, natural or legal persons, who are members of the Founder Group, in concert with GÉNÉRACTION and OTHER CONCERT PARTIES.

(2) GÉNÉRACTION includes the shareholder association GÉNÉRACTION and its members, natural or legal persons, who are members of the Founder Group, in concert with VENELLE and OTHER CONCERT PARTIES.

(3) HRC is an investment vehicle made up exclusively of shareholders who are members of the family voting block, and whose purpose is to increase the concert party's holdings of SEB S.A. shares.

(4) The OTHER CONCERT PARTIES category includes a number of SEB S.A. shareholders, natural and legal persons, who are members of the Founder Group, in concert with VENELLE and GÉNÉRACTION but who are not affiliated with either of these two groupings.

(5) FÉDÉRACTIVE includes SAS FÉDÉRACTIVE, its associates and members, both natural and legal persons, from the Founder Group.

(6) Family shareholders who have declared that they are no longer members of FÉDÉRACTIVE.

As a reminder, voting rights attached to stripped shares belong to the bare owner for decisions covered by the Extraordinary General Meeting ("EGM") and to the beneficial owner for those covered by the Ordinary General Meeting ("OGM"), in accordance with Article 35 of the Company's bylaws. Registered nominal shares held for at least five years by the same shareholder confer entitlement to double voting rights. Apart from double voting rights, all shareholders have the same voting rights attached to their shares.

The total number of "theoretical" voting rights is 82,059,801 at 31 December 2021. This number includes, within the meaning of Article 223-11 of the AMF general regulation, all shares with voting rights attached, as well as shares without voting rights.

The term "Shareholders from the Founder Group" used in the table above refers to a group of natural persons who are either direct descendants of the Lescure family or related to the family through marriage, and any legal entities that they control.

Some individuals who are partners of FÉDÉRACTIVE have temporarily contributed usufructs of shares to FÉDÉRACTIVE, a holding company that controls asset ownership.

Some individuals who are part of VENELLE and FÉDÉRACTIVE have granted the usufruct of their shares to foundations.

In order to improve the readability of the information communicated, the presentation of the table calls for the following clarifications:

- in the "Share capital" column, the distinction between OGM and EGM is not made insofar as the fraction of the capital corresponding to the split shares belongs to bare owners; a single "Share capital" column is shown without distinction between OGM and EGM, simply reflecting the breakdown of the share capital;
- in the "Voting rights" column, the distinction between (i) theoretical voting rights and (ii) "effective" voting rights or voting rights "exercisable at the General Meeting" has been removed. As the difference between the two is no longer significant, only theoretical voting rights are now mentioned. Should this difference become significant again in the future, the distinction would be reinstated in accordance with AMF recommendations.

Moreover, voting rights attached to shares for which usufruct was granted to Foundations have always, once stripped, been assigned (without specific instruction) to the relevant bare owners at each Annual General Meeting. As this historical practice is intended to continue as agreed with the said Foundations, it makes more sense to record the corresponding voting rights for the relevant bare owners, as has been done in the presentation above.

It is specified that, with the exception of HRC, none of the members of the Concert Party or FÉDÉRACTIVE holds more than 5% of the share capital or voting rights of SEB S.A.

CROSSING OF LEGAL THRESHOLDS

Apart from the shareholders mentioned in the breakdown of share capital and voting rights above, and to the best of the company's knowledge, there are no other shareholders that directly or indirectly hold more than 5% of the capital or voting rights at 31 December 2021.

The following shareholders declared that they had crossed above or below the legal thresholds during 2021:

			Positions at the date of declaration			
Date of declaration	Shareholder	Threshold crossing direction	Share capital	% of share capital	Voting rights	% of voting rights
20/05/2021	FSP (Fonds Stratégique de Participations)	Below – 5% threshold	2,620,575	4.74%	5,241,150	6.43%
12/03/2021	HRC	Above – 5% threshold	3,517,746	6.36%	3,517,751	4.25%

SHAREHOLDER AGREEMENTS – ACTION IN CONCERT

SHAREHOLDERS' AGREEMENT

On 27 February 2019, VENELLE INVESTISSEMENT, the associates and members of VENELLE INVESTISSEMENT, GÉNÉRACTION, the members of GÉNÉRACTION and the holding company HPP (see below) entered into a new shareholders' agreement (the "Agreement"), in the presence of SEB, which replaced the various shareholders' agreements previously signed (in particular the agreement of 19 November 2016) for the parties involved.

At the same time, the family holding company VENELLE INVESTISSEMENT, GÉNÉRACTION, and their associates and members confirmed their continued intention to the French Financial Markets Authority (Autorité des Marchés Financiers) to implement a sustainable management policy for Groupe SEB in order to ensure the longevity of their control, thus maintaining the action in concert initiated in May 1989 by the members of the Founder Group.

The Agreement, which has an initial term of four years and a broader scope than previous shareholder agreements, is intended to stabilize SEB's capital by strengthening the ties between its signatories (more than 260 people, including the seventh generation of the Founder Group) and to ensure the long-term control of family shareholders over Groupe SEB, notably through a right of first offer and full tag-along rights.

The Agreement also aims to preserve proprietary interests and values of its members and strengthens the consultation process between them as well as improving the monitoring of their shareholdings with a timely and effective procedure.

The main provisions of the Agreement were notified to the Autorité des Marchés Financiers (AMF), which published a summary thereof in accordance with the applicable regulations (AMF notice no. 219C0415 of 7 March 2019). They relate in particular to the following aspects:

- Information on transfers, acquisitions and holding of SEB shares: the parties have undertaken to favor registration in pure registered form for all of the SEB shares they hold or may come to hold, subject to certain exceptions. They also undertake to communicate with each other on any movement of securities (purchase, sale, donation, pledge, etc.).
- First offer procedure: the parties agree mutually and as a matter of priority a right of first offer applicable to any transfer of SEB shares, in any way whatsoever, regardless of whether or not there is an offer from a third party acquirer.
- Consultation: The parties have undertaken to consult each other prior to certain decisions, projects and events through meetings of the pact council which are convened by the Chairman of the Board of Directors of SEB on his own initiative or on that of VENELLE INVESTISSEMENT or GENERACTION.

FÉDÉRACTIVE, its associates and members, who are not parties to the Agreement, have decided discontinue participation in the action in concert referred to above. However, FÉDÉRACTIVE, its associates and members, who have terminated the FÉDÉRACTIVE shareholders' agreement entered into on 9 July 2008, have declared that they will continue to act in concert, maintaining their commitment to implement a common sustainable management policy for SEB.

Following the signing of the Agreement on 27 February 2019, shareholders from the Founder Group now comprise:

- the concert party combining VENELLE INVESTISSEMENT, its associates and members, GÉNÉRACTION and its members, and other family shareholders including HRC;
- the concert party comprised of FÉDÉRACTIVE, its associates and its members;

- other shareholders having declared that they will no longer be part of FÉDÉRACTIVE at the end of 2021.

CREATION OF HRC (HOLDING DE RENFORCEMENT DU CONTRÔLE)

HRC (Holding de Renforcement du Contrôle) is an investment vehicle created on 15 March 2021 and composed exclusively of shareholders who are members of VENELLE and GÉNÉRACTION. Its purpose is to increase the concert party's holdings of SEB S.A. shares. Its former corporate name was HPP, a company already included in the concert party declared between VENELLE INVESTISSEMENT, GÉNÉRACTION, their respective associates and members and other family shareholders (see above).

NUMBER OF REGISTERED AND BEARER SHAREHOLDERS

At 31 December 2021, 7,553 shareholders held SEB registered shares and 27,744 shareholders [(1)] held SEB bearer shares.

PURE REGISTERED ISSUER SHARES USED AS COLLATERAL AT 31 DECEMBER 2021

Thirty individual and corporate shareholders used pure registered SEB shares as collateral to guarantee loans to their financial intermediaries. This concerned a total of 1,596,749 shares, i.e. 2.89% of the share capital.

COLLECTIVE COMMITMENTS TO HOLD SHARES

COLLECTIVE COMMITMENTS TO HOLD SHARES

	2016			2021		
Agreements in force during 2021	Dutreil	Jacob	Jacob	Dutreil Transmission	Dutreil Transmission	Dutreil Transmission
Regime	Art. 885 I bis of the French General Tax Code	Art. 787 B of the French General Tax Code	Art. 787 B of the French General Tax Code	Art. 787 B of the French General Tax Code	Art. 787 B of the French General Tax Code	Art. 787 B of the French General Tax Code
Date of signature	01/12/2016	01/12/2016	01/12/2016	26/05/2021	26/05/2021	26/05/2021
Term of collective commitment	6	4	6	2	4	6
Commitment expiry date	05/12/2022	05/12/2020	05/12/2022	27/05/2023	27/05/2025	27/05/2027
Renewal terms	1 year by tacit renewal	None	None	None	None	None
Shares pledged upon signing the agreement, as a percentage of the share capital	26.48	26.48	26.48	24.67%	24.67%	18.31%
Shares pledged upon signing the agreement, as a percentage of the voting rights	36.43	36.43	36.43	28.94%	28.94%	24.61%
Names of signatory senior managers	Thierry de La Tour d'Artaise	Thierry de La Tour d'Artaise	Thierry de La Tour d'Artaise	Thierry de La Tour d'Artaise	Thierry de La Tour d'Artaise	Thierry de La Tour d'Artaise
				Stanislas de Gramont	Stanislas de Gramont	Stanislas de Gramont
Names of signatories holding at least 5% of the company's share capital and/or voting rights	-	-	-	HRC	HRC	-

(1) Shareholders identified through the EUROCLEAR INVESTOR INSIGHT report at 31 December 2021.

CHANGE IN THE BREAKDOWN OF CAPITAL AND VOTING RIGHTS FROM PREVIOUS YEARS

	Share capital		Votes			
At 31/12/2020	Total shares	%	EGM	% theoretical	OGM	% theoretical
SHAREHOLDERS FROM THE FOUNDER GROUP						
VENELLE (1)	9,658,591	19.20%	19,235,376	24.82%	19,235,376	24.82%
GÉNÉRACTION (2)	5,779,451	11.49%	11,231,778	14.49%	11,225,880	14.49%
OTHER CONCERT PARTIES (3)	595,416	1.18%	1,039,283	1.34%	1,045,181	1.35%
ACTION IN CONCERT	**16,033,458**	**31.87%**	**31,506,437**	**40.66%**	**31,506,437**	**40.66%**
FÉDÉRACTIVE (4)	4,712,935	9.37%	9,356,388	12.07%	9,356,388	12.07%
OTHER SHAREHOLDERS						
FSP	2,633,876	5.24%	5,267,752	6.80%	5,267,752	6.80%
FFP INVEST (5)	2,021,522	4.02%	4,043,044	5.22%	4,043,044	5.22%
EMPLOYEES	1,432,256	2.85%	2,231,526	2.88%	2,231,526	2.88%
INVESTORS	20,590,928	40.93%	21,193,719	27.35%	21,193,719	27.35%
INDIVIDUALS	2,736,761	5.44%	3,748,048	4.84%	3,748,048	4.84%
TREASURY SHARES	145,328	0.29%	145,328	0.19%	145,328	0.19%
TOTAL	**50,307,064**		**77,492,242**		**77,492,242**	

(1) VENELLE includes SAS VENELLE INVESTISSEMENT, its associates and members, natural or legal persons, who are members of the Founder Group, in concert with GÉNÉRACTION and OTHER CONCERT PARTIES.
(2) GÉNÉRACTION includes the shareholder association GÉNÉRACTION and its members, natural or legal persons, who are members of the Founder Group, in concert with VENELLE and OTHER CONCERT PARTIES.
(3) The OTHER CONCERT PARTIES category includes a number of SEB shareholders, natural or legal persons, who are members of the Founder Group, in concert with VENELLE and GÉNÉRACTION but who are not affiliated with either of these two groupings.
(4) FÉDÉRACTIVE includes SAS FÉDÉRACTIVE, its associates and members, both natural and legal persons, from the Founder Group.
(5) FFP Invest became PEUGEOT INVEST ASSETS on 31 March 2021.

	Share capital		Votes			
At 31/12/2019	Total shares	%	EGM	% theoretical	OGM	% theoretical
SHAREHOLDERS FROM THE FOUNDER GROUP						
VENELLE (1)	9,798,165	19.48%	19,560,193	25.13%	18,096,193	23.25%
GÉNÉRACTION (2)	5,489,770	10.91%	10,323,601	13.26%	10,256,373	13.18%
OTHER CONCERT PARTIES (3)	881,629	1.75%	1,573,731	2.02%	1,533,327	1.97%
ACTION IN CONCERT	**16,169,564**	**32.14%**	**31,457,525**	**40.41%**	**29,885,893**	**38.39%**
FÉDÉRACTIVE (4)	4,716,209	9.37%	9,379,095	12.05%	9,486,727	12.19%
OTHER SHAREHOLDERS						
FSP	2,633,876	5.24%	5,267,752	6.77%	5,267,752	6.77%
FFP INVEST (5)	2,521,522	5.01%	5,043,044	6.48%	5,043,044	6.48%
EMPLOYEES	1,445,093	2.87%	2,219,524	2.85%	2,219,524	2.85%
INVESTORS	19,626,435	39.01%	20,264,750	26.03%	21,728,750	27.91%
INDIVIDUALS	2,831,922	5.63%	3,846,198	4.94%	3,846,198	4.94%
TREASURY SHARES	362,443	0.72%	362,443	0.47%	362,443	0.47%
TOTAL	**50,307,064**		**77,840,331**		**77,840,331**	

(1) VENELLE includes SAS VENELLE INVESTISSEMENT, its associates and members, natural or legal persons, who are members of the Founder Group, in concert with GÉNÉRACTION and OTHER CONCERT PARTIES.
(2) GÉNÉRACTION includes the shareholder association GÉNÉRACTION and its members, natural or legal persons, who are members of the Founder Group, in concert with VENELLE and OTHER CONCERT PARTIES.
(3) The OTHER CONCERT PARTIES category includes a number of SEB shareholders, natural or legal persons, who are members of the Founder Group, in concert with VENELLE and GÉNÉRACTION but who are not affiliated with either of these two groupings.
(4) FÉDÉRACTIVE includes SAS FÉDÉRACTIVE, its associates and members, both natural and legal persons, from the Founder Group.
(5) FFP Invest became PEUGEOT INVEST ASSETS on 31 March 2021.

CHANGE IN SHARE CAPITAL OVER THE LAST FIVE FINANCIAL YEARS

Year	Type of capital increase	Amount of change in shares	Nominal amount *(in €)*	Issue premium *(in €)*	Successive amounts of capital *(in €)*
2017	No change in capital				50,169,049
2018	No change in capital				50,169,049
2019	Capital increase reserved for employees	138,015	138,015	15,565,495	50,307,064
2020	No change in capital				50,307,064
2021	Free share award (1 per 10 held)	5,030,706	5,030,706		55,337,770

POTENTIAL SHARE CAPITAL AT 31 DECEMBER 2021

On 17 November 2016, as part of the financing of the WMF acquisition, the company issued €150 million in ORNAE convertible bonds (bonds with optional reimbursement in cash and/or existing shares). These ORNAE matured on 17 November 2021, without the conversion price having been reached. The ORNAEs were therefore redeemed entirely in cash.

CHANGES IN THE BREAKDOWN OF CAPITAL AND VOTING RIGHTS OVER THE LAST THREE YEARS

In 2019:

- in July, SEB S.A. carried out a capital increase for 138,015 shares as part of an employee share purchase plan (Horizon 2019), resulting in a slight dilution of other shareholders' shares;
- during the year, Invesco Ltd, acting on behalf of funds it manages, declared it had risen above or fallen below the legal threshold of 5% of the company's share capital. On 16 December 2019, Invesco Ltd declared that it held 2,574,318 SEB S.A. shares on behalf of the said funds, representing the same number of voting rights, i.e. 5.12% of the company's share capital and 3.32% of its voting rights;
- in December, 314,000 voting rights attached to the shares held by FCL Investissements were doubled after being held for five years in registered form. This strengthened the voting power of GÉNÉRACTION, to which the holding company is connected;
- some of the temporary grants of the usufructs of shares to FÉDÉRACTIVE expired and were not renewed.

In 2020:

- in July, FFP Invest, which became Peugeot Invest Assets on 31 March 2021, declared that on 30 July 2020, following the sale of 500,000 SEB S.A. shares on the market, it had fallen below the legal and statutory threshold of 5% of the capital of SEB S.A. and held, on that date, 2,021,522 SEB S.A. shares representing 4,043,044 voting rights (based on the declaration of share capital and voting rights of 30 April 2020), i.e. 4.02% of the company's share capital and 5.24% of its voting rights. This sale involved securities with double voting rights;
- in a letter received on 29 June 2020, Invesco Ltd (Invesco Head Quarters, Two Peachtree Pointe, 1555 Peachtree Street, N.E, Suite 1800, Atlanta, Georgia 30309, United States), acting on behalf of funds it manages, declared that on 26 June 2020, following a sale of shares on the market, it had fallen below the legal and statutory threshold of 5% of the capital of SEB S.A. and held, on that date, on behalf of the said funds, 2,498,152 SEB S.A. shares representing the same number of voting rights, i.e. 4.97% of the share capital and 3.21% of the voting rights of SEB S.A.;
- in September, 331,450 voting rights attached to the shares held by FCL Investissements were doubled after being held for five years in registered form. This strengthened the voting power of GÉNÉRACTION, to which the holding company is connected;
- in November, Invesco Ltd, acting on behalf of funds it manages, declared that it had fallen below the statutory threshold of 2.5% of the company's share capital. On 12 November, on behalf of the said funds, Invesco Ltd declared that it held 1,257,551 SEB S.A. shares, representing the same number of voting rights, i.e. 2.49% of the company's share capital and 1.62% of its voting rights;

- some of the temporary grants of the usufructs of shares to FÉDÉRACTIVE expired and were not renewed;
- other changes in the breakdown of capital in 2020: See paragraph: "Shareholder agreements – Action in concert".

In 2021:

- on 3 March 2021, the company made a bonus share issue, giving all shareholders 1 bonus share for every 10 shares they held. This resulted in a capital increase of 5,030,706 shares with a par value of €1. All shares making up the share capital, or 50,307,064 shares, carry the same allocation right of 1 new share per 10 existing shares. The new shares will bear rights on 1 January 2020 and will be immediately assimilated to existing shares. They carry the same rights as the original shares in terms of double voting rights and dividend loyalty bonus. They gave right to a dividend in respect of 2020 financial year, paid in 2021;
- on 15 March 2021, HRC, an investment vehicle made up exclusively of shareholder members of the family voting block, sent the Autorité des Marchés Financiers and the company a threshold crossing declaration. HRC declared that it held 6.36% of the company's share capital and 4.25% of its voting rights on that date. Since 15 March 2021, HRC has steadily increased its positions and held 7.09% of the company's share capital and 4.78% of the voting rights as at 31 December 2021;
- some of the temporary grants of the usufructs of shares to FÉDÉRACTIVE expired and were not renewed. Some shareholders (2.13% of the capital) announced that they would cease to be members of FÉDÉRACTIVE at the end of these periods.

7.3 Financial authorizations

EXISTING AUTHORIZATIONS RELATING TO THE SHARE CAPITAL AND SHARE EQUIVALENTS

Type of operation	Resolution no.	Authorization date	End of authorization	Maximum authorized	Used at 31/12/2021
Treasury share purchases in 2021 at a maximum price of €210 per share	13 (2020 Annual General Meeting)	19/05/2020	19/07/2021	5,030,706 shares	143,061 (buyback plan)
				€1,056,448,260	57,233 shares (liquidity contract)
Treasury share purchases in 2021 at a maximum price of €240 per share	13	20/05/2021	20/07/2022	5,533,777 shares	150,530 shares (buyback agreement)
				€1,162,093,170	22,465 shares (liquidity contract)
Cancellation of treasury shares	14	20/05/2021	20/07/2022	5,533,777 shares	
Issue of all shares or share equivalents with pre-emptive subscription rights [(1)]	15	20/05/2021	20/07/2022	Shares: €5.5 million par value	
				Debt securities: €1,500 million	
Issue of all shares or share equivalents without pre-emptive subscription rights [(1)]	16/17	20/05/2021	20/07/2022	Shares: €5.5 million par value	
				Debt securities: €1,500 million	
[(1)] Blanket ceiling on the two authorizations to issue shares or share equivalents	18	20/05/2021	20/07/2022	€11 million par value	
Capital increase through capitalization of reserves, profits, premiums or additional paid-in capital	19 (2020 Annual General Meeting)	19/05/2020	19/07/2021	€10 million par value	€5.031 millions par value
Capital increase through capitalization of reserves, profits, premiums or additional paid-in capital	19	20/05/2021	20/07/2022	€11 million par value	
Authorization to award free performance shares to Group executive officers and employees	20	20/05/2021	20/07/2022	0.39756% of the share capital 220,000 shares	200,000 shares
Share capital increases restricted to members of a Company or Group Savings Scheme	21	20/05/2021	20/07/2022	Par value of €553,377	

AUTHORIZATION FOR THE COMPANY TO TRADE IN ITS OWN SHARES

The Annual General Meeting of 20 May 2021 authorized the Board of Directors to trade in the company's shares.

In accordance with the authorizations granted to the Board of Directors at the 2020 and 2021 Annual General Meetings and pursuant to Article L. 22-10-62 of the French Commercial Code, the company:

- definitively awarded 192,830 performance shares for the 2018 plan.

As part of the buy-back program:

- 255,206 shares were acquired on behalf of the company by an investment services provider, at an average price of €148.71;
- in addition, the company acquired 12,986 new free shares on the basis of its treasury shares in connection with the free allocation of 3 March 2021;
- the company bought back 8,758 shares at an average price of €139.56, these shares resulting from the fractional shares following the free allocation on 03/03/2021,

In addition, in connection with the execution of the liquidity contract, the company:

- acquired 79,698 shares at an average price of €148.27;
- sold 78,519 shares at an average price of €151.34.

With effect from the close of trading on 30 June 2021, the liquidity and market surveillance contract entrusted by SEB S.A. to ODDO BHF SCA and NATIXIS was terminated. At that date, the liquidity account held the following assets:

- 16,641 securities;
- €2,452,510.44.

The balance of the 16,641 securities in the liquidity account was transferred to the SEB S.A. treasury account.

As of 1 July 2021 and for a period of one year, renewable automatically, SEB S.A. has entrusted ROTHSCHILD MARTIN MAUREL with the implementation of a liquidity contract in accordance with the provisions of the current legal framework, in particular regulation (EU) no. 596/2014 of the European Parliament and of the European Council of 16 April 2014, Commission Delegated regulation (EU) 2016/908 of 26 February 2016, Articles L. 225-209 et seq. of the French Commercial Code, Decision no. 2018-01 of the Autorité des Marchés Financiers of 2 July 2018 (the "AMF Decision") and the texts referred to therein.

The purpose of this contract is for ROTHSCHILD MARTIN MAUREL to ensure the liquidity of SEB shares on Euronext Paris.

For the implementation of this contract, €2,000,000 in cash was allocated to the liquidity account.

Groupe SEB set up options on treasury shares (tunnels) from July 2019 to partially cover its performance share plans. During 2021, 65,511 options vested. At 31 December 2021, the company had open positions in derivatives amounting to 348,431 options, taking into account the change in the number of options acquired in 2020 following the free share allocation of 03/03/2021.

At 31 December 2021, the company held 230,627 treasury shares with a par value of €1 and a gross value of €34,255,811.These treasury shares represented 0.42% of the company's share capital, including 230,627 under the buyback agreement and none under the liquidity contract.

With the current authorization expiring in July 2022, the company will ask the Annual General Meeting of 19 May 2022 to grant a new authorization to allow the company to buy back treasury shares (see chapter 8) for a period of 24 months at a maximum purchase price per share of €240 excluding fees.

The authorization would cover a maximum of 10% of the share capital. The company could buy back its own shares with a view to:

- maintaining a liquid market for the company's shares through an investment service provider acting on a fully independent basis;
- allocating shares to eligible employees and executive officers of the company;
- canceling shares in order to increase return on equity and earnings per share or to offset the dilutive impact of any capital increases on existing shareholders' interests;
- delivering or exchanging shares in connection with any future external growth transactions;
- allocating shares on the exercising of rights attached to share equivalents.

In accordance with the law, these shares have been stripped of their voting rights.

7.4 Employee share ownership

STAFF MUTUAL INVESTMENT FUND AND DIRECT EMPLOYEE SHAREHOLDING

In accordance with the provisions of Article L. 225-102 of the French Commercial Code, the management report referred to in the second paragraph of Article L. 225-100 of the Code that the Board of Directors presents to the Annual General Meeting provides an annual summary of the status of employee shareholding in the company's share capital on the last day of the year and shows what percentage of the share capital belongs to employees of the company and to employees of related parties within the meaning of Article L. 225-180.

At 31 December 2021, employees held 1,179,511 shares, of which 846,240 shares were owned via a mutual investment fund and 333,271 were directly owned, representing 2.13% of the capital and 2.41% of the voting rights.

With the addition of SEB shares held by employees outside the savings scheme, employees held a total of 2.53% of the share capital and 2.81% of the voting rights at 31 December 2021.

STATUTORY AND DISCRETIONARY EMPLOYEE PROFIT-SHARING

To attract and retain competent and motivated employees at all levels of responsibility, in addition to its remuneration and career management policies Groupe SEB has always had a policy of long-term staff participation in profits, through:

- an exceptional Group profit-sharing agreement that gives all employees of French companies a joint share of the profit, with significantly more attractive terms than are legally required. Depending on the year, the exceptional portion is between 0.5 and 2 times the legal amount of the profit-sharing;
- a Group profit-sharing agreement, which is based on a statutory plan but is discretionary. This Group-level agreement allows a fair distribution of sums from the bonus plan between the employees of the various French companies, regardless of their business sector and performance.

In 2021, expenses recognized for profit-sharing and incentive schemes amounted to €40 million.

The sums allocated over the past five years were as follows:

(in € millions)	2017	2018	2019	2020	2021
Amount allocated	37.6	33.6	35.6	24.2	40.0
Of which employer's social tax contribution	6.3	5.6	5.9	4	6.4

STOCK OPTION AND PERFORMANCE SHARE ALLOCATION POLICY

There are two types of allocation:

- periodically, an allocation to members of management, extended to the Group's various entities, according to their individual responsibilities, performance and potential;
- occasionally, a broader allocation with a view to rallying employees around a specific project.

Furthermore, all beneficiaries of stock options and/or performance shares receive an internal directive each year for the following reporting period, defining the blackout periods in accordance with the recommendations of the Autorité des Marchés Financiers, according to the company's accounting calendar and in particular the periods for announcement of earnings. The Market Ethics Charter also reminds recipients of the rules governing the use of insider information with regard to stock market regulations.

CHARACTERISTICS OF THE PERFORMANCE SHARES AWARDED

The Group began awarding performance shares in 2009.

Shares are awarded to beneficiaries at the end of a three-year vesting period, subject to performance and continued employment conditions. Beneficiaries of the 2016 program should hold the shares for a further two years. With effect from the 2017 plan, the additional lock-up period has been abolished.

The performance criteria are linked to the achievement of targets for Revenue and Operating Result from Activity over the vesting period.

CHARACTERISTICS OF THE STOCK OPTIONS AWARDED

The Group awarded stock options until 2012. The last stock option allocation plan was definitively closed on 15 June 2020.

PERFORMANCE SHARES AWARDED TO STAFF

At 31 December 2021

Date of meeting	19/05/2016	11/05/2017	16/05/2018	22/05/2019	19/05/2020	20/05/2021
Number of shares authorized by the General Meeting	171,075	196,000	196,000	234,000	200,000	220,000
Authorization period	14 months	14 months	14 months	14 months	14 months	14 months
Date of Board of Directors' Meeting	19/05/2016	11/05/2017	16/05/2018	22/05/2019	19/05/2020	20/05/2021
Number of shares granted:	168,605	193,450	185,330	226,500	193,880	200,000
of which to executive officers	27,000	27,000	27,000	29,000	29,000	27,000
of which to the Management/Executive Committee (excluding executive officers)	47,250	47,250	38,750	48,500	48,500	63,500
of which to employee recipients of the 10 largest amounts (excluding executive officers/Executive Committee/Management Committee)	16,200	22,650	19,450	16,700	18,800	14,800
Number of initial beneficiaries:	199	245	249	473	311	297
of which to executive officers	2	2	2	2	2	2
of which to the Management/Executive Committee (excluding executive officers)	7	7	6	10	9	13
of which to employee recipients of the 10 largest amounts (excluding executive officers/Executive Committee/Management Committee)	10	11	10	10	13	12
Award date	19/05/2016	11/05/2017	16/05/2018	22/05/2019	19/05/2020	20/05/2021
Vesting date	19/05/2019	11/05/2020	16/05/2021	22/05/2022	19/05/2023	20/05/2024
Expiration date of lock-up period	19/05/2021	11/05/2020	16/05/2021	22/05/2022	19/05/2023	20/05/2024
Number of shares obtained in the 1 per 10 transaction of 03/03/2021	-	-	17,745	22,145	19,268	-
Number of shares canceled	5,220	7,620	10,245	5,510	1,200	0
Number of vested shares	163,385	185,830	192,830	200	0	0
BALANCE OF SHARES YET TO BE VESTED	**0**	**0**	**0**	**242,935**	**211,948**	**200,000**

OPTIONS GRANTED IN 2021

Share subscription or purchase options granted to the top ten non-executive employees with the highest number of options granted	None

OPTIONS EXERCISED IN 2021

Share subscription or purchase options exercised by the top ten non-executive employees with the highest number of options exercised	None

PERFORMANCE SHARES GRANTED IN 2021

Performance shares granted to the top ten non-executive employees with the highest number of shares granted

Date of the plan	20/05/2021
Amount	56,000

PERFORMANCE SHARES VESTED IN 2021

Performance shares vested by the top ten non-executive employees with the highest number of vested shares

Date of the plan	16/05/2018
Amount	64,900

7.5 Securities market, dividend

SECURITIES MARKET

The company's shares are listed on compartment A of Euronext Paris under ISIN code FR0000121709. They are listed in the Euronext category "Household Equipment and Products" (ICB code: 40202025).

STOCK MARKET DATA FOR THE PAST THREE YEARS

	2021	2020 *	2019 *
Market capitalization at 31 December *(in € millions)*	7,576	7,496	6,661
Highest price during the session	€159.20	€140.91	€151.64
Lowest price during the session	€115.40	€78.50	€97.27
Closing price on the last trading day	€136.90	€135.45	€120.36
Average of the last 30 prices for the year	€134.98	€133.20	€124.49
Average of the closing prices for the year	€141.08	€120.72	€131.03
Average daily trading volume (number of shares)	64,434	75,739	59,175

* *Corrected historical datas taken into account the 1 for 10 operations of 3rd March 2021.*

TRANSACTIONS IN 2021 ON NYSE EURONEXT

	Highest price during the session *(in €)*	Lowest price during the session *(in €)*	Number of securities traded	Capital traded *(in € thousands)*
			Daily averages	
2021	**159.2**	**115.4**	**64,434**	**9,108**
January	149.0	134.5	68,700	9,667
February	153.5	134.1	60,404	8,825
March	152.9	134.7	72,598	10,403
April	156.2	141.3	75,668	11,221
May	159.2	149.5	76,135	11,664
June	157.1	150.3	54,552	8,371
July	156.6	137.2	76,627	11,269
August	140.5	129.5	52,368	7,139
September	139.9	121.5	67,406	8,783
October	143.9	115.4	72,179	9,035
November	138.9	129.9	56,591	7,603
December	138.9	128.8	42,535	5,738

DIVIDEND – DIVIDEND SUPPLEMENT

It is SEB S.A.'s policy to ensure that its shareholders are given a fair return on the capital they invest in it. The Board of Directors aims to ensure regular and continuous growth in dividend payments.

At its meeting of 24 February 2022, the Board of Directors proposed to distribute a dividend of €2.45 per share in respect of the 2021 financial year.

A 10% dividend supplement, rounded down to the nearest even number of euro cents, will be paid in 2022 to long-term shareholders in respect of shares registered in the same shareholder's name since at least 31 December 2019 and still held on the ex-dividend date of 31 May 2022. No single shareholder will be entitled to this supplementary dividend on any shares in excess of 0.5% of the company's share capital.

Years of payment	Number of remunerated securities	Dividend per share *(in €)*
2019 for the 2018 financial year		
Dividend	49,791,592	2.14
Dividend supplement	19,028,534	0.214
2020 for the 2019 financial year		
Dividend	50,143,340	1.43
Dividend supplement	20,266,785	0.143
2021 for the 2020 financial year		
Dividend	55,135,143	2.14
Dividend supplement	20,220,134	0.214

A net dividend of €2.45 per share will be proposed to the Annual General Meeting of 19 May 2022 based on the results for 2021.

The ex-dividend date will be 31 May 2022 and the dividend will be paid as from 2 June 2022.

8 Annual General Meeting

8.1 Agenda for the Combined Annual General Meeting of 19 May 2022

RESOLUTIONS TO BE SUBMITTED TO THE ORDINARY ANNUAL GENERAL MEETING

1. Approval of the separate financial statements for the year ended 31 December 2021.
2. Approval of the consolidated financial statements for the year ended 31 December 2021.
3. Allocation of the result for the year ended 31 December 2021 and setting of the dividend.
4. Increase in the overall amount of remuneration allocated to the members of the Board of Directors.
5. Reappointment of Delphine Bertrand as a director.
6. Appointment of BPIFRANCE INVESTISSEMENT as a director.
7. Approval of information about the remuneration of all executive officers referred to in Article L. 22-10-9 I of the French Commercial Code.
8. Approval of fixed, variable and exceptional components of the total remuneration and benefits of all kinds, paid or allocated for the 2021 financial year to the Chairman and CEO.
9. Approval of fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid or allocated for the 2021 financial year to the Chief Operating Officer.
10. Approval of the remuneration policy for the Chairman and Chief Executive Officer for the period from 1 January 2022 to 30 June 2022.
11. Approval of the remuneration policy for the Chief Operating Officer for the period from 1 January 2022 to 30 June 2022.
12. Approval of the remuneration policy for the Chairman of the Board of Directors applicable as from 1 July 2022.
13. Approval of the remuneration policy for the Chief Executive Officer applicable as from 1 July 2022.
14. Approval of the remuneration policy for directors.
15. Authorization to be granted to the Board of Directors for the company to buy back its own shares.

RESOLUTIONS TO BE SUBMITTED TO THE EXTRAORDINARY ANNUAL GENERAL MEETING

16. Authorization to be granted to the Board of Directors enabling the company to cancel its own shares.
17. Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or share equivalents and/or debt securities, with pre-emption rights.
18. Delegation of authority granted to the Board of Directors to issue ordinary shares and/or share equivalents and/or debt securities, with waiving of pre-emption rights in the course of a public offering.
19. Delegation of authority granted to the Board of Directors to issue ordinary shares and/or share equivalents and/or debt securities, with waiving of pre-emption rights as part of an offering governed by Article L. 411-2 of the French Monetary and Financial Code.
20. Blanket ceiling on financial authorizations.
21. Delegation of authority to be granted to the Board of Directors to increase the share capital by capitalizing retained earnings, profit, premiums or other items that may be capitalized.
22. Authorization to be granted to the Board of Directors to grant performance shares.
23. Authorization to be granted to the Board of Directors to carry out share capital increases restricted to members of a company or Group Savings Scheme and/or sales of reserved shares with waiving of pre-emption rights.
24. A two-for-one stock split of the company's shares, delegation of powers to the Board of Directors and corresponding amendment of the bylaws.
25. Powers to carry out formalities.

8.2 Draft resolutions and Board of Directors' report to the Combined Annual General Meeting of 19 May 2022

This chapter presents the Board of Directors' report on the draft resolutions as well as the full text of the resolutions, finalized by the Board of Directors at its meeting of 24 February 2022, that will be submitted to the Combined Annual General Meeting of SEB S.A. The shareholders of SEB S.A. are invited to attend the Combined General Meeting (Ordinary and Extraordinary) to be held on Thursday, 19 May 2022, at 3:00 p.m. at Pavillon Vendôme, 7 place Vendôme, 75001 Paris.

The 2022 Annual General Meeting of SEB S.A. will be broadcast live in video format on the company's website, www.groupeseb.com, unless technical reasons make it impossible or seriously disrupt the broadcast. The replay will be available on the company's website by the end of the fifth business day from 19 May 2022. In view of the uncertainties resulting from the current context related to Covid-19, the company may be required to modify, subject to legal provisions, the procedures for the holding, participation and voting at the 2022 Combined Shareholders' Meeting of SEB S.A. In light of the current situation regarding the Covid-19 health crisis, the company invites its shareholders to regularly consult the company's website at "http://www.groupeseb.com/en" to keep up to date with the latest news and definitive procedures relating to the 2022 Combined General Meeting of SEB S.A.

The agenda and draft text of the resolutions of the SEB S.A. Combined General Meeting of 19 May 2022 were set out in the notice of meeting published in the Bulletin des Annonces Légales Obligatoires. The agenda and draft text of the resolutions finalized by the Board of Directors and to be submitted to the SEB S.A. Combined Annual General Meeting of 19 May 2022, are set out below:

ORDINARY RESOLUTIONS

RESOLUTIONS 1, 2 AND 3: APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS (SEPARATE AND CONSOLIDATED), ALLOCATION OF THE RESULT FOR 2021 AND SETTING OF THE DIVIDEND

Board of Directors' report

By voting on Resolutions 1 and 2, the Board of Directors invites the shareholders to approve:

- the separate financial statements for the financial year ended 31 December 2021, which show a net profit of €162,611,076, compared with €124,593,863 for 2020;
- the consolidated financial statements for the financial year ended 31 December 2021, which show a net profit attributable to owners of the parent of €453,825,387, compared with €300,527,657 for 2020.

Details of these financial statements appear in the 2021 Annual Financial Report, the main elements of which are contained in the meeting notice relating to the Annual General Meeting of 19 May 2022.

The aim of Resolution 3 is to invite the shareholders to allocate the net result for 2021 and to set the dividend amount as follows:

- a net ordinary dividend of €2.45 per share having a par value of €1;
- a supplementary dividend of 10% or €0.245 per share having a par value of €1.

The supplementary dividend will be paid on shares registered prior to 31 December 2019 and continuing to be registered in the name of the same holder until the ex-dividend date of 31 May 2022. These shares represent 53.11% of the outstanding total. No single shareholder will be entitled to the supplementary dividend on any shares in excess of 0.5% of the company's share capital.

The ex-dividend date will be 31 May 2022. The dividend will be paid as from 2 June 2022.

The dividend and the supplementary dividend qualify for the exemption referred to in Article 158-3.2 of the French General Tax Code.

Resolution 1: Approval of the separate financial statements for the year ended 31 December 2021

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the report of the Board of Directors and of the Statutory auditors on the company's operations and results for the financial year ended 31 December 2021, approves the financial statements as presented, which show a net profit of €162,611,076.

Resolution 2: Approval of the consolidated financial statements for the year ended 31 December 2021

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the report of the Board of Directors and the Statutory auditors, approves the consolidated financial statements for the year ended 31 December 2021, which show a net profit attributable to owners of the parent of €453,825,387.

Resolution 3: Allocation of the result for the year ended 31 December 2021 and setting of the dividend

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, on the proposal of the Board of Directors, resolves to appropriate the net profit for the 2021 financial year of €162,611,076 as follows:

Net profit	162,611,076
Legal reserve	-
Retained earnings brought forward from prior year	982,264,306
Dividends on treasury shares credited to retained earnings	32,173
Profit available for distribution	1,144,907,556
Dividend	135,545,364
Dividend supplement	5,028,373
Retained earnings	1,004,333,819

The amount distributed to shareholders represents a dividend of €2.45 per share having a par value of €1.

The ex-dividend date will be 31 May 2022 and the dividend will be paid as from 2 June 2022.

Furthermore, as provided for in Article 46 of the Company's bylaws, a supplementary dividend of 10% of the dividend, amounting to €0.245 per share having a par value of €1, will be paid on shares registered in the name of the same holder throughout the period between 31 December 2019 and the ex-dividend date, 31 May 2022.

However, no single shareholder will be entitled to the supplementary dividend on any shares in excess of 0.5% of the company's capital.

The dividends distributed will qualify for the 40% exemption for natural persons who are tax residents of France, as per Article 158.3-2° of the French General Tax Code.

The Annual General Meeting acknowledges that dividends distributed for the last three years were as follows:

Financial year	Dividend per share	Premium per share	Dividend qualifying for 40% exemption		Dividend not qualifying for 40% exemption
			Dividend	Premium	
2018	2.14	0.214	2.14	0.214	-
2019	1.43	0.143	1.43	0.143	-
2020	2.14	0.214	2.14	0.214	-

RESOLUTION 4: INCREASE IN THE OVERALL AMOUNT OF REMUNERATION ALLOCATED TO THE MEMBERS OF THE BOARD OF DIRECTORS

Board of Directors' report

As a reminder, since the Annual General Meeting of 22 May 2019, the overall amount of remuneration allocated to members of the Board of Directors has been €600,000, broken down as follows:

Role	Fixed portion	Variable portion
Director	€12,000	€18,000
Additional remuneration for a Committee Chairman	€6,000	€9,000
Additional remuneration for a Committee member	€4,000	€6,000

The Governance and Remuneration Committee noted that the current levels of remuneration allocated to members of the Board of Directors were significantly lower than those granted by almost every other issuer and made recommendations to the Board accordingly. At its meeting of 24 February 2022, the Board resolved to submit for your approval, under Resolution 4, an increase to €820,000 of the overall amount of remuneration allocated to members of the Board of Directors. This increase also takes into account the establishment of a new Committee and the desire to incorporate new members into existing Committees. Overall, therefore, the number of Committee members and Committee Chairmen will increase, requiring an increase in the overall amount allocated.

The above-mentioned increase will be implemented in accordance with the following breakdown:

Role	Fixed portion	Variable portion
Director	€14,000	€21,000
Additional remuneration for a Committee Chairman	€8,000	€12,000
Additional remuneration for a Committee member	€6,000	€9,000

Resolution 4: Increase in the overall amount of remuneration allocated to the members of the Board of Directors

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the Board of Directors' report, sets the maximum annual amount to be divided among members of the Board of Directors at €820,000. This decision is applicable to the current financial year and will be maintained until further decision.

RESOLUTIONS 5 TO 6: REAPPOINTMENT AND APPOINTMENT OF DIRECTORS

Board of Directors' report

We hereby inform you that your Board of Directors has taken note that the terms of office of two directors expire at the end of your Annual General Meeting.

Acting on the recommendation of the Governance and Remuneration Committee, the Board of Directors has decided to submit for your approval:

- the renewal of the directorship of Delphine Bertrand for a four-year term (Resolution 5).

Delphine Bertrand, aged 57 on the date of the 2022 Annual General Meeting, has a degree in Japanese, holds a CPEI qualification from the Institut National des Langues et Civilisations Orientales (INALCO) and is a Master Practitioner of neurolinguistic programming. She has served as communication officer of FÉDÉRACTIVE since 2013. She is co-founder of the Première Pierre Foundation (FPP) and holds an "objectif administratrice" from EM Lyon.

- The replacement of Jean-Noël Labroue, whose term of office expires at the Annual General Meeting of 19 May 2022, by BPIFRANCE INVESTISSEMENT and therefore to submit for your approval under Resolution 6 the appointment of BPIFRANCE INVESTISSEMENT for a four-year term.

The independent status of BPIFRANCE INVESTISSEMENT was reviewed by the Governance and Remuneration Committee. This led to the conclusion that it qualified as independent according to the independence criteria defined by the AFEP-MEDEF Code. Acting on the recommendation of the Governance and Remuneration Committee, the Board of Directors confirmed the status of BPIFRANCE INVESTISSEMENT represented by Anne Guérin as an independent director.

Biography of BPIFRANCE INVESTISSEMENT

Bpifrance provides funding to companies – at all stages of their development – through loans, guarantees and equity investment. It supports innovative projects and helps companies expand into international markets, including promoting their export activity through a wide range of products. Bpifrance also offers startups, SMEs and mid-caps advice, learning (Bpifrance University), networking and acceleration programs. It has 50 local branches, enabling entrepreneurs to benefit from a single, close and efficient point of contact who can help them with their challenges.

Other positions and offices as at 31 December 2021:

Company	Function
ABEO	Member of the Board of Directors
ADOCIA	Member of the Board of Directors
ADVICENNE PHARMA	Member of the Board of Directors
ALBIOMA	Member of the Board of Directors
ARKEMA	Member of the Board of Directors
BALYO	Member of the Board of Directors
BENETEAU	Member of the Board of Directors
EUTELSAT COMMUNICATIONS	Member of the Board of Directors
FERMENTALG	Member of the Board of Directors
FORSEE POWER	Member of the Supervisory Committee
KALRAY	Member of the Supervisory Board
MAAT PHARMA	Non-voting director of the Board of Directors
MCPHY ENERGY	Member of the Board of Directors
MERSEN	Member of the Board of Directors
METEX	Member of the Board of Directors
NACON	Member of the Board of Directors
NEOEN	Member of the Board of Directors
SENSORION	Member of the Board of Directors
SPIE	Member of the Board of Directors
VERALLIA	Member of the Board of Directors
VILMORIN & CIE	Member of the Board of Directors
VOYAGEURS DU MONDE	Non-voting director of the Board of Directors
EUTELSAT SA	Member of the Board of Directors

Positions and offices held in the last five financial years and now expired

Company	Legal form
BASTIDE LE CONFORT MEDICAL	Member of the Board of Directors
EO2	Member of the Board of Directors
EOS IMAGING	Member of the Board of Directors
GENKYOTEX	Member of the Supervisory Board
GENSIGHT BIOLOGICS	Non-voting director of the Board of Directors
LYSOGENE	Member of the Board of Directors
PIXIUM VISION	Member of the Board of Directors
POXEL	Non-voting director of the Board of Directors
SOITEC	Member of the Board of Directors
SUPERSONIC IMAGINE	Member of the Board of Directors
TXCELL	Member of the Board of Directors
VERGNET SA	Member of the Supervisory Board
WALLIX GROUP	Non-voting director of the Supervisory Board

Legal entity BPIFRANCE INVESTISSEMENT will be represented as an independent director on the SEB S.A. Board of Directors by Anne Guérin.

Biography of Anne Guérin

Expertise and professional experience:

A graduate of ESCP Europe, Anne Guérin began her career as a Senior Associate at the Banque de Développement des PME, before moving to Avenir Entreprises where she served as Investment Director.

She joined Bpifrance in 2008 as Director of the Île de France Ouest regional office, then became Head of Export Finance (2014-2016) and after that, Chief Risk Officer (2016-2017).

She currently serves as Executive Director in charge of Financing and Networking.

Anne Guérin is also a member of the Board of Directors of Bpifrance Régions and Director of the VoisinMalin non-profit association.

Other positions and offices as at 31 December 2021:

Director of Bpifrance Régions
Director of the VoisinMalin non-profit association
Executive Director in charge of Financing and Networking at Bpifrance

Positions and offices held in the last five financial years and now expired:

Chief Risk Officer at Bpifrance
Head of Export Finance at Bpifrance
Director and permanent representative of Bpifrance Participations on the Board of Directors of CGG
Permanent representative of Bpifrance Participations on the Supervisory Board of Peugeot S.A.

The Board, through these proposals, intends to pursue the expansion policy that the company has developed in recent years, while preserving the factors of balance, diversity and complementarity in the profiles that comprise it.

Board of Directors considered that Delphine Bertrand and BPIFRANCE INVESTISSEMENT were able to take on the tasks incumbent upon all directors and to make an effective contribution to the work of the Board of Directors.

Composition of the Board at the end of the Annual General Meeting:

Subject to the approval of Resolutions 5 and 6 submitted for the vote of the shareholders, the Board of Directors will be composed of 16 members at the end of the 2022 Annual General Meeting

Resolution 5: Reappointment of Delphine Bertrand as a director

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the Board of Directors' report, reappoints Delphine Bertrand as a director for a period of four years expiring at the close of the Ordinary Annual General Meeting to be held to approve the financial statements for the financial year ended 31 December 2025.

Resolution 6: Appointment of BPIFRANCE INVESTISSEMENT as a director

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the Board of Directors' report, appoints BPIFRANCE INVESTISSEMENT as a director for a period of four years expiring at the close of the Ordinary Annual General Meeting to be held to approve the financial statements for the financial year ended 31 December 2025.

RESOLUTION 7: APPROVAL OF INFORMATION ABOUT THE REMUNERATION OF ALL EXECUTIVE OFFICERS REFERRED TO IN ARTICLE L. 22-10-9 I OF THE FRENCH COMMERCIAL CODE

Board of Directors' report

Pursuant to Article L. 22-10-34 I of the French Commercial Code, the Ordinary Annual General Meeting votes on a draft resolution on the information relating to the remuneration of the executive officers mentioned in Article L. 22-10-9 I of the French Commercial Code. These items appear in the corporate governance report and more specifically in Chapter 2.5 of the 2021 Universal Registration Document.

Resolution 7: Approval of information about the remuneration of all executive officers referred to in Article L. 22-10-9 I of the French Commercial Code

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the corporate governance report, approves, pursuant to Article L. 22-10-34 I of the French Commercial Code, the information referred to in Article L. 22-10-9 I of the French Commercial Code presented therein, as it appears in Chapter 2.5 of the 2021 Universal Registration Document.

RESOLUTIONS 8 TO 9: APPROVAL OF THE FIXED, VARIABLE AND EXCEPTIONAL COMPONENTS OF THE TOTAL REMUNERATION AND BENEFITS OF ALL KINDS PAID OR ALLOCATED FOR THE 2021 FINANCIAL YEAR TO THE CHAIRMAN AND CEO AND TO THE CHIEF OPERATING OFFICER

Board of Directors' report

Pursuant to part II of Article L. 22-10-34 of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during the previous financial year or allocated for the same financial year to the Chairman and CEO and to the Chief Operating Officer must be approved by the Annual General Meeting.

Details of the various remuneration components are provided in the sections of the 2021 Universal Registration Document, Chapter 2 dealing with "Corporate governance" and "Say on Pay – Remuneration components paid or allocated in respect of the financial year ended 31 December 2021".

Resolution 8: Approval of fixed, variable and exceptional components of the total remuneration and benefits of all kinds, paid or allocated for the 2021 financial year to the Chairman and CEO

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the corporate governance report, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid during the 2021 financial year or allocated for the same financial year to the Chairman and CEO as set out in Chapter 2.5 of the 2021 Universal Registration Document.

Resolution 9: Approval of fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid or allocated for the 2021 financial year to the Chief Operating Officer

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the corporate governance report, approves, pursuant to Article L. 22-10-34 II of the French Commercial Code, the fixed, variable and exceptional components of the total remuneration and benefits of all kinds paid during the 2021 financial year or allocated for the same financial year to the Chief Operating Officer as set out in Chapter 2.5 of the 2021 Universal Registration Document.

RESOLUTIONS 10 TO 14: APPROVAL OF THE REMUNERATION POLICY FOR ALL EXECUTIVE OFFICERS

Board of Directors' report

Pursuant to Article L. 22-10-8 II of the French Commercial Code, the purpose of **Resolutions 10 to 14** is to submit for your approval the remuneration policy for executive officers. This policy is consistent with the company's corporate interests, contributes to its long-term future and is part of its overall strategy. It describes all the components of fixed and variable remuneration and explains the decision-making process for its determination, revision and implementation.

These principles and criteria are adopted by your Board of Directors on the recommendation of the Governance and Remuneration Committee. All of these items are presented to you in detail in the corporate governance report and more specifically in Chapter 2.5 of the Universal Registration Document 2021.

In view of the separation of the roles of Chairman and Chief Executive Officer as from 1 July 2022, the shareholders are asked to approve four separate resolutions regarding the remuneration policy for executive officers (**Resolutions 10 to 13**).

Resolution 14 concerns the approval of the remuneration policy for directors.

These policies will apply from the 2022 financial year until such time as the Annual General Meeting decides on a new remuneration policy. The texts of these remuneration policies established by the Board of Directors can be found in Chapter 2.5 of the 2021 Universal Registration Document.

Resolution 10: Approval of the remuneration policy for the Chairman and Chief Executive Officer for the period from 1 January 2022 to 30 June 2022

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the Board of Directors' report, approves the remuneration policy for the Chairman and Chief Executive Officer (applicable until 30 June 2022 inclusive) as presented in Chapter 2.5 of the 2021 Universal Registration Document.

Resolution 11: Approval of the remuneration policy for the Chief Operating Officer for the period from 1 January 2022 to 30 June 2022

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the Board of Directors' report, approves the remuneration policy for the Chief Operating Officer (applicable until 30 June 2022 inclusive) as presented in Chapter 2.5 of the 2021 Universal Registration Document.

Resolution 12: Approval of the remuneration policy for the Chairman of the Board of Directors applicable as from 1 July 2022.

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the Board of Directors' report, approves the remuneration policy for the Chairman of the Board of Directors (applicable as from 1 July 2022) as presented in Chapter 2.5 of the 2021 Universal Registration Document.

Resolution 13: Approval of the remuneration policy for the Chief Executive Officer applicable as from 1 July 2022.

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the Board of Directors' report, approves the remuneration policy for the Chief Executive Officer (applicable as from 1 July 2022) as presented in Chapter 2.5 of the 2021 Universal Registration Document.

Resolution 14: Approval of the remuneration policy for directors

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the Board of Directors' report, approves the remuneration policy for the directors as presented in Chapter 2.5 of the 2021 Universal Registration Document.

RESOLUTION 15: AUTHORIZATION TO BE GRANTED TO THE BOARD OF DIRECTORS FOR THE COMPANY TO BUY BACK ITS OWN SHARES

Board of Directors' report

The Annual General Meeting of 20 May 2021 authorized the Board of Directors to trade in the company's shares. In 2021, 192,830 performance shares were vested by the company under the 2018 plan. In addition, under the liquidity contract, 79,698 shares were acquired at an average price of €148.27 and 78,519 shares were sold at an average price of €151.34. Under the buy-back program, the company acquired 255,206 shares at an average price of €148.71 through its investment services provider. In addition, 8,758 shares from fractional shares of the 3 March 2021 free allocation were bought back at an average price of €139.56 and 16,641 shares were transferred from the liquidity account after the contract with ODDO BHF SCA and NATIXIS ended. Lastly, under the free allocation of 3 March 2021, the company acquired 12,986 new free shares based on treasury shares.

At 31 December 2020, the company held 230,627 treasury shares with a par value of €1 and a gross value of €148.53. These treasury shares represent 0.42% of the company's share capital, including 230,627 under the buyback agreement and none under the liquidity contract.

These transactions are also described in Chapter 7 of the Universal Registration Document, "Information on the company and its share capital".

Since the existing authorization is due to expire at the 2022 Annual General Meeting, **Resolution 15** invites the shareholders to again authorize the Board of Directors, for a period of 18 months, to trade in the company's shares at a maximum price of €240 per share, excluding trading fees.

The authorization would cover a maximum of 10% of the share capital. The company could buy back its own shares with a view to:

- maintaining a liquid market for the company's shares through an investment service provider acting on a fully independent basis;
- allocating shares to eligible employees and executive officers of the company;
- canceling shares in order to increase return on equity and earnings per share or to offset the dilutive impact of any capital increases on existing shareholders' interests;
- delivering or exchanging shares in connection with any future external growth transactions;
- allocating shares on the exercising of rights attached to share equivalents.

In accordance with the law, these shares have been stripped of their voting rights.

Resolution 15: Authorization to be granted to the Board of Directors for the company to buy back its own shares

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the Board of Directors' report:

- resolves to terminate the share buyback program authorized by the Combined Annual General Meeting of 20 May 2021;
- resolves to adopt the program described below, and accordingly:
  - to authorize the Board of Directors, or any representative of the Board empowered to act on the Board's behalf, in accordance with Articles L. 22-10-62 et seq. of the French Commercial Code, to buy back shares of the company representing up to 10% of the share capital, subject to the limits set down by law,
  - that the shares may be bought back for the following purposes:

i) to maintain a liquid market for SEB's shares through an independent investment service provider under a liquidity contract that complies with the AMAFI Code of Ethics recognized by the Financial Market Authority,

ii) for allocation to eligible employees and executive officers of the company or the Group in the form of performance shares governed by Articles L. 22-10-59 et seq. of the French Commercial Code, or in payment of statutory employee profit-shares, or in connection with an employee stock ownership or stock saving plan,

iii) for cancellation, in order to increase return on equity and earnings per share and/or to offset the dilutive impact of any capital increase on existing shareholders' interests, provided that such cancellation is authorized by the Extraordinary Annual General Meeting,

iv) for delivery or exchange in connection with any future external growth transactions, up to a limit of 5% of the capital,

v) for allocation on the exercising of rights attached to share equivalents that are convertible, exercisable, redeemable or exchangeable for the assignment of company shares, in accordance with the applicable stock market regulations;

  - that shares may not be bought back under this authorization for more than €240 per share, excluding trading fees,
  - that the Board of Directors may adjust the above price, in the case of any change in the share's par value, by capitalizing reserves, any stock-split or reverse stock-split, any return of capital or capital reduction, any distribution of reserves or assets, or any other corporate action, to take into account the effect thereof on the share price. In this case, the price will be adjusted based on the ratio between the number of shares outstanding before and after the corporate action,
  - that the total amount invested in the share buyback program may not exceed €1,328,106,480,

- that the shares may be bought back by any appropriate method and accordingly that all or part of the program may be implemented on the market or through block purchases – and, if appropriate, through over-the-counter sales – or by means of public buyback or exchange offers, or through the use of options and derivative instruments. The buybacks may be carried out at any time at the Board's discretion, subject to compliance with the applicable securities regulations. The shares purchased under this authorization may be kept, sold or transferred by any method, including through block sales, at any time including while a public tender offer is in progress,
- to give full powers to the Board of Directors, including the power of delegation, to:

i) carry out the transactions and set the related terms and conditions,

ii) place all orders on or off the stock market,

iii) adjust the maximum purchase price of the shares to take into account the effect on the share price of any of the corporate actions referred to above,

iv) enter into any and all agreements for the keeping of a register of share purchases and sales or for any other purpose,

v) fulfill any and all reporting obligations with the Autorité des Marchés Financiers and any other bodies,

vi) carry out any and all formalities;

- that this authorization will be granted for a period of 18 months as from this Annual General Meeting.

EXTRAORDINARY RESOLUTIONS

RESOLUTION 16: AUTHORIZATION TO BE GRANTED TO THE BOARD OF DIRECTORS ENABLING THE COMPANY TO CANCEL ITS OWN SHARES

Board of Directors' report

The Annual General Meeting of 20 May 2021 authorized the Board of Directors to cancel some or all of the shares acquired under the share buyback program, provided the number of shares canceled in any 24-month period does not exceed 10% of the share capital.

As the existing authorization is due to expire in July 2022, **Resolution 16** invites the shareholders to once again authorize the Board of Directors to cancel some or all of its shares, under the same terms and conditions.

This authorization would be given for a period of 26 months from the date of the Annual General Meeting.

Resolution 16: Authorization to be granted to the Board of Directors enabling the company to cancel its own shares

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the Board of Directors' report and the Statutory auditors' report:

- authorizes the Board of Directors to cancel, on one or more occasions at its discretion, some or all of the shares currently held or that may be held in the future by the company following share buybacks carried out pursuant to Article L. 22-10-62 of the French Commercial Code, provided the number of shares canceled in any 24-month period does not exceed 10% of the total shares outstanding. The difference between the purchase price of the canceled shares and their par value will be deducted from additional paid-in capital and retained earnings, with an amount corresponding to 10% of the share capital reduction being deducted from the legal reserve;
- authorizes the Board of Directors to place on record the capital reduction(s), amend the bylaws to reflect the new capital and carry out any and all formalities, make all declarations to any organizations and generally undertake whatever is necessary;
- authorizes the Board of Directors to delegate all necessary powers to permit the implementation of its decisions, subject to compliance with the laws and regulations in force when this authorization is used;
- grants this authorization to the Board of Directors for a period of 26 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

RESOLUTIONS 17, 18, 19 AND 20: DELEGATION OF AUTHORITY TO BE GIVEN TO THE BOARD OF DIRECTORS TO ISSUE SHARE EQUIVALENTS WITH OR WAIVING PRE-EMPTION RIGHTS IN THE COURSE OF PUBLIC OR RESTRICTED PLACEMENTS; AGGREGATE LIMIT OF TRANSACTIONS UNDER THESE DELEGATIONS SET AT A PAR VALUE OF €11 MILLION, REPRESENTING AROUND 20% OF THE SHARE CAPITAL AT 31 DECEMBER 2021

Board of Directors' report

We ask that shareholders give the Board of Directors the necessary powers to issue share equivalents that give immediate or future access to equity in the company or any company in which it directly or indirectly owns more than half of the share capital, in order to give the freedom to raise the funds the Group needs to grow, as it sees fit and as market opportunities allow.

Shareholders will be asked, by voting on **Resolution 17**, to give the Board of Directors the power to decide to carry out one or more share capital increases, while maintaining pre-emption rights. The maximum par value of share capital increases that may be carried out under this delegation would be set at €5,500,000, or approximately 10% of the share capital at 31 December 2021.

In order to readily take any opportunities that may arise, we would ask shareholders to pass **Resolutions 18** and **19** and thereby delegate authority to the Board of Directors to issue ordinary shares and/or share equivalents and/or debt securities, in the course of public or restricted placements. Pre-emption rights shall be waived for these issues, although the Board of Directors may grant shareholders a preferential right to subscribe for such issues, for the period and in the manner of its choosing.

In accordance with the legal provisions, the issue price for resolutions 18 and 19 is at least equal to the weighted average of the prices of the last three trading sessions preceding the start of the public offer within the meaning of regulation (EU) no. 2017/1129 of 14 June 2017, potentially reduced by a maximum discount of 10%.

Given the potentially dilutive effect of using these delegations for the shareholders, we would point out that the Board of Directors may only use them if the decision is approved by a qualified majority of 13 of the 16 directors. The maximum par value of the share capital increases that may be made under these delegations would be set at €5,500,000, or approximately 10% of the share capital at 31 December 2021. In addition, the nominal value of debt securities that may be issued may not exceed €1,500 million. All of these delegations of authority would thus be valid for a period of 26 months.

If and when the authorizations are used, the Board of Directors will prepare an additional report describing the final terms of the issue, including the basis for setting the issue price, the impact of the issue on the situation of existing shareholders and the estimated impact on the share price, as required by law.

In its previous delegations, the Annual General Meeting of 20 May 2021 had given the Board of Directors the power to increase the share capital within the same limits as those stated above. These authorizations were not used.

Lastly, in **Resolution 20**, we invite shareholders to set at €11 million the maximum par value of the share capital increases that may be carried out by the Board of Directors pursuant to the delegations granted in **Resolutions 17, 18 and 19**.

Resolution 17: Delegation of authority granted to the Board of Directors to increase the share capital by issuing ordinary shares and/or share equivalents and/or debt securities, with pre-emption rights

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the Board of Directors' report and the Statutory auditors' special report and in accordance with Articles L. 225-129 to L. 225-129-6, L. 225-132, L. 225-133, L. 225-134 and L. 228-91 et seq. of the French Commercial Code:

- gives the Board of Directors the power to decide by a qualified majority of 13 of the 16 members present or represented, with the option to further delegate in the manner provided for by law and regulations, to issue, on one or more occasions, company shares and securities giving immediate or future access, by any means, to equity in the company or any company in which it directly or indirectly owns more than half of the share capital or equity securities giving entitlement to debt securities, denominated in euros or in foreign currencies, in France or on the international market, and to determine the timing and amounts of said issues;
- resolves that issues of preference shares or securities convertible by any means, immediately or in the future, into preference shares are expressly excluded from this delegation of authority;
- resolves that any shares and securities issued under this delegation may be subscribed for in cash or by offsetting against outstanding receivables;
- resolves that the amount of share capital increases that may be carried out, immediately and/or in the future, under this delegation may not exceed a par value of €5,500,000, not including the par value of any additional shares to be issued to protect the rights of holders of share equivalents in accordance with applicable laws, regulations and, as the case may be, contractual provisions;
- moreover resolves that the nominal value of debt securities issued pursuant to this delegation may not exceed €1,500 million or the equivalent of this amount in the case of issues denominated in foreign currencies;
- resolves that shareholders will, in the manner provided for by law, have pre-emption rights to subscribe pro-rata to their existing interest in the company's capital. In addition, the Board of Directors may grant shareholders a pre-emption right to subscribe any shares and/or share equivalents not taken up by other shareholders. If the issue is oversubscribed, such additional pre-emption right shall also be exercisable pro-rata to the existing interest in the company's capital of the shareholders concerned.

If the issue is not taken up in full by shareholders exercising their pre-emption rights as described above, the Board of Directors may take one or other of the following courses of action, in the order of its choice:

- limit the amount of the issue to the subscriptions received, provided at least three-quarters of the issue is taken up;
- freely allocate some or all of the unsubscribed securities;
- offer some or all of the unsubscribed securities to the public;
- resolves that subscription warrants for the company's shares may be offered for subscription on the above basis, or allocated among holders of existing shares without consideration;
- establishes that this authorization may automatically entail the waiver in favor of holders of securities giving future access to equity in the company that may be issued through conversion, exchange, exercise of a warrant or any other means, by shareholders, of their pre-emption right to subscribe for the shares issued on the basis of those securities;
- resolves that the amount to be received by the company for each share issued immediately or in the future under this delegation shall not represent less than the par value of the shares, after taking account in the case of the issue of stand-alone warrants or other primary securities of the issue price of said warrants or securities;
- resolves that the Board of Directors shall be fully empowered to use this delegation, with the option to further delegate in the manner provided for by law and regulations, to in particular increase the share capital and determine the securities to be issued, determine the dates and terms of the issues, as well as the form and characteristics of the securities to be issued, set the issue price and terms, the amount of each issue, the cum-rights date which may be set retrospectively, the terms of settlement of the subscription price of the shares or other securities issued and, if appropriate, the conditions under which they may be bought back on the open market, the right to suspend the exercise of the rights attached to the securities to be issued for a period of no more than three months, to determine the arrangements for protecting the rights of holders of share equivalents that give future access to equity, pursuant to applicable laws, regulations and, as the case may be, contractual provisions, to write off any and all amounts against the issue premium, including the issuance costs, and to take all necessary or appropriate measures and enter into any and all agreements in connection with the placement of the issues, to place on record the resulting share capital increase(s) and to amend the bylaws to reflect the new capital. In the event of an issue of debt securities, the Board of Directors shall be fully empowered, with the option to further delegate in the manner provided for by law and regulations, to decide whether these debt securities shall be subordinated or unsubordinated, set the interest rate, maturity, redemption price (which may be fixed or variable and may or may not include a premium), terms of early redemption depending on market conditions and the basis on which these securities give access to company equity;

- grants this authorization to the Board of Directors for a period of 26 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

Resolution 18: Delegation of authority granted to the Board of Directors to issue ordinary shares and/or share equivalents and/or debt securities, with waiving of pre-emption rights in the course of a public offering

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the Board of Directors' report and the Statutory auditors' special report and in accordance with Articles L. 225-129 to L. 225-129-2, L. 22-10-52 and L. 228-91 et seq. of the French Commercial Code:

- gives the Board of Directors the power to decide by a qualified majority of 13 of the 16 members present or represented, with the option to further delegate in the manner provided for by law and regulations, to issue by way of a public offering, on one or more occasions, company shares and any hybrid securities giving immediate or future access by any means to equity in the company or any company in which it directly or indirectly owns more than half of the share capital or equity securities giving entitlement to debt securities, denominated in euros or in foreign currencies, in France or on the international market, and to determine the timing and amounts of said issues;
- resolves that any shares and securities issued under this delegation may be subscribed for in cash or by offsetting against outstanding receivables;
- resolves that the amount of share capital increases that may be carried out, immediately or in the future, under this delegation may not exceed a par value of €5,500,000, not including the par value of any additional shares to be issued to protect the rights of holders of share equivalents in accordance with applicable laws, regulations and, as the case may be, contractual provisions;
- resolves that the nominal value of debt securities issued pursuant to this delegation may not exceed €1,500 million or the equivalent of this amount in the case of issues denominated in foreign currencies;
- resolves that shareholders shall not have a pre-emption right to subscribe for securities issued under this resolution, but that the Board of Directors may grant shareholders a preferential right to subscribe for some or all of the issue, for a period and on terms to be decided in accordance with applicable laws and regulations. Said priority right shall not be transferable but the Board of Directors may allow shareholders to subscribe the issue and any securities not taken up by other shareholders pro-rata to their existing shareholdings;
- resolves that if any issue of the aforementioned securities is not taken up in full by existing shareholders and the public, the Board of Directors may limit the amount of the issue to the value of the subscriptions received, provided at least three-quarters of the issue is taken up, or freely allocate some or all of the unsubscribed securities;
- establishes that this authorization may automatically entail the waiver in favor of holders of securities giving future access to equity in the company that may be issued through conversion, exchange, exercise of a warrant or any other means, by shareholders, of their pre-emption right to subscribe for the shares issued on the basis of those securities;
- establishes that public offerings of shares and/or securities decided under this delegation of authority may be combined, as part of a single issue or multiple issues of shares and/or of securities, with offerings falling within the scope of Article L. 411-2 II of the French Monetary and Financial Code decided pursuant to the delegation of authority in Resolution 19 of this Annual General Meeting;
- formally records that, pursuant to Article L. 22-10-52 of the French Commercial Code:
  - the issue price of directly issued shares must be at least equal to the minimum price permitted under applicable laws and regulations on the date of the issue,
  - the issue price of securities giving access or potentially giving access to equity in the company must be such that the sum received immediately by the company plus, as the case may be, any sum it may subsequently receive for each share issued as a result of the issue of these securities is at least equal to the minimum subscription price defined in the above paragraph;
- resolves that the Board of Directors shall be fully empowered to use this delegation, with the option to further delegate in the manner provided for by law and regulations, to in particular determine the dates and terms of the issues, as well as the form and characteristics of the securities to be issued, set the issue price and terms, the amount of each issue, the cum-rights date which may be set retrospectively, the terms of settlement of the subscription price of the shares or other securities issued and, if appropriate, the conditions under which they may be bought back, the right to suspend the exercise of the rights attached to the securities to be issued for a period of no more than three months, determine the arrangements for protecting the rights of holders of share equivalents that give future access to equity, pursuant to applicable laws, regulations and, as the case may be, contractual provisions, to write off any and all amounts against the issue premium, including the issuance costs, and to take all necessary or appropriate measures and enter into any and all agreements in connection with the placement of the issues, to place on record the resulting share capital increase(s) and to amend the bylaws to reflect the new capital.

The Board of Directors shall be fully empowered, with the option to further delegate in the manner provided for by law and regulations, to decide whether to issue subordinated or unsubordinated debt securities, set the interest rate, maturity, redemption price (which may be fixed or variable and may or may not include a premium), terms of early redemption depending on market conditions and the basis on which these securities give access to company equity;

- grants this authorization to the Board of Directors for a period of 26 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

Resolution 19: Delegation of authority granted to the Board of Directors to issue ordinary shares and/or share equivalents and/or debt securities, with waiving of pre-emption rights as part of an offering governed by Article L. 411-2 of the French Monetary and Financial Code

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the Board of Directors' report and the Statutory auditors' special report and in accordance with Articles L. 225-129 to L. 225-129-2, L. 22-10-52 and L. 228-91 et seq. of the French Commercial Code:

- gives the Board of Directors the power to decide by a qualified majority of 13 of the 16 members present or represented, with the option to further delegate in the manner provided for by law and regulations, to issue by way of an offering falling within the scope of Article L. 411-2 of the French Monetary and Financial Code, on one or more occasions, company shares and any hybrid securities giving immediate or future access by any means to equity in the company or any company in which it directly or indirectly owns more than half of the share capital or equity securities giving entitlement to debt securities, denominated in euros or in foreign currencies, in France or on the international market, and to determine the timing and amounts of said issues;
- resolves that the amount of share capital increases that shall be carried out, immediately or in the future, under this delegation may not exceed a par value of €5,500,000, not including the par value of any additional shares to be issued to protect the rights of holders of share equivalents in accordance with applicable laws, regulations and, as the case may be, contractual provisions;
- resolves that any shares and securities issued under this delegation may be subscribed for in cash or by offsetting against outstanding receivables;
- resolves that the nominal value of debt securities issued pursuant to this delegation may not exceed €1,500 million or the equivalent of this amount in the case of issues denominated in foreign currencies;
- resolves that shareholders shall not have a pre-emption right to subscribe for securities to be issued pursuant to this resolution;
- resolves that if any issue of the aforementioned securities is not taken up in full, the Board of Directors may limit the amount of the issue to the value of the subscriptions received, provided at least three-quarters of the issue is taken up, or freely allocate some or all of the unsubscribed securities;
- establishes that this authorization may automatically entail the waiver in favor of holders of securities giving future access to equity in the company that may be issued through conversion, exchange, exercise of a warrant or any other means, by shareholders, of their pre-emption right to subscribe for the shares issued on the basis of those securities;
- establishes that the offerings that fall within the scope of Article L. 411-2 of the French Monetary and Financial Code decided under this resolution may be combined, as part of a single issue or multiple issues of shares and/or of securities, with public offerings decided pursuant to the delegation of authority in Resolution 18 of this Annual General Meeting;
- formally records that, pursuant to Article L. 22-10-52 of the French Commercial Code:
  - the issue price of directly issued shares must be at least equal to the minimum price permitted under applicable laws and regulations on the date of the issue,
  - the issue price of securities giving access or potentially giving access to equity in the company must be such that the sum received immediately by the company plus, as the case may be, any sum it may subsequently receive for each share issued as a result of the issue of these securities is at least equal to the minimum subscription price defined in the above paragraph;
- resolves that the Board of Directors shall be fully empowered to use this delegation, with the option to further delegate in the manner provided for by the legal and regulatory provisions, and by the applicable contractual stipulations if these exist, to in particular determine the dates and terms of the issues, as well as the form and characteristics of the securities to be issued, set the issue price and terms, the amount of each issue, the cum-rights date which may be set retrospectively, the terms of settlement of the subscription price of the shares or other securities issued and, if appropriate, the conditions under which they may be bought back, the right to suspend the exercise of the rights attached to the securities to be issued for a period of no more than three months, determine the arrangements for protecting the rights of holders of share equivalents that give future access to equity, pursuant to applicable laws, regulations and, as the case may be, contractual provisions, to write off any and all amounts against the issue premium, including the issuance costs, and to take all necessary or appropriate measures and enter into any and all agreements in connection with the placement of the issues, to place on record the resulting share capital increase(s) and to amend the bylaws to reflect the new capital.

  The Board of Directors shall be fully empowered, with the option to further delegate in the manner provided for by law and regulations, to decide whether to issue subordinated or unsubordinated debt securities, set the interest rate, maturity, redemption price (which may be fixed or variable and may or may not include a premium), terms of early redemption depending on market conditions and the basis on which these securities give access to company equity;
- grants this authorization to the Board of Directors for a period of 26 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

Resolution 20: Blanket ceiling on financial authorizations

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the Board of Directors' report, resolves to set at €11 million the maximum par value of immediate and/or future share capital increases that may be carried out pursuant to the authorizations in **Resolutions 17, 18 and 19**, not including the par value of any additional shares to be issued to protect the rights of existing holders of share equivalents, in accordance with laws, regulations and, as the case may be, contractual provisions.

Consequently, the value of each issue carried out under any of the abovementioned resolutions will be deducted from this ceiling.

RESOLUTION 21: DELEGATION OF AUTHORITY TO BE GRANTED TO THE BOARD OF DIRECTORS TO INCREASE THE SHARE CAPITAL BY CAPITALIZING RETAINED EARNINGS, PROFIT, PREMIUMS OR OTHER ITEMS THAT MAY BE CAPITALIZED

Board of Directors' report

The shareholders are asked, by voting on **Resolution 21**, to enable the Board of Directors to increase the share capital by capitalizing retained earnings, profit, premiums or additional paid-in capital with a view to granting performance shares.

This authorization would enable the Board of Directors to resolve to increase the share capital by a maximum par value of €11 million and would be valid for a period of 26 months.

The Annual General Meeting of 20 May 2021 had given the Board of Directors the power to increase the share capital by capitalizing reserves under the same conditions as those stated below. This authorization was not used.

Resolution 21: Delegation of authority granted to the Board of Directors to increase the share capital by capitalizing retained earnings, profit, premiums or other items that may be capitalized

The Annual General Meeting, meeting as an Extraordinary Annual General Meeting but voting in accordance with the quorum and majority voting requirements for Ordinary Annual General Meetings, having considered the Board of Directors' report, gives the Board the necessary powers to carry out one or more share capital increases by successively or simultaneously capitalizing some or all of the company's retained earnings, profit or additional paid-in capital or any items that may be capitalized under the bylaws or by law, and to issue and award bonus shares and/or raise the par value of existing shares or a combination of both.

The Annual General Meeting resolves that the maximum par value of share capital increases that shall be made under this delegation may not exceed €11 million; it being noted that this ceiling is independent of the ceiling provided for in **Resolution 20**.

The Annual General Meeting resolves that the Board of Directors shall have the power to decide that fractional shares will be non-transferable and that the corresponding shares will be sold, with the proceeds of such sale attributed to the rights holders no later than thirty (30) days following the date on which the whole number of shares allocated to them is recorded in their account.

The Annual General Meeting fully empowers the Board of Directors, with the option to further delegate in the manner provided for by law and regulations, to determine the timing and terms of the issues, set the amounts thereof, take the necessary action to protect the rights of holders of share equivalents that give immediate or future access to equity, deduct any sums necessary to top up the legal reserve and more broadly take all appropriate measures to enable the successful completion and carry out all actions and formalities required to effect the capital increase(s) and accordingly amend the bylaws.

The Annual General Meeting sets this authorization granted to the Board of Directors at a period of 26 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

RESOLUTION 22: AUTHORIZATION TO BE GRANTED TO THE BOARD OF DIRECTORS FOR THE GRANTING OF PERFORMANCE SHARES

Board of Directors' report

In order to provide an ongoing incentive to Group employees by offering them an opportunity to share in the Group's growth and results, shareholders will be asked, in **Resolution 22**, to authorize the Board to grant bonus shares representing up to 220,000 shares or 0.39756% of the share capital (the same percentage level as in 2021), comprising existing shares bought back for this purpose by the company. The grants would be made to some or all employees of the company and its subsidiaries, or to certain categories of those employees and/or to the senior managers referred to in Article L. 225-197-1, II of the French Commercial Code.

All performance shares will vest only if certain performance targets for revenue and Operating Result from Activity are met, as set by the Board of Directors each year, based on budgetary objectives assigned to the Group.

The number of shares allocated to the executive officers will be limited to 9,000 shares or 0.01626% of the share capital for Thierry de La Tour d'Artaise, and to 10,500 shares or 0.01897% of the share capital for Stanislas de Gramont. We would ask shareholders to set the operational performance measurement period at three years, following which the shares shall vest for beneficiaries.

The Board of Directors feels that assessing performance criteria over a sufficiently long period, namely three years, is in accordance with the Group's long-term outlook while remaining a source of motivation for beneficiaries.

We would ask shareholders to fully empower the Board of Directors to set the terms and conditions of these grants, including in order to determine the identity of the beneficiaries of the performance share grants.

This authorization would be given for a period of 14 months from the date of the Annual General Meeting.

Resolution 22: Authorization to be granted to the Board of Directors to grant performance shares

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the Board of Directors' report and the Statutory auditors' special report:

- authorizes the Board of Directors, in accordance with Articles L. 225-197-1 to L. 225-197-5 of the French Commercial Code, to award existing bonus shares in the company on one or more occasions, to employees of the company or certain categories of employee and/or to the senior managers referred to in Article L. 225-197-1 II of the French Commercial Code, and to employees and senior managers of companies or economic interest groupings affiliated to the company within the meaning of Article L. 225-197-2 of the French Commercial Code;
- resolves that the total number of shares that may be granted may not exceed 220,000 shares or 0.39756% of the company's share capital on the date of this Annual General Meeting, with the understanding that the number of shares granted to executive officers may not exceed the following limits: 9,000 shares or 0.01626% of the company's share capital on the date of this Annual General Meeting for Thierry de La Tour d'Artaise and 10,500 shares or 0.01897% of the company's share capital at the date of this Annual General Meeting for Stanislas de Gramont.

The Annual General Meeting authorizes the Board of Directors to make stock grants, within the limits set out in the preceding paragraph, using shares bought back by the company in accordance with Articles L. 22-10-61 and L. 22-10-62 of the French Commercial Code.

The Annual General Meeting resolves to set a vesting period of three years with effect from the date of grant by the Board of Directors during which period the rights shall not be transferable and at the end of which the rights shall vest to the beneficiaries, provided the performance targets for revenue and Operating Result from Activity, assessed over the three-year vesting period, have been met, in accordance with Article L. 225-197-3 of the French Commercial Code.

The Annual General Meeting fully empowers the Board of Directors, within the limits set out above, to:

- draw up the list of beneficiaries or decide the category/categories of beneficiaries, bearing in mind that no shares may be allocated to employees or executive officers who individually hold over 3% of the share capital and that the bonus shares may not have the effect of raising the interest held by any such person to above the 3% ceiling;
- determine, on one or more occasions, the amounts and timing of the share awards;
- set the criteria and any other conditions of eligibility for share awards, including but not limited to years of service and continued employment by the company or continuation of the corporate mandate throughout the vesting period;

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- set the vesting period, within the limits specified above by the Annual General Meeting;
- if any of the financial transactions governed by Article L. 228-99 I of the French Commercial Code are carried out during the vesting period, take any and all appropriate measures to protect and adjust the rights of grantees, in accordance with the provisions of said Article.

In accordance with Articles L. 225-197-4 and L. 225-197-5 of the French Commercial Code, the Board of Directors shall prepare a special report for each Ordinary Annual General Meeting on the transactions carried out under this authorization.

The Annual General Meeting sets this authorization granted to the Board of Directors at a period of 14 months and consequently decides that this authorization cancels all authorizations given previously for the same purpose.

RESOLUTION 23: SHARE CAPITAL INCREASES RESTRICTED TO MEMBERS OF A COMPANY OR GROUP SAVINGS SCHEME

Board of Directors' report

Pursuant to the provisions of the French Commercial Code, we ask shareholders, by voting for **Resolution 23**, to empower the Board of Directors, with the option to further delegate, to resolve to carry out one or more share capital increases that are restricted to members of a company or Group Savings Scheme, with waiving of pre-emption rights, up to a maximum par value of €553,377, or 1% of the share capital.

It should be noted that this delegation is not included in the share capital increase ceiling set in **Resolution 20**.

The issue price of these new shares or share equivalents may not be more than 30% below the average quoted SEB share price on the NYSE Euronext Paris regulated market over the 20 trading sessions preceding the date on which the decision is taken setting the opening date of the subscription period, it being noted that this discount may be raised to 40% for members of a savings scheme, the rules of which specify a lock-up period of at least 10 years.

This delegation would be given for a period of 26 months from the date of this Annual General Meeting and would cancel the delegation given in Resolution 21 of the Annual General Meeting of 20 May 2021.

Resolution 23: Authorization to be granted to the Board of Directors to carry out share capital increases restricted to members of a company or Group Savings Scheme and/or sales of reserved shares with waiving of pre-emption rights

The Annual General Meeting, having considered the Board of Directors' report and the Statutory auditors' special report, as required by law and in particular Articles L. 225-129 to L. 225-129-6 and L. 225-138-1 of the French Commercial Code and Articles L. 3332-1 et seq. of the French Labor Code:

- authorizes the Board of Directors, with the option to further delegate in the manner provided for by law and regulations, to resolve to carry out one or more share capital increases as and when it sees fit, by issuing ordinary shares (other than preference shares) or equity securities giving access to future company shares, restricted to members of a company or Group Savings Scheme: eligible executive officers, employees and former employees of the companies and of French and foreign companies affiliated to it within the meaning of Article L. 225-180 of the French Commercial Code and Article L. 3344-1 of the French Labor Code;
- resolves to set at €553,377 the maximum par value of the share capital increases that may be carried out through the issue of shares, it being noted that the ceiling is independent of the ceiling provided for in **Resolution 20**;
- accordingly resolves to waive pre-emption rights in favor of these members of a company or Group Savings Scheme, to the shares and equity securities giving access to shares to be issued pursuant to this resolution, this decision including a waiver by shareholders of the pre-emption rights to any shares to which the equity securities issued under this delegation may give rise;
- resolves that, pursuant to Articles L. 3332-18 et seq. of the French Labor Code, the subscription price may include a 30% discount off the average company share price on Euronext Paris over the 20 trading sessions preceding the date on which the decision is taken setting the opening date of the subscription period, it being noted that this discount may be raised to 40% for members of a savings scheme, the rules of which specify a lock-up period of at least 10 years. Nevertheless, the Annual General Meeting authorizes the Board of Directors to replace some or all of the discount with a grant of bonus shares or equity securities giving access to future company shares, to reduce or not grant this discount, to the extent permitted by law and regulations;

- resolves that the Board of Directors may, within the limits set by Article L. 3332-21 of the French Labor Code, make matching payments in the form of grants of new or existing bonus shares or equity securities giving access to future company shares, where necessary by capitalizing retained earnings, profit or additional paid-in capital;
- sets the period of validity of this authorization at 26 months from the date hereof and cancels the previous delegation with the same purpose;
- fully empowers the Board of Directors, with the power to delegate in the manner provided for by law and regulations, to determine all the terms and conditions for the various operations and in particular:
  - exclude companies eligible for the company or Group Savings Scheme from the scope of the offering,
  - set the terms and conditions of the issues to be carried out under this delegation of authority, in particular deciding the subscription amounts, and setting the issue prices, dates, deadlines, terms and conditions regarding subscription, paying up, settlement and enjoyment of the shares or equity securities giving access to future shares in the company,
  - as it sees fit, following each capital increase, set the costs of the share capital increases against the related premiums and deduct therefrom the sums necessary to raise the legal reserve to one tenth of the new share capital,
  - carry out all actions and formalities required to affect the capital increase(s) carried out under this authorization, and in particular amend the bylaws accordingly and, more generally, do whatever is necessary.

In accordance with applicable legal provisions, the transactions carried out under this resolution may also take the form of sales of shares to members of a company or Group Savings Scheme.

RESOLUTION 24: A TWO-FOR-ONE STOCK SPLIT OF THE COMPANY'S SHARES, DELEGATION OF POWERS TO THE BOARD OF DIRECTORS AND CORRESPONDING AMENDMENT OF THE BYLAWS

Board of Directors' report

At its meeting of 24 February 2022, the Board of Directors resolved to ask the shareholders at the Annual General Meeting of 19 May 2022 to approve a two-for-one stock split. In the event of a favorable decision by the shareholders, Article 8 of the bylaws shall be amended accordingly to reflect this situation. This transaction will increase the market liquidity of the shares by promoting access to new shareholders, particularly individual shareholders.

The effective date of the stock split will be decided by the Board of Directors. Once the transaction is complete, the number of shares comprising the share capital will be doubled and the share will trade based on a price divided by two. This transaction will be carried out without any fees, formalities or loss of rights being incurred by any company shareholder.

Resolution 24: A two-for-one stock split of the company's shares, delegation of powers to the Board of Directors and corresponding amendment of the bylaws

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Annual General Meetings, having considered the Board of Directors' report:

- resolves to amend the par value of the share, currently set at one (1) euro, to take it to fifty (50) euro cents, without changing the share capital amount;
- resolves that each share with a par value of one (1) euro comprising the company's share capital on the date of the stock split shall automatically be exchanged for two (2) new shares with a par value of fifty (50) euro cents each;
- notes that the stock split and exchange for new shares shall have no effect on the rights attached to the shares as provided for in the Company's bylaws and by law, since the new shares retain the same rights as the shares for which they were exchanged, including double voting rights and supplementary dividend. For shares being acquired that bear double voting rights, the five (5) year period will be calculated from the date of registration, in the name of the shareholder concerned, of the shares from which the new shares were issued. Similarly, for shares pending the right to the supplementary dividend, the condition of holding them for two (2) financial years prior to the dividend payment date will be calculated from the date of registration, in the name of the shareholder concerned, of the shares from which the new shares were issued;
- grants full powers to the Board of Directors, with the option to further delegate in the manner provided for by law, to:
  - implement and carry out the stock split and set the effective date, which shall be after the dividend payment date for the financial year ended 31 December 2021,
  - determine the exact number of new company shares to be issued based on the number of shares comprising the company's share capital on the date of the stock split and complete the exchange of the new shares for the aforementioned shares,
  - make any adjustments made necessary by this stock split, and in particular (i) adjustments to the number of shares that may be issued pursuant to resolutions 17 to 23 of the General Meeting of May 19, 2022; (ii) the adjustment of the number of bonus shares awarded prior to the stock split (whether these were bonus shares or performance-based bonus shares) and (iii) automatic adjustments such as necessary under the company's share buyback program,
  - amend Article 8 of the bylaws accordingly,
  - carry out all acts, formalities and declarations as a consequence of this decision, and
  - more generally, take all necessary and appropriate measures to implement this resolution.

RESOLUTION 25: POWERS TO CARRY OUT FORMALITIES

Board of Directors' report

Resolution 25 is a customary resolution whose purpose is to submit for shareholder approval the powers given in order to carry out any public announcements and legal formalities that result from the decisions of the meeting.

Resolution 25: Powers to carry out formalities

The Annual General Meeting gives full powers to the bearer of an original, extract or copy of the minutes of this meeting to carry out any and all formalities required by law.

8.3 Statutory auditors' report on regulated agreements

Shareholders' Meeting for the approval of the financial statements as of December 31, 2021

This is a free translation into English of the Statutory Auditors' Report on regulated agreements that is issued in French and is provided solely for the convenience of English speaking readers. This report on regulated agreements should be read in conjunction, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders' meeting of SEB S.A.,

In our capacity as statutory auditors of your Company, we hereby present our report on the regulated agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of the agreements of which we have been informed or of which we became aware in the course of our engagement. We are not required to determine whether they are useful or appropriate or to ascertain whether any other agreements exist. It is your responsibility, under the terms of article R.225-31 of the French Commercial Code, ("Code de commerce"), to evaluate the benefits resulting from these agreements prior to their approval.

In addition, we are required, if applicable, in accordance with article R.225-31 of the French Commercial Code, to inform you of agreements which were approved by the Shareholders meeting during previous years and continued to apply during the financial year.

We performed the procedures we considered necessary in accordance with French professional guidance issued by the "Compagnie Nationale des Commissaires aux Comptes" (National Association of Statutory Auditors), relating to this engagement. Our work consisted in verifying that the information provided to us was consistent with the documentation from which it was derived.

AGREEMENTS SUBJECT TO THE APPROVAL OF THE SHAREHOLDER'S MEETING

AGREEMENTS AUTHORIZED DURING THE YEAR

We inform you that we have not been advised of any agreements entered into or authorized in the year ended December 31, 2021 that would require Shareholders' meeting approval, under the terms of article L.225-38 of the French Commercial Code ("Code de Commerce").

AGREEMENTS ALREADY APPROVED BY THE SHAREHOLDER'S MEETING

Agreements approved during previous years which continued to apply during the financial year

In accordance with article R.225-30 of the French Commercial Code ("Code de Commerce"), we have been informed of the following agreement, which was already approved by the Shareholders' meetings in previous years and continued to apply during the financial year.

WITH COMPANY ZHEIJIANG SUPOR CO LTD

Director involved: M. Thierry de LA TOUR D'ARTAISE, Chairman and Chief Executive Officer of your company and Chairman of the Board of Directors of Zheijiang Supor Co Ltd.

Nature: "Master Joint Research and Development Agreement" aimed at conducting joint research and development projects on products and technologies of interest to both SEB S.A. and Zhejiang Supor Co Ltd, so as to pool the experience and know-how of both parties with respect to cookware and electrical cooking appliances.

Terms: The "Master Joint Research and Development Agreement" covers reciprocal exclusivities in relation to projects developed jointly. Industrial property rights that may be registered will be jointly managed and registered by Zhejiang Supor Co Ltd and SEB S.A. in their respective territories. For its manufacturing needs, SEB S.A. will nevertheless be granted a free and permanent license for rights registered in Zhejiang Supor Co Ltd territories.

This agreement was authorized by the Board of Directors on 13 April 2012.

For the 2021 financial year, the cooperation agreement resulted in the termination or putting on hold of several projects. Three projects in the *Home & Personal Care* category and seven projects in the *Cookware* category were pursued, although their advancement was impacted by the Covid-19 health crisis.

AGREEMENTS APPROVED DURING PREVIOUS YEARS WHICH DID NOT APPLY DURING THE FINANCIAL YEAR

Furthermore, we were informed that the following agreements approved by the Shareholders' Meeting during previous years were maintained, but did not apply during the financial year. We specify that upon management's request, we include in this report several commitments taken regarding M. Thierry de LA TOUR D'ARTAISE, Chairman and Chief Executive Officer of your company and M. Stanislas de GRAMONT, Deputy Chief Executive Officer of your company, which corresponded to regulated agreements according to article L. 225-90-1 of the French Commercial Code ("Code de Commerce") until Order (ordonnance) n° 2019-1234 of 27 November 2019.

WITH M. THIERRY DE LA TOUR D'ARTAISE, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The agreements previously approved between M. Thierry de LA TOUR D'ARTAISE and the company, were renewed during (i) the renewal of his term of office as director at the Shareholders' Meeting of 19 May 2020 (4th resolution), (ii) the approval of the renewal of the agreement by the same Shareholders' Meeting (9th resolution) and, (iii) the renewal, by the Board of Directors on 19 May 2020, of his office as Chairman and Chief Executive Officer.

1. Nature: Termination benefits and maintenance of stock options stipulated in the employment contract of M. Thierry de LA TOUR D'ARTAISE, Chairman and Chief Executive Officer of your company, which was suspended on 1 March 2005.

Terms: In the event the employment contract is terminated at the employer's initiative, except on grounds of serious misconduct or gross negligence, or due to forced departure as a result of a change in the control of Groupe SEB, his overall termination benefits shall be equivalent to two years' compensation, payable subject to the performance criteria described in the agreement below.

In the event M. Thierry de LA TOUR D'ARTAISE's employment contract is terminated, except for serious misconduct or gross negligence, he will be entitled to all the share purchase or subscription options granted to him under the same exercise terms and conditions that would have applied had he remained in office. This provision shall also apply in the event M. Thierry de LA TOUR D'ARTAISE's employment contract is terminated pursuant to a decision from the Group, were such decision to arise from a change in the control of the Group. However, he shall forfeit the options that would have been granted to him over the 18 months prior to the termination of his term of office as corporate officer should he resign at his own initiative.

These latter provisions do not apply to date, as the last stock option plan which benefited M. Thierry de LA TOUR D'ARTAISE expired on 18 June 2020.

2. Nature: Determination of the performance criteria governing the payment of termination benefits to the Chairman, as stipulated in his employment contract.

Terms: The Chairman's termination benefits, equivalent to two years' earned compensation plus bonuses, are adjusted based on actual performance in relation to targets for M. Thierry de LA TOUR D'ARTAISE's last four years of service as follows:

- if the average percentage achieved is below 50%, no termination benefits shall be paid;
- if the average percentage achieved is between 50% and 100%, termination benefits shall range from 75% to 100% of the base used for calculation, determined on a straight-line basis;
- if the average percentage achieved is higher than 100%, termination benefits shall equal 100% of the base used for calculation.

The Board of Directors retains the right to reduce such termination benefits, by half at most, if the previous year-end presents a net loss, without such benefits falling below the fixed compensation plus bonuses of the previous year-end, should application of the performance criteria based on the achievement of objectives entitle the payment of termination benefits.

3. Nature: Supplementary and top-up retirement plan.

Terms: As with all other members of the Executive and Management Committees, M. Thierry de LA TOUR D'ARTAISE was entitled to a supplementary and top-up retirement plan.

This scheme complemented the statutory schemes and was composed as follows:

- a defined-benefit deferred compensation plan, under which beneficiaries are subject to seniority and presence conditions. The amount of benefits payable under this plan in addition to the applicable statutory schemes represents up to 25% of a reference remuneration calculated on the average of the target remuneration for the past three years;
- a defined-benefit supplementary pension plan, under which beneficiaries are also subject to seniority and presence conditions. Entitlements under this plan vest at an annual rate of 0.8% of a reference remuneration calculated on the average of the target remuneration for the past three years and capped at 20 years' seniority.

This dispositive guaranteed an annuity equivalent to a compensation replacement rate of maximum 41%, including the benefits of statutory retirement plans. However, the reference salary, which is used as the basis for calculating the retirement benefits, is limited to 36 times the French Social Security ceiling prevailing at the date of calculation.

Payment was subject to the following conditions:

- The executive officer must be at least 60 years of age, having definitively stopped working and having settled the basic retirement entitlements of the supplementary and mandatory AGIRC and ARCCO plans.
- The executive officer shall only receive the guaranteed rate upon leaving the Group to claim his retirement benefits. However, he shall be entitled to benefits in the event his employment contract be terminated after he is 55, if he subsequently ceases to exercise a professional activity.
- The executive officer must have sat on the Executive or the Management Committee for eight years. The maximum duration of the vesting period is 20 years.

For senior executives, including M. Thierry de LA TOUR D'ARTAISE, present on 3 July 2019, the provisions of Order No. 2019-697 of July 3, 2019 relating to supplementary occupational pension schemes obliged the Group to freeze and close this scheme on 31 December 2019. Following the freezing and closing of this pension scheme, a new defined benefit pension plan was set up by the Board of Directors of 16 December 2021, under article L.137-11-2 of the Social Security Code ("*Code de la sécurité sociale*").

With regards to the former collective supplementary retirement plans of executive directors, M. Thierry de LA TOUR D'ARTAISE has reached the maximum of the rights that he could acquire and does not benefit from the new defined benefit pension plan set up by your company.

WITH M. STANISLAS DE GRAMONT, DIRECTEUR GÉNÉRAL DÉLÉGUÉ

Following his appointment as Deputy Chief Executive Officer as of 3 December 2018, a corporate officer agreement was taken in favour of M. Stanislas de GRAMONT, which includes the following:

1. Nature: Termination compensation in the event of revocation of his corporate appointment

Terms: In the event his duties were terminated, M. Stanislas de GRAMONT shall receive a severance payment equivalent to two years' compensation (fixed and variable) less any amounts due to be paid as a result of a non-competition clause, the payment of which is conditioned to performance criteria described in the second agreement below.

The compensation used as a reference for the calculation of the termination compensation is made up of the last two years of fixed and variable compensation received by M. Stanislas de GRAMONT as Deputy Chief Executive Officer.

2. Nature: Determination of the performance criteria governing the payment of termination benefits to the Deputy Chief Executive Officer in the event of the revocation of his mandate

Terms: The termination benefit, equivalent to two years' compensation, will be adjusted based on actual performance in relation to targets over the last four years of service:

- if the average rate is below 50%, no termination compensation shall be paid;
- if the average rate is between 50% and 100%, termination compensation shall range from 75% to 100% of the base used for calculation, determined on a straight-line basis;
- if the average rate is higher than 100%, termination compensation shall equal 100% of the base used for the calculation.

3. Nature: Non-competition compensation in the event of revocation or dismissal

Terms: In the event of the termination of his mandate, by revocation or dismissal, M. Stanislas de GRAMONT, Deputy Chief Executive Officer, agrees not to practice any form of professional activity for a Groupe SEB competitor engaged in the development, manufacture or commercialization of products which have, are or shall be developed, manufactured or commercialized in the future by Groupe SEB. In return for the fulfillment of this obligation, and for the period for which it is applicable (one year renewable once), M. Stanislas de GRAMONT will receive a monthly amount of non-competition compensation from the company equal to 50% of the average monthly salary (fixed and variable) paid to him over the last twelve months of his presence within the Group.

The Board of Directors can release M. Stanislas de GRAMONT from this obligation by waiving the non-competition clause.

4. Nature: Individual life insurance plan in favour of M. Stanislas de GRAMONT, Deputy Chief Executive Officer.

Terms: In addition to the Group's collective benefits plan, M. Stanislas de GRAMONT may benefit from individual death insurance with a capital totaling €2,239,424. The expense recorded for the year ended December 31, 2021 totals €12,136.76.

5. Nature: Supplementary and top-up retirement plan (former and new schemes).

Terms: All members of the Executive and Management Committees, including M. Stanislas de GRAMONT, are entitled to a supplementary and top-up pension plan as describe above in the third commitment with M. Thierry DE LA TOUR D'ARTAISE.

For senior executives, including M. Stanislas de GRAMONT, present on 3 July 2019, the provisions of Order No. 2019-697 of 3 July 2019 relating to supplementary occupational pension schemes obliged the Group to freeze and close this scheme on 31 December 2019 to newcomers. Following the freezing and closing of this pension scheme for newcomers, a new defined benefit pension plan was set up by the Board of Directors of 16 December 2021, under article L.137-11-2 of the Social Security Code ("*Code de la sécurité sociale*") and applies to M. Stanislas de GRAMONT from 1 January 2022. The benefits from this former and new schemes were included in the Compensation package of the Deputy Chief Executive Officer (and Chief Executive Officer in 2022), decided by the Board of Directors on 24 February 2022, which has to be approved by the Shareholders' meeting to be held on 19 May 2022.

However, in accordance with the provisions of the Order of 3 July 2019 on the reform of supplementary pension scheme in application of the French Pact law (« Loi Pacte »), M. Stanislas de GRAMONT was maintained in the former pension scheme. A new scheme was set up in December 2021, and will apply to him from 1 January 2022, given that he has not reached the maximum of the rights that he could acquire under the former scheme and will not reach these maximum rights by the end of his carreer, in compliance with the maximum threshold defined by the Social security Code ("*Code de la Sécurité Sociale*").

Consequently, no change has occurred in the content of the regulated agreement concluded with M. Stanislas de GRAMONT as approved by the Shareholders' Meeting of 22 May 2019.

Paris La Défense, 23 March 2022

The Statutory auditors

French original signed by

KPMG S.A.	**Deloitte & Associés**	
Eric ROPERT *Partner*	Patrice CHOQUET *Partner*	Frédéric MOULIN *Partner*

9 Additional information

9.1 Glossary

Performance shares

Bonus shares allocated by the Board of Directors to the executive officers, members of the Executive Committee and directors and managers of the Group, on expiry of a vesting period and subject to the associated performance conditions having been met.

These shares reward the achievement of the Group's long-term objectives, and their allocation is entirely subject to the performance conditions having been fulfilled.

These performance conditions cover revenue and Operating Result from Activity targets and are assessed on an annual basis over a three-year period. The achievement rates are set each year by the Board of Directors on a proposal of the Governance and Remuneration Committee.

Family shareholders

The family shareholding represents all the shareholders from the Group's founding family.

The majority of shareholders from the Founder Group are represented by three family holdings/organizations: VENELLE INVESTISSEMENT, GÉNÉRACTION and FÉDÉRACTIVE.

Their shareholder strategy gives family shareholders influence over company policy and governance. Certain family shareholders operate a concerted voting block through a shareholder agreement: see page 326 of Chapter 7 of the Universal Registration Document: Shareholder agreement - Concerted voting block.

Registered shares

As opposed to bearer shares, registered shares give the company a better understanding of its shareholders and promote direct contact with them.

There are two ways registered shares can be held:

- Direct registration: the shares are registered in shareholder's name with the SEB Share Service, where they are held and managed free of charge;
- Administered registration: the shares are held and managed by a financial intermediary. They are also registered with Groupe SEB's Share Service.

Registered securities entitle the holder to certain benefits, including the granting of a dividend supplement equal to 10% of the dividend for all registered shares held for more than 2 years.

Bearer shares

Shares are held in a securities account by the shareholder's financial intermediary. The name of the shareholder is not, therefore, directly known to Groupe SEB. In this case, the purchase and ongoing management of their securities are entrusted to the financial intermediary of their choice.

BtoB

Business to Business: Refers to the range of commercial activities that take place between two companies, as opposed to activities that take place between a company and an individual.

Business Unit (BU)

An organizational unit within the company that focuses on a certain area of business. A BU is managed independently and has its own objectives and resources.

Free cash flow

Free cash flow corresponds to adjusted EBTIDA, after considering changes in operating working capital, recurring capital expenditures (CAPEX), taxes and financial expenses, and other non-operating items.

Code of Ethics

Since 2012, Groupe SEB's Code of Ethics has documented the 18 fundamental ethical principles that the Group wants all its employees to observe, in all circumstances and in all countries. It is available from the following address:

https://www.groupeseb.com/en/our-code-ethics

CIR (crédit d'impôt recherche, research tax credit)

The CIR is a tax incentive which purpose is to promote innovation and competitiveness of french companies. Through this tax credit, companies can incur research and development expenses and receive partial reimbursement for these expenses.

Click & Mortar

Refers to retailers that have added online activities (click) to their traditional models (mortar). This retail model is the opposite of that of pure players, like Amazon in online sales.

Customer/Consumer

Within the Group, whose business model is generally BtoB, the term customer refers to a retailer and the term consumer refers to the ultimate consumer. Where sales are made direct to the consumer, particularly through the Group's retail network, the term customer refers to the consumer.

AFEP-MEDEF Code

Corporate governance standards developed by AFEP and MEDEF since 1995. This Code enables listed companies to improve their operations and management in a very transparent manner and to fulfill the expectations of investors and the general public. Followed by almost all the companies in the SBF 120, it provides a set of recommendations on corporate governance and notably, on the remuneration of their senior executive and non-executive officers. The code was last revised in January 2020.

Net indebtedness

This term refers to all recurring and non-recurring financial debt minus cash and cash equivalents, as well as derivative instruments linked to Group financing. It also includes financial debt from application of the IFRS 16 standard “Leases” in addition to short-term investments with no risk of a substantial change in value but with maturities of over three months.

Duty of Vigilance

The duty of vigilance is an obligation imposed upon principal contractors to anticipate the social, environmental and governance risks associated with their operations, but which may also extend to the activities of their subsidiaries and commercial partners (subcontractors and suppliers).

DPEF déclaration de performance extra-financière, non-financial performance report

The DPEF is current legal and regulatory framework for the publication of sustainable development information for companies in France, as set out in Order No. 2017-1180 of 19 July 2017 on the disclosure of non-financial information by certain large undertakings and groups. It replaces the existing mechanism for the publication of sustainable development information in France (called “Grenelle II” reporting, by reference to Law No. 2010-788 of 12 July 2010 on national commitment for the environment, sometimes called the “Grenelle II” law).

Double voting rights

Double voting rights are allocated to any fully paid-up share provided that it has been held in registered form in the name of the same shareholder for a period of 5 years. Double voting rights are defined in article 35 of the Group’s bylaws. See page 343.

Pre-emption rights

A benefit conferred by Article 225-132 of the French Commercial Code to shareholders of a limited company, that enables them to exercise a preferential right to acquire new shares issued during a share capital increase, within a given timescale and in accordance with the conditions set out by the Extraordinary General Meeting.

Adjusted EBITDA

Adjusted EBITDA is equal to Operating Result from Activity minus discretionary and non-discretionary profit-sharing, to which are added operating depreciation and amortization.

Home & Cook

Home & Cook is a Groupe SEB store selling products from its various brands (e.g. Calor, Rowenta, Moulinex, Seb, Tefal, Krups, Lagostina, etc.).

IFRS

International Financial Reporting Standards. Accounting standards with which listed companies are required to comply when preparing their accounts, in order to harmonize the presentation of their financial statements.

IFRS 16

New accounting standard for leases that requires a liability and a right of use to be recognized in the balance sheet for leases meeting certain criteria (term of lease, materiality, etc.).

ISO 14001

ISO 14001 is a standard applied to environmental management systems to address the environmental concerns of consumers. It was created by the International Standards Organization (ISO). It applies to any entity wishing to implement an ecologically-friendly system. The entity will be required to update its environmental policy in order to improve its performance in this area and to ensure it complies with the standard.

LTIR/LTIRi

Lost Time Injury Rate / Lost Time Injury Rate with temporary workers. Safety performance indicator. It counts the number of accidents with a direct causal link with work and relates it to the number of hours worked.

Executive officers

These are the Chairman and Chief Executive Officer, the Chief Operating Officer, the Chairman of the Board of Directors and members of the Board of Directors of SEB S.A.

Senior Executive Officers

These are the Chairman and Chief Executive Officer and the Chief Operating Officer. As of July 1, 2022, this will be the Chairman of the Board of Directors and the Chief Executive Officer.

Growth Drivers

Growth drivers include all the levers, including advertising, marketing and innovation, that a company can put into action to successfully market its product or brand.

MSCI

A ratings and financial and non-financial research agency of international renown that specializes in the analysis of environmental, social and corporate governance factors.

www.msci.com

ORNAE

Bonds with optional reimbursement in cash and/or existing shares (from the French, Obligations à Option de Remboursement en Numéraire et/ou en Actions Existantes).

These bonds were issued on 17 November 2016 (ISIN code FR0013218807) in the amount of €150 million, maturing on 17 November 2021.

This type of convertible bond does not require new shares to be issued as, in the event of the exercise of the share allotment right, holders will receive an amount in cash and, where appropriate, an amount payable in existing shares.

ITO

An Independent Third-party Organization responsible for confirming that the information published in the Group's non-financial performance report is complete and accurate. The Group's independent third-party organization is Mazars, the company's statutory auditor.

SDE

Small Domestic Equipment.

SEA

Small Electrical Appliances.

Dividend supplement

This is paid for any shares registered before 31 December of any year, which are held in this form for two consecutive financial years in the same shareholder's name, up to a statutory maximum shareholding of 0.5%. The amount of the dividend supplement is equal to 10% of the ordinary dividend, the maximum amount authorized by current legislation.

Loyalty program (LP)

These programs, led by the distribution retailers, consist in promotional offers in a product category to loyal consumers who have made a series of purchases within a short period of time. The promotional programs enable distributors to boost footfall in their stores, and consumers to access our products at discounted prices.

Pure players

A pure player is an actor or company operating exclusively online, as opposed to actors who have a presence several distribution channels.

Operating Result from Activity (ORfA)

Operating Result from Activity (ORfA) is Groupe SEB's main performance indicator. It corresponds to sales minus operating costs, i.e. the cost of sales, innovation expenditure (R&D, strategic marketing and design), advertising, operational marketing as well as commercial and administrative costs. ORfA does not include discretionary and non-discretionary profit-sharing or other non-recurring operating income and expense.

Profit attributable to owners of the parent

This corresponds to the total consolidated net profit (profits generated by all the companies in the Group), minus the share that belongs to the third-party shareholders of subsidiaries that the Group does not fully own.

SAPIN II

French law No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernization of economic life.

SEB

The Société d'Emboutissage de Bourgogne (Burgundy Stamping Company). SEB refers to Groupe SEB, while Seb refers to the Group's product brand (pressure cooker, Actifry, etc.).

Specialist stores

Specialist superstores are large stores, usually located close to hypermarkets, that specialize in the sale of cookware or electrical appliances.

Traditional stores

Traditional stores are conveniance stores in most cases, still very established in emerging countries. Given the limited storage space, the selections on offer are more limited than in large specialist stores or through online commerce. Here, the consumer is primarily looking for proximity, convenience and human contact, which have been maintained despite the rise of new stores.

URD

Universal Registration Document. This new document, arising as a result of the entry into force on 21 July 2019 of Regulation (EU) 2017/1129, known as "Prospectus 3", replaces the registration document. In addition to its new name, this document meets the objective of improving readability for shareholders and investors by adding more detailed information on:

- strategy;
- non-financial information;
- risk factors.

9.2 Declaration by the person responsible for the Universal Registration Document containing the annual report

I hereby declare that the information contained in this Universal Registration Document is, to the best of my knowledge, consistent with the facts and contains no omission likely to affect its import.

I hereby declare that, to my knowledge, the financial statements have been prepared in accordance with relevant accounting standards and provide a true and fair view of the assets, financial situation and performance of the company and of all companies included under the Consolidated Financial Statements. I furthermore declare and that the elements of the Management Report contained in this document, as specified in the concordance table in section 9.4, present a true and fair picture of changes in the business, performance and financial situation of the company and all companies included under the Consolidated Financial Statements, as well as a description of the main risks and uncertainties they face.

7 April 2022.

Chairman and CEO

Thierry de La Tour d'Artaise

9.3 Statutory auditors and audit fees

STATUTORY AUDITORS

- **KPMG Audit, represented by:**

Eric ROPERT

2 avenue Gambetta CS 60055 92066 PARIS-La Défense Cedex,

appointed by the Ordinary General Meeting of 20 May 2021.

Term: Ordinary General Meeting of 2027.

- **Deloitte & Associés, represented by:**

Frédéric MOULIN and Patrice CHOQUET

6 place de la Pyramide 92908 Paris-La Défense Cedex

appointed by the Ordinary General Meeting of 20 May 2021.

Term: Ordinary General Meeting of 2027.

Each of these Statutory auditors is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

FEES PAID TO STATUTORY AUDITORS

The breakdown of fees paid to statutory auditors and members of their networks is as follows:

	Deloitte				KPMG			
	Amount (excluding tax)		In%		Amount (excluding tax)		In%	
(in € thousands)	2021	2020	2021	2020	2021	2020	2021	2020
AUDIT								
Statutory auditor, certification, review of individual and consolidated financial statements	1,828		96%		1,982		87%	
Other services performed by the networks for fully integrated subsidiaries	**75**		**4%**		**293**		**13%**	
TOTAL	**1,903**		**100%**		**2,275**		**100%**	

	PricewaterhouseCoopers Audit				Mazars			
	Amount (excluding tax)		In%		Amount (excluding tax)		In%	
(in € thousands)	2021	2020	2021	2020	2021	2020	2021	2020
AUDIT								
Statutory auditor, certification, review of individual and consolidated financial statements		1,876		89%		2,358		95%
Other services performed by the networks for fully integrated subsidiaries		**229**		**11%**		**123**		**5%**
TOTAL		**2,105**		**100%**		**2,481**		**100%**

9.4 Cross-reference table for the Annual Financial Report, Management Report and Corporate Governance Report

	Page numbers	Annual Financial Report	Management report
Commentary on the financial year			
Objective and exhaustive analysis of developments in the company's and Group's business, performance and financial position	217-237	X	X
Key non-financial performance indicators relevant to the company's specific business activity	133-211		X
Significant stakes acquired during the financial year in companies headquartered in France	234	X	X
Significant events that occurred between the financial year-end and the date on which the report was drawn up	237	-	X
Foreseeable developments regarding the position of the company and the Group	236	X	X
Dividends distributed over the three preceding financial years and amount of income distributed for these years	357		X
Supplier and customer payment schedules	234-235		X
Presentation of the Group			
Description of the main risks and uncertainties faced by the company	49-63	X	X
The company's use of financial instruments: objectives and policy in relation to financial risk management	282-295	X	X
Company's exposure to price, credit, liquidity or cash flow risks	292-295	X	X
Social and environmental consequences of business (including "Seveso" facilities)	133-211		X
Research and development activities	24-27	X	X
Information on the company and its share capital			
Rules applicable to the appointment and replacement of members of the Board of Directors or Management Board, as well as to changes in the Company's bylaws	68; 90-96		X
Powers of the Board of Directors or Management Board, in particular concerning the issue or buyback of shares	351-352	X	X
Purchases and sales of treasury stock during the financial year	351-352	X	X
Adjustments for share equivalents in the event of share buybacks or financial transactions	-	-	-
Structure of and changes to the company's share capital	345-349	X	X
Statutory limitations on the exercise of voting rights and transfer of shares or clauses in agreements brought to the attention of the company	342-350	X	X
Direct or indirect shareholdings in the company of which the company is aware	342-350	X	X
Employee shareholding in the company's share capital on the last day of the financial year and portion of the share capital represented by the shares held by employees under the company savings scheme and by the employees and former employees under employee mutual investment funds	353-355		X
Holders of any securities conferring special control rights and a description of those rights	-		-
Control mechanisms within any employee shareholding system, where control rights are not exercised by the employees	-		-
Agreements between shareholders of which the company is aware and which may give rise to restrictions on share transfers and voting rights	346-347	X	X
Agreements entered into by the company that are amended or terminated in the event of a change in control, with the exception of those agreements whose disclosure would seriously harm its interests	-		-
Agreements providing for indemnities payable to employees or members of the Board of Directors or Management Board if they resign or are dismissed without real or serious cause or if their employment contract is terminated as a result of a public tender offer	100-131		X
Injunctions or fines as a result of anti-competitive practices	-		-

	Page numbers	Annual Financial Report	Management report
Financial statements			
Changes in the presentation of the financial statements or in the valuation methods used	245	X	
Profit over the last five financial years	334	X	
Consolidated financial statements	239-311	X	
Company financial statements	315-339	X	
Statutory auditors' reports on the company and Consolidated Financial Statements	307-311; 335-339	X	
Fees paid to the Statutory auditors	388	X	
Corporate governance report			X
Information on the composition, operation and powers of the Board of Directors:			
Reference to a Corporate Governance Code	68		
Composition of the Board of Directors and conditions governing the preparation and organization of meetings	68-97		
Principle of gender balance	68		
List of the offices and positions of each director	71-83		
Agreements signed between a director or a shareholder holding more than 10% of the voting rights and a subsidiary	87		
Table summarizing the outstanding delegations granted by the Annual General Meeting of shareholders to the Board of Directors to increase the share capital, showing the use made of these delegations during the financial year			
Conditions governing the exercise of executive powers	66-67		
Conditions governing shareholder participation in Annual General Meetings	96		
Information on the remuneration of executive officers:	100-132		
Remuneration policy (ex-ante say on pay)			
Total compensation and benefits of any kind paid to each executive officer during the financial year, and reference to the resolutions voted for through an ex-ante vote			
Stock options granted, subscribed or purchased during the financial year by the executive officers and the ten highest-earning non-executive employees of the company, and stock options granted to all eligible employees, by category			
Conditions for the exercise and retention of stock options by executive officers			
Conditions for the retention of performance shares awarded to executive officers			
Transactions by senior managers and associated persons involving the company's shares			
Commitments of any kind made by the company for the benefit of its executive officers, such as remuneration, compensation or benefits due or likely to become due when, or after, they assume, cease or change positions			
Information on factors which could affect a takeover bid	344		
Statutory auditors' report on the Corporate governance report	336-337	X	X
Report by one of the statutory auditors on the consolidated human resources, environmental and social information included in the management report	212-215	X	X
Statutory auditors' report on regulated agreements and commitments	379-382	X	
Declaration by the person responsible for the Annual Financial Report	387	X	

9.5 Cross-reference table for the Universal Registration Document

Cross-reference table for the Universal Registration Document - Annex 1 and 2 of the european delegated regulation 2019/980 of March 14, 2019 completing the european regulation 2017/1129 of June 14, 2017	Pages
11 – PROFIT FORECASTS OR ESTIMATES	N/A
12 – ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT	
12.1 Administrative and management bodies	68-96
12.2 Conflicts of interest within administrative and management bodies	89
13 – REMUNERATION AND BENEFITS	
13.1 Amount of remuneration paid and benefits in kind	100-131
13.2 Total amounts set aside or accrued to provide pension, retirement or similar benefits	106-110; 114-116
14 – PRACTICES OF ADMINISTRATIVE AND MANAGEMENT BODIES	
14.1 Date of expiry of current terms of office	86
14.2 Service contracts binding the members of the administrative bodies	87
14.3 Information about the Audit Committee and Remuneration Committee	91-94
14.4 Statement of compliance with the regime of corporate governance	68; 89-93; 97
14.5 Potential impacts on the corporate governance	65-132
15 – EMPLOYEES	
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15.2 Shareholdings and stock options of the executive officers	353-355
15.3 Arrangements for involving the employees in the capital of the issuer	272; 353-355
16 – MAJOR SHAREHOLDERS	
16.1 Shareholders owning more than 5% of the capital and voting rights	345-348
16.2 Existence of different voting rights	343; 345
16.3 Control over the issuer	345-348
16.4 Arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	346
17 – RELATED PARTY TRANSACTIONS	298
18 – FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
18.1 Historical financial information	312-313
18.2 Interim and other financial information	240-243; 316-317
18.3 Auditing of historical annual financial information	307-311; 335-339
18.4 Proforma financial information	N/A
18.5 Dividend policy	357
18.6 Legal and arbitration proceedings	248; 275-277
18.7 Significant change in the issuer's financial or trading position	N/A
19 – ADDITIONAL INFORMATION	
19.1 Share capital	345-349
19.1.1. Amount of issued capital and number of shares	344
19.1.2. Shares not representing capital	N/A
19.1.3. Treasury shares	349
19.1.4. Convertible securities, exchangeable securities or securities with warrants	349
19.1.5. Terms governing unissued capital	N/A
19.1.6. Options on share capital	N/A
19.1.7. History of changes to share capital	345-349
19.2 Memorandum and bylaws	342
19.2.1. Corporate objects and purposes	342
19.2.2. Rights, privileges and restrictions applying to shares	343
19.2.3. Provisions likely to defer, delay or prevent a change in control	N/A
20 – MATERIAL CONTRACTS	N/A
21 – DOCUMENTS ON DISPLAY	342

The following information is incorporated by reference in this Universal Registration Document:

- The Universal Registration Document for the 2020 financial year was filed with the French Financial Markets Authority on 6 April 2021,under number D.21-0261. The Consolidated Financial Statements appear on pages 225 to 292 and the corresponding audit report appears on pages 293 to 297 of this document.
- The Registration Document for the 2019 financial year was filed with the French Financial Markets Authority on 9 April 2020, under number D.20-0282. The Consolidated Financial Statements appear on pages 202 to 269 and the corresponding audit report appears on pages 270 to 274 of this document.

The information on the Group's website (www.groupeseb.com), with the exception of that incorporated by reference, is not part of this Universal Registration Document.

As such, this information has not been reviewed or approved by the AMF.

9.6 Cross-reference table, Grenelle II, GRI and global compact

Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	References: Universal Registration Document	References: Website sustainable development section
SOCIAL PERFORMANCE INDICATORS					
Employment					
Total employees	1.a-1	LA1		page 160	Key figures
Breakdown of employees by gender	1.a-1	LA1/LA13		page 165	
Breakdown of employees by age group	1.a-1	LA13		page 166	
Breakdown of employees by geographical region	1.a-1	LA1		page 160	
Breakdown of employees by type of work		LA1		page 165	
Breakdown of employees by employment contract type		LA1		page 162	
Hires	1.a-2	LA2		page 161	
Redundancies	1.a-2	LA2		page 161	
Remuneration	1.a-3	LA3/LA14		page 174	
Change in remuneration over time	1.a-3	LA3		page 174	
Organization of work					
Organization of working hours	1.b-1			page 177	
Absenteeism	1.b-2	LA7		page 177	
Labor relations					
Organization of employee-management dialog	1.c-1	LA4/LA5	3	page 167	
Collective bargaining agreements	1.c-2	LA4/LA5		page 167	
Health and safety					
Workplace health and safety conditions	1.d-1	LA6/LA8	4-5	pages 169-173	Health/Safety
Agreements signed with trade unions in relation to workplace health and safety	1.d-2	LA9		page 167	
Frequency and severity of workplace accidents	1.d-3	LA7		page 172	
Work-related illness	1.d-3	LA7		page 173	Health/Safety
Training					
Policies in place with regard to training	1.e-1	LA11		pages 175-176	Expertise
Total number of training hours	1.e-2	LA10		page 176	
Number of employees receiving regular performance and career development reviews		LA11		page 175	
Equal opportunity					
Measures taken to promote gender equality	1.f-1	LA14		pages 163-165	Fairness and diversity
Measures taken to promote employment opportunities for and integration of disabled people	1.f-2	LA13		page 165	Fairness and diversity
Anti-discrimination policy	1.f-3	LA13		page 164	Fairness and diversity
Governance					
Composition of corporate governance bodies		LA13		chapter 2	Governance
Promotion of and adherence to the ILO's fundamental conventions					
Respect for freedom of association and the right to collective bargaining	1.g-1	HR5/LA4/LA5	3	page 167	Respect for ethics
Elimination of discrimination in employment and occupation	1.g-2	HR4/LA13/LA14	6	pages 163-165	Fairness and diversity
Elimination of forced or compulsory labor	1.g-3	HR6/HR7		pages 153-154	Respect for ethics
Effective abolition of child labor	1.g-4	HR6	4 - 5	pages 153-154	Respect for ethics

Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	References: Universal Registration Document	References: Website sustainable development section
Other actions taken to promote Human Rights	3.e				**Respect for Human Rights**
Investment and procurement practices					Responsible purchasing
Percentage of major suppliers and contractors verified as compliant with Human Rights; measures taken		HR2		pages 155-157	
Total number of training hours for employees on policies and procedures regarding Human Rights relevant to their job; percentage of employees trained		HR3		page 154	
Evaluation				page 155	Responsible purchasing, Respect for human rights
Percentage or number of activities for which the organization has conducted Human Rights reviews or impact assessments		HR10	1 and 2	page 154	
Corrective action					
Number of Human Rights grievances filed, handled and resolved according to a Human Rights grievance management procedure		HR11	1 and 2	page 154	
ENVIRONMENTAL PERFORMANCE INDICATORS					
General policy toward the environment					**Reducing environmental impacts**
Company organization to address environmental issues. Environmental evaluation or certification procedures, where applicable	2.a-1			pages 198-200	Shrink our environmental footprint
Employee training and education initiatives taken with regard to safeguarding the environment	2.a-2			page 134	
Resources allocated to prevent environmental risks and pollution	2.a-3	EN30		page 207	Eco-manufacturing
Provisions and guarantees for environmental risks (unless this information could be detrimental to the company)	2.a-4	EN28/EC2	7 à 9	page 290	
Pollution					
Measures to prevent, reduce or remedy emissions into the air, water or soil that seriously affect the environment	2.b-1	EN22/EN23/ EN24		pages 203-207	Eco-manufacturing
Measures to prevent noise pollution and any other form of pollution stemming from operations	2.b-3	EN25		page 207	Eco-manufacturing
Total discharge into water		EN21	7 to 9	page 207	
Circular Economy					**The central role of the circular economy in sustainable innovation**
Prevention and waste management					
Measures to prevent recycle, reuse, other ways of waste recovery and dispose of waste	2.b-2	EN27		page 197	Recycling for reuse
Total waste produced		EN22/EN24		page 206	
Measures against food waste				page 188	

Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	References: Universal Registration Document	References: Website sustainable development section
Sustainable use of resources					
Water consumption and supply according to local constraints	2.c-1	EN8/EN9/EN21		page 205	
Consumption of raw materials	2.c-2	EN1		page 205	
Consumption of recycled materials		EN2		pages 195-196	Eco-design
Measures taken to improve the efficient use of raw materials	2.c-2	EN10		pages 201-202	Eco-design; Eco-manufacturing
Energy consumption	2.c-4	EN1/EN3/EN4		page 203	Eco-design; Eco-manufacturing
Measures taken to improve energy efficiency and use of renewable energy	2.c-4	EN5/EN6/EN7		pages 204-205	Eco-design
Land use	2.c-3		7 to 9	page 207	
Climate change					
Significant sources of greenhouse gas emissions generated by Company activities, as well as by the use of the goods and services produced by the Company	2.d-1	EN16/EN17/ EN19/EN20		pages 198-199	Shrink our environmental footprintT
Adaptation to the consequences of climate change	2.d-2	EN18/EC2	7 to 9	pages 198-211	
Biodiversity protection					
Measures taken to preserve or promote biodiversity	2.e-1	EN11 to EN15/ EN25	7 to 9	pages 207-208	
Products and services					
Initiatives to reduce the environmental impact of products and services; scope of these initiatives		EN26	7 to 9	pages 197 and 201-203	Eco-design; Products end-of-life
Transport					
Significant environmental impacts stemming from the transport of products, other goods and materials used by the organization in the course of its operations and the transport of staff members		EN29	7 to 9	pages 208-210	Eco-logistics
INFORMATION ON CORPORATE CITIZENSHIP COMMITMENTS TO PROMOTE SUSTAINABLE DEVELOPMENT					
Regional, economic and social impact of the company's operations					
With regard to employment and regional development	3.a-1	EC8/EC9		page 182	
On neighboring or local populations	3.a-2	EC1/EC6/SO1/ SO9/SO10		page 182	Good corporate citizen
Relations with individuals or organizations that have a stake in the company's operations					
Conditions for dialog with these individuals or organizations	3.b-1			pages 147-149	
Corporate partnership or philanthropy actions	3.b-2	EC1		pages 178-182	
Contractors and suppliers					
Inclusion of social and environmental criteria in the procurement policy	3.c-1	EC6/HR2/ HR5 to 7		pages 155-156	Ethics, Responsible purchasing
Extent of sub-contracting and consideration of CSR factors in relations with suppliers and contractors	3.c-2		1 and 2	pages 155-156	Ethics, Responsible purchasing
Fair business practices					
Actions taken to prevent corruption	3.d-1	SO2 to SO4/ SO7/SO8	10	page 154	Respect for ethics
Measures taken to promote consumer health and safety	3.d-2	PR1/PR2		pages 184-185	Respect of consumers
Anti-competitive practices					
Total number of legal proceedings for anti-competitive practices, violation of anti-trust laws and monopolistic practices and outcomes of these proceedings		SO7		-	

NOTES

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