GROUPE SEB

2015

FINANCIAL REPORT AND REGISTRATION DOCUMENT

CONTENTS

Items in the Annual Financial Report are identified in the contents with the help of the AFR symbol AFR

Registration Document 2015

and Annual Financial Report

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the French Financial Markets Authority (Autorité des Marchés Financiers or AMF) on 31 March 2016, in accordance with Article 212-13 of the AMF's general regulations. It may be used as a basis for financial transactions if it is accompanied by an AMF information memorandum. This document was drawn up by and is the responsibility of the issuer and the Chairman and CEO.

This Registration Document is available on the Groupe SEB website, www.groupeseb.com and on the AMF website, www.amf-france.org.

PROFILE

With a presence in almost 150 countries, Groupe SEB has earned strong positions on all continents through a wide, diversified product range and an exceptional brand portfolio. **Today, it is the world reference in Small Domestic Equipment.**

Its success is rooted in **its ability to innovate and invent for daily life in tomorrow's world**, with the ambition of bringing better-living to all households around the world.

An extensive product portfolio

- Cookware: frying pans, saucepans, pressure cookers, baking trays, kitchen utensils and gadgets
- Small Domestic Appliances
  - Electrical cooking: deep fryers, rice cookers, electric pressure cookers, informal meal appliances, waffle makers, meat grills, toasters, multicookers
  - Preparation: food processors, mixers, beaters, blenders, cooking kitchen machines, coffee makers (filter and pod), espresso machines, electric kettles, home beer-tapping machines, soya milk makers.
  - Linen care: steam irons and generators, garment steamers
  - Personal care: hair care equipment, epilators, bathroom scales
  - Homecare: cylinder vacuum cleaners with or without dust bag, upright vacuum cleaners, fans, heaters, air-conditioning units

A global reach

- Sales approaching **€4.8** billion
- Balance between mature (**54**%) and emerging (**46**%) countries
- **26,000** employees across all continents
- A presence in over **150** countries
- Top ranking positions in over **25** countries
- Nearly **30** production sites worldwide

A strong innovation policy

- **€150** million invested in innovation every year
- Over **100** patents filed every year
- An innovation community numbering more than **1,300** people

Unrivalled brand equity

GLOBAL BRANDS

All-Clad METALCRAFTERS LLC CANONSBURG, PA USA · KRUPS · Lagostina 1901 · Moulinex · Rowenta · Tefal

LOCAL LEADERSHIP BRANDS

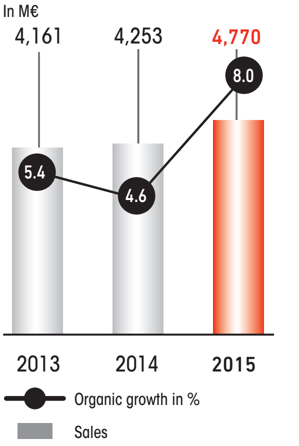
AirBake · ARNO · ASIA vina · Calor · clock · IMUSA · MIRRO · OBH NORDICA DESIGNING GOOD LIFE · PANEX · Rochedo · samurai · SEB · SUPOR · T-fal · UMCO

Responsible commitment

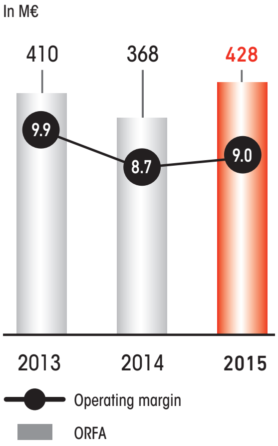
Groupe SEB is committed to sustainable development and shares with its employees a culture based on strong values: Entrepreneurial drive; Passion for innovation; Group spirit; Professionalism; Respect for people

HIGHLIGHTS 2015

SALES AND ORGANIC GROWTH

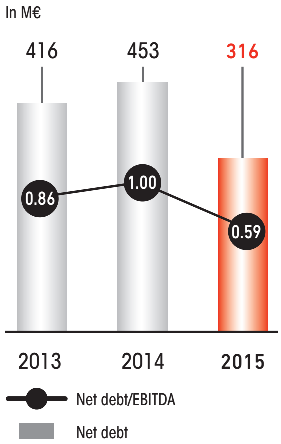


ORFA* AND OPERATING MARGIN

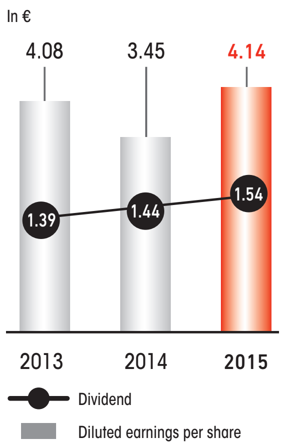


* Operating Result from Activity

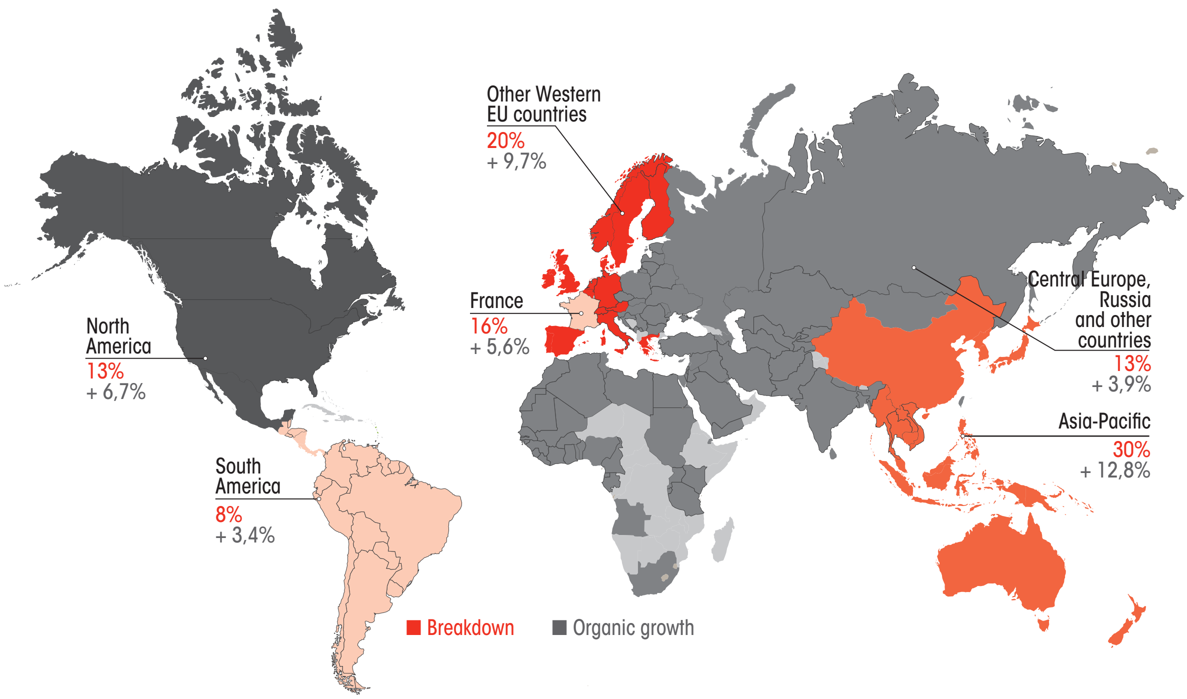
NET DEBT AND LEVERAGE RATIO



DILUTED EARNINGS PER SHARE AND DIVIDEND



Breakdown of sales by region



Key figures

STRENGTHENING THE EXECUTIVE COMMITTEE

To better serve its different markets and to support its international expansion, the Group created three continental divisions in charge of the Group worldwide sales activity and a "Products and Innovation" division.

ACQUISITION OF OBH NORDICA

The Group finalised the acquisition of OBH Nordica, a major operator in the small domestic appliance (SDA) market in Scandinavia. OBH Nordica achieved sales of €66 million in 2014-15 and has around 7% value market share in the Nordic SDA market.

BOND ISSUE

Groupe SEB successfully placed its second bond issue. The €500 million, 7-year issue (due on 25 November 2022), bearing interest at a rate of 2.375%, was five times oversubscribed.

INCREASE IN THE GROUP'S CAPITAL INTEREST IN SUPOR

Groupe SEB announced that it had signed an agreement with the Su family holding company to buy 50 million shares of Supor at a unit price of CNY 29 per share. This transaction brought the interest of the Group to 81,03% and finalised in mid-2016, subject to approval from the Chinese authorities.

SHAREHOLDERS AND STOCK MARKET INFORMATION

Data sheet

PLACE OF LISTING
Euronext Paris, Compartment A

ISIN CODE
FR0000121709

LISTING DATE
27 May 1975

STOCK MARKET INDICES
CAC® Mid 60 – SBF® 120 –
CAC® Mid & Small –
CAC® All-Tradable –
STOXX® Europe 600 –
Vigeo Europe 120

OTHER INFORMATION
IAS index – Eligible for DSS

NUMBER OF SHARES
50,169,049 shares with a par value of €1

TICKERS
Reuters: SEBF.PA
Bloomberg: SK FP

Provisional timetable

28 APRIL AFTER THE STOCK MARKET CLOSES:
Sales and financial information for the first quarter of 2016

19 MAY AT 14H30:
General Shareholders' Meeting in Paris (Palais Brongniart)

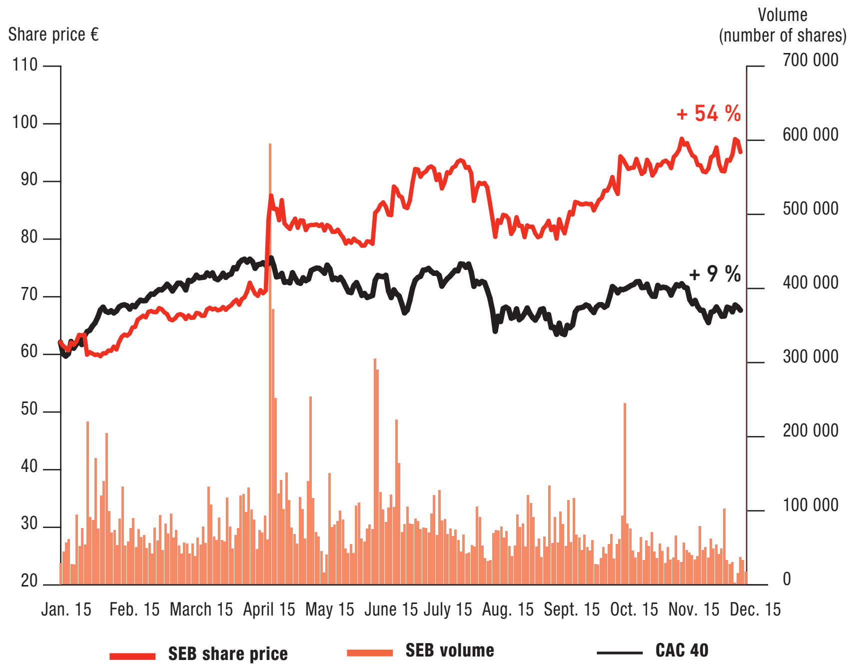
25 JULY BEFORE THE STOCK MARKET OPENS:
Sales and results for the first half of 2016

25 OCTOBER AFTER THE STOCK MARKET CLOSES:
Sales and financial information for the third quarter of 2016

Key figures 2015

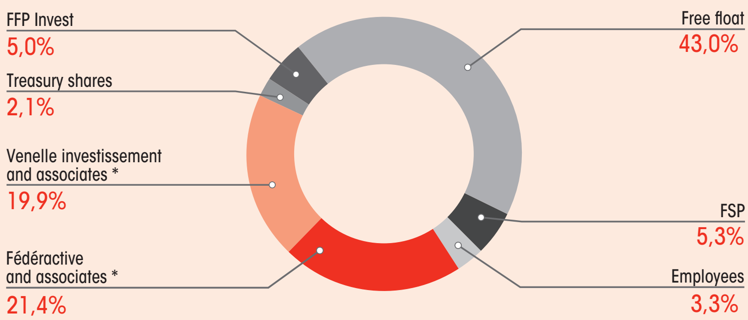
Stock market capitalisation at 31/12/2015	4,746 M€
Price at 31/12/2015 (closing)	94.60 €
Average for the year	80.18 €
Highest price	97.45 €
Lowest price	58.01 €
Average daily trading volume (number of shares)	79,811

Change in share price as of 1st of January 2015



Shareholder structure

CAPITAL



** Founder Group 41.3%*

1

INTRODUCTION TO THE GROUP

1.1. HISTORY

Acquisitions Organic development Innovation

1857	Creation of a small tinplating workshop in Selongey, in the Burgundy region of France
1932	First hand-crank food mill, paving the way for the development of Moulinex
1944	The company takes the name SEB (Société d'Emboutissage de Bourgogne)
1950-1960	Marie, Charlotte and Jeannette food processors etc. from Moulinex
1953	Launch of the Super Cocotte pressure cooker, which was to give rise to the creation of Groupe SEB
1954	Invention of the first Tefal non-stick pan and the first Vapomatic Calor steam iron
1967	SEB invents the odourless electric fryer
1968	Acquisition of Tefal and its five European subsidiaries (Germany, Belgium, Denmark, Netherlands, Italy)
1972	Acquisition of Calor
1972	Opening of subsidiaries in the UK and the US
1972	First Tefal sandwich maker with detachable non-stick plates
1973	creation of Groupe SEB
1975	Stock Market listing of SEB S.A.
1978	First Tefal raclette grill
1981	First Calor electronic iron
1985	Tefal electronic scales
1988	Acquisition of the German company, Rowenta
1990	Aquagliss irons with anti-scale cartridge
1991-93	Opening of subsidiaries in Mexico, Poland, the Czech Republic, Slovakia, Hungary, Turkey, Canada and Portugal
1992	First Genius intelligent food processor from Moulinex
1994	Clipso pressure cooker with one-handed opening mechanism
	Dymbo vacuum with Delta System head from Rowenta
1994-96	Entry into Russia and the United Arab Emirates
1996	Arno self-clean blender
	Range of pots and pans with Ingenio detachable handles from Tefal
1997	Opening of a subsidiary in South Korea

1998	Opening of a subsidiary in Australia
1997	Acquisition of the Brazilian company, Arno
1998	Acquisition of the Colombian company, Samurai
2000	Tefal Thermospot (heat indicator incorporated in the non-stick coating)
2001	Acquisition of certain Moulinex assets, takeover of Krups
2003-04	Opening of a subsidiary in Thailand and in Malaysia
2004	Repelente anti-mosquito fan from Arno
2004	Acquisition of All-Clad, specialist top-of-the-range cookware operator in the United States
2005	Acquisition of the Brazilian company, Panex
	Acquisition of the Italian company, Lagostina
2006	Actifry, fryer which uses a spoonful of oil
2006	Opening of a subsidiary in Ukraine
2007	Silence Force vacuum from Rowenta
2007	acquisition of a majority shareholding in the Chinese company, Supor
2011	Acquisition of the Colombian company Imusa
	Acquisition of Asia Fan in Vietnam
	Majority shareholding in the Indian company, Maharaja Whiteline
	Creation of the SEB Alliance investment fund
	Acquisition of an additional 20% capital interest in Supor
2012	Freemove cordless iron, Cookeo the first multicooker and Steampod, the professional hair smoothing solution in partnership with L'Oréal
2013	Cuisine Companion, the first cooking food processor from Moulinex and Optigrill, the intelligent grill
2014	Acquisition of the remaining shares in Maharaja Whiteline and Asia Fan
2014	Cookeo Connect
2015	Acquisition of the Scandinavian company OBH Nordica
	Shareholding in Supor increased to 81% (subject to approval from the Chinese authorities)

1.2. BUSINESS SECTOR

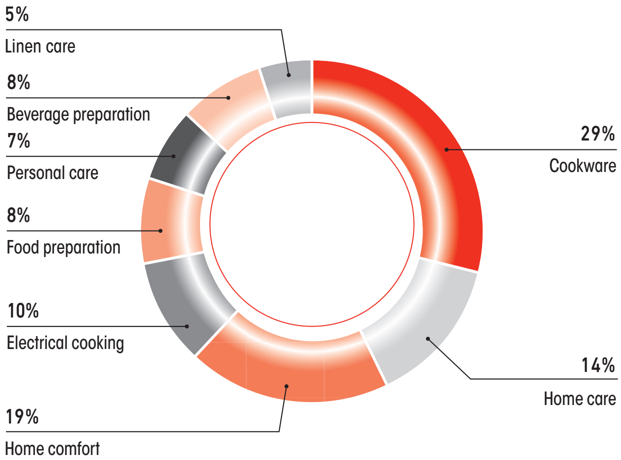
Groupe SEB operates in the Small Household Appliances market which includes small domestic appliances and cookware which account for 70% and 30% of its revenue respectively.

According to the latest estimates, the global market for small domestic appliances is worth approximately €34 billion and for cookware, €14 billion. These figures are estimates for the Group, calculated based on GFK and Nielsen surveys and from third-party organisations.

Overall, the Small Household Appliances sector is characterised by:

- moderate, yet steady, growth in the majority of mature markets where, although the appliance ownership rate is already high, it is uneven in terms of product families. This demand is, however, mixed and driven by strong reactivity to innovation (new products and concepts), by premiumisation associated with a desire for more status-related products, and by the need for basic products at low prices. At the same time, despite recent turbulence, emerging markets are experiencing steady growth. These markets are experiencing strong demand from first-time buyers, and their intense growth is fuelled by booming middle class access to consumption, increasing urbanisation and the development of the real estate market, increased buying power, the development of modern retail distribution and e-commerce, etc.;
- an average sale price of around €50 for a small domestic appliance in developed countries, being accessible for most consumers and requiring no or very limited use of credit;
- an increasing average appliance ownership rate in certain categories, which are driving these renewal markets;
- strong seasonality, shared by all market operators, primarily relating to the significant percentage of products, particularly small domestic appliances, sold during holiday periods (the fourth quarter for most markets, January/February for China);
- steady and increasingly unavoidable inroads of industrial partnerships between manufacturers of small domestic appliances and actors of various mass consumer goods, especially by joining forces to propose new offerings and services. Development of the single-portion coffee concept is the most significant example;
- the emergence of new consumer trends worldwide: more Western in Asian or South American countries, more ethnic in Western countries, back to home-made and control over food in Europe, heightened environmental awareness, etc.;
- a highly competitive and discount-driven market environment. The success of retailer loyalty programmes in boosting traffic in stores is a testament to this trend;
- the very rapid growth of alternative retail channels, and especially the e-commerce. Over the last few years, this trend has resulted in the emergence of new and highly dynamic specialist online sales operators (such as Amazon, Tmall and Nova Pontocom) and retailer websites whilst traditional retail sales via physical channels have stagnated.

+ BREAKDOWN OF THE GLOBAL SMALL HOUSEHOLD APPLIANCES MARKET BY PRODUCT



Sources : Consultants, Groupe SEB.

From a geographical viewpoint, the global market for Small Household Appliances does not present any real homogeneity because it is fragmented into numerous national/regional markets. These are fuelled by a complex and multi-faceted retail distribution network that varies depending on regional consumption habits, market maturity, targets and the level of product ranges.

Multiple forms of competition

The Small Household Appliances market is very fragmented globally, both in small domestic appliances and in cookware. In practice, changes in the sector over the last ten years – with, in particular, the increased relocation of production to countries with low production costs – have greatly changed the way in which markets are approached, more local today than global. The launch of international brands, which can in some cases be marketed under local/regional brands, falls in line with this dual-faceted market approach that makes it possible to take advantage of economies of scale as well as a strong local reputation. As such, Groupe SEB is the only player with such a broad international spectrum, and it draws in this respect on six international brands and a brand portfolio with local leadership.

The Group has numerous and various competitors worldwide, but few of them have truly global coverage:

- Philips is undoubtedly the Group's foremost rival through its large range of small domestic appliances and its presence on almost all of the world's continents (in both mature and emerging economies);
- De Longhi (De Longhi, Kenwood, etc.), a major player in coffee and food preparation appliances, also enjoys a presence in many regions and has expanded its line by purchasing rights to manufacture Braun-branded kitchen electrics and ironing products;
- Other industry giants with an extensive offering and global coverage include Conair (Babyliss, Cuisinart, etc.), Bosch-Siemens (which acquired Zelmer in Poland in 2012), Procter & Gamble (Braun and Oral-B) and the US group Meyer (Silverstone, Farberware, Prestige, Anolon, Circulon, etc.) and German companies WMF (WMF, Silit, Kaiser, etc.) and Fissler in cookware;
- Other players are primarily present in their domestic market or a small number of reference markets: Magimix, Taurus, Imetec, Severin, Zwilling/Staub, in particular, in various European countries; Arcelik in Turkey; Bork and Redmond in Russia; Spectrum Brands (Black & Decker, George Foreman, Russell Hobbs, Remington, etc.) and Jarden (Sunbeam, MrCoffee, Oster, etc.) in North America; Mallory, Mondial, Britania and Tramontina in South America; and Panasonic (also including the National brand) in Asia;
- Midea is the Group's main competitor in China. It has expanded greatly over the last ten years, not only in the Chinese market but also in South-East Asia. It sells numerous types of small and large domestic appliances. Other major competitors include Joyoung and Airmate in small domestic appliances and ASD in cookware;
- Numerous high-end specialists concentrate on one or two product segments – such as Dyson, Vorwerk, Jura and Laurastar, etc. in small domestic appliances – or on a special area of expertise, like the French company Le Creuset, which specialises in cast iron cookware.

Another form of competition comes from white label goods and retailer brands; both mainly consist of aggressively priced entry-level products. Certain promotional campaigns, with products manufactured under one-off contracts with Chinese subcontractors that aim mainly to generate traffic at points of sale also drive their growth. Nevertheless, on the whole, their market share remains low.

Market momentum remains primarily driven by:

- large European groups such as Groupe SEB, Philips, Bosch Siemens or De Longhi, which develop new products and concepts, open up new categories and set up in new territories;
- specialists focused on a single category, such as Dyson, which stand out thanks to innovative products and heavy marketing;
- local competitors, notably in booming Asian emerging markets (China, India and Indonesia), driven by buoyant domestic markets and, in the case of China, by an increase in exports, both regionally (particularly South-East Asia) and worldwide.

In general, competition has become fierce in recent years, both with regard to small domestic appliances and cookware. This is a result of retail distribution which is able to exert added pressure on prices to maintain or boost patronage in stores, especially in light of the strong rise in on-line sales.

1.3. A PROFITABLE GROWTH STRATEGY

On the one hand, Groupe SEB's expansion is based on a strategy of steady growth, driven by a strong product innovation policy, a global presence, a brand portfolio that is unrivalled within the industry and a capacity to work with all distribution channels. On the other hand, it relies on an unswerving commitment to competitiveness which is achieved via a balanced manufacturing base and on a rigorous and responsible purchasing policy.

Strong product innovation policy

Firmly rooted in the Group's values, innovation is one of its most powerful development and differentiation factors. It gives the Group the headstart it requires to stay ahead of the competition and to fight commoditisation. The Group uses innovation to offer new products, designs, or differentiated marketing approaches. This provides real added value for consumers, allowing Groupe SEB to stand out in an effective way and thus strengthen its positioning and conquer new markets.

A COMMITMENT DATING BACK TO THE ORIGINS OF THE GROUP

The Group's history is one of continual innovations and breakthroughs incorporating unique concepts, new features or ingenious discoveries. These innovations have been reflected in tangible advances in the everyday life of consumers. Emblematic products such as the SEB pressure cooker or the Moulinex hand-crank food mill paved the way for the first electrical appliances in the 1950s and 1960s: irons, coffee grinders, odourless fryers, the Charlotte and Marie multi-purpose food processors, etc. The 1970s and 1980s marked the arrival of more sophisticated functions with the introduction of electronically enhanced products: bathroom scales, programmable coffee machines, etc. This era also saw the emergence of new lifestyles, reflected in the launch of informal meal appliances such as the raclette grill and home espresso coffee makers. In the decade from 1990 to 2000, both Groupe SEB and Moulinex brought new simplicity to the world of Small Household Appliances, with pressure cookers with simplified closing mechanisms, removable handles for frying pans and saucepans, compact vacuum cleaners with triangular-shaped heads, coffee makers incorporating doser-grinders, frying pans with a visual heat indicator, food processors designed for easy storage, etc.

The 2000s marked a new acceleration in the product offer renewal process through:

- the Group's first partnerships, developed from 2006 onwards with leading food industry operators, which gave it access to new product categories such as pod coffee makers and beer-tapping machines;
- the introduction of several innovative concepts, in response to new consumer expectations (nutrition and health, home-made, ease, well-being, etc.), often accompanied by major commercial success: the Actifry minimal-oil fryer; the Silence Force and Silence Force Extreme vacuum cleaners, which combine power with very low noise levels; washable, detachable and silent fans; anti-mosquito devices, smart and/or connected appliances (Cookeo and Optigrill), and the Cuisine Companion cooking food processor;
- the introduction of new features such as a self-cleaning iron soleplate and rapid heating steam generators in linen care, and a heating blender for food preparation, etc.

A VIRTUOUS STRATEGY

Groupe SEB's innovation strategy is consistent with a pragmatic approach to product creation that involves both business teams and head office departments in research and development, industry, purchasing, logistics and strategic marketing, design and quality. New products are the result of the in-depth analysis of consumer needs (which include both expressed needs and latent needs), the invention of breakthrough concepts, the use and evaluation of new technologies and the creation of unusual or one-of-a-kind designs. For Groupe SEB, innovation is part of a virtuous circle: as a creator of value for customers/retailers and a source of customer progress and satisfaction, it generates profitable growth which makes it possible to reinvest in innovation to restart the cycle.

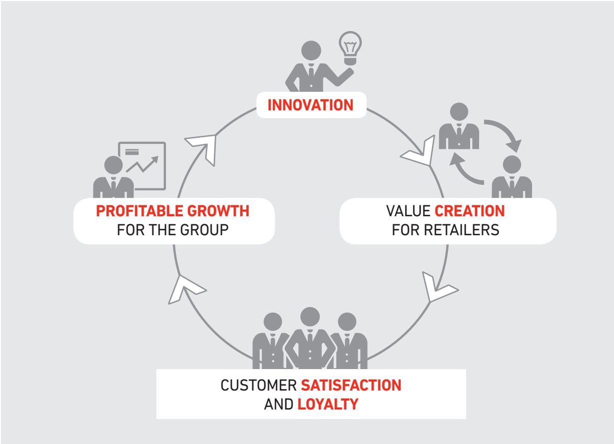
This approach to innovation operates on a shared, collaborative basis internally and is also open to external partners. The Group has, therefore, structured relations within its innovation community, comprising 1,300 employees, using collaborative tools that make it possible to enrich the collective point of view on strategic issues and to promote the sharing of knowledge and best practices.

At the same time, the Group enjoys partnerships with universities, research institutes and other companies, working with them on major projects which enable it to widen its field of activities and benefit from additional tools and skills. Notable examples include projects concerning health and nutrition with Nutrition-Santé-Longévité, Vitagora and Q@limed. The Group has also entered into a major European collaborative project in the field of healthy living and general health, known as a Knowledge Innovation Community.

In 2014, the Group launched an open site for innovators, "Innovate with Groupe SEB", targeting inventors, scientists, researchers and designers who want to propose an innovation to Groupe SEB. The site offers three ways of working together: propose an invention, join the Groupe SEB innovation network or take part in challenges based around themes set by the Group.

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 the connected home and digital applications, robotics, well-being and population ageing, and sustainable development. These companies furnish the technological bricks that the Group can use to develop its products. Since it was founded, SEB Alliance has made direct investments in eight active companies, notably in fields such as big data, air treatment, water filtration and robotics-related products.

+ A VIRTUOUS STRATEGY



AN INNOVATION POLICY SUSTAINED BY MAJOR INVESTMENT

The Group invests significant amounts each year in R&D, product design and strategic marketing, honing its range as far as possible to target consumer expectations and enabling it to stand out as one of the most innovative players in its industry. In 2015, R&D investment amounted to €93 million (€86 million in 2014), inclusive of Research Tax Credits (€7 million, unchanged from 2014). Investment in strategic marketing stood at €67 million in 2015 (€60 million in 2014). The R&D teams have been significantly strengthened over the last few years, in terms of both employee numbers and employee qualifications, with the hiring of highly specialised engineers, for instance. These specialists bring expertise in cutting-edge fields such as coatings and materials, connected products, batteries, motors, food processing, sensors, etc.

An unrivalled brand portfolio

For a number of years now, the Group has been bolstered by the largest brand portfolio in the industry. This portfolio is made up of six international brands (Tefal, Moulinex, Krups, Rowenta, Lagostina and All-Clad) and leading local brands (SEB, Calor, Supor, Arno, Imusa, OBH Nordica, etc.).

INTERNATIONAL BRANDS

ALL-CLAD, KRUPS, LAGOSTINA, MOULINEX, ROWENTA, TEFAL

LOCAL BRANDS

AIRBAKE, ARNO, ASIA FAN, CALOR, CLOCK, IMUSA, MAHARAJA WHITELINE, OBH NORDICA, PANEX, ROCHEDO, SAMURAI, SEB, SUPOR, T-FAL, UMCO, WEAREVER

This multi-brand strategy makes it possible for the Group to:

- better address the various needs of consumers throughout the world, with each brand responding to specific consumer behaviours;
- offer relevant and complementary responses to retailer strategies.

Each brand has a clearly defined identity with specific values that are expressed through the variety, features and design of the products as well as by means of brand-specific marketing.

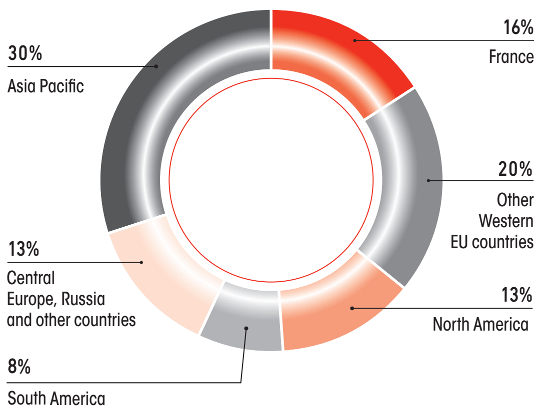
In addition to its brand portfolio, the Group takes a partnership approach and works with other groups or organisations to develop new concepts and boost sales. Accounting for almost 10% of sales, these partnerships are major drivers of growth and innovation for the Group. For instance, the Group has signed joint development agreements 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. These arrangements can also take the form of image partnerships that associate our products with other brands or organisations (WWF, etc.), licensing agreements with brands such as Elite, endorsement contracts where, for example, cookware lines are developed in collaboration with renowned chefs such as Jamie Oliver or Thomas Keller.

A global and diversified presence

Over the last 40 years, the Group has successfully developed strong positions across all continents with a commercial presence in nearly 150 countries as a result of an expansion strategy combining internal growth with acquisitions. It has a leading position in Europe, China, Russia, Brazil, Colombia, Turkey etc.

The Group's strong local presence is due to the relevance of its offering and its capacity to adapt to the needs of different markets. Its global presence enables it to seize opportunities for profitable growth in the various countries in which it has a presence and to diversify its exposure to different economies. In 2015, 54% of its sales were made in mature countries and 46% in emerging countries.

+ GEOGRAPHICAL BREAKDOWN OF SALES IN 2015



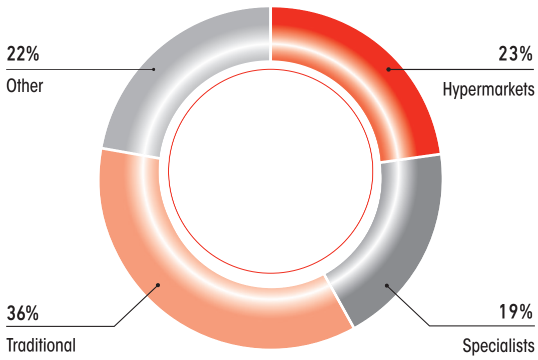
A multi-channel distribution strategy

The Group works with an extremely large and diverse network of distributors, giving it a decisive competitive edge. It develops constructive long-term relationships with customers on the basis of the most extensive product offer on the market and with strong brands, which are vectors of growth and profitability for each of the parties.

The network mainly comprises mass food retailers, specialist retailers as well as local stores or groups of independents, of which there are still a high percentage in emerging markets. The percentage of sales made online is growing significantly due to the number of purely online operators as well as via websites created by physical retailers, mainly specialist brands. Furthermore, the Group has developed a network of its own retail brand outlets (Home & Cook, Tefal shops, Supor Lifestores, etc.), the aim of which being, on the one hand, to reach out to consumers in certain emerging countries where retail coverage is inadequate, and on the other, to promote the flow of discontinued products in mature countries.

Customer relations is one of the Group's core concerns and it seeks operational excellence both in the supply chain, to guarantee the best levels of service, and with regard to in-store execution, to ensure that its products are promoted on its customers' shelves and websites. This approach was supported by investment in marketing and publicity of €318 million in 2014 (up from €305 million in 2013). This expenditure enables the Group both to establish the reputation of its brands and products by means of advertising, and also to seek the best in-store execution through category management, effective merchandising, the creation of dedicated stores-in-stores or even promotional events. Digital marketing (brand websites, digital campaigns etc.) is taking up an increasing share of this investment due to the rise of e-commerce and the importance of on-line research conducted by consumers prior to making a purchase, whether said purchase is ultimately made online or in-store.

+ BREAKDOWN OF SALES BY DISTRIBUTION CHANNEL



An active acquisitions policy

Acquisitions are another pillar of the Group's growth strategy. As an operator in the Small Household Appliances market, which is still highly fragmented, the Group is positioning itself as its industry consolidator. The Group's history is one of numerous transactions which have enabled it to take leading positions in many countries and product categories.

In addition to having the necessary financial capacity, external growth requires an ability to integrate new acquisitions effectively and to generate synergies. With its many acquisitions over the years, Groupe SEB has built up experience in integrating new acquisitions: after the takeover of Moulinex-Krups in 2001-2002, it acquired All-Clad in the United States in 2004, Panex in Brazil and Lagostina in Italy in 2005, Mirro WearEver in the United States in 2006, and took control of the Chinese company, Supor, in late 2007. This most recent operation stood out because of the major challenges it presented (separation both in terms of distance and culture, language barrier, more complex integration, coordination of communications between two listed companies, etc.). The Group's equity interest was increased in several stages: in December 2011 (20% of the capital), in January 2015 (1.6% of the capital) and in December 2015 (7.9% of the capital, the transaction is still subject to approval from the Chinese authorities), bringing its holding to 81.03%.

Furthermore, in February 2011, the Group acquired Imusa, a Colombian cookware company. In May 2011, the Group took control of a Vietnamese company – Asia Fan – specialising in the production and sale of fans, and in December, it acquired a 55% stake in an Indian company – Maharaja Whiteline – specialising in small domestic appliances. In early 2013, the Group partnered with its long-standing distributor in Egypt (Zahran) to form a joint venture (Groupe SEB Egypt for Household Appliances), in which it has a 75% interest. At the end of the financial year, the Group acquired the Canadian company Coranco to take direct control over the marketing of Lagostina products in Canada. In 2014, it announced the acquisition of the remaining shares of Maharaja Whiteline and Asia Fan. In 2015, it acquired OBH Nordica, a major operator in the Scandinavian markets.

Competitiveness

This is the second pillar of Groupe SEB's strategy. In addition to innovation, commercial excellence and exemplary in-store execution, which are all crucial factors, the Group's competitiveness is based on a balanced manufacturing base, on long-term optimisation of industrial productivity and on a rigorous and responsible purchasing policy.

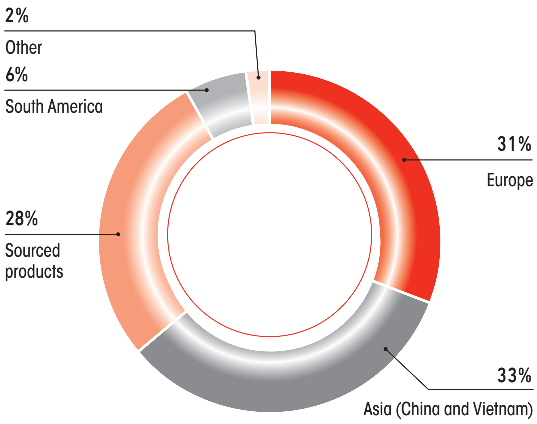
A BALANCED MANUFACTURING BASE

Throughout the world, the Group's manufacturing base is utilised in a way that responds to market characteristics:

- European manufacturing targets mainly mature markets. French and European plants are dedicated to products for which the Group is a market leader. To this end, the Group takes advantage of technological barriers in relation to product concepts or processes;
- manufacturing in emerging markets focuses on the needs of these markets, and for mature markets, on products for which the Group wishes to retain control of its specific technologies (concerning products and processes);
- on outsourcing of production for basic, everyday products, products where the Group lacks a strong leading position, or in the case of partnerships.

It has 29 manufacturing sites which produce 72% of the products sold by the Group throughout the world. The other 28% are outsourced, in particular to China.

+ LOCALISATION OF SALES PRODUCTION



The Group's industrial strategy aims to best serve markets by continuously improving competitive performance and quality over the long-term.

The Group's industrial competitiveness comes from its edge as a designer of products, especially through its centres of expertise and technological centres:

- centres of product expertise bring together the specific expertise in research and development, industrialisation and production for a given product category;
- technological centres reinforce the centres of product expertise through their knowledge of key technologies in relation to materials, plastics, and electronics.

At relevant sites, project platforms foster collaboration between marketing teams and centres of industrial expertise in the development of product offerings. This allows the concept of the "technical basis" to be promoted so as to standardise sub-assemblies and components, in order to be more responsive to customer demand.

To ensure and optimise the competitiveness of its manufacturing base, the Group continues to upgrade its factories, taking account of economic market realities by adjusting production volumes or rescaling sites (Lourdes in France), transferring operations from one entity to another (closure of Copacabana under way and transfer to Rionegro), refitting sites (São Paulo, for example), strict control of manufacturing costs, refocusing of production and use of outsourcing, according to need.

In 2015, the Group's factories operated against the backdrop of relatively buoyant global demand for small household appliances with, however, some extremely volatile markets. The Lourdes site continued to experience a significant fall in its meat mincer volumes, a product typical to the Russian market, which slumped in 2014, and a decline in business for Fresh Express. In addition, the Group continued to reorganise its manufacturing base in Brazil to improve competitiveness in a challenging market and a difficult monetary environment. In contrast, the Chinese sites benefited from sustained local demand and the continued reintegration into China of a portion of production that had previously been outsourced.

CONTINUAL OPTIMISATION OF INDUSTRIAL PRODUCTIVITY

Our global programme of industrial and operational excellence, OPS (Opération Performance SEB) continues via the rollout of "fundamentals" (5S, TPM, etc.) to improve site productivity. This plan takes the form of certification of 18 additional Green Belt-trained leaders, and by the implementation of 100 or so projects and over 250 workshops across all the Group's production sites. OPS is a practical programme of continuous performance improvement which:

- links health and performance in all improvement projects;
- involves all hierarchical levels (managers, technicians and operators) and all departments;
- aims to share best practice so as to build a real Group manufacturing culture;
- results in a common language with the aim of promoting a Group spirit;
- is reflected in a single, scalable framework resulting from a fully collaborative approach.

Launched in 2011, OPS is currently in its mature phase and enjoys strong ownership by the manufacturing site teams. Projects and workshops conducted in 2015 enabled significant new savings to be made.

In early 2013, the Group also introduced the PCO (Product Cost Optimization) project which aims to reduce the retail price of current products, to optimise the future product offering and to increase perceived value. The approach consists of implementing a method of analysing products and listening to consumers with the involvement of experts (R&D, marketing, design, manufacturing, etc.) within the context of multidisciplinary group workshops, to challenge existing solutions and invent new ones. One of the initiatives resulting from these workshops that deserves particular mention was the introduction or expansion of the technical platform concept (for steam irons, kettles, deep fryers etc.) and the specification of the new Compacteo Cyclonic vacuum cleaner.

These improvement plans are systematically supported by the Group's approach to health and safety and a great deal of importance is attached to continuous improvement of the health and safety of personnel in the workplace. A three-year plan has been launched in this regard, aiming for a steady decrease in the number of workplace accidents. When complete, the plan should halve the annual incidence of accidents (refer back to section 3 "Corporate Social and Environmental Responsibility" on pages 98 to 100 for more details).

Lastly, another key component of the Group's competitiveness, the supply chain, is managed on a global level with the aim of rationalising finished product inventory, optimising the quality of this inventory and implementing a process to improve customer service and ensure customer satisfaction. To deliver these results, the Group is focusing on a series of common and shared processes, supported by the rollout of plans to optimise the global logistics chain, from marketing company sales forecasts to planning capacities and production. At the same time, the creation of a Supply Chain School means that the aptitudes and skills of our specialist teams can be developed.

A RIGOROUS AND RESPONSIBLE PURCHASING POLICY

Purchasing combines both production procurement, which covers requirements for materials (metals, plastics, paper/cardboard packaging, etc.) and components (parts, sub-systems, etc.) for manufacturing, non-production purchasing (transport and logistics, services, information systems, travel, etc.) and purchases of sourced finished products. Generally speaking, purchases are increasingly managed at Group level via a panel of approved suppliers and the use of shared global product family platforms so as to consolidate volumes and standardise materials and components. This approach makes it possible to optimise negotiations (on price, quality, on-time delivery, etc.) and to develop pooled procurement leading to greater flexibility between manufacturing sites and increased synergies within the Group.

For a number of years now, production purchases have been centralised and organised in a way that is tailored to each project and each contract. The Group's direct purchasing policy is based on reducing costs by seeking out and selecting the most competitive suppliers at the same time as introducing suppliers to the Group's approach to innovation and its required quality standards. Amongst other things, this policy makes it possible to establish and maintain a real partnership with the best-performing suppliers and to closely involve them in the improvement process and the Group's objectives in terms of competitiveness. In 2015, for production purchases, the Group consolidated its panel of suppliers, increasing its global purchasing coverage from 82% in 2014 to 85% with 470 suppliers.

Non-production purchases currently follow the same process aimed at better qualifying approved suppliers and building an across-the-board Group purchasing methodology with a panel of approved suppliers representing 41% of non-production purchases. Over the last few years, the team has been significantly strengthened to cover a far wider range of expenses and a much-expanded international scope. Calls for tender are launched on a regular basis and cross-functional teams thoroughly rework our specifications to optimise purchasing in new fields.

For sourced finished products, the organisational set-up strengthens purchasing quality processes by ensuring technical and methodological assistance from Group teams for suppliers. At the same time, it demonstrates the Group's desire for upstream integration of suppliers in the product development process in order to foster greater fluidity in creating the product offering. This approach meant that the Group was able to obtain a more concentrated panel of approved finished product suppliers, which, at year-end 2015, comprised 52 companies representing 91% of purchases made (at year-end 2014, 88% of purchases made).

The Group's approved supplier panels consist of carefully selected and tested companies in terms of both performance (lead times, quality, cost, etc.) and social and environmental responsibilities (environmental impact, compliance with Human Rights, etc.).

1.4. RISK FACTORS

Groupe SEB operations are exposed to different types of risks, i.e. risks relating to its operations, legal risks and financial and market risks. These risks may have a negative impact on the Group's results or assets and may have repercussions for its different stakeholders - consumers, employees, customers, suppliers or its environment. Groupe SEB pursues a policy of active, prudent management of the risks inherent in its business, with the purpose of protecting the Group's assets and/or the interests of its stakeholders. This approach is based on a detailed mapping and analysis of the main risks faced by the company, which makes it possible to rank them on the basis of their potential impact on the Group's operations and performance, and according to the probability of such risks occurring. A comprehensive review of these risks is carried out regularly with the Group Executive Committee and the Audit Committee. It should, however, be mentioned that other risks of which the Group is not yet aware or that it believes to be immaterial at the current time may negatively affect it.

Risks inherent in operations

COUNTRY-SPECIFIC AND ECONOMIC SITUATION RISKS

The international nature of the Group's business exposes it not only to currency risk (covered in Note 26.2.1 to the Consolidated Financial Statements) but also to risks of political instability, economic, monetary or labour risks, especially in emerging countries where the Group conducts a significant percentage of its business. The Group is particularly exposed to China which, following sharp growth over the last few years, is now the country where the Group conducts the highest percentage of its business. In addition to these risks, certain countries have less developed legal systems or offer little in the way of intellectual property protection, import taxes (*e.g.* Turkey for certain domestic electrical products), restrictive measures on imports (e.g. in Argentina and Ecuador for electronics and cookware), or exchange controls (Argentina, Venezuela), etc. These factors may interfere with the Group's business and impact on its financial position. Nonetheless, this major international presence also offers protection through risk diversification.

In consideration of the very nature of the business and the limited investment represented by the purchase of small household equipment, the Small Household Appliances industry tends to hold up better than others in periods of crisis. In the past, the Group's business has sometimes bucked the trend in challenging economic climates. The Group's highly globalised presence also helps to balance out sales and offset different countries and geographic regions.

Nonetheless, the Group's operations depend on the economic climate and changes in consumer habits, which, in turn, are related to consumer purchasing power and the financial and economic health of the Group's retail distribution networks.

RISKS RELATING TO THE SEASONALITY OF BUSINESS

A significant proportion of the Group's products are purchased to be given as gifts and so in many markets, a large percentage of sales are made at the end of the year, or in the first quarter in China for the Chinese New Year and, more generally speaking, during festive periods. Any upheaval likely to affect the economic climate during these periods could, therefore, have adverse consequences for the Group's results. Some products are also dependent on weather conditions such as, for example, fans in Latin America.

The Group limits this risk, on the one hand, by virtue of its global exposure, which tends to smooth out the seasonal effects mentioned above. It also strives to boost its business outside these periods by launching new products or by implementing marketing initiatives.

RISKS RELATING TO SOLD PRODUCTS

Groupe SEB considers consumer safety an absolute priority. In this respect, it affords maximum attention to safety precautions in terms of raw materials, components and finished products. It may, however, have to accept liability or witness its image, or that of its brands, being tarnished as a result of a product malfunction. Instances of users being hurt when a product malfunctions or is used inappropriately cannot be ruled out. The Group is, therefore, exposed to risks of warranty or liability claims from customers and consumers. Product recalls may prove necessary in some cases, incurring significant costs and impacting on the Group's profitability.

To manage such risks, the Group carries out numerous quality controls on the products that it sells. It also endeavours to include user information sheets with its products to warn of potentially hazardous uses. Lastly, the Group has made provision for warranty liabilities based on historical statistics and taken out insurance policies to cover civil liability (see paragraph on Insurance on page 21).

RISKS RELATING TO THE IMPAIRMENT OF INTANGIBLE ASSETS

Groupe SEB has built its business on a powerful portfolio of brands, some of which are treated as assets in its balance sheet. The total value of brands on the balance sheet as at 31 December 2015 was €393 million, mainly All-Clad, Supor, Lagostina, Arno and Rowenta.

Moreover, as Groupe SEB regularly engages in external growth transactions, goodwill is shown in the Consolidated Financial Statements at the end of 2015 for an amount of €545 million, most of this having been recognised at the time of the All-Clad and Supor acquisitions.

Under IFRS accounting standards, the value of brands and goodwill must be reviewed annually to check that the value entered in the balance sheet is consistent with the actual performance of the relevant brands and subsidiaries in their own markets. Any significant drop in expected cash flow, notably with regard to a brand's commercial under-performance, or reduced profitability of the subsidiaries concerned, could require an adjustment in the balance sheet which may involve a partial or total recognition of impairment of the asset's value.

Furthermore, with a view to creating value for its brands, the Group is investing in R&D in order to supply its offering with innovative, ground-breaking products, as well as in advertising and marketing with the aim of improving the visibility of its brands, boosting its sales and strengthening its competitive positions in the field.

Supplementary information is provided in Note 10 to the Consolidated Financial Statements.

CUSTOMER RISKS

The Group sells its products to a large number of distributors and is therefore exposed to the risk of non-recovery of receivables as a result of cash flow issues or bankruptcies.

The Group's broad geographical distribution, as well as the variety and number of its retail distribution networks, limit risk and, therefore, the probability of a major impact at a consolidated level. In addition, the Group's position in the cookware and small domestic appliance market contributes to a diversified customer base. The retail sale of cookware occurs, in large part, in mass food retail, while specialised distributors play an important role in the sale of small domestic appliances. In 2015, the Group's ten largest customers accounted for almost 23% of consolidated sales, bearing in mind that no one customer exceeds 5% of sales. On a country level, however, a customer bankruptcy (especially a major customer) may have significant consequences for the trading activity of the subsidiary in question.

In addition to diluting customer risk at Group level, the Group takes out customer insurance which enables it to limit the risk of claims considerably. In 2015, these policies covered over 90% of consolidated revenue, despite a fall in coverage in Ukraine, Greece and Brazil. At the same time, the Group maintains an internal risk-taking policy allowing it to manage its relations with retailers on a long-term basis. Such risk-taking is strictly controlled and so the risk of any customer failure having a major impact on the Group's results is very limited.

Supplementary information is provided in Notes 16 and 26.4 to the Consolidated Financial Statements.

RISKS RELATING TO COMPETITION

In all its markets, the Group faces fierce global and/or local competition as well as the rise of e-commerce, leading it to conduct periodic reviews of the price positioning of its products. Because of the strong market positions that it holds, the Group is also obliged to respond on a regular basis to industry surveys or surveys on anti-competitive practices conducted by the French or European competition authorities. These types of surveys may result in sanctions or compliance undertakings. As a major operator within its business sector, the Group is also called upon to cooperate with the French Competition Authorities by way of questionnaires intended to help said authorities define their doctrine or recommendations in certain areas (e-commerce in 2012, concentration of food retailers in France in 2015).

In this highly competitive market, gains in market share can be achieved by brand reputation and the relevance of the product offer, spurred by innovation alongside strong advertising, marketing and pricing support.

A capacity to develop and launch genuinely differentiating, added-value innovations is therefore fundamental. An entire product family can be severely and lastingly damaged by the launch of a new concept that wins over consumers, having a significant impact on results: highly positive for the breakout product in question, very negative for its competitors. Groupe SEB therefore strives to limit the risk of competition by boosting its R&D efforts (this area has seen steady growth in budget allocations in recent years in both skills and investment) and increasing its marketing and advertising spend.

PRODUCTION AND SUPPLY CHAIN-RELATED RISKS

Groupe SEB is exposed to events of varying origins (natural disasters, fire, technical failures, contamination, etc.) that may have a negative impact on a plant or logistics warehouse's operations, thereby affecting the market availability of products. These types of events may have negative consequences for the Group's business, preventing it from achieving sales targets. The possibility that these types of events, particularly those affecting the Group's production sites, may have environmental repercussions, also cannot be ruled out.

The Group takes an active approach to industrial risk prevention through regular audits, investment in maintenance and the optimisation of certain processes in order to limit the probability of such risks occurring. In practice, the European, US and Chinese sites are generally not, or only slightly, exposed to major natural risks (hurricanes, floods, earthquakes, etc.). The Group has also introduced training initiatives to help its employees deal with these types of events.

In parallel, the Group has long prioritised safeguarding the environment by implementing an eco-production policy to limit its environmental footprint, which involves ISO 14001 certification of its industrial sites. Details of measures adopted are given in section 3, pages 111 to 118.

RISKS RELATING TO EMPLOYEE HEALTH AND SAFETY

The health and safety of its employees is one of Groupe SEB's foremost concerns. The risk of occupational illness or workplace accidents damaging physical integrity or posing a threat to human life cannot be ruled out. Besides metal stamping (for pressure cookers, frying pans and saucepans), surface treatments (non-stick) and the production of certain components that occupy less than 10% of total manufacturing personnel, most of Groupe SEB's production involves assembly operations. The most sensitive processes are closely monitored. In assembly processes, the most likely risks are minor bodily injuries or injuries due to handling, as well as musculoskeletal disorders for which the Group takes all necessary precautions (training in ergonomics, specialist advisers and Steering Committee on each site, etc.) to minimise their occurrence. The Group makes employees at all levels aware of safety issues, particularly via the global Safety in SEB programme which aims to spread good practice and systematically propose corrective measures to combat potentially hazardous situations. Details of Group initiatives to reduce workplace accidents and musculoskeletal disorders are given in section 3, pages 98 to 100.

Despite the Group's efforts to limit workplace accidents and occupational illnesses, they cannot be completely ruled out and may have a negative effect on results in the event of civil or criminal sanctions, as well as damaging the Group's reputation.

COMMODITY RISK

Groupe SEB's operations involve the use of several major raw materials in its manufacturing processes: aluminium (for cookware), nickel (for certain steel alloys), copper (mainly wire for motors and electric cables), plastic (a key material in small domestic appliances) and paper products for printed documents and packaging. These materials account for a varying percentage of the production purchasing budget for the Group, including Supor: in 2015, aluminium accounted for approximately 14% of direct manufacturing purchases (unchanged from 2014), steel/metal parts for 13% (unchanged from 2013) and plastics/plastic parts for 20% (compared with 19% in 2014).

Groupe SEB is therefore exposed to risks concerning the availability of raw materials and fluctuations in their prices insofar as it could suffer from a shortage and/or have to pass on any price increases – whether in full or in part – in its retail prices. This would have a potential impact on the level of trading activity, profitability and cash flow.

To deal with this intrinsic exposure related to its manufacturing operations, Groupe SEB adheres to a partial hedging policy intended to protect it against the effects of abrupt changes in the prices of metals and to enable it to forecast or limit any price hikes that it may have to pass on to its customers. This policy is not for speculative purposes but, for any given year and in relation to actual market prices, may produce:

- positive results when raw material prices are rising;
- negative results when the same prices are dropping.

In addition, the Group constantly endeavours to improve its manufacturing productivity and to reduce its purchasing costs, which helps to compensate for market volatility.

The hedging and sensitivity of commodity risks are dealt with in Note 26.2.3 to the Financial Statements.

RISKS CONCERNING INFORMATION SYSTEMS

The Group continues to roll out consistent IT systems in all its subsidiaries to ensure better management and client service and to minimise the risks inherent in obsolete local systems. It concentrates its IT budget on a limited number of software packages used selectively throughout the Group, depending on the size of each subsidiary (SAP R/3 for larger entities, or those participating in clusters, and SAP Business One for more compact entities, etc.).

This increased dependency on information systems and the greater integration with outside partners poses risks concerning the integrity and confidentiality of data and possible interruption of IT services. A failure might lead to loss of data, errors or delays that could impede the proper functioning of the company and affect its results. Thorough testing prior to the deployment of new systems and a strict information system security policy (monitored by a Steering Committee) are in place to ensure that systems are fully reliable, secure and accessible. Regular investments are made to improve the Business Continuity Plan in case of a major disaster on the primary IT processing centre. Anti-hacking audits are carried out each year to identify any security loopholes in the Group's network. Lastly, the management rules for access rights to systems are audited and then updated on a regular basis.

RISKS RELATING TO HUMAN RESOURCES MANAGEMENT

Groupe SEB is built on the skills of its employees, particularly those with key roles, and on its ability to attract talented individuals to aid its growth. Should the Group fail to attract or retain these key personnel, it may find it difficult to implement its strategy, with an accompanying negative impact on its business and its results. This is why it strives to provide a motivational working environment and to retain talented individuals. It also implements succession plans to mitigate possible employee departures.

In addition, Groupe SEB is constantly adapting its structures, particularly its manufacturing base, to ensure that it remains competitive. It has established a forecast planning system for jobs and skills in a permanent effort to address industrial and employment issues in collaboration with employee representatives and to take the necessary steps to avoid redundancies. The Group relies heavily on the quality of employee-management dialogue to solve difficult labour issues responsibly and in the best possible conditions for everyone. Throughout its history, Groupe SEB has carried out restructuring on various occasions, both domestically and outside of France, and has always done so in keeping with its corporate ethics. The Group has a history of committing substantial resources in order to help every employee concerned to find a solution. Groupe SEB provides retraining and ensures that practical steps are taken for the industrial redevelopment of the employment areas in question.

RISKS RELATING TO ACQUISITIONS

For more than 40 years, Groupe SEB has combined organic growth and acquisitions while pursuing its leadership strategy. Today, it plays a key role in consolidating the still-fragmented Small Household Appliances sector. As a consequence, the Group may decide to make new acquisitions.

Despite the disciplined approach and resources devoted to due diligence work ahead of these types of transactions and to the integration process once acquisitions have been made, the Group may encounter difficulties in integrating the operations, personnel, products or technologies of the companies acquired, under the terms originally envisaged. The Group cannot be absolutely certain that the businesses or companies acquired do not include liabilities that were not identified at the time of the acquisition and against which the Group may not be protected or may be only partially protected by the transferor or partner.

An Integration Committee regularly monitors the progress of each project and the synergies implemented in order to limit the risk of failure and to refocus action as necessary. Groupe SEB implements this approach consistently to optimise the integration of newly acquired companies.

FRAUD AND CORRUPTION RISKS

The Group's expansion into new locations, the development of new technologies that facilitate fraud and greater competitive pressure all increase the risk of fraud occurring within the Group's entities. The Group is increasing its control measures at various levels to address this heightened risk.

With respect to the fight against external fraud, a process of systematically reporting information on attempted fraud to the Internal Audit department allows the Group to analyse these situations, inform all entities of the risks and respond quickly by implementing new checks. A major initiative to raise awareness among financial employees and the systematic application of dual checks, for example, have limited the risk of customer, supplier and Group manager identity theft through technological means.

A mapping of fraud risks in our sales branches was drawn up in 2014. This mapping forms the basis for tests performed on our IT systems by the Internal Audit department to identify potential fraud.

Groupe SEB's code of ethics clearly sets out the requirements of the Group's management with respect to anti-corruption measures. In terms of relationships with suppliers, the Responsible Purchasing Charter sets out the required rules of conduct.

Checks are carried out in the field by internal audit teams on decision-making processes affecting relationships with suppliers, and with customers who represent the main risk areas of passive and active corruption. These checks focus in particular on collective responsibility and transparency when a decision is taken to award a contract to a supplier on the one hand, and on strict control over the amount and type of business expenditure on the other.

IMAGE AND REPUTATIONAL RISKS

Groupe SEB is exposed to the risk of information, whether founded or unfounded, being circulated via the media or social networks and having a negative impact on its brand image or reputation. Its global presence and the speed at which information can circulate due to the introduction of new technologies mean that this risk is now more acute than in the past.

In order to reduce the risks that may result from such occurrences, Groupe SEB has introduced a monitoring system allowing it to alert the Group's management where necessary and to set up a crisis management unit if needed.

DEPENDENCE ON SUPPLIERS

As part of its global purchasing policy, Groupe SEB relies on an approved panel of suppliers for production (470 in 2015 versus 452 in 2014), which accounted for approximately 85% of its worldwide needs in 2015. The top 50 suppliers accounted for 41% of direct production purchases by value (41% in 2014). With respect to the procurement of finished products, Groupe SEB has established a panel of some 50 suppliers who account for 91% of total purchases (88% in 2014).

Based on 2015 figures, the top three production suppliers provide nearly 6% of production (up from 5% in 2014), split almost evenly among them. The top three suppliers of finished products provide around 23% of the total (24% in 2014), with the leading supplier contributing around 14% alone and the second and third biggest 4% each. Excluding the leading supplier, the low numbers of the next-in-line show that the Group's policy of optimising purchasing procedures (in particular procuring from a smaller number of suppliers) has not resulted in concentration of risks. The Group is effectively dependent on external suppliers, where a late service or delivery or even bankruptcy could be highly prejudicial to its trading activity; it is therefore especially vigilant in spreading its risk base and limiting its reliance with regard to procurement. Its priority is to ensure continuity of production under optimum economic conditions and to have a variety of options at its disposal, within a single product family or for a specific technology.

Legal risks

RISKS ASSOCIATED WITH COUNTERFEITING

The Group is forced to constantly defend its brands and protect its business assets by filing patents and registering trademarks and designs. Accordingly, in 2015, the Group filed 107 patents, in line with previous years (117 in 2014 and 115 in 2013), making it the 16th largest filer in France. Groupe SEB also applies a policy of protecting the digital assets used on its websites. Moreover, a number of domain names using the Group's brands were delisted. These measures are not always sufficient on a global scale, as some countries offer less protection than the Group's historic markets in Europe and North America. As a result, sales are often "appropriated" by copied and counterfeited products and this can have a significant effect on growth and profitability. This obliges the Group to protect its rights by being extremely vigilant in the most critical zones (China and the Middle East), by having these products seized and destroyed by local authorities, or by taking legal action. Such measures inevitably come at a cost, but this is less than the loss of earnings as a result of counterfeiting.

In 2015, Groupe SEB renewed its investments in terms of industrial property rights, with a specific allocation for each type of action carried out (filing patents, measures to combat counterfeiting, litigation management, etc.).

RISKS ASSOCIATED WITH CHANGES IN TAX REGULATIONS

Groupe SEB has a commercial presence in many countries and is subject to numerous different domestic tax laws. Adverse changes in tax regulations in certain countries in which it has a presence cannot be ruled out. It is, in particular, exposed to risks of increases in existing taxes or of the introduction of new taxes, especially those relating to corporate income tax, customs duties, statutory deductions or the repatriation of dividends from its various subsidiaries. These factors could have an adverse effect on the Group's tax liability, cash flow or earnings.

Financial and market risks

LIQUIDITY AND COUNTERPARTY RISK

Groupe SEB's business is based on a short-term cycle and requires little heavy capital investment.

Liquidity risk management is handled centrally by the Treasury and Financing department. It is based on a solid financing architecture (no financing comes with early repayment clauses linked to covenants) and diversified over the short and medium-terms, with commercial paper, syndicated loans, Schuldschein private placements and bonds. Groupe SEB also has unused confirmed medium-term credit lines with leading banks.

The Group considers itself to have little exposure to financial counterparty risk as it prioritises relationships with leading banks and diversifies its counterparty portfolio.

Details of the maturity dates of the instruments used and the financing sources available are provided in Notes 24, 25 and 26 to the Consolidated Financial Statements.

CURRENCY RISKS

Groupe SEB sells its products in more than 150 countries. With production mainly concentrated in France and in China, its business is, therefore, highly exposed to transaction currency risk when products are billed to our customers in a currency that is different from that used in production. There is also a currency effect from conversion into euros when revenues and earnings from different countries are consolidated. Exchange rate swings thus affect the Group's ability to be competitive, so that these must be effectively managed from a long-term perspective. The Group's currency position remains short in dollars and yuan and long in several other currencies. To limit its risk, the Group hedges part of its highly probable cash flows, as well as almost all of its balance sheet transaction exposure, by put and call futures.

Nevertheless, for several years, the Group's trading activity has been strongly disrupted by volatile exchange rates. Given the sometimes sudden fluctuations in exchange rates, the Group is constantly forced to adapt its pricing policy: increasing sale prices to preserve the local profitability of commercial subsidiaries where the relevant currency depreciates against the production currency and adjusting prices downwards to preserve market momentum and competitiveness if exchange rates improve. The effects on the Group's financial performance are therefore very different from one year to the next.

Details of exchange rate risks are given in the notes to the Consolidated Financial Statements (Notes 26.2.1).

INTEREST RATE RISK

The Group uses different types of financing (bank borrowing, private placements, bonds, commercial paper etc.) to meet its development and investment policy requirements. It uses mostly fixed-rate loans, in particular with long maturities, in currencies that correspond to its needs (mainly the euro and the US dollar). The longest-term among these loans, extending to 2022, has been financed at a fixed rate, making it possible for the Group to protect itself against the likelihood of interest-rate rises.

It should be noted that none of these loans comes with early repayment clauses based on covenants.

Details of interest rate risks are given in the notes to the Consolidated Financial Statements (Notes 26.2.2).

RISKS RELATING TO SHARES

As at 31 December 2015, Groupe SEB held 1,074,453 treasury shares for a total value of €71.2 million. This treasury stock is deducted from shareholders' equity at acquisition cost.

Based on the closing price of the SEB share as at 31 December 2015 (€94.60), the market value of treasury stock was €101.6 million (this market value has no impact on the Group's Consolidated Financial Statements). A 10% increase or decrease in the share price would therefore have led to a €10.0 million change in the fair value of treasury stock. This change has no impact on the consolidated income statement or shareholders' equity.

Further information on share risks is given in Note 26.2.4 to the Consolidated Financial Statements. This data also takes account of risk on the Supor share which is quoted on the Shenzhen stock market.

Sensitivity analysis

Groupe SEB conducted a sensitivity analysis of data published in 2015 to assess the impact of euro-dollar exchange rate fluctuations on its operating profit from ordinary activities and the effect of interest-rate variations on profit before tax.

Concerning the euro-dollar exchange rate, as a regular buyer of dollars or in "dollar zones" (raw materials, products sourced in Asia, etc.), Groupe SEB has held a short position in this currency for several years. The sensitivity analysis shows that a 1% change in the euro-dollar exchange rate would have an impact of about €6 million on the operating profit from ordinary activities. The Group also holds a significant short position on the Chinese yuan. A 1% change in the euro-yuan exchange rate would have an impact of about €4 million on the operating profit from ordinary activities. However, other important operating currencies for the Group could also have a significant impact on operating profit from operating activities. These include the yen, the rouble, the Brazilian real, the pound sterling, the Turkish lira, the Korean won, the Polish zloty, and the Mexican peso.

This sensitivity analysis does not take into account the impact of currency exchange fluctuations on the competitiveness of the European manufacturing base, which still accounts for a large percentage of the Group's production: a strong euro in relation to most other currencies, notably the US dollar, makes European manufacturing more expensive than production in dollar zones, and thus acts as a curb on exports. Conversely, a stronger dollar is a source of better competitiveness for our European manufacturing base. Since Groupe SEB relies less on sourced finished products than its competitors, its exposure to the US dollar (which remains the standard currency for purchasing outsourced products) is ultimately less than that of other companies.

With regard to interest rates, sensitivity analysis shows that the impact of a change of 100 base points in short-term interest rates on profit before tax would be €3.0 million, based on 2015 Group debt.

Notes 26.2.1, 26.2.2 and 26.2.3 to the Consolidated Financial Statements provide additional information on the Group's sensitivity to currency fluctuations, changes in interest rates and raw material prices.

Insurance

GROUP GENERAL INSURANCE COVER

Groupe SEB's policy concerning insurance cover 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.

INTEGRATED WORLDWIDE COVER

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 and customer risks.

DAMAGE TO ASSETS AND LOSS OF EARNINGS

Cover for risk of damage to property and consequent loss of earnings due to the customary risks (fire, flooding, etc.) amounts to €250 million per claim for factories and warehouses.

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

This insurance cover 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 scheme that covers liability relating to their operations and the products that they manufacture or distribute, as well as the cost of product recalls.

Cover amounts are based on reasonable estimates of the risks incurred by the Group in view of its business.

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

ENVIRONMENT

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

Cover applies to:

- accidental, historical and gradual pollution;
- damage to biodiversity;
- depollution 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 loss 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.

CUSTOMER RISK

With rare exceptions relating to local issues, the Group's subsidiaries have taken out credit risk insurance under a Group scheme 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.

Significant events and litigation

There were no exceptional events or litigation proceedings other than those referred to in Note 29.1 to the Consolidated Financial Statements.

In the past 12 months, other than the proceedings reflected in the financial statements or 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 significant effects on the Group and/or its financial position or profitability.

2

CORPORATE GOVERNANCE

2.1. IMPLEMENTATION FRAMEWORK FOR CORPORATE GOVERNANCE PRINCIPLES

Groupe SEB adheres to the November 2015 version of the AFEP - MEDEF Corporate Governance Code for listed companies (the "AFEP-MEDEF Code"), which can be consulted on the MEDEF website (www.MEDEF.fr).

Pursuant to the recommendations of the AFEP-MEDEF Code, as well as Article L. 225-37 of the French Commercial Code, this section reports on the application of the provisions adopted and explains why some provisions were not applied.

Pursuant to the provisions of Article L.225-37, paragraphs 6 to 10 of the French Commercial Code, this section includes the Chairman of the Board's report on the composition of the Board of Directors and the application of the principle of gender balance, as well as the conditions governing the preparation and organisation of its work. It also includes a report on the internal control and risk management procedures implemented by the company.

It should be noted that the information referred to in Article L.225-100-3 of the French Commercial Code and, in particular, information relating to the company's capital ownership structure and factors likely to have an impact in the event of a takeover bid appears in section 7, "Information on the company and its share capital".

Pursuant to Article L.225-37 of the French Commercial Code, the Board of Directors approved this section at its meeting on 23 February 2016.

2.2. MANAGEMENT STRUCTURE

The company is managed by Thierry de La Tour d'Artaise, Chairman and CEO, with the assistance of Bertrand Neuschwander, Chief Operating Officer.

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 the provisions of Article L. 225-51-1 of the French Commercial Code and the recommendations of the AFEP-MEDEF Code.

At the end of its meeting on 21 June 2002, the Board of Directors voted unanimously in favour of the general management of the company will be carried out under its responsibility by the Chairman of the Board of Directors, Thierry de La Tour d'Artaise.

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

Moreover, the Board of Directors applied no limits to the powers of the Chairman and CEO, which are described on page 41 below.

Chief Operating Officer

Following its meeting of 22 April 2014, the Board of Directors, on the recommendation of the Chairman and CEO and after examination by the Nominations and Remuneration Committee, decided to appoint Bertrand Neuschwander as Chief Operating Officer.

As Chief Operating Officer, Bertrand Neuschwander is required to assist Thierry de La Tour d'Artaise in his Group management tasks, in accordance with the law and the company's Articles of Association.

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

2.3. COMPOSITION, ORGANISATION 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 corporate interests of the company.

According to the AFEP-MEDEF Code, "the organisation 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 organisation and operation that enable it to carry out its mission in the best possible manner".

The company was inspired by these recommendations to create a Board of Directors, with a membership and organisational structure which allow for effective performance of its missions, in line with the various interests at stake.

Composition of the Board of Directors

The governance of Groupe SEB 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 dual family group structure whilst 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

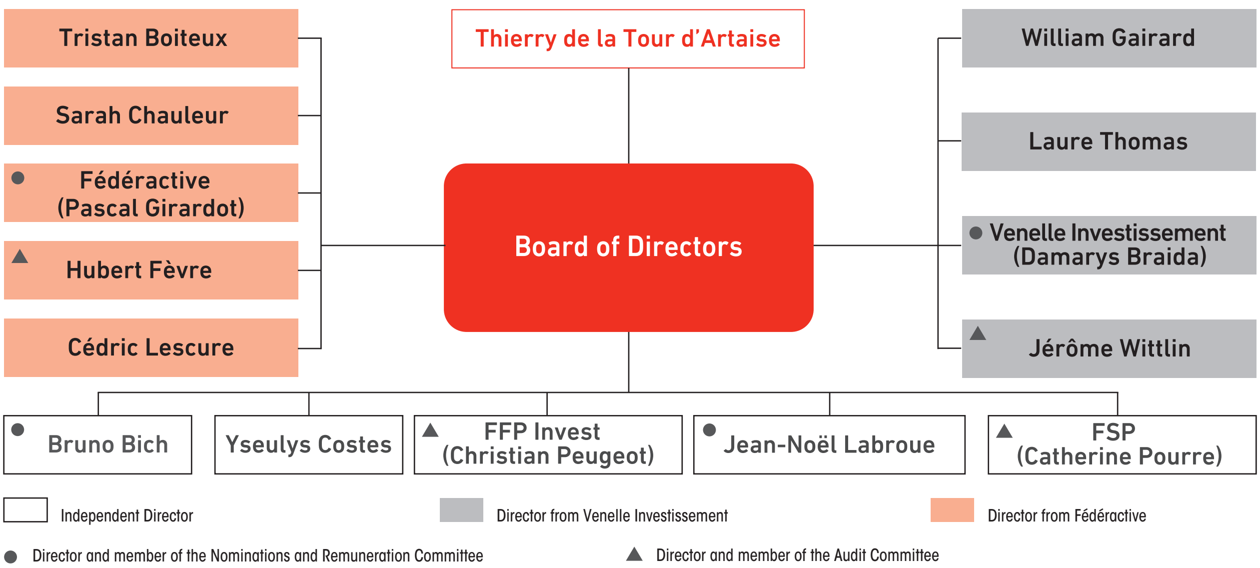
The Board of Directors currently has 15 members whose terms of office are set at four years, in accordance with statutory provisions. The Board comprises the following directors:

- A Chairman;
- Nine directors representing the Founder Group, namely:
  - Five directors from FÉDÉRACTIVE;
  - Four directors from VENELLE INVESTISSEMENT;
- Five independent directors.

As a result, one-third of the Board members are independent, as recommended by the AFEP-MEDEF Code.

The presence of five women, i.e. one-third of the members of the Board of Directors, ensures that female representation is compliant with law no. 2011-103 of 27 January 2011 on the gender balance on Boards of Directors and Supervisory Boards and general equality in the workplace. The international experience acquired by some directors, through their professional roles or residence abroad, allows the Board of Directors to take greater account of international issues and practices.

The directors together hold 23.99% of the company's share capital and 25.90% of the effective voting rights (or 25.51% of the theoretical voting rights), thereby adhering to the terms of the Directors' Charter and Internal Rules of the Board of Directors (the "Charter and Internal Rules") under which each director is required to hold a minimum number of shares in the SEB S.A. nominal share register equivalent to about two years of attendance fees.



ABOUT THE DIRECTORS

FOUNDING CHAIRMEN

Frédéric Lescure †
Henri Lescure †

HONORARY CHAIRMAN

Emmanuel Lescure

THIERRY DE LA TOUR D'ARTAISE
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Age:	61
Nationality:	French
Date of first appointment:	General Meeting of 4 May 2000
Date of last re-election:	10 May 2012
End date of term of office:	2016 General Meeting (renewal)
Committee member:	No
Number of SEB shares held:	422,553

BIOGRAPHY:

A graduate of the ESCP business school, Thierry de la Tour d'Artaise began his professional career in the United States as a Financial Controller at Allendale Insurance (FM Group - Factory Mutual). He then joined Coopers & Lybrand in Paris as an Auditor and then a Manager before joining Groupe Chargeurs in 1983 as Internal Audit Manager and then Chief Financial Officer (1984-1985) and, finally, Chief Executive Officer of Croisières Paquet (1986-1993).

Thierry de la Tour d'Artaise joined Groupe SEB in 1994 at Calor, where he became Chairman. In 1998, he headed up the Group's Household Equipment Division prior to being appointed Vice-president of SEB S.A. in 1999.

OTHER CURRENT APPOINTMENTS AND OFFICES WITHIN GROUPE SEB:

Chairman of SEB Internationale (since 2000)

Director of Zhejiang Supor Co, Ltd* (China) (since 2008)

OTHER CURRENT APPOINTMENTS AND OFFICES OUTSIDE GROUPE SEB:

Director of Club Méditerranée S.A.* (since 2005 - directorship ended on 29 April 2015)

Director of Legrand* and member of the Appointments and Governance Committee (since 2006)

Permanent representative of Sofinaction, director of CIC - Lyonnaise de Banque (since 2001)

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Director of Plastic Omnium* (until 2012)

* *Listed company.*

BRUNO BICH
INDEPENDENT DIRECTOR

Age:	69
Nationality:	French/American
Date of first appointment:	General Meeting of 15 May 2014
Date of last re-election:	None
End date of term of office:	2018 General Meeting
Committee member:	Nominations and Remuneration Committee
Number of SEB shares held:	1,000

BIOGRAPHY:

A marketing and finance graduate of the University of New York, Bruno Bich began his career in the Corporate Finance department of the investment bank White Weld & Company, where he worked for five years before joining the BIC Group in the United States. He held various positions within that group, including Vice-Chairman responsible for sales and marketing and Sales Director, and for nine years was Chairman and CEO of BIC Corporation, the Group's US subsidiary.

In 1993, he was appointed Chairman and CEO of Société BIC, replacing Marcel Bich, the company's founding Chairman.

Since 1 March 2006, Bruno Bich has been Chairman of the Société BIC Board of Directors (the holding company of the BIC Group).

OTHER CURRENT OFFICES AND APPOINTMENTS:

Chairman of the BIC Board of Directors*

Member of the International Advisory Board of the EDHEC business school

Chairman of the Board of Directors of Cello Plastic Products Private Ltd. (India)

Chairman of the Board of Directors of Cello Stationery Products Private Ltd. (India)

Chairman of the Board of Directors of Cello Tips and Pens Private Ltd. (India)

Chairman of the Board of Directors of Cello Writing Aids Private Ltd. (India)

Chairman of the Board of Directors of Cello Writing Instruments and Containers Private Ltd. (India)

Chairman of the Board of Directors of Pentek Pen and Stationery Private Ltd. (India)

Chairman of the Board of Directors of Cello Pens Private Ltd. (India)

Trustee of Harlem Academy (United States)

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Member of the Supervisory Board of the Management Institute of Paris – M.I.P. (merger with the EDHEC Group)

Member of the Bluwan Supervisory Board

TRISTAN BOITEUX
DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF FÉDÉRACTIVE

Age:	53
Nationality:	French
Date of first appointment:	General Meeting of 14 May 2002
Date of last re-election:	15 May 2014
End date of term of office:	2018 General Meeting
Committee member:	No
Number of SEB shares held:	102,932 (including 1,015 full-ownership and 101,917 bare-owner shares)

BIOGRAPHY

An engineering graduate of the École Spéciale de Mécanique et d'Electricité Sudria (1987), Tristan Boiteux has held various positions at Alcatel over a period of eleven years.

He joined Gemalto in 2000 as a business engineer where he is currently Product Manager.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Member of the FÉDÉRACTIVE Advisory Board

Member of the Management Committee of the Mireille and Pierre Landrieu Foundation

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

* *Listed company.*

SARAH CHAULEUR
DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF FÉDÉRACTIVE

Age:	44
Nationality:	French
Date of first appointment:	General Meeting of 14 May 2013
Date of last re-election:	None
End date of term of office:	2017 General Meeting
Committee member:	No
Number of SEB shares held:	229,571 (including 15 full-ownership and 229,556 bare-owner shares)

BIOGRAPHY:

Sarah Chauleur has a postgraduate degree in Information and Communication Sciences and has served as Communications Manager for FÉDÉRACTIVE since 2009. She is also co-convener of the Première Pierre foundation (under the auspices of the Fondation de France).

OTHER CURRENT OFFICES AND APPOINTMENTS:

Member of the FÉDÉRACTIVE Advisory Board

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

YSEULYS COSTES
INDEPENDENT DIRECTOR

Age:	43
Nationality:	French
Date of first appointment:	General Meeting of 14 May 2013
Date of last re-election:	None
End date of term of office:	2017 General Meeting
Committee member:	No
Number of SEB shares held:	750

BIOGRAPHY:

Yseulys Costes holds a Masters degree in Management Sciences and a postgraduate degree in Marketing and Strategy from Université Paris-IX Dauphine. She has worked as an Interactive Marketing researcher at Harvard Business School, and has taught Interactive Marketing at several higher education institutions (HEC, ESSEC, Université Paris IX Dauphine). She was also coordinator of the Interactive Advertising Bureau (IAB) France for two years.

She is currently Chair and CEO of 1000mercis, a company of which she is the founder. In 2014, she moved to Palo Alto in California, in the heart of the Ad Tech, to develop Numberly, the Groups' International subsidiary.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Chair and CEO of 1000mercis*

Chair of the Supervisory Board of Ocito (1000mercis group)

Director of Kering S.A.*

Member of the Vivendi* Supervisory Board

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Member of the Advisory Board of the French sovereign investment fund (FSI)

Member of the Numergy Supervisory Board

* *Listed company.*

FÉDÉRACTIVE
DIRECTOR – MEMBER OF THE FOUNDER GROUP
SIMPLIFIED JOINT-STOCK COMPANY WITH SHARE CAPITAL OF €5,084,597.85

Registered head office:	66, avenue des Champs-Élysées – 75008 Paris – France 487 544 223 RCS Paris
Date of first appointment:	General Meeting of 11 May 2006
Date of last re-election:	15 May 2014
End date of term of office:	2018 General Meeting
Number of SEB shares held:	5,929,938 (including 5,929,935 held in usufruct)

INFORMATION:

FÉDÉRACTIVE is a controlling holding company which principally represents the equity interests of the founding family, registered on 14 April 2006.

It is represented by its Chairman, Pascal Girardot.

OTHER CURRENT OFFICES AND APPOINTMENTS:

None

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

PASCAL GIRARDOT
PERMANENT REPRESENTATIVE OF FÉDÉRACTIVE ON THE BOARD OF DIRECTORS

Age:	60
Nationality:	French
Committee member:	Nominations and Remuneration Committee

BIOGRAPHY:

Pascal Girardot holds a DESS degree in Econometrics and a diploma from the Institute of Actuaries; he spent 15 years working on the financial markets and in financial engineering as a member of the Markets Department at the Caisse des Dépôts. He then joined CPR as Risk Director and director of the company's New York business.

In 1997, he founded financial engineering specialist Certual, of which he is now the Chairman.

Pascal Girardot is a former Chairman of the Treasury department's Advisory Committee on mandatory standards. He is a member of the French actuaries' institute.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Chairman of Certual S.A.S.

Chairman of FÉDÉRACTIVE

Director of Gaggione S.A.S.

Director of Babylone S.A.

Director of NewCore S.A.S.

Director of Tugak S.A.S.

Member of the Proxinvest Supervisory Board and Advisory Board

Member of the Ethics Committee of Ecofi Investissements (Crédit Coopératif Group)

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

HUBERT FÈVRE
DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF FÉDÉRACTIVE

Age:	51
Nationality:	French
Date of first appointment:	General Meeting of 13 May 2003
Date of last re-election:	12 May 2015
End date of term of office:	2019 General Meeting
Committee member:	Audit Committee
Number of SEB shares held:	147,062 (including 8,849 full-ownership shares and 138,213 bare-owner shares)

BIOGRAPHY:

A graduate accountant, he has held financial management positions with Banque Pasche (CM-CIC) in Geneva and a number of finance positions with Sonatrach Petroleum Corporation, VSNL International, Addax & Oryx and Finacor in London.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Member of the FÉDÉRACTIVE Advisory Board

Director of FCL Investissements

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

FFP INVEST
INDEPENDENT DIRECTOR
SIMPLIFIED JOINT-STOCK COMPANY WITH SHARE CAPITAL OF €541,010,740

Registered head office:	66, avenue Charles de Gaulle – 92200 Neuilly sur Seine – France 535 360 564 RCS Paris
Date of first appointment:	General Meeting of 14 May 2013
Date of last re-election:	None
End date of term of office:	2017 General Meeting
Number of SEB shares held:	2,521,522

INFORMATION:

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

It is represented by Christian Peugeot.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Vice-Chairman and member of the Supervisory Board of IDI*

Member of the Onet Supervisory Board

Member of the Supervisory Board of Zodiac Aerospace*

Chairman of Financière Guiraud S.A.S

Member of the Supervisory Board of IDI Emerging Markets (Luxembourg)

Director of Orpea*

Director of LT Participations

Director of IPSOS*

Director of SANEF*

Director of Gran Via 2008

Managing Director of FFP Les Grésillons

Member of the Executive Committee of LDAP

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Managing Director of Valmy FFP

* *Listed company.*

CHRISTIAN PEUGEOT
PERMANENT REPRESENTATIVE OF FFP INVEST ON THE BOARD OF DIRECTORS

Age:	62
Nationality:	French
Committee member:	Audit Committee

BIOGRAPHY:

A graduate of the HEC business school, Christian Peugeot has spent his entire career at the PSA Group, occupying a variety of sales and marketing positions. Until the end of 2015, he served as Executive Vice-president of Public Affairs and External Relations Representative of PSA. Since January 1, 2016, he is Chairman of the Committee of French Automobile Manufacturers.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Chairman of UNIFAB
Vice-Chairman and Director of Établissements Peugeot Frères
Director of FFP*
Director of Compagnie Industrielle de Delle (CID)
Director of Groupe PSP
Director of LISI*
Manager Director of BP Gestion
Manager Director of RP Investissements
Manager Director of SCI Laroche

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Vice-Chairman of Football Club Sochaux Montbéliard S.A.
Chief Operating Officer of Établissements Peugeot Frères
Director of La Française de Participations Financières
Director of Immeubles et Participations de l'Est
Director of Simante SL
Corporate officer of Peugeot Média Production

FONDS STRATÉGIQUE DE PARTICIPATIONS (FSP)
INDEPENDENT DIRECTOR
SICAV WITH A BOARD OF DIRECTORS AND CAPITAL OF €300,000

Registered head office:	47 rue du Faubourg-Saint-Honoré -75008 Paris – France 753 519 891 RCS Paris
Date of first appointment:	General Meeting of 15 May 2014
Date of last re-election:	None
End date of term of office:	2016 General Meeting (renewal)
Number of SEB shares held:	2,633,876

INFORMATION:

FSP was registered on 14 September 2012.
It is represented by Catherine Pourre.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Director of Arkema*
Director of Zodiac Aerospace*

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

* *Listed company.*

CATHERINE POURRE
PERMANENT REPRESENTATIVE OF FSP ON THE BOARD OF DIRECTORS

Age:	59
Nationality:	French
Committee member:	Chair of the Audit Committee

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 worked as Senior Executive Vice-president of finance, information technology, human resources, organisation and property engineering before becoming General Manager of Core Businesses and a member of the Management Board from 2007 to 2013 and as Director of U&R Management BV, a subsidiary of the Unibail-Rodamco group, until 2015.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Director of Neopost S.A.*

Member of the Supervisory Board of Bénéteau S.A.*

Director of CPO Services Sarl (Luxembourg)

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Member of the Management Board and General Manager, Core Businesses, Unibail-Rodamco S.E.*

Chair then Chief Operating Officer of Unibail Management S.A.S.

Chair and CEO of Tayninh S.A.*

Chair of Doria S.A.S.

Chair of Espace Expansion Immobilière

Director of Comexposium Holding

Director of Unibail-Rodamco Participations

Chair and CEO of Unibail-Rodamco Finance

Director of Viparis Holding

Member of the Uni-Expos Supervisory Board

Director of Viparis-Le Palais des Congrès de Paris

Director of Union Immobilière Internationale

Director of Rodamco Europe Beheer B.V. (Netherlands)

Director of the permanent establishment of Unibail-Rodamco S.E. in the Netherlands.

Representative of Unibail-Rodamco SE on the Board of Directors of Crossroads Property Investors S.A.

Director of Mfi AG (Germany)

Chair of the Audit Committee, SCI Propexpo

Chair of the Audit Committee and the Nominations and Remuneration Committee, Viparis Porte de Versailles

Member of the Management Board of Rodamco Europe N.V. (Netherlands)

Permanent representative of Rodamco Europe N.V. (Netherlands), itself director of eight Unibail-Rodamco subsidiaries

Director of U&R Management B.V. (Netherlands)

* *Listed company.*

WILLIAM GAIRARD
DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF VENELLE INVESTISSEMENT

Age:	35
Nationality:	French
Date of first appointment:	General Meeting of 12 May 2015
End date of term of office:	2019 General Meeting
Committee member:	No
Number of SEB shares held:	433,593 shares (including 143,199 full-ownership shares and 290,394 bare-owner shares)

BIOGRAPHY:

A graduate of EM Lyon and holding an IUP Masters 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 founded Ecopro Solutions S.A. de C.V., a Mexican company which promotes responsible plastic use and which he now heads.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Managing Director of Ecopro Solutions S.A. de C.V. (Mexico)

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

JEAN-NOËL LABROUE
INDEPENDENT DIRECTOR

Age:	68
Nationality:	French
Date of first appointment:	General Meeting of 12 May 2010
Date of last re-election:	15 May 2014
End date of term of office:	2018 General Meeting
Committee member:	Chairman of the Nominations and Remuneration Committee
Number of SEB shares held:	1,250

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 APPOINTMENTS:

Member of the Supervisory Board and Chairman of the Nominations and Remuneration Committee of Generix S.A.*

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Managing Director and member of the Board of Kesa Electricals Plc (United Kingdom)
Member of the Supervisory Board of Établissements Darty et Fils
Chairman and CEO of Kesa France
Chairman of the Board of Directors of Kesa International Plc (United Kingdom)
Chairman of the Board of Directors of New Vanden Borre (Belgium)
Director of Datart Investments S.A. (Luxembourg)
Director of Datart Megastore S.R.O. (Slovakia)
Director of Datart International As. (Czech Republic)
Director of Kesa Holding Ltd. (United Kingdom)
Director of Kesa Sourcing Ltd. (Italy)
Director of Kesa Spain Ltd. (Spain)
Director of Kesa Turquey Ltd. (Turkey)
Director of Kesa Electricals Asia Ltd. (China)

* *Listed company.*

CÉDRIC LESCURE
DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF FÉDÉRACTIVE

Age:	48
Nationality:	French
Date of first appointment:	General Meeting of 27 April 1998
Date of last re-election:	12 May 2015
End date of term of office:	2019 General Meeting
Committee member:	No
Number of SEB shares held:	528,871 (including 114,684 full-ownership and 414,187 bare-owner shares)

BIOGRAPHY:

A graduate of the Nantes veterinary school, Cédric Lescure is a veterinary surgeon. He is currently Managing Director of the Clos Guillaume veterinary clinic, which he set up in 2000 in Fontaine-les-Dijon, in the Côte-d'Or region of France.

In 2010, he set up Vetshop 21, which sells veterinary food online and of which he is Chief Executive.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Managing Director of the Clos Guillaume veterinary clinic

Chief Executive of Vetshop 21 S.A.S.

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Member of the FÉDÉRACTIVE Advisory Board

Managing Director of Vetshop Création

LAURE THOMAS
DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF VENELLE INVESTISSEMENT

Age:	44
Nationality:	French
Date of first appointment:	General Meeting of 14 May 2013
End date of term of office:	2017 General Meeting
Committee member:	No
Number of SEB shares held:	233,354

BIOGRAPHY:

A graduate of Dijon's Business School (École Supérieure de Commerce), Laure Thomas is an interior designer.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Member of the Supervisory Board of VENELLE INVESTISSEMENT

Managing Director of SCI Pommard Clos Blanc

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Member of the Pierre Cotte Management Board

VENELLE INVESTISSEMENT
DIRECTOR – MEMBER OF THE FOUNDER GROUP
SIMPLIFIED JOINT-STOCK COMPANY WITH SHARE CAPITAL OF €3,750,736.68

Registered head office:	72 rue du Faubourg-Saint-Honoré – 75008 Paris – France 414 738 070 RCS Paris
Date of first appointment:	27 April 1998
Date of last re-election:	General Meeting of 10 May 2012
End date of term of office:	2016 General Meeting (renewal)
Number of SEB shares held:	17,902

INFORMATION:

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

It is represented by Damarys Braida.

OTHER CURRENT OFFICES AND APPOINTMENTS:

None

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

DAMARYS BRAIDA
PERMANENT REPRESENTATIVE OF VENELLE INVESTISSEMENT ON THE BOARD OF DIRECTORS

Age:	48
Nationality:	French
Committee member:	Nominations and Remuneration Committee

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. Between 1997 and 2004, she led the efficiency evaluation departments. From 2005 to 2009, she ran the colour development laboratory, then from 2010 to 2012, the global make-up development laboratory. Since 2012, she has been head of Cosmetics Research Strategy at L'Oréal.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Chair of VENELLE INVESTISSEMENT

Managing Director of Venelle Plus

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

None

JÉRÔME WITTLIN
DIRECTOR – MEMBER OF THE FOUNDER GROUP, MEMBER OF VENELLE INVESTISSEMENT

Age:	56
Nationality:	French
Date of first appointment:	General Meeting of 6 May 2004
Date of last re-election:	10 May 2012
End date of term of office:	2016 General Meeting
Committee member:	Audit Committee
Number of SEB shares held:	6,338

BIOGRAPHY:

Jérôme Wittlin began his career in 1984 with the Crédit Lyonnais group where he was director of Clinvest, a subsidiary specialising in mergers and acquisitions, then from 2004, he was *Executive Director* of Crédit Agricole Corporate and Investment Bank.

Beginning in 2006, he served as Executive Director of Goldman Sachs Private Wealth Management in France. He joined Crédit Mutuel CIC in 2011.

He is currently director of the Large Private Investors department of Crédit Mutuel CIC and a member of the Executive Committee of CIC Banque Privée.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Managing Director of VENELLE INVESTISSEMENT

Chairman of Venelle Plus

Managing Officer of Trois Rivières Holding

Director of Trajectoire

Member of the Board of the French Association for Brain Tumour Research (ARTC)

OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Member of the Management Board of VENELLE INVESTISSEMENT

SUMMARY TABLE OF DIRECTORS

SURNAME - FIRST NAME	NATIONALITY	AGE	START DATE	END DATE (YEAR OF GM)	INDEPENDENT DIRECTOR	COMMITTEE MEMBER
Thierry de La Tour d'Artaise	French	61	GM 03-05-1999 Ratification of co-optation	**2016**	No	No
Bruno Bich	French US resident	69	GM 15-05-2014	2018	Yes	Nominations and Remuneration
Tristan Boiteux	French	53	GM 14-05-2002	2018	No	No
Sarah Chauleur	French	44	GM 14-05-2013	2017	No	No
Yseulys Costes	French US resident	43	GM 14-05-2013	2017	Yes	No
FEDERACTIVE (Pascal Girardot)	French	61	GM 11-05-2006 Ratification of co-optation	2018	No	Nominations and Remuneration
Hubert Fèvre	French	51	GM 13-05-2003	2019	No	Control
FFP INVEST (Christian Peugeot)	French	62	GM 15-05-2014 Ratification of co-optation (1)	2017	Yes	Control
FSP (Catherine Pourre)	French	59	**GM 15-05-2014 Ratification of co-optation (2)**	**2016**	Yes	Control
William Gairard	French Mexican resident	35	GM 12-05-2015	2019	No	No
Jean-Noël Labroue	French	68	GM 12-05-2010	2018	Yes	Nominations and Remuneration
Cédric Lescure (3)	French	48	GM 12-05-2010 Ratification of co-optation	2019	No	No
Laure Thomas	French	44	GM 14-05-2013	2017	No	No
VENELLE INVESTISSEMENT (Damarys Braida)	French	48	**GM 27-04-1998 Ratification of co-optation**	**2016**	No	Nominations and Remuneration
Jérôme Wittlin	French	56	**GM 06-05-2004**	**2016**	No	Control
DIRECTOR WHOSE MANDATE ENDED DURING THE YEAR						
Jacques Gairard	Replaced by William Gairard at the end of the GM of 12 May 2015.					

1) FFP Invest was co-opted by decision of the BoD on 23 July 2013 to replace FFP.
2) FSP was co-opted by decision of the BoD on 25 February 2014 to replace Philippe Lenain.
3) Cédric Lescure was a director of SEB S.A. from 1998 to 2005.

RENEWAL AND APPOINTMENT OF DIRECTORS

In accordance with Article 17 of the company's Articles of Association and with the recommendations of the AFEP-MEDEF Code, the duration of Directors' term of office is staggered, enabling shareholders to vote regularly and frequently on the composition of the Board of Directors and avoid any mass renewals.

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

Last year, the General Meeting of 12 May 2015 re-appointed Hubert Fèvre and Cédric Lescure as directors for a further four years. William Gairard was also appointed as director for a four-year term to replace Jacques Gairard.

SUMMARY OF HOW DIRECTORS' TERMS OF OFFICE ARE STAGGERED

DIRECTOR	SHAREHOLDERS' MEETING 2016	SHAREHOLDERS' MEETING 2017	SHAREHOLDERS' MEETING 2018	SHAREHOLDERS' MEETING 2019
Thierry de La Tour d'Artaise	•			
Bruno Bich			•	
Tristan Boiteux			•	
Sarah Chauleur		•		
Yseulys Costes		•		
FEDERACTIVE (Pascal Girardot)			•	
Hubert Fèvre				•
FFP INVEST (Christian Peugeot)		•		
FSP (Catherine Pourre)	•			
William Gairard				•
Jean-Noël Labroue			•	
Cédric Lescure				•
Laure Thomas		•		
VENELLE INVESTISSEMENT (Damarys Braida)	•			
Jerôme Wittlin	•			

Re-election of three directors in 2016

As the terms of office of Thierry de La Tour d'Artaise, VENELLE INVESTISSEMENT, represented by Damarys Braida and Fonds Stratégique de Participation, represented by Catherine Pourre, are due to expire at the General Meeting of 19 May 2016, the Board of Directors will recommend to the shareholders that their terms of office be renewed for another four years.

Appointment of a new director in 2016

As the mandate of Jacques Gairard is due to expire at the General Meeting of 19 May 2016, he will be replaced. To this end, the Board of Directors will recommend to the General Meeting that Jérôme Lescure be appointed as director for a term of four years.

After reviewing his candidacy, on the recommendation of the Nominations and Remuneration Committee, Jérôme Lescure was deemed capable by the Board of Directors of assuming the duties of a director of the company and making an effective contribution to the work of the Board of Directors. He has a great deal of expertise in the field of strategy and entrepreneurship and also has an excellent knowledge of Groupe SEB, how it operates and the challenges it faces, since he was a director of SEB S.A. from 1994 to 2005.

Information about Jérôme Lescure is given below:

JÉRÔME LESCURE

Age: 55
Nationality: French
Number of SEB shares held: 73,828

BIOGRAPHY:

An architecture graduate of the Paris Ecole Spéciale d'Architecture, with a Masters in industrialised construction from the Ecole Nationale des Ponts et Chaussées and an MBA from HEC, Jérôme Lescure held various management and oversight roles in US and British companies prior to becoming a partner at A.T. Kearney, a firm of strategy consultants. He then joined Accenture as Director of Consulting for France.

Since 2013, Mr Lescure has been an entrepreneur and investor. He is now President of APICAP, a fund management company devoted to investing in SMEs and Chairman of CAMSEL, the softwood lumber producer.

In addition, Mr Lescure was a Director of SEB S.A. from 1994 to 2005.

OTHER CURRENT OFFICES AND APPOINTMENTS:

Co-manager of Lavilla S.A.R.L.
Chairman of Additio S.A.S.
Chairman of Camsel S.A.S.
Chairman of Brassac Holding S.A.S.
Chairman of Bois du Midi S.A.S.
Chairman of OTC Asset Management S.A.S., now APICAP
Director of Manutan International – Member of the Audit Committee and the Nominations and Remuneration Committee*
Permanent representative of APICAP, director of:
Ymagis S.A.*; Groupe Archimen S.A.S.; Active 3D; Inspirational Stores S.A.; D3T.

OTHER OFFICES AND APPOINTMENTS HELD IN THE LAST FIVE YEARS AND NOW EXPIRED:

Co-manager of Trois Rivières Holding

* *Listed company.*

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.

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;
- no member of the Board of Directors or Group Executive Committee 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 the capacity of corporate officer or director, 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-a-vis SEB S.A., of the members of the administration bodies and the General Management team and their private interests.

Service contracts

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

The existing related party agreements have been authorised in advance in accordance with the law and are described in Section 2.5 "Remuneration policy" as well as in the Statutory auditors' special report on related party agreements.

STOCK MARKET CODE OF CONDUCT

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 privileged information.

On 23 February 2016, the Board of Directors adopted a Stock market code of ethics which details the obligations of directors and persons with whom they have close personal ties, company directors and certain employees in sensitive positions, in accordance with applicable laws and regulations.

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

INDEPENDENCE OF THE DIRECTORS

With five independent directors, i.e. one-third of the directors, 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 Nominations and Remuneration Committee prior to any appointment or renewal of their mandate. 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 renewal is made, as described below:

- is not to be an employee or Executive Director of the corporation, or an employee or director of its parent or a company that the latter consolidates, and not having been in such a position for the previous five years (**criterion 1**);
- is not an Executive Director of a company in which the corporation holds a directorship, directly or indirectly, or in which an employee appointed as such or an Executive Director of the corporation (currently in office or having held such office within the last five years) is a director (**criterion 2**);
- is not a customer, supplier, investment banker or commercial banker that is material to the corporation or its group, or for a significant part of whose business the corporation or its group accounts (**criterion 3**);
- does not have close family ties with a corporate officer (**criterion 4**);
- has not been a director of the company for more than 12 years (**criterion 5**);
- has not been an Auditor of the company in the last five years (**criterion 6**);

The conclusions of the examination conducted by the Nominations and Remuneration Committee are then sent to the Board of Directors so that it can examine the situation 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 judgement.

Therefore, after being made aware of the conclusions of the Nominations and Remuneration Committee and having looked at the individual situations of the members of the Board of Directors as regards the criteria set out by the AFEP-MEDEF Code, the Board of Directors considered that Bruno Bich, Yseulys Costes, Jean-Noël Labroue, Christian Peugeot (permanent representative of FFP Invest) and Catherine Pourre (permanent representative of FSP), could be qualified as independent directors.

DIRECTORS' STATUS IN TERMS OF INDEPENDENCE CRITERIA

	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Eligibility
Bruno Bich	yes	yes	yes	yes	yes	yes	Independent
Yseulys Costes	yes	yes	yes	yes	yes	yes	Independent
Jean-Noël Labroue	yes	yes	yes	yes	yes	yes	Independent
Christian Peugeot	yes	yes	yes	yes	yes	yes	Independent
Catherine Pourre	yes	yes	yes	yes	yes	yes	Independent

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

Pursuant to the Charter and the Internal Rules, the directors undertake to maintain their independence of analysis, judgement, decision and action and to reject any pressure, direct or indirect, which may come to bear on them.

Upon conclusion of the Board of Directors' assessment, the directors declared themselves to be satisfied with the number and role of the independent directors. They also stressed the positive influence of said directors on the work of the Board of Directors.

MANAGING CONFLICTS OF INTEREST

To prevent and identify any risk of conflict of interest, various procedures have been formalised. The objective is to be able to ensure than no director is in a conflict of interest situation whether at the time of appointment, during their term of office or upon re-election.

The Nominations 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 when a director is appointed or when their term of office is renewed, if applicable.

The situation of individual directors is also reviewed on a yearly basis using a questionnaire and a formal sworn statement by the directors, made for the second year running in 2015.

In addition, during their term of office, directors are obliged to perform their duties strictly in accordance with the company's interest. Should a conflict of interest occur when a meeting agenda is published, or during the course of a meeting, directors are obliged to inform the Board of Directors. The Board must then decide, if necessary without the director concerned being present, whether he or she 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.

The annual declarations submitted for review by the Board of Directors on 23 February 2016 did not reveal any conflict of interest. The directors did, however, discuss the existence of a business flow between some Groupe SEB entities and 1000mercis, of which Yseulys Costes is Chair and Chief Executive Officer. This business flow corresponds to interactive advertising and marketing services, in which 1000mercis occupies a prime place on the market. Under no circumstances is Yseulys Costes involved in the management of this business relationship, which is entrusted exclusively to 1000mercis operational teams, so as to guarantee neutral relations.

Given the value of the resultant transactions for 2015 which account for approximately 0.01% of Groupe SEB consolidated revenue and 0.03% of Groupe SEB equity, and 0.9% of the consolidated revenue and 0.9% of the equity of 1000mercis, the Board of Directors decided to rule out the possibility of a conflict of interest and to confirm Yseulys Costes as an independent director.

Organisation and operation of the Board of Directors

ROLE AND MEETINGS OF THE BOARD OF DIRECTORS

Role of the Board of Directors

Pursuant to the provisions of Article 225-35 of the French Commercial Code and the company's Articles of Association, the Board of Directors determines the company's business orientations and ensures that they are implemented; it deals with all matters regarding the proper functioning of the company and acts on all matters within its remit, to the extent of the corporate purpose and subject to the powers explicitly assigned by the law to Shareholder Meetings. The Board of Directors also carries out checks and verifications that it deems appropriate.

On the proposal of the Chairman and Chief Executive Officer, the Board of Directors decides on Group strategy, capital expenditure and budgets, deliberates on the management structures of the Group and decides on acquisitions.

As regards the strategic matters, the Charter and Internal Rules state that the Board of Directors determines the Group's strategy. The Board of Directors is thus responsible for examining and determining all kinds of Group strategic decisions, without any limitations.

This role positions the Board of Directors at the heart of the strategy and ensures an appropriate balance of power.

With regard to decisions relating to the possible use of General Meeting authorisations to increase the capital, the Board of Directors decided, as an internal rule and in view of the importance of such authorisations, that decisions should be taken by a qualified majority vote of 12/15ths of the present or represented members.

Meetings of the Board of Directors

The Board of Directors met seven times in 2015. The attendance rate was 91%.

The meetings are generally arranged as follows:

- February: review of the annual financial statements and approval of the budget;
- April: review of quarterly results and a specific topic;
- May: meeting following the Annual General Meeting;
- July: review of half-yearly financial statements;
- October: review of quarterly results and visit of an industrial site or a marketing subsidiary abroad, and if necessary, review of a specific topic;
- December: review of the financial statements at end- November, report from the Nominations and Remuneration Committee on the evaluation and composition of the Board of Directors, Annual Review of Human Resources, 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 provisions of the law and the Articles of Association. They met on an exceptional basis on 16 June 2015, convened by the Chairman, regarding the acquisition project of OBH NORDICA and to approve this project.

An annual meeting is traditionally organised at one of Groupe SEB's sites in France or abroad, so that directors can visit industrial sites and marketing subsidiaries and meet Group employees. This initiative promotes understanding of the challenges and problems faced by the Group and the inclusion of historical, human and cultural dimensions in their consideration.

In 2015, the Board of Directors held a meeting at Groupe SEB premises in Windsor in the United Kingdom. The Board was introduced to local teams and learnt about the performance achieved and the challenges faced by this company. On this occasion, the directors also visited major retailers' points of sale with the aim of familiarising themselves with the marketing strategy used by major UK distributors for Group products. The Managing Director of the British subsidiary of Amazon also addressed the Board of Directors on this occasion.

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

- drafting and publication of meetings schedules of the Board of Directors and Committees at least one year in advance;
- meetings held in Paris, or at the company's registered office in Écully;
- option to take part in meetings over the telephone or by videoconference if unable to attend in person.

Further to the evaluation of the Board of Directors which took place between October and November 2015, the directors were satisfied with the organisation of meetings, particularly the reliability of the schedule sent to them. The quality of the resources used to take part in meetings remotely and site visits were also particularly appreciated.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and CEO represent the company in its relations with third parties. He has the widest powers to act under all circumstances on the company's behalf in accordance with Article L. 225-56 of the French Commercial Code.

The Board of Directors didn't set any limit on the powers of the CEO.

Pursuant to the Directors' Charter and Internal Rules, the Board of Directors is responsible for deciding on any proposals relating to Groupe SEB strategy, on the recommendation of the Chairman and CEO.

As Chairman of the Board of Directors, the Chairman and CEO's role is to represent the Board of Directors. To this end, he is mainly responsible for:

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

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 provisions of the Directors' Charter and Internal Rules.

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. Therefore, Philippe Sumeire, the Group's General Counsel, is Secretary to the Board of Directors, having been appointed on 16 December 2011.

His role is to assist the Chairman and CEO in organising the work of the Board of Directors and the specialised Committees, particularly with planning meetings and agendas, disseminating information and compiling minutes.

COMMITTEES OF THE BOARD OF DIRECTORS

Since 1995, the Board of Directors has had two specialised Committees to help it in areas for which specific skills and meetings are required. These are the Audit Committee and the Nominations and Remuneration Committee.

The Board of Directors laid out the principles for the composition of its specialised Committees at its meeting on 11 December 2009. These are now composed of four members, i.e. two directors representing the Founder Group and two independent directors respectively. This composition is justified by the need to ensure the predominance of independent directors and to take account of the shareholder base of the company.

The operation of the specialised Committees is specifically assessed as part of the annual evaluation procedure of the Board of Directors. After the evaluation conducted in 2015, the directors said they were satisfied with the current number of Board of Directors' Committees and with the way that they operate.

The Audit Committee

COMPOSITION AND INDICATORS

COMPOSITION

Catherine Pourre, Independent Director, Permanent representative of Fonds Stratégique de Participation
Christian Peugeot, Independent Director, Permanent representative of FFP Invest
Hubert Fèvre, Member of FÉDÉRACTIVE
Jérôme Wittlin, Member of VENELLE INVESTISSEMENT

CHAIR

The Audit Committee is chaired by Catherine Pourre, an independent director, who is responsible for coordinating its activities and whose powers are strengthened by having the deciding vote in the event of a tied vote on a recommendation.

NUMBER OF MEETINGS

3

ATTENDANCE RATE

92%

PERCENTAGE OF INDEPENDENT DIRECTORS

50% - The Chair, 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 Committee is based around the following responsibilities:

- informing the Board of Directors on the identification, evaluation and handling of the main financial risks to which the Group may be exposed;
- ensuring the relevance of the accounting methods used to prepare the annual and half-yearly financial statements;
- notifying the Board of Directors of any useful observations or recommendations;
- participating in the procedure for appointing Statutory auditors and ensuring that they are independent.

Where necessary, the Audit Committee may request opinions or consultations from external experts on specific points.

Audit Committee Meetings are usually held in the presence of the Statutory auditors, the Senior Executive Vice-president, Finance, the Internal Audit Director and the Accounts Director. However, when the tasks accomplished by the Statutory auditors are examined, management withdraws.

For logistical and organisational reasons, Audit Committee Meetings are generally held one day prior to the examination of the half-yearly and annual financial statements by the Board of Directors. However, all documents that are useful for Audit Committee Meetings are sent in advance of the meetings, so that members of the Audit Committee can familiarise themselves with the documents in advance of the meeting and ensure that the Board of Directors' deliberations on the financial statements are properly prepared. As an outcome of the 2015 evaluation of the Board of Directors, the directors confirmed that this way of operating was satisfactory.

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

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

MAIN WORK

As is its prerogative, in 2015, the Audit Committee, as it does every year, audited the following:

- the draft annual financial statements as at 31 December 2014 and the draft half-year financial statements as at 30 June 2015, prior to their submission to the Board of Directors;
- the Chairman's report on internal control;
- the nature and results of the work done by the Statutory auditors along with their comments and recommendations on internal control;
- the renewal of the appointments of the Statutory auditors for 2015-2020, for which it approved the specifications and supervised the tender process launched during the year;
- report on the transition phase following the introduction of new Statutory auditors;
- the review of the main findings of the internal audits carried out in 2015;
- the proposed schedule of internal audits for 2016;
- the mapping and analysis of major risks.

The above shows that the Audit Committee:

- has been informed by the Statutory auditors of the content and conclusions of their audit and given the opportunity to hold discussions with them without the presence of the management;
- has to opportunity, on the basis of the presentations made by the Senior Executive Vice-president, Finance, and its team, to know and to assess the company's major risks and off-balance sheet commitments.

The Nominations and Remuneration Committee

COMPOSITION AND INDICATORS

COMPOSITION	Jean Noël Labroue, Independent Director Bruno Bich, Independent Director Pascal Girardot, Member of FÉDÉRACTIVE Damarys Braida, Member of VENELLE INVESTISSEMENT
CHAIR	The Nominations and Remuneration Committee is chaired by Jean Noël Labroue, an independent director, who is responsible for coordinating its activities and whose powers are strengthened by having the deciding vote in the event of a tied vote on a recommendation.
NUMBER OF MEETINGS	4
ATTENDANCE RATE	100%
PERCENTAGE OF INDEPENDENT DIRECTORS	50% - The Chair, who is an independent director, has the deciding vote

WORK AND POWERS

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

- issuing recommendations on the composition of the Board of Directors, the appointment or re-election of Board members, and the Group's organisation and structures;
- proposing the compensation policy for corporate officers and examining the compensation policy for the main executive directors;
- proposing the introduction of and procedures for stock option plans and free shares;
- issuing recommendations on governance or ethics matters.
- examining the Group's sustainable development policy, assessing the actions taken and the company's policy in this area.

In addition, if necessary, the Nominations and Remuneration Committee may request opinions or consultations from external experts on specific points. This has been the case as regards compensation policy.

As part of its work on the composition of the Board of Directors, the Nominations and Remuneration Committee examines each application against the following criteria:

- the composition of the shareholder base;
- the skills, experience and representative nature of the candidate;
- the complementarity of experiences within the Board of Directors;
- the gender balance.

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

MAIN WORK

In 2015, the Nominations and Remuneration Committee:

- reviewed the answers given by directors to the annual questionnaire designed to prevent and identify conflicts of interest, and made recommendations for the business relationship between the Group and 1000mercis, of which Mme Yseulys Costes is Chairman and CEO;
- reviewed applications from directors whose appointment or re-election was proposed at the General Meeting of 12 May 2015;
- examined the 2014 variable and 2015 fixed and variable remuneration for the Chairman and CEO, the Chief Operating Officer and other members of the Group Executive Committee;
- reviewed two benchmarks relating to attendance fees paid to Directors of SBF 120 companies;
- reviewed the proposal to change the Group's organisational structure and remuneration for managers affected by this change;
- reviewed the terms of office expiring at the next General Meeting on 19 May 2016 as well as the re-elections and appointments envisaged, including that of Thierry de la Tour d'Artaise;
- compiled the responses to the evaluation of the Board of Directors as well as directors' self-assessments and made recommendations accordingly;
- examined the composition of the Board of Directors, particularly with regard to legislative changes regarding the appointment of employee directors;
- conducted the annual Human Resources review;
- examined the sustainable development policy and approved the report on action taken and the company's initiatives in this area.

At its meeting on 12 February 2016, the Nominations and Remuneration Committee, in accordance with the provisions of the AFEP-MEDEF Code, deliberated in order to assess the performance of the Chairman and Chief Executive Officer during the year who did not attend this meeting. The Committee reports on his work at the next Board of Directors' meeting where the directors are free to deliberate in the absence of the interested party.

INFORMATION OF THE DIRECTORS

Pursuant to the provisions of the Charter and Internal Rules "directors shall receive all 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 any times during their term of office.

In 2006, the company created a website dedicated to the directors. This documentary database, for the sole use of the directors, and in which documents are made available to them, ensures information's accessibility and speed of transmission in the strictest confidentiality.

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

The Chairman also ensures that information on General Meetings, financial publications, sales and results, consensuses and summaries recommendations from financial analysts, as well as press items and press releases by the Group are brought to their attention on this website.

It is updated regularly so as to match directors' expectations as closely as possible.

A section on corporate governance also allows them at any time to refer to the AFEP-MEDEF Code, the Charter and Internal Rules, the Group code of ethics, and the company's Articles of Association.

So that all these documents can be made available to directors as quickly as possible, a schedule for the preparation of Board Meetings was formalised in 2015, with the aim of publishing documents as far ahead of meetings as possible. The Chairman ensures that all documents are accessible as soon as they have been approved.

After the 2015 evaluation of the Board of Directors, the members of the Board of Directors said that they were satisfied with the information they had been provided with in order to perform their duties. Once again they highlighted the progress made in providing documents prior to meetings of the Board of Directors. The company will continue its efforts in this direction this coming year.

EVALUATION OF THE BOARD OF THE DIRECTORS AND DIRECTORS

Evaluation of the Board of Directors

In accordance with the provisions of the AFEP-MEDEF Code and of the Charter and Internal Rules, since 2003, the Board of Directors has conducted a formal yearly evaluation of its operation. In particular, this ensures 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 interest.

The evaluation carried out from October and November 2015 was conducted using a new questionnaire adopted by the Board of Directors at its meeting on 18 December 2014. This questionnaire focuses, in particular, on the meetings, reporting, composition and operation of the Board of Directors, as well as its Committees. It also enables governance-related questions to be raised as well as issues relating to interactions with Management.

The answers given by directors were analysed by the Nominations and Remuneration Committee, whose findings were presented to the Board of Directors on 17 December 2015. 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, in particular:

- with the organisation and frequency of meetings;
- with the quality of the information and documents circulated prior to and during meetings and with the input of senior executives;
- with the level of understanding of the company's performance drivers;
- with interactions with Management.

Some optimisation options were also discussed and adopted and are designed in particular:

- to encourage exchanges and discussions, by lengthening the duration of certain meetings;
- to raise awareness of the international challenges faced by the Group by organising a yearly meeting at one of the Group's subsidiaries in a foreign country and a meeting every two years at one of its plants;
- to devote more time to issues incumbent upon the Nominations and Remuneration Committee, such as Corporate Social Responsibility, by extending the duration of its meetings.

These adjustments will be reviewed at the end of 2016 to find out whether or not they have met expectations.

Director self-assessment

The evaluation of the Board of Directors was supplemented, in 2015, 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 analysed by the Nominations and Remuneration Committee, whose findings were presented to the Board of Directors on 17 December 2015. The comments and discussions showed, in particular, that directors have a very good overall opinion of the role of the Board of Directors and its programme of work and that they have complementary skills and experience.

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 regularly updated in response to any developments, and notably in 2013 to include the latest recommendations of the AFEP-MEDEF Code.

The main provisions of the Charter and Internal Rules are covered or set out within this section of the Registration Document, section 2.

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 corporate interests, attendance, dealing with any conflicts of interest, access to information, confidentiality, independent analysis and reminder of the legal procedure regarding privileged information.

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.

The Internal Rules cover the composition, operation, role and mission of the Board and its Committees and the Board member remuneration policy.

PROCEDURES RELATING TO SHAREHOLDER PARTICIPATION IN GENERAL MEETINGS

Please note that Articles 32 and 33 of the Articles of Association define the procedures for shareholder participation in General Meetings in accordance with current regulations. All shareholders are, therefore, entitled to attend General Meetings or to be represented at such meetings under the terms and conditions laid down by the Articles of Association, a summary of which is given in section 7, "Information on the company and its share capital".

IMPLEMENTATION OF RECOMMENDATIONS MADE IN THE AFEP-MEDEF CODE

In line with the "Apply or Explain" rule provided for in Article L. 225-37 of the French Commercial Code and Article 25.1 of the AFEP-MEDEF Code, the company judges 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
Article 6.4: Representation of women With regard to the representation of men and women, the objective is for each Board to have at least 40% female members within six years of the 2010 general meeting.	The Nominations and Remuneration Committee submitted a list of expiry dates to the Board of Directors in relation to its composition. Proposals were made and will be implemented in accordance with legal deadlines, particularly with regard to the representation of women on the Board, at the latest, during the General Meeting called to approve the financial statements for the year ending in 2016.
Articles 15.1, 17.1 and 18.1: Proportion of independent directors on Committees At least two-thirds of the members of the Accounts Committee must be independent directors. The Nominations and Remuneration Committee must include a majority of independent directors.	Given the shareholder structure of the company, controlled by two major shareholders acting jointly, the Audit Committee and the Nominations and Remuneration Committee are made up of four members, including two independents, and a Board member representing each major shareholder. Both Committees are chaired by an independent director who leads and steers the Committee's work. They have the deciding vote if the vote is tied.
Article 16.2.1: Examination of the financial statements by the Audit Committee The time frame for examining the financial statements must be sufficient (at least two days prior to examination by the Board).	For organisational and logistical reasons, the meetings of the Audit Committee are generally held the day before the Board of Directors' Meetings. However, all documents that are useful in preparing for Audit Committee Meetings are sent in advance of the meetings, so that members of the Audit Committee can prepare for the meeting and ensure that the Board of Directors' deliberations on the financial statements are properly prepared. At the end of the evaluation of the Board of Directors in 2015, the directors confirmed that the mode of operation was satisfactory.
Article 22: Chief Executive Officer's employment contract When an employee is appointed as Chief Executive Officer of the company, it is recommended that their 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, personal situation, and seniority within the Group. The same decision was taken further to the Board of Directors' Meeting on 23 February 2015, with regard to the proposal to renew the term of office of Thierry de la Tour d'Artaise at the end of the General Meeting on 19 May 2016.
Article 23.2.2: Performance shares In accordance with terms determined by the Board and announced upon the award, the performance shares awarded to corporate officers are conditional upon the acquisition of a defined quantity of shares once the shares awarded are available.	Taking into account the share lock-up conditions imposed on corporate officers when stock options are exercised and performance shares are vested, the Board of Directors decided against the mandatory purchase of additional company shares by the corporate officers once the shares awarded were available. These share lock-up conditions, combined with the demanding performance conditions for their allocation, were considered adequate. Thierry de La Tour d'Artaise held 422,533 shares at 31 December 2015, i.e. a value, at the average 2015 share price (€80.18), of over two years' remuneration (fixed plus target bonus). Bertrand Neuschwander holds a lower number of shares due to his recent arrival in the Group.

2.4. GROUP MANAGEMENT BODIES

Organisation up until 2 September 2015

Last year saw changes to the Group's management bodies, as announced by Thierry de La Tour d'Artaise on 2 September 2015. This is part of a wider plan to transform the Group to enable it to each new horizons and respond to new challenges.

Until 2 September 2015, the Group's management bodies comprised an Executive Committee and a Management Committee, made up of the members of the Group Executive Committee, the Presidents of the Strategic Business Areas and Continental Structures, the President in charge of Strategy and the President in charge of Innovation. Committee members were as follows:

GROUP EXECUTIVE COMMITTEE

Thierry de La Tour d'Artaise	Chief Executive Officer
Bertrand Neuschwander	Chief Operating Officer
Stéphane Laflèche	Senior Executive Vice-president, Industrial Operations
Vincent Léonard	Senior Executive Vice-president, Finance
Harry Touret	Senior Executive Vice-president, Human Resources
Frédéric Verwaerde	Senior Executive Vice-president, Continents

CONTINENTAL GENERAL MANAGEMENT

Xavier Desmoutier	President, Asia-Pacific
Luc Gaudemard	President, Europe
Volker Lixfeld	President, North America
Gérard Salommez	President, France and Belgium
Fernando Soares	President, South America
Vincent Tai	President, Supor
Martin Zouhar	President, Eurasia

STRATEGIC BUSINESS AREAS (SBAS) MANAGEMENT

Cyril Buxtorf	President, Home & Personal care
Philippe Crevoisier	President, Kitchen Electrics
Patrick Llobrégat	President, Cookware

OTHER GENERAL MANAGERS

Patrick Le Corre	President, Strategy
Jean-Christophe Simon	President, Innovation

New organisation

As of 2 September 2015, the Management Committee was replaced by an Executive Committee incorporating three Continental General Management bodies. Each of these three Continents is then organised into Regions.

The new Executive Committee is now organised as follows:

GROUP EXECUTIVE COMMITTEE

Thierry de La Tour d'Artaise	Chief Executive Officer
Bertrand Neuschwander	Chief Operating Officer
Vincent Léonard	President Finances, Group Senior Executive Vice-president
Harry Touret	President Human Resources, Group Senior Executive Vice-president
Stéphane Laflèche	President, Industry
Philippe Crevoisier	President, Innovation and Products
Luc Gaudemard	President, Americas
Frédéric Verwaerde	President, Asia
Cyril Buxtorf	President, EMEA

The Group Executive Committee defines and implements overall Group strategy. It meets about once a month to define consolidated goals, monitor strategic plans, decide on priorities and allocate the resources needed for Strategic Business Areas, Continental General Management and Other General Managers.

2.5. REMUNERATION POLICY

Remuneration of the Board of Directors members

RULES OF ALLOCATION AND AMOUNTS PAID FOR 2015

The terms of directors' remuneration are set by the Board of Directors on a proposal from the Nominations and Remuneration Committee. In 2015, the overall amount authorised by the General Meeting of 17 May 2011 was unchanged at €450,000.

Remuneration is made up of a fixed and a variable amount, calculated according to directors' attendance at Board and Committee Meetings.

Accordingly, from 1 May 2014 to 30 April 2015, the remuneration consisting in attendance fees was structured as follows:

Function	Fixed part	Variable part
Director	€12,000	€12,000
Committee Chairman	€7,500	€7,500
Committee member	€5,000	€5,000

In 2015, overall attendance fees paid to Board members totalled €438,333 (gross of deductions and/or withholdings), compared with €441,133 in 2014.

Attendance fees and other remuneration received by corporate officers (Table 3 AMF nomenclature)

Board members	Attendance fees paid in 2013/2014	**Attendance fees paid in 2014/2015**
Thierry de La Tour d'Artaise	24,000	24,000
Bruno Bich	N/A	34,000
Tristan Boiteux	24,000	24,000
Sarah Chauleur	24,000	24,000
Yseulys Costes	24,000	22,000
Norbert Dentressangle	29,933	N/A
FÉDÉRACTIVE (Pascal Girardot)	34,000	34,000
Hubert Fèvre	34,000	34,000
FFP (Christian Peugeot)	21,600	28,333
Jacques Gairard	24,000	24,000
Jean-Noël Labroue	39,000	37,000
Philippe Lenain	44,200	N/A
Cédric Lescure	24,000	24,000
FSP (Catherine Pourre)	4,800	39,000
Laure Thomas	24,000	22,000
VENELLE INVESTISSEMENT (Damarys Braida)	34,000	34,000
Jérôme Wittlin	31,600	34,000
TOTAL	**441,133**	**438,333**

RULES OF ALLOCATION AND AMOUNTS PAID FOR 2016

At the end of its meeting on 23 February 2016, the Board of Directors, on the recommendation of the Nominations and Remuneration Committee, after observing that the attendance fees were less than the average paid by comparable companies, decided to propose to the next Shareholder's Meeting an increase in the basic attendance fee. The fixed part would, therefore, rise to €15,000, as would the variable part.

The attendance fees paid to Committee Chairmans and members would, however, remain unchanged.

As a consequence, the overall amount of €540,000 would be allocated as follows:

Function	Fixed part	Variable part
Director	€15,000	€15,000
Committee Chairman	€7,500	€7,500
Committee member	€5,000	€5,000

Remuneration of executive officers

The information presented below covers remuneration and benefits of every kind (performance shares, severance payments, benefits in kind and supplementary pension benefits) concerning Thierry de La Tour d'Artaise and Bertrand Neuschwander, the sole corporate officers receiving compensation being presiced that the Board members only receive the attendance fees listed above.

PRINCIPLES AND OBJECTIVES

Remuneration policy for Groupe SEB executive officers is set by the Board of Directors on a proposal from the Nominations and Remuneration Committee. It is reviewed on a regular basis and aims to provide balanced and consistent remuneration in line with the recommendations of the AFEP-MEDEF Code as updated in November 2015, to which the Group refers.

According to these principles, the Nominations and Remunerations Committee proposes to the Board of Directors the components of the remuneration of each executive, while remaining attentive to the necessary balance between them all as well as to the qualitative and quantitative performance criteria.

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, depending on the fulfilment of performance criteria set in advance by the Board of Directors, performance shares. The total remuneration granted to executive officers is determined by taking all remuneration and benefits into account, including the benefit of the supplementary pension scheme.

Balance and consistency

The remuneration of executive officers is consistent with the overall remuneration policy for Group senior executives and employees, and is in the interest of both the company and the 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 distributed between annual and longer-term targets. Performance targets are set with the aim of contributing, year on year, to the implementation of a long-term growth strategy.

COMPONENTS OF REMUNERATION

According to the provisions of the AFEP-MEDEF Code, the various elements of executive officers' remuneration are contained in a statement which is issued on the company's website after the Board Meeting that adopted the relevant decisions.

Fixed remuneration

The fixed portion of the remuneration should reflect the executive officer's responsibilities, level of experience, skills and qualifications and be in line with market practices.

The annual compensation is discussed and then proposed by the Nominations and Remuneration Committee to the Board of Directors. The Board of Directors ensures that it remains stable over several years and takes account of any supplementary remuneration.

The fixed remuneration serves as a reference basis in order to determine the annual variable remuneration.

Annual variable remuneration

The variable part adheres to the principles adopted by the Board of Directors, applicable to the company's senior executives and managers, and is an incentive scheme linked to the Group's performance and strategy. It is set by the Board of Directors on an annual basis, at the start of the financial year.

It is expressed as a percentage of fixed remuneration for the reference year and, if all targets are met, represents a target of 100% for the Chairman and Chief Executive Officer and 80% for the Chief Operating Officer.

It is capped and may represent up to 150% of base remuneration for the Chairman and Chief Executive Officer and up to 125% for the Chief Operating Officer if quantitative and qualitative targets are met. Criteria are reviewed on a regular basis to ensure compliance to the principles listed above and are only amended should this prove necessary.

In 2015, the quantitative and qualitative performance criteria were assessed and discussed by the Nominations and Remuneration Committee and adopted by the Board of Directors during the review of the preceding year's financial statements and the budget for the coming year. The Nominations and Remuneration Committee ensures that the performance criteria are in line with Groupe SEB's strategic priorities as well as with the principles listed above.

Quantitative criteria linked to Groupe SEB's economic performance account for 60% of variable remuneration and are assessed on the basis of the following objectives:

- sales growth;
- growth in Operating Profit from Ordinary Activities.

Qualitative criteria, linked to collective and individual performance, account for 40% of variable remuneration and are assessed according to specific strategic objectives. In particular, they enable performance to be measured against fixed targets with regard to developments in the Group's organisational structure and strategic ambitions.

Allocation of performance shares

To the exclusion of all other schemes, Groupe SEB has been awarding performance shares to Group employees and executive officers since 2013, in accordance with Articles L. 225-197-1 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 of 10 May 2012.

Performance share awards aim to promote the achievement of Groupe SEB's long-term objectives and the value creation expected by stakeholders.

With this objective, the Board of Directors decided, on a proposal from the Nominations and Remuneration Committee, that performance shares should be entirely awarded subject to the fulfillment of performance conditions. It promotes simple rules that remain stable over time and long-term, as well as demanding and sustainable performance targets.

Performance criteria focus on targets involving sales and operating profit from ordinary activities and are assessed on an annual basis over a three-year period. Rates are set annually by the Board of Directors on the proposal of the Nominations and Remuneration Committee but cannot be made public for confidentiality reasons.

They meet the dual necessity of being sufficiently stringent while remaining a motivation source. The stock option and/or performance share awards have never been fully allocated under the plans in place since 2010.

With regard to the 2015 plan, the performance calculation depends on the achievement of the targets linked to sales and operating profit from ordinary activities assessed over the three-year vesting period (i.e., 2015, 2016 and 2017):

Average rate of attainment over three years	Performance shares awarded
100% or more	100%
Between 50% and 100% inclusive	Pro rata
Less than 50%	None

In addition, the allocations have been granted as follows:

- the total number of performance shares awarded to executive officers in one financial year amounts to 15.8% of the total number of performance shares awarded in this same year;
- the total volume of performance shares awarded to executive officers should be capped at 0.0538% of the share capital on the date that the decision to award them is taken, as provided for in the sixteenth resolution of the General Meeting of 12 May 2015.

Executive officers are, in addition, bound by the following obligations:

- shares resulting from the exercise of stock options and performance shares are subject to a holding period in registered form, as explained below, during their term of office;
- adherence to the principles of the Stock Market code of ethics defining, in particular, blackout periods established regarding the company's accounting calendar and particularly the announcement of earnings and in accordance with the recommendations of the French Financial Markets Authority;
- formal undertaking not to engage in any hedging transactions in respect of 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 is delivered to each beneficiary.

It is also stated that the award of performance shares has no dilutive effect on earnings insofar as all shares granted 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.

At the end of the General Meeting of 12 May 2015, the Board of Directors decided to use the authorisation granted by shareholders to implement the performance share plan decided upon at the Board of Directors' Meeting of 24 February 2015.

In addition, the Board of Directors' Meeting of 23 February 2016, after examining the findings of the Nominations and Remuneration Committee, reviewed and approved the proposed performance share award plan for 2016, in line with the arrangements established by the Board of Directors on 16 December 2011. Authorisation for the award will be submitted to the shareholders at the next General Meeting (fourteenth resolution).

Benefits in kind

Executive officers have company cars. The Chairman and Chief Executive Officer also benefits from a compensation for the use of an accomodation in Paris.

Pension commitments, supplementary social protection, severance payment and non-compete compensation

Groupe SEB's remuneration policy aims to attract and retain talented executives and 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 THE 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, according to the Board of Directors decision on 17 December 2004.

The Board of Directors' Meeting of 17 February 2012, when Thierry de La Tour d'Artaise was re-elected, reviewed the situation and agreed that his employment contract should remain suspended due to his age, his personal situation and his seniority within Groupe SEB. This was reviewed again at the meeting of 23 February 2016 with a view to the further re-election of Thierry de La Tour d'Artaise. Consequently, Thierry de La Tour d'Artaise's employment contract would continue to be suspended if he were to be re-elected following the General Meeting of 19 May 2016.

For Bertrand Neuschwander, Chief Operating Officer, the Board of Directors decided on 22 April 2014 that the suspension of his employment contract was in line with the AFEP-MEDEF Code and consistent with Group policy.

PENSION COMMITMENTS

In addition to the statutory basic and supplementary pension schemes (AGIRC/ARRCO) of which they are members, Thierry de La Tour d'Artaise and Bertrand Neuschwander were authorised by the Board of Directors to join the collective supplementary pension scheme set up within Groupe SEB.

This scheme for executives whose duties justify the application of Article L. 3111-2 of the French Employment Code and who fall within the scope of Article 4 of the national collective agreement of 14 March 1947 on executives' pensions and personal insurance, comprises the following:

- a defined-benefit deferred compensation pension scheme set up in accordance with the provisions of Article L. 137-11 of the French Social Security Code.

  Potential entitlements under this scheme may be paid out if beneficiaries have served on the Executive or Management Committees for at least 8 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 scheme or at the Group's behest, provided that the interested party does not perform any occupational 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 scheme may amount, including pensions due under the statutory basic and supplementary pension schemes (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 24% contribution provided for by Article L. 137-11, I, 2, a) of the French Social Security Code.

- a defined-benefit supplementary pension scheme set up in accordance with the provisions of Article L. 137-11 of the French Social Security Code.

  Potential entitlements under this scheme may be paid out if beneficiaries have served on the Executive or Management Committees for at least 8 years and, stay with the company until the end of their career and, take their entitlements under the statutory basic and supplementary pension schemes.

  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 behest after the age of 55, provided that the interested party does not perform any other occupational 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.

  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 24% contribution provided for by Article L. 137-11, I, 2, a) of the French Social Security Code.

- a defined-contribution pension scheme set up in accordance with the provisions of Article L. 242-1, paragraphs 6 and 7 of the French Social Security Code.

  Pension entitlements under this scheme may be paid no earlier than the date on which the general social security pension is drawn.

  The entitlements resulting from this scheme are frozen since 2012, in accordance with the Decree 2012-25 dated 9 January 2012.

(1) Reference salary means the average gross annual fixed and variable remuneration received during the last three years of the beneficiary's working life, capped at 36 times the annual social security ceiling.

OTHER LIFETIME BENEFITS: DEATH, DISABILITY AND INDIVIDUAL HEALTH INSURANCE

Executive officers continue to benefit from supplementary social protection, notably as regards death, disability and health insurance that covers the company's employees.

In addition, they also benefit from an individual life insurance policy intended to cover part of the remuneration not covered by the collective insurance as described below.

Thierry de La Tour d'Artaise and Bertrand Neuschwander were authorised by the Board of Directors to benefit:

- from the "incapacity/disability/death" insurance scheme applicable to executives and similar as defined in Articles 4 and 4 bis of the national agreement of 14 March 1947, which is funded by contributions in tranches which are deductible from the taxable base for corporation tax:
  - A: 1.37%, paid in full by the employer,
  - B: 1.78%, paid 60% by the employer and 40% by employees,
  - C: 1.78%, shared equally between employer and employees.

The contributions are not included in the social security contribution base, capped at 6% of the annual social security ceiling (€2,282 in 2015) and 1.5% of the remuneration figure used, capped at 12% of the annual social security ceiling (€4,565 in 2015)

This insurance scheme includes, in particular, the payment of supplementary daily allowances in the event of incapacity and a disability pension whose amounts are stated for each of the executive officers below;

- from a specific life cover under "tranche D death, disability and health insurance" which is funded by a contribution paid by Groupe SEB of 6.25% of the portion of remuneration between 8 and 12 times the annual social security ceiling and deductible from the taxable base for corporation tax.

The contributions are partially excluded from the social security contribution base, including contributions paid under the aforementioned "incapacity/disability/death" insurance scheme, capped at 6% of the annual social security ceiling (€2,282 in 2015) and 1.5% of the remuneration figure used, capped at 12% of the annual social security ceiling (€4,565 in 2015).

This insurance scheme includes, in particular, the payment of a death benefit whose amounts are stated for each of the executive officers below.

SEVERANCE ALLOWANCE AND NON-COMPETE PAYMENTS

Severance payment is 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 Bertrand Neuschwander, compensation for his non-compete agreement and any other compensation he may have).

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 special report of the Statutory auditors.

REMUNERATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Remuneration due or allocated in respect of 2015

FIXED REMUNERATION

In 2015, the fixed remuneration for Thierry de La Tour d'Artaise amounted to €850,000. This was unchanged from 2011.

ANNUAL VARIABLE REMUNERATION

On the basis of the quantitative and qualitative data used by the Board of Directors and finalised at the start of the year, the amount of variable remuneration was measured as follows:

- on the basis of quantitative criteria (targets for Groupe SEB sales and operating profit by activity) the variable portion amounted to 161.4% of the fixed annual remuneration of Thierry de La Tour d'Artaise for a target at 100%;
- on the basis of qualitative criteria, the variable portion amounted to 124.8% of the fixed annual remuneration of Thierry de La Tour d'Artaise for a target at 100%. The Board of Directors assessed Thierry de La Tour d'Artaise's performance on the basis of individual targets relating to management of Groupe SEB in a challenging economic climate, the structural improvement in its profitability and changes to its organisational structure.

Consequently, the variable remuneration paid in 2016 in respect of 2015 was €1,247,120, or 146.7% of fixed compensation. Thierry de la Tour d'Artaise's variable remuneration for 2014 was 117.96% of fixed remuneration, or €1,002,660.

He does not benefit from any deferred or multi-year variable compensation and any other compensation from the company or other Groupe SEB companies.

ATTENDANCE FEES

Thierry de La Tour d'Artaise will receive attendance fees as a member of the Board of Directors according to the rules applicable to all its members. In 2015, as a director of the company, Thierry de la Tour d'Artaise received €24,000, the same as in 2014.

PERFORMANCE SHARES

In accordance with the authorisation granted by the sixteenth resolution of the General Meeting of 12 May 2015, 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 in respect of 2015.

The shares granted to Thierry de La Tour d'Artaise under the 2015 performance share plan equate to 0.0359% of the share capital.

Shares resulting from the exercise of stock options and performance shares awarded to Thierry de La Tour d'Artaise are subject to a holding period, in registered (name) form, 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 gain on acquisition after the sale of the shares quantity 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 gain on acquisition, net of tax and social contributions and transaction fees.

At its meeting on 23 February 2016, the Board of Directors, on the recommendation of the Nominations 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.

BENEFITS IN KIND

Thierry de La Tour d'Artaise has a company car, representing a benefit of €8,892 for the year, and receives €15,200 per year for the use of an apartment in Paris.

LONG-TERM COMMITMENTS

Pension commitment

Thierry de La Tour d'Artaise is a member of the collective supplementary pension scheme set up for Groupe SEB's French executive officers (members of the Executive Committee), in accordance with the recommendations of the AFEP-MEDEF Code, as described above.

The various conditions of the retirement plan implies 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 33.8% of his reference remuneration.

Entitlements estimation on 31 December 2015:

Scheme	Amount
Defined-benefit deferred compensation pension scheme	€221,039 gross per annum
Defined-benefit supplementary pension scheme	€212,953 gross per annum
Defined-contribution pension scheme *(the entitlements resulting from this scheme are frozen since 2012)*	€9,476 gross per annum

Other lifetime benefits: death, disability and individual health insurance

Thierry de La Tour d'Artaise continue to benefit from supplementary social protection, notably as regards death, disability and health insurance that covers the company's employees.

This scheme notably includes for Thierry de La Tour d'Artaise:

- supplementary allowances, set at a maximum annual amount as follows:

In the event of incapacity	€228,240
In the event of first degree disability	€136,944
In the event of second and third degree disability	€228,240

Less social security benefits for the 3 lines.

- a death benefit set at a maximum of €1,278,144.

In addition to the Group death, disability and related benefit insurance plan, Thierry de La Tour d'Artaise also benefits from an individual life insurance policy with a capital amounting to €3,652,134. The expense recorded over the year ended 31 December 2015 amounts to €56,667.

The purpose of this specific death benefit is to cover the remuneration portion which is not taken into account in the collective scheme.

In accordance with the procedure provided for related parties agreements, this commitment was approved by shareholders at the General Meeting of 13 May 2008 (fourth resolution).

Severance payment

Thierry de La Tour d'Artaise is only entitled to severance pay owing under his employment contract, to the exclusion of any other benefit, in the event of termination of his corporate office.

Pursuant to 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 of Groupe SEB control.

In accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, an addendum 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 on the average remuneration earned during the last two financial years) and is adjusted according to targeted rates of the last four years of service, as follows:

Average rate of attainment 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 salary (fixed compensation and bonus) of the previous financial year, should application of the performance criteria based on the attainment 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 exercise terms and conditions that would have applied had he remained in office. This provision will also apply in the event Thierry de La Tour d'Artaise's employment contract is terminated pursuant to resignation from the Group, were such 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 corporate officer should he resign at his own initiative.

Retirement lump-sum payment

The total retirement lump-sum payment entitlement of Thierry de La Tour d'Artaise would amounts to €493,425 due to his seniority.

Remuneration due or allocated in respect of 2016

FIXED REMUNERATION

At its meeting on 23 February 2016, the Board of Directors, on the recommendation of the Nominations and Remuneration Committee and assuming the re-election of Thierry de La Tour d'Artaise subject to the approval of the General Meeting of 19 May 2016, revised his fixed remuneration to €900,000. This proposal was made in order to take account of the inflation rate since this remuneration was last reviewed in 2011.

ATTENDANCE FEES

Subject to approval of the ninth resolution, submitted to the shareholders at the General Meeting of Shareholders on 19 May 2016, the amount of attendance fees would rise to €15,000 for the fixed portion and €15,000 for the variable portion.

ANNUAL VARIABLE REMUNERATION

Thierry de La Tour d'Artaise's annual variable remuneration shall be set on the basis of the same principles, i.e. that it can represent a maximum of 150% of fixed remuneration, or €1,350,000 if quantitative and qualitative targets are met. These targets are divided, as previously stated, as follows: 60% relates to quantitative criteria and 40% to qualitative criteria.

Performance evaluation criteria for 2016 were renewed on the basis of the quantitative targets set by the Board of Directors Meeting of 23 February 2016. Qualitative targets relate to improvement of Groupe SEB's profitability as well as the effective implementation of the new Group organization. They also include elements linked, in particular, to the performance evaluation of Bertrand Neuschwander.

PERFORMANCE SHARES

The Board of Directors reserves the right to decide to implement a new performance share award plan, under the authorisation that will be submitted to the General Meeting of 19 May 2016.

Should the Board of Directors be granted with the necessary powers to award performance shares, it would decide to award performance shares to Thierry de La Tour d'Artaise to the same proportion as previously granted, in line with the scheme described in the fourteenth resolution's project.

Summary table of remuneration and options allocated to Thierry de La Tour d'Artaise (Table 1 AMF nomenclature)

	2014	2015
Remuneration due for the financial year (details in table 2)	€1,899,384	€2,145,212
Value of stock options awarded during the financial year (details in table 4)*	0	0
Value of performance shares awarded during the financial year (details in table 6)*	€1,013,760	€1,249,002
TOTAL	**€2,913,144**	**€3,394,214**

* *On each award date, the accounting fair value of the stock options and shares is determined in accordance with IFRS rules. This is an historical value, calculated for accounting purposes according to the method described in the section on the Consolidated Financial Statements. This value does not represent the current market value nor the discounted value of these stock options and shares, nor does it represent the actual amount that may be paid out on exercise of these stock options, if they are exercised, or at vesting of these performance shares, if they are vested.*

Summary table of remuneration allocated to Thierry de La Tour d'Artaise (Table 2 AMF nomenclature)

	Amounts in respect of 2014		Amounts in respect of 2015	
	Due	Paid	Due	Paid
Fixed remuneration	€850,000	€850,000	€850,000	€850,000
Variable remuneration	€1,002,660	€914,600	€1,247,120	€1,002,660
Exceptional remuneration	none	none	none	none
Directors' fees	€24,000	€24,000	€24,000	€24,000
Benefits in kind:				
• car allowance	€7,524	€7,524	€8,892	€8,892
• accommodation	€15,200	€15,200	€15,200	€15,200
TOTAL	**€1,899,384**	**€1,811,324**	**€2,145,212**	**€1,900,752**

Stock options allocated to Thierry de La Tour d'Artaise (Table 4 AMF nomenclature)

	Date of plan	Type of stock option	Valuation of stock 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 allocated in 2015					

Stock options exercised in 2015 by Thierry de La Tour d'Artaise (Table 5 AMF Nomenclature)

	Date of plan	Number of options exercised during the financial year	Exercise price	Year awarded
Thierry de La Tour d'Artaise	18/06/2010	55,978	53.86	2010

Performance shares allocated to Thierry de La Tour d'Artaise In 2015 (Table 6 AMF nomenclature)

	Date of plan	Number of shares awarded	Value of shares	Vesting date	Availability date	Performance conditions
Thierry de La Tour d'Artaise	12/05/2015	18,000	€1,249,002	12/05/2018	12/05/2020	Achievement of targets for sales and OPA

Performance shares available to Thierry de La Tour d'Artaise In 2015 (Table 7 AMF nomenclature)

	Date of plan	Number of available shares	Vesting conditions
Thierry de La Tour d'Artaise	No performance shares became available in 2015		

REMUNERATION OF THE CHIEF OPERATING OFFICER

Remuneration due or allocated in respect of 2015

In accordance with Article L. 225-42-1 of the French Commercial Code, the Board of Directors determined the payments and benefits to which Bertrand Neuschwander would be entitled in his capacity as Chief Operating Officer, while respecting the rules pertaining to regulated agreements. The terms of Bertrand Neuschwander's remuneration were approved by the General Meeting of 12 May 2015.

It should be noted that Bertrand Neuschwander received no compensation or payment of any kind at the time he assumed his duties, in accordance with the policy on executive remuneration laid down by the Board of Directors.

FIXED REMUNERATION

In 2015, the fixed remuneration paid to Bertrand Neuschwander was €500,000, in accordance with the amount set by the Board of Directors on 22 April 2014.

ANNUAL VARIABLE REMUNERATION

On the basis of the quantitative and qualitative data used by the Board of Directors and finalised at the start of the year, the amount of variable remuneration was measured as follows:

- on the basis of quantitative criteria (targets for Groupe SEB sales and operating profit from ordinary activities), the variable portion amounted to 129.1% of the fixed annual remuneration of Bertrand Neuschwander for a target at 80%;
- on the basis of qualitative criteria, the variable portion amounted to 98% of the fixed annual remuneration of Bertrand Neuschwander for a target at 80%. The Board of Directors assessed Bertrand Neuschwander's performance, in particular, on the basis of individual targets relating to the success of changes to the Group's organisation and improvements in its profitability, as well as on his contribution to the management of the company in a challenging economic climate and the completion of specific operational projects.

Consequently, the variable remuneration paid in 2016 in respect of 2015 was €583,280, or 116.65% of fixed compensation. Bertrand Neuschwander's variable remuneration for 2014 was 65.22% of fixed remuneration, or €326,122 calculated from the date of his appointment as an executive officer, on 22 April 2014.

He does not benefit from any deferred or multi-year variable compensation and any other compensation from the company or other Groupe SEB companies.

BENEFITS IN KIND

Bertrand Neuschwander has a company car, representing a benefit of €7,740 for the year.

PERFORMANCE SHARES

In accordance with the authorisation granted by the sixteenth resolution of the General Meeting of 12 May 2015, the Board, at its meeting on the same day, decided to award 9,000 performance shares to Bertrand Neuschwander in respect of 2015.

The 9,000 shares granted to Bertrand Neuschwander under the 2015 performance share plan equate to 0.0179% of the share capital.

Shares resulting from the exercise of stock options and performance shares awarded to Bertrand Neuschwander are subject to a holding period, in registered (name) form, under the following terms and conditions:

- shares originating from exercised stock options: the quantity of shares to be held must correspond to 20% of the net gain on acquisition, after the sale of the shares quantity 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 gain on acquisition, net of tax and social contributions and transaction fees.

Once the number of shares held by Bertrand Neuschwander reaches the equivalent of one years' remuneration (fixed and target bonus), the obligation no longer applies.

LONG-TERM COMMITMENTS

Pension commitment

Bertrand Neuschwander is a member of the collective supplementary pension scheme set up for Groupe SEB's French executive officers (members of the Executive Committee), in accordance with the recommendations of the AFEP-MEDEF Code, as described above.

The various conditions of the retirement plan mean that, at legal retirement age, Bertrand Neuschwander will be able to receive a gross replacement ratio (including statutory plans) of 36.2% of his reference remuneration.

Entitlements estimation on 31 December 2015:

Scheme	Amount
Defined-benefit deferred compensation pension scheme	€51,163 gross per annum
Defined-benefit supplementary pension scheme	€29,326 gross per annum
Defined-contribution pension scheme *(the entitlements resulting from this scheme are frozen since 2014)*	€4,468 gross per annum

Other lifetime benefits: death, disability and individual health insurance

Bertrand Neuschwander continue to benefit from supplementary social protection, notably as regards death, disability and health insurance that covers the company's employees.

This scheme notably includes for Bertrand Neuschwander:

- supplementary allowances, set at a maximum annual amount as follows:

In the event of incapacity	€228,240
In the event of first degree disability	€136,944
In the event of second and third degree disability	€228,240

Less social security benefits for the 3 lines.

- a death benefit set at a maximum of €1,643,328.

In addition to the Group death, disability and related benefit insurance plan, Bertrand Neuschwander is the beneficiary of an individual life insurance policy with a capital amounting to €942,581. The expense recorded over the year ended 31 December 2015 amounts to €2,798.

The purpose of this specific death benefit is to cover the remuneration portion which is not taken into account in the collective scheme.

This agreement, approved by the Board of Directors on 22 April 2014, was submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedures provided for related-party agreements.

Severance payment

In the event of dismissal, he will be entitled to severance pay capped at two years' compensation (fixed and variable received), including, where appropriate, the amounts paid under the non-compete clause and any termination benefits connected to the termination of the employment contract.

The reference remuneration used to calculate the severance payment consists of the last two years of fixed and variable remuneration that Bertrand Neuschwander received in his capacity as Chief Operating Officer.

The allowance, in accordance with Article L. 225-42-1 of the French Commercial Code, will be subject to performance conditions, measured as follows:

- if he is dismissed within four years of his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets over the last four years of service, as follows:
  - as corporate officer, for the period following his appointment and,
  - as a salaried employee, for the preceding period;
- if he is dismissed after four years from his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets in said capacity over the last four years of service.

Under both circumstances, performance is assessed as follows:

Average rate of attainment 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 mandate as Chief Operating Officer, through removal 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 of this non-compete clause and for its entire duration, Bertrand Neuschwander 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 Bertrand Neuschwander from this non-compete clause.

This non-competition agreement and the terms of severance detailed above were approved by the Board of Directors on 22 April 2014. They were also disclosed as part of the permanent information related to compensation and benefits. Furthermore, it was submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedures provided for related-party agreements.

Retirement lump-sum payment

The total retirement lump-sum payment entitlement of Bertrand Neuschwander amounts to 141,442 due to his seniority.

Remuneration due or allocated in respect of 2016

FIXED REMUNERATION

Bertrand Neuschwander's annual fixed remuneration, finalised by the Board of Directors on 22 April 2014 when he was appointed, i.e. €500,000, will remain the same in 2016.

ANNUAL VARIABLE REMUNERATION

Bertrand Neuschwander's annual variable remuneration will be set on the basis of the same principles, i.e. that it can represent a maximum of 125% of fixed remuneration, or €625,000 if quantitative and qualitative targets are met. These targets are divided, as previously stated, as follows: 60% relates to quantitative criteria and 40% to qualitiative criteria .

Performance evaluation criteria for 2016 were renewed on the basis of the quantitative targets set by the Board of Directors Meeting of 23 February 2016. Qualitative targets relate to improvement of Groupe SEB's profitability as well as the effective implementation of the new Group organization. They will also include elements linked, in particular, to Bertrand Neuschwander's performance in implementing specific Group projects.

PERFORMANCE SHARES

The Board of Directors reserves the right to decide to implement a new performance share award plan, under the authorisation that will be submitted to the General Meeting of 19 May 2016.

Should the Board of Directors be granted with the necessary powers to award performance shares, it would decide to award performance shares to Bertrand Neuschwander in the same proportion as previously granted, in line with the scheme described in the draft version of the fourteenth resolution.

Summary table of remuneration and options and shares awarded to Bertrand Neuschwander (Table 1 AMF nomenclature)

	2014	2015
Remuneration due for the financial year (1) (details in table 2)	€678,328	€1,091,020
Value of stock options awarded during the financial year (details in table 4)*	0	0
Value of performance shares awarded during the financial year (details in table 6)*	€506,880	€624,501
TOTAL	**€1,185,208**	**€1,715,521**

(1) Appointment to the position of Chief Operating Officer on 22 April 2014.
** On each award date, the accounting fair value of the stock options and shares is determined in accordance with IFRS rules. This is an historical value, calculated for accounting purposes according to the method described in the section on the Consolidated Financial Statements. This value does not represent the current market value nor the discounted value of these stock options and shares, nor does it represent the actual amount that may be paid out on exercise of these stock options, if they are exercised, or at vesting of these performance shares, if they are vested.*

Summary table of remuneration awarded to Bertrand Neuschwander (Table 2 AMF nomenclature)

	Amounts in respect of 2014*		**Amounts in respect of 2015**	
	Due	Paid	Due	Paid
Fixed remuneration	€347,000	€347,000	€500,000	€500,000
Variable remuneration	€326,122	none	€583,280	€326,122
Exceptional remuneration	none	none	none	none
Directors' fees	none	none	none	none
Benefits in kind:				
• car allowance	€5,206	€5,206	€7,740	€7,740
TOTAL	**€678,328**	**€352,206**	**€1,091,020**	**€833,862**

* *Amounts shown in 2014 refer solely to the period since he was appointed as a corporate officer.*

Stock options awarded to Bertrand Neuschwander (Table 4 AMF nomenclature)

	Date of plan	Type of stock option	Valuation of stock options based on the method used in the consolidated financial statements	Number of options awarded	Exercise price	Exercise period
Bertrand Neuschwander						No options were allocated in 2015

Stock options exercised in 2015 by Bertrand Neuschwander (Table 5 AMF nomenclature)

	Date of plan	Number of options exercised during the financial year	Exercise price	Year awarded
Bertrand Neuschwander	N/A	N/A	N/A	N/A

Performance shares awarded to Bertrand Neuschwander in 2015 (Table 6 AMF nomenclature)

	Date of plan	Number of shares awarded	Value of shares	Vesting date	Availability date	Performance conditions
Bertrand Neuschwander	12/05/2015	9,000	624,501	12/05/2018	12/05/2020	Achievement of targets for sales and OPA

Performance shares available to Bertrand Neuschwander in 2015 (Table 7 AMF nomenclature)

	Date of plan	Number of available shares	Vesting conditions
Bertrand Neuschwander			No performance shares became available in 2015

Remuneration of members of the Group Executive Committee

In 2015, remuneration of the current members of the Groupe SEB Executive Committee amounted to €7,793,000 of which €3,910,400 was for the fixed portion and € 3,882,600 for the variable portion.

Annual variable remuneration

As with all executive officers, senior executives' 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 fixed remuneration for the reference year and, if all targets are met, represents a target of 60% for all members of the Executive Committee.

It is capped and may represent up to 100% of base remuneration if quantitative and qualitative targets are met. Criteria are reviewed on a regular basis to ensure that they adhere to the principles listed above and are only amended should this prove necessary.

In 2015, the quantitative and qualitative performance criteria were assessed and discussed by the Nominations and Remuneration Committee and finalised by the Board of Directors at its meeting on 24 February 2015.

Quantitative criteria linked to Groupe SEB's economic performance account for 60% of variable remuneration and are assessed according to the following objectives:

- sales growth;
- growth in operating profit from ordinary activities.

Qualitative criteria, linked to individual performance, account for 40% of variable remuneration and are assessed according to specific strategic objectives. In particular, they enable performance to be measured against fixed targets, not only in terms of developments in the Group's structure and oversight, but also in terms of the attention to be paid to currency effects.

Allocation of performance shares

To the exclusion of all other schemes, Groupe SEB has been awarding performance shares to Group employees and executive officers since 2013, in accordance with Articles L. 225-197-1 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 of 10 May 2012.

Performance share awards aim to promote the achievement of Groupe SEB's long-term objectives and the value creation expected by stakeholders.

Based on this logic, the Board of Directors decided, on a proposal of the Nominations and Remuneration Committee, that performance shares should be awarded entirely on the basis of performance requirements. It favours simple rules that remain stable over time and long-term, demanding performance criteria.

Performance criteria focus on targets involving sales and operating profit from ordinary activities and are assessed on an annual basis over a three-year period. Rates are set on an annual basis by the Board of Directors on the proposal of the Nominations Committee.

They meet the dual necessity of being sufficiently stringent while remaining a source of motivation. The stock option and/or performance share awards have never been fully allocated for plans in place since 2010.

With regard to the 2015 plan, the performance calculation depends on the achievement of the targets linked to sales and operating profit from ordinary activities assessed over the three-year vesting period (i.e., 2015, 2016 and 2017):

Average rate of attainment 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 authorisation granted by the sixteenth resolution of the General Meeting of 12 May 2015, the Board of Directors, at its meeting on the same day, decided to award 27,000 performance shares to members of the Executive Committee in respect of 2015.

Shares resulting from the exercise of stock options and performance shares awarded to members of the Executive Committee are subject to a holding period, in registered (name) form, 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 gain on acquisition, after the sale of the shares quantity 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 gain on acquisition, 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 obligation no longer applies.

Benefits in kind

Directors have company cars.

History of stock option allocation for share subscriptions or purchases to executive officers (Table 8 - AMF nomenclature)

At 31 December 2015	Subscription plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
Meeting date	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	08/04/2005
Total number of shares granted	493,500	417,450	598,125	612,150	539,100	554,700
Of which to corporate officer Thierry de la Tour d'Artaise [(a)]	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	08/04/2009
Expiry date	14/06/2009	19/04/2010	17/10/2010	18/06/2011	18/06/2012	08/04/2013
Subscription or purchase price *(in €)* [(a)]	18.18	27.88	25.15	24.24	31.67	28
Average of last 20 prices prior to Board Meeting *(in €)* [(a)]	17.95	27.78	26.65	24.03	31.52	28.2
Number of options exercised [(a)] by Thierry de la Tour d'Artaise	66,000	49,500	6,600	115,516	104,989	105,000
Number of options cancelled (a)	0	0	0	0	0	0
Balance of stock options remaining to be exercised at 31/12/2015 [(a)]	0	0	0	0	0	0

At 31 December 2015	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
Meeting date	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
Of which to corporate officer Thierry de la Tour d'Artaise [(a)]	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
Expiry date	16/06/2014	20/04/2015	13/05/2016	12/06/2017	18/06/2018	15/06/2020
Subscription or purchase price *(in €)* [(a)]	29.33	44	38.35	28.05	53.86	54.12
Average of last 20 prices prior to Board Meeting *(in €)* [(a)]	29.01	43.73	38.35	28.05	53.85	54.12
Number of options exercised [(a)] by Thierry de la Tour d'Artaise	105,012	105,000	105,000	66,922	55,978	0
Number of options cancelled [(a)]	0	0	0	4,328	3,964	0
Balance of stock options remaining to be exercised at 31/12/2015	0	0	0	0	0	54,000

(a) Takes into account the bonus award of shares in March 2004 (one for ten) and the three-way split on 1 June 2008.

History of performance share awards to executive officers (Table 9 - AMF nomenclature)

At 31 December 2015

Meeting date	13/05/2009	12/05/2010	10/05/2012	14/05/2013	15/05/2014	12/05/2015
Date of Board of Directors' Meeting	12/06/2009	18/06/2010	15/06/2012	23/07/2013	22/07/2014	12/05/2015
Number of shares allocated:	50,472	58,363	63,938	233,475	169,175	169,450
Of which to corporate officers	5,938	4,995	4,500	18,000	27,000	27,000
• Chairman and Chief Executive Officer	5,938	4,995	4,500	18,000	18,000	18,000
• Chief Operating Officer	N/A	N/A	N/A	N/A	9,000	9,000
Performance condition	Sales and OPA	Sales and OPA	Sales and OPA	Sales and OPA	Sales and OPA	Sales and OPA
Award date	12/06/2009	18/06/2010	15/06/2012	23/07/2013	22/07/2014	12/05/2015
Vesting date	12/06/2011	18/06/2012	15/06/2014	23/07/2016	22/07/2017	12/05/2018
Number of shares acquired by corporate officers						
• Chairman and Chief Executive Officer	5,938	4,395	3,850	-	-	-
• Chief Operating Officer	N/A	N/A	N/A	N/A	-	-
Expiry of lock-up period	12/06/2013	18/06/2014	15/06/2016	23/07/2017	22/07/2019	12/05/2020
Number of shares cancelled or lapsed	0	600	650	-	-	-
Balance of shares remaining to be granted	0	0	0	18,000	27,000	27,000

General information on executive officers (Table 10 AMF nomenclature)

	Employment contract		Supplementary pension scheme		Compensation or benefits due, or likely to be due on, or after, termination or 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*	X		X			X
Bertrand Neuschwander		suspended**	X		X		X	

* *Having re-examined the situation of Thierry de La Tour d'Artaise, the Board of Directors' Meeting of 17 February 2012, in accordance with the AFEP-MEDEF Code, considered that, in light of his age, his personal situation and seniority within the Group, his employment contract should continue to be suspended.*

** *The Board of Directors' Meeting of 22 April 2014 decided that the suspension of Bertrand Neuschwander's employment contract was in line with the AFEP-MEDEF Code.*

Say on Pay: Remuneration due or awarded to corporate officers in respect of the year ended 31/12/2015

Remuneration items for the Chairman and Chief Executive Officer submitted for the approval of shareholders

Remuneration due or awarded in respect of the year ended 31/12/2015

	Amounts or carrying amount submitted for approval	Presentation
Fixed remuneration	€850,000	Gross fixed remuneration of €850,000 in respect of 2015 decided by the Board on 24 February 2015 on the recommendation of the Nominations and Remuneration Committee. The amount has been the same since 2011. At its meeting on 23 February 2016, the Board of Directors, on the recommendation of the Nominations and Remuneration Committee and assuming the re-election of Thierry de La Tour d'Artaise, revised his fixed remuneration to €900,000. This proposal was made to take the inflation rate into consideration.
Annual variable remuneration	€1,247,120	The quantitative portion linked to the economic performance of Groupe SEB is measured with respect to sales targets and operating result from activity and represents 60% of the variable compensation. The qualitative portion linked to individual performance is measured with respect to specific strategic targets, includes an overall assessment of the management team's performance and represents 40% of the variable compensation. On the basis of the quantitative and qualitative data used by the Board of Directors and finalised at the start of the year, the amount of variable remuneration was measured as follows: • on the basis of quantitative criteria (targets for Groupe SEB sales and operating profit by activity), the variable portion is 161.4% of the fixed annual remuneration of Thierry de La Tour d'Artaise for a target at 100%; • on the basis of quantitative criteria, the variable portion is 124.8% of the fixed annual remuneration of Thierry de La Tour d'Artaise if the targets are met in full. The Board of Directors judged Thierry de La Tour d'Artaise's performance on the basis of individual targets relating to management of Groupe SEB in a challenging economic climate, the structural improvement in its profitability and changes to its organisational structure. The variable component can amount to no more than 150% of the annual fixed remuneration. Consequently, the variable remuneration paid in 2016 in respect of 2015 was €1,247,120, or 146.7% of fixed compensation. Thierry de la Tour d'Artaise's variable remuneration for 2014 was 117.96% of fixed remuneration, or €1,002,660.
Deferred variable remuneration	N/A	N/A Thierry de La Tour d'Artaise receives no deferred variable remuneration.
Multiyear variable remuneration	N/A	N/A Thierry de La Tour d'Artaise receives no multiyear variable remuneration.
Exceptional remuneration	N/A	N/A Thierry de La Tour d'Artaise receives no exceptional variable remuneration.

Remuneration due or awarded in respect of the year ended 31/12/2015

<table>
<tr><th></th><th>Amounts or carrying amount submitted for approval</th><th>Presentation</th></tr>
<tr><td>Stock options, performance shares and any other long-term remuneration</td><td>Carrying amount of performance shares allocated in respect of 2015 = €1,249,002</td><td>On the proposal of the Nominations and Remuneration Committee, the Board of Directors decided that the award of performance shares should be entirely subject to performance requirements. The Board favours simple rules that remain stable over time and long-term, as well as demanding performance criteria.

Performance criteria focus on targets involving sales and operating profit from ordinary activities and are assessed on an annual basis over a three-year period. Rates are set annually by the Board of Directors on the proposal of the Nominations and Remuneration Committee but cannot be made public for confidentiality reasons.

They meet the dual necessity of being sufficiently stringent while remaining a source of motivation. The stock option and/or performance share awards have never been fully allocated for plans in place since 2010.

With regard to the 2015 plan, the performance calculation depends on the achievement of the targets linked to sales and operating profit from ordinary activities assessed over the three-year vesting period (i.e., 2015, 2016 and 2017):

<table>
<tr><th>Average rate of attainment over three years</th><th>Performance shares awarded</th></tr>
<tr><td>100% or more</td><td>100%</td></tr>
<tr><td>Between 50% and 100% inclusive</td><td>Prorata</td></tr>
<tr><td>Less than 50%</td><td>None</td></tr>
</table>

In accordance with the authorisation granted by the sixteenth resolution of the General Meeting of 12 May 2015, 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 in respect of 2015.

The shares granted to Thierry de La Tour d'Artaise under the 2015 performance share plan equate to 0.0359% of the share capital.

Shares resulting from the exercise of stock options and performance shares awarded to Thierry de La Tour d'Artaise are subject to a holding period, in registered (name) form, 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 gain on acquisition after the sale of the shares quantity necessary to fund the option exercice, 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 gain on acquisition, net of tax and social contributions and transaction fees.

At its meeting on 23 February 2016, the Board of Directors, on the recommendation of the Nominations 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.</td></tr>
<tr><td>Retirement lump-sum payment</td><td>None</td><td>Due to his seniority and in accordance with the Metallurgical industry collective agreement, total retirement lump-sum payment entitlement would amounts to €493,425.</td></tr>
<tr><td>Attendance fees</td><td>€24,000</td><td>Thierry de La Tour d'Artaise receives attendance fees as a member of the Board of Directors under the rules applicable to all its members. In 2015, as a director of the company, Thierry de la Tour d'Artaise received €24,000. Subject to approval of the ninth resolution, to be voted on by the General Meeting of Shareholders on 19 May 2016, the amount of attendance fees would rise to €15,000 for the fixed portion and €15,000 for the variable portion in 2016.</td></tr>
<tr><td>Value of benefits in kind</td><td>€24,092</td><td>Thierry de La Tour d'Artaise has a company car, representing a benefit of €8,892 for the year, and receives €15,200 per year for the use of an apartment in Paris.</td></tr>
</table>

Remuneration due or awarded in respect of the year ended 31/12/2015

	Amounts or carrying amount submitted for approval	Presentation
Severance pay and the holding period on stock options in the event of severance	None	Thierry de La Tour d'Artaise is only entitled to 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 change in the control of Groupe SEB. In accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, an addendum 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 on the average remuneration earned during the last two financial years), and is adjusted according to targeted rates of the last four years of service, as follows:

Average rate of attainment 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 attainment 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 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 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 corporate officer should he resign at his own initiative. The entire scheme (benefits and maintenance of stock options) was approved by the Annual General Meeting of 4 May 2007 and then renewed on 13 May 2009 (performance criteria) and 10 May 2012 (renewal of term of office). It has also been submitted to the Board of Directors following decisions dated 24 February 2006, 29 February 2009 and 17 February 2012.
Non-compete payments	N/A	Thierry de La Tour d'Artaise has no non-compete clause.

Remuneration due or awarded in respect of the year ended 31/12/2015

<table>
<tr><th></th><th>Amounts or carrying amount submitted for approval</th><th>Presentation</th></tr>
<tr><td>Supplementary pension scheme</td><td>None</td><td>
Thierry de La Tour d'Artaise is a member of the collective supplementary pension scheme set up for Groupe SEB's French senior managers (members of the Executive Committee).
The 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 of 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 of the past three years and capped at 20 years seniority, i.e. a maximum 16% of the reference remuneration;
a defined benefit collective scheme available for top management, with a contribution equal to 8% of the salary. Pensions earned under this plan are deducted from the supplementary pension originating from the defined benefit supplementary pension plan.

Entitlements estimation on 31 December 2015:
<table>
<tr><th>Scheme</th><th>Amount</th></tr>
<tr><td>Defined-benefit deferred compensation pension scheme</td><td>€221,039 gross per annum</td></tr>
<tr><td>Defined-benefit supplementary pension scheme</td><td>€212,953 gross per annum</td></tr>
<tr><td>Defined-contribution pension scheme
(the entitlements resulting from this scheme are frozen since 2012)</td><td>€9,476 gross per annum</td></tr>
</table>
Executive officers are potentially eligible for defined benefit schemes after 8 years of service and attendance at Executive Committee Meetings.
The scheme 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 being itself capped at 36 times the annual social security ceiling in force at the time of the retirement.
As a result, the supplementary pension scheme for executive officers complies with AFEP-MEDEF Code recommendations as updated in November 2015:

seniority required: minimum 8 years of service;
rate of progression: entitlements based on seniority up to a maximum of 3.925% annually, reduced to 3.0% in 2016, and capped after 20 years' seniority in accordance with the scheme introduced by law 2015-990 of 6 August 2015, known as the "Macron Law" on growth, activity and equal economic opportunities;
reference period used: average of the target remuneration of the past three years;
maximum of 41% including benefits from statutory schemes.

Groupe SEB intends to outsource the entire commitment through matching payments to a fund into which the pension contributions are made on a regular basis.
In accordance with the procedure for regulated agreements and commitments, the first draft of this commitment was approved by shareholders at the General Meeting of 4 May 2007, with the current draft approved by the General Meeting of 13 May 2008.
The capping of the reference salary was approved by shareholders at the General Meeting held on 12 May 2010 (4th resolution).
</td></tr>
<tr><td>Other lifetime benefits: death, disability and individual health insurance</td><td>None</td><td>
Thierry de La Tour d'Artaise continue to benefit from supplementary social protection, notably as regards death, disability and health insurance that covers the company's employees.
This scheme notably includes for Thierry de La Tour d'Artaise:

supplementary allowances, set at a maximum annual amount as follows:

<table>
<tr><td>In the event of incapacity</td><td>€228,240</td></tr>
<tr><td>In the event of first degree disability</td><td>€136,944</td></tr>
<tr><td>In the event of second and third degree disability</td><td>€228,240</td></tr>
</table>
Less social security benefits for the 3 lines.

a death benefit set at a maximum of €1,278,144.

In addition to the Group death, disability and related benefit insurance plan, Thierry de La Tour d'Artaise also benefits from an individual life insurance policy with a capital amounting to €3,652,134. The expense recorded over the year ended 31 December 2015 amounts to €56,667.
The purpose of this specific death benefit is to cover the remuneration portion wich is not taken into account in the collective scheme.
In accordance with the procedure provided for related parties agreements, this commitment was approved by shareholders at the General Meeting of 13 May 2008 (fourth resolution).
</td></tr>
</table>

Remuneration items for the Chief Operating Officer submitted for the approval of shareholders

Remuneration due or awarded in respect of the year ended 31/12/2015

	Amounts or carrying amount submitted for approval	Presentation
Fixed remuneration	€500,000	At the time that Bertrand Neuschwander was appointed, the Board of Directors' Meeting of 22 April 2014 set the amount of his yearly fixed remuneration at €500,000. This amount remains unchanged with respect to the 2016 financial year.
Annual variable remuneration	€583,280	The quantitative portion linked to the economic performance of Groupe SEB is measured with respect to sales targets and operating result from activity and represents 60% of the variable compensation. The qualitative portion linked to individual performance is measured with respect to specific strategic targets, includes an overall assessment of the management team's performance and represents 40% of the variable compensation. On the basis of the quantitative and qualitative data used by the Board of Directors and finalised at the start of the year, the amount of variable remuneration was measured as follows: • on the basis of quantitative criteria (targets for Groupe SEB sales and operating profit from ordinary activities), the variable portion is 129.1% of the fixed annual remuneration of Bertrand Neuschwander if the targets are met at a level of 80%; • on the basis of quantitative criteria, the variable portion is 98% of the fixed annual remuneration of Bertrand Neuschwander if the targets are met at a level of 80%. The Board of Directors judged Bertrand Neuschwander's performance, in particular, on the basis of individual targets relating to the success of changes to the Group's organisation and improvements in its profitability, as well as on his contribution to the management of the company in a challenging economic climate and the completion of specific operational projects. The variable component can amount to no more than 125% of the annual fixed remuneration. Consequently, the variable remuneration paid in 2016 in respect of 2015 was €583,280, or 116.65% of fixed compensation. Bertrand Neuschwander's variable remuneration for 2014 was 65.22% of fixed remuneration, or €326,122 calculated from the date of his appointment as an executive officer, on 22 April 2014.
Deferred variable remuneration	N/A	N/A Bertrand Neuschwander receives no deferred variable remuneration.
Multiyear variable remuneration	N/A	N/A Bertrand Neuschwander receives no multiyear variable remuneration.
Exceptional remuneration	N/A	N/A Bertrand Neuschwander receives no exceptional variable remuneration.

2

Remuneration due or awarded in respect of the year ended 31/12/2015

	Amounts or carrying amount submitted for approval	Presentation
Stock options, performance shares and any other long-term remuneration	Carrying amount of performance shares allocated in respect of 2015 = €624,501	On the proposal of the Nominations and Remuneration Committee, the Board of Directors decided that the award of performance shares should be entirely subject to performance requirements. The Board favours simple rules that remain stable over time and long-term, as well as demanding performance criteria. Performance criteria focus on targets involving sales and operating profit from ordinary activities and are assessed on an annual basis over a three-year period. Rates are set annually by the Board of Directors on the proposal of the Nominations and Remuneration Committee but cannot be made public for confidentiality reasons. They meet the dual necessity of being sufficiently stringent while remaining a source of motivation. The stock option and/or performance share awards have never been fully allocated for plans in place since 2010. With regard to the 2015 plan, the performance calculation depends on the achievement of the targets linked to sales and operating profit from ordinary activities assessed over the three-year vesting period (i.e., 2015, 2016 and 2017): Average rate of attainment over three years — Performance shares awarded 100% or more — 100% Between 50% and 100% inclusive — Prorata Less than 50% — None In accordance with the authorisation granted by the sixteenth resolution of the General Meeting of 12 May 2015, the Board of Directors, at its meeting on the same day, decided to award 9,000 performance shares to Bertrand Neuschwander in respect of 2015. The 9,000 shares granted to Bertrand Neuschwander under the 2015 performance share plan equate to 0.0179% of the share capital. Shares resulting from the exercise of stock options and performance shares awarded to Bertrand Neuschwander are subject to a holding period, in registered (name) form, under the following terms and conditions: • shares originating from exercised stock options: the quantity of shares to be held must correspond to 20% of the net gain on acquisition, after the sale of the shares quantity necessary to fund the option exercice, 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 gain on acquisition, net of tax and social contributions and transaction fees. Once the number of shares held by Bertrand Neuschwander reaches the equivalent of one years' remuneration (fixed and target bonus), the obligation no longer applies.
Retirement lump-sum payment	None	Due to his seniority and in accordance with the Metallurgical industry collective agreement, Bertrand Neuschwander's total retirement lump-sum payment entitlement amounts to €141,442.
Attendance fees	N/A	N/A
Value of benefits in kind	€7,740	Bertrand Neuschwander has a company car, representing a benefit of €7,740 for the year.

Remuneration due or awarded in respect of the year ended which was voted on at the General Meeting under the procedure for regulated agreements and commitments

<table>
<tr><th></th><th>Amounts submitted for approval</th><th>Presentation</th></tr>
<tr><td>Payment for undertaking duties</td><td>N/A</td><td>N/A
It should be noted that Bertrand Neuschwander received no compensation or payment of any kind at the time he assumed his duties, in accordance with the policy on executive remuneration laid down by the Board of Directors.</td></tr>
<tr><td>Severance pay and the holding period on stock options in the event of severance</td><td>None</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 and any termination benefits connected to the termination of the employment contract.
The reference remuneration used to calculate the severance payment consists of the last two years of fixed and variable remuneration that Bertrand Neuschwander received in his capacity as Chief Operating Officer.
In accordance with Article L. 225-42-1 of the French Commercial Code, payment of the allowance will be subject to performance conditions, measured in the following manner:

if he is dismissed within four years of his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets over the last four years of service, as follows:

as corporate officer, for the period following his appointment and,
as a salaried employee, for the preceding period;

if he is dismissed after four years from his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets in said capacity over the last four years of service.

Under both circumstances, performance is assessed as follows:
<table>
<tr><th>Average rate of attainment 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 agreement, approved by the Board of Directors on 22 April 2014, was submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedures provided for related-party agreements.
</td></tr>
<tr><td>Non-compete payments</td><td>N/A</td><td>
Pursuant to the non-compete agreement, in case of termination of his appointment as Chief Operating Officer, through 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 of this non-compete clause and for its entire duration, Bertrand Neuschwander 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 Bertrand Neuschwander from this non-compete clause.
This non-compete agreement, approved by the Board of Directors on 22 April 2014, was submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedures provided for related-party agreements.
</td></tr>
</table>

Remuneration due or awarded in respect of the year ended which was voted on at the General Meeting under the procedure for regulated agreements and commitments

<table>
<tr><th></th><th>Amounts submitted for approval</th><th>Presentation</th></tr>
<tr><td>Supplementary pension scheme</td><td>None</td><td>
Bertrand Neuschwander is a member of the collective supplementary pension scheme set up for Groupe SEB’s French senior managers (members of the Executive Committee).
The 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 of 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 of the past three years and capped at 20 years seniority, i.e. a maximum 16% of the reference remuneration;
a defined benefit collective scheme available for top management, with a contribution equal to 8% of the salary. Pensions earned under this plan are deducted from the supplementary pension originating from the defined benefit supplementary pension plan.

Entitlements estimation on 31 December 2015:
<table>
<tr><th>Scheme</th><th>Amount</th></tr>
<tr><td>Defined-benefit deferred compensation pension scheme</td><td>€51,163 gross per annum</td></tr>
<tr><td>Defined-benefit supplementary pension scheme</td><td>€29,326 gross per annum</td></tr>
<tr><td>Defined-contribution pension scheme
(the entitlements resulting from this scheme are frozen since 2014)</td><td>€4,468 gross per annum</td></tr>
</table>
Executive officers are potentially eligible for defined benefit schemes after 8 years of service and attendance at Executive Committee Meetings.
The scheme 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 being itself capped at 36 times the annual social security ceiling in force at the time of the retirement.
As a result, the supplementary pension scheme for executive officers complies with AFEP-MEDEF Code recommendations as updated in November 2015:

seniority required: minimum 8 years of service;
rate of progression: entitlements based on seniority up to a maximum of 3.925% annually, reduced to 3.0% in 2016, and capped after 20 years’ seniority in accordance with the scheme introduced by law 2015-990 of 6 August 2015, known as the “Macron Law” on growth, activity and equal economic opportunities;
reference period used: average of the target remuneration of the past three years;
maximum of 41% including benefits from statutory schemes.

Groupe SEB intends to outsource the entire commitment through matching payments to a fund into which the pension contributions are made on a regular basis.
This agreement, approved by the Board of Directors on 22 April 2014, was submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedures provided for related-party agreements.
</td></tr>
</table>

Remuneration due or awarded in respect of the year ended which was voted on at the General Meeting under the procedure for regulated agreements and commitments

	Amounts submitted for approval	Presentation
Other lifetime benefits: death, disability and individual health insurance	None	Bertrand Neuschwander continue to benefit from supplementary social protection, notably as regards death, disability and health insurance that covers the company's employees. This scheme notably includes for Bertrand Neuschwander: • supplementary allowances, set at a maximum annual amount as follows: In the event of incapacity: €228,240 In the event of first degree disability: €136,944 In the event of second and third degree disability: €228,240 *Less social security benefits for the 3 lines* • a death benefit set at a maximum of €1,643,328. In addition to the Group death, disability and related benefit insurance plan, Bertrand Neuschwander is the beneficiary of an individual life insurance policy with a capital amounting to €942,581. The expense recorded over the year ended 31 December 2015 amounts to €2,798. The purpose of this specific death benefit is to cover the remuneration portion which is not taken into account in the collective scheme. This agreement, approved by the Board of Directors on 22 April 2014, was submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedures provided for related-party agreements.

TRANSACTIONS CONDUCTED BY DIRECTORS AND SENIOR EXECUTIVES IN SEB SHARES (ARTICLE L. 621-18-2 OF THE FRENCH MONETARY AND FINANCIAL CODE) DURING 2015

Identity	Function	Number of shares purchased or subscribed	Average purchase price	Number of shares sold	Average sale price
Thierry de La Tour d'Artaise	Chairman and Chief Executive Officer	55,978	€53.8600		
Hubert Fèvre	Director			137,223	€69.4937
Persons associated with Hubert Fèvre	Director	340,250	€75.0000		
Persons associated with Jacques Gairard	Director			1,000	€83.0570
Stéphane Laflèche	Member of the Executive Committee	6,508	€53.8600	6,508	€94.0000
Harry Touret	Member of the Executive Committee	51,598	€34.0386	29,223	€86.2398
Persons associated with VENELLE INVESTISSEMENT	Director	3,000	€66.4500		

2.6. CHAIRMAN'S REPORT ON INTERNAL CONTROL

In accordance with Article 117 of the French Financial Securities Act of 1 August 2003, and the provisions of Article L. 225-37 of the French Commercial Code, as amended by law no. 2008-649 of 3 July 2008, the purpose of this report is to describe the internal control procedures adopted by Groupe SEB for the year ended 31 December 2015.

This report, drawn up under the supervision of the Chairman, is essentially based on the coordinated work of the Group Audit and Internal Control department, in liaison with the Finance department and the main corporate support functions and operational management. It also takes account of consultations with the Audit Committee and the Statutory auditors.

This report was approved by the Board of Directors on 23 February 2016.

In order to implement and improve upon its internal control processes, Groupe SEB aims to comply with the AMF guidelines on risk management and internal control.

Internal control environment

In the course of its operations and in pursuit of its business strategy, Groupe SEB is exposed to a number of risks and unknown factors, both internal and external. To address this situation, it has set up an organisational structure and procedures aimed at identifying, quantifying, anticipating and managing these risks as far as possible, in order to reduce their negative impact and thus to help to achieve the company's operational and strategic goals.

The internal control system is a process defined and implemented by the Group under its own responsibility to ensure:

- compliance with laws and regulations;
- application of instructions and guidelines, and compliance with the Group's internal practices;
- identification of risks to which the Group's assets and income are exposed;
- the proper functioning of the Group's internal processes, particularly those that contribute to protecting its assets;
- the quality, reliability and relevance of its internal and external information, particularly financial disclosures;
- organisational adaptation to changes in standards and regulations;
- consistency between identified risks, objectives and expected benefits;
- reduced exposure to risks of fraudulent behaviour;
- prevention, and, if necessary, punishment of unethical conduct.

The scope of application of internal control and risk management procedures also extends to all Group companies. Corporate support functions and operational management are responsible for implementing internal control and risk management procedures which apply to all of the Group's employees, from corporate governance bodies to individual employees. As with any control system, it cannot provide an absolute guarantee that all risks are fully controlled or eliminated.

Groupe SEB is an international entity, organised primarily into geographical zones by continent, each with their own ranges of products to sell. In addition, operations are organised by activity, covering specific product lines and trademarks. This mode of operating depends on decentralisation of operational responsibilities and extensive delegation. At the same time, though, to guarantee efficient overall management, Groupe SEB applies clearly defined rules of operation and delegation. It also benefits from a well-established corporate culture which is rooted in shared fundamental values that foster an ethical working environment: high-quality work, mutual respect, team spirit, loyalty and diligence.

The internal audit system is based on a structured Quality Management System defining 11 key operational processes which incorporate the demands and requirements of sustainable development.

A signatory of the Global Compact since 2003, Groupe SEB supports the values set out in this document and promotes 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.

Risk assessment

The risk analysis process is based on two key procedures:

- an annual top-down review and analysis of the main risks. This process, coordinated by the Internal Audit department, aims to allow the Group's senior management, in particular, members of the Executive Committee, to map the Group's risks as well as preventive measures and corrective actions.
- a bottom-up process involving self-assessment questionnaires, based on processes. These are sent out to each operational entity and are designed to identify possible weak points and encourage the practice of internal control at all levels of the business, with a view to making Group operations more efficient.

Control activities

The integrity of the internal control process is assured by an Internal Control Manual, circulated widely within the Group, detailing the main internal control guidelines for each Group entity, i.e.:

- use of a delegation manual and definition of limits of authority;
- internal control rules governing commercial operations, the management of customer credit and settlement methods, relations with banking institutions, payroll management, purchasing control, financial asset management and the protection of corporate property and assets;
- compliance with rules governing division of responsibilities;
- policies applying to insurance cover and hedging;
- financial reporting audit principles.

Reporting and communication procedures

In 2015, the members of the Executive Committees of the sales subsidiaries were trained in internal control with special emphasis on their particular role in the internal control process.

The mechanism for identifying attempted fraud is invoked on a regular basis within the Group. In 2015, no significant fraud was discovered. As in previous years, based on circumstances that arose, the Audit department put out alerts to the subsidiary network warning of potential frauds and raising awareness of these situations.

Monitoring of the internal control process

The quality of the internal control process is assessed through internal audits in all Group entities and functions, and by the Statutory auditors during their annual and half-yearly audits.

In 2015, the Internal Audit department carried out audits at nine market companies responsible for 18% of the Group's sales, and at four plants, accounting for 33% of the Group's internal production, as well as on three shared service centres covering 34% of the Group's sales. It also carried out five consulting assignments to improve different organisations and processes. The action plans of 13 entities that came out of previous audits were reviewed. In total, the Audit and Internal Control department dealt with 34 entities (out of 74 in Groupe SEB that could be audited) either through an audit or a review of a previous audit.

Key players in internal control

THE BOARD OF DIRECTORS, THE AUDIT COMMITTEE AND THE NOMINATIONS AND REMUNERATION COMMITTEE

The role of these bodies is described in the section on the "Composition, organisation and operation of the Board of Directors", on pages 25 to 45.

THE GROUP EXECUTIVE COMMITTEE AND GROUP MANAGEMENT BOARD

Their role is described in the section on "Group Management Bodies" on page 46.

THE AUDIT AND INTERNAL CONTROL DEPARTMENT

Internal audit, as defined by professional standards, consists of "an independent and objective process which ensures that the Group has adequate control of its operations and which offers advice on improving the latter while contributing to added value. The internal audit function helps the Group to achieve its objectives by systematically and methodically evaluating its risk management, control and corporate governance procedures, and through recommendations for their improvement".

The role of the Groupe SEB Internal Audit department is fully consistent with this approach.

The Internal Audit department is responsible for evaluating, at all locations where the Group is established and for all processes, compliance with the Group's internal rules and procedures and any non-compliance with legislation, and for ensuring that Group assets are protected. It is also required to evaluate the efficient conduct of operations and to ensure that all business risks are anticipated and controlled.

In the area of risk management, the Audit and Internal Control department coordinates the Group risk mapping.

Based on this mapping, on the self-assessment questionnaires and on the principle of an audit taking place in each entity every three or four years, the Audit department puts forward an internal audit plan for the following year.

This plan is submitted to the Audit Committee.

Each internal audit, which generally lasts about a month and is carried out by a team of two to four Auditors, culminates in an audit report that is sent to the audited entities, their management structure, members of the Group Executive Committee and to the Group Chairman. The report contains the Auditors' opinions on the entity's level of internal control and provides the principal recommendations to be implemented to strengthen the entity's internal control system.

Steps are then taken by operational management to remedy identified shortcomings in internal control, and to make any other necessary improvements. The implementation of resulting action plans is subject to a systematic internal audit review within six months of the audit.

The results of these audits are compared with the results of the self-assessments, thus completing the full circle of the internal control process.

In order to ensure continuous improvement of the company's internal control and efficiency, the main recommendations identified during audits for each business line are shared annually with the Management Committees of the Group's main divisions: purchasing, IT, quality, finance, human resources, supply chain, production, after-sales service and marketing.

The Internal Audit department draws up an annual report of work done, which is presented to the Group Executive Committee and the Audit Committee.

The Audit Committee reviews the resources needed by the Internal Audit department to carry out its work effectively, and makes observations or recommendations as required.

As at 31 December 2015, the Internal Audit department had 10 members of staff.

THE LEGAL AND INSURANCE DEPARTMENT

The role of the Group Legal department is to ensure that the Group complies with legal and regulatory requirements wherever it operates, to protect the Group's assets and businesses and to protect the interests of the Group, its management and employees in the performance of their duties. The Legal department is concerned with the following main areas of internal control:

- participation in the implementation of Groupe SEB's integration process for legal entities newly acquired by the Group;
- it drafts and updates standard and model contracts and their related procedures for the most frequently recurring transactions (purchases of goods and services, conditions of sale, advertising campaigns, etc.);
- it manages litigation in France and abroad;
- it makes recommendations to the Group Executive Committee on rules for delegating authority, and on the circulation and protection of confidential information, and it applies and monitors these rules;
- it selects external legal advisers, monitors their services and performance and oversees invoice tracking in conjunction with the Management Control department;
- involvement in activating crisis units.

The role of the Legal department in the area of insurance is to ensure that there is adequate insurance cover for the risks to which the Group is exposed. Groupe SEB centralises the management of its insurance programmes. Worldwide cover is arranged in partnership with leading insurance company pools; additional specific policies can be subscribed to locally.

FINANCE AND TREASURY DEPARTMENT

The role of this department is to ensure the security, transparency and efficiency of treasury and finance transactions.

Its responsibilities in this area cover:

- financial resource management, to ensure the Group's liquidity;
- cash flow management;
- financial risk assessment and hedging (particularly in the areas of foreign exchange, interest and raw material prices);
- on-going relations with banks;
- financial management support for subsidiaries and support for Group General Management, in financial planning for new projects.

The Group's centralised credit management activities are handled by the Finance, Treasury and Tax department. Given the still volatile economic situation in 2015, the Group continued its careful management of customer risk at a worldwide level.

ACCOUNTING AND TAX DEPARTMENT

This department is responsible for ensuring that the Group's accounting principles and standards are compliant with commonly accepted international accounting standards. It closes the Group's accounts, in collaboration with the entities, in a timely manner. It makes sure that accounting by the subsidiaries is reliable and in compliance with the Group's accounting principles. It provides the Group's management and outside partners with pertinent financial information.

The Group Accounting and Tax department oversees and coordinates the shared Corporate Services Centres for Accounting and Management Services. These entities, in France, Poland, Germany, the United States and China, help improve the Group's internal control system by sharing their procedures and tools.

It ensures compliance with regulations and tax obligations in all the countries where the Group is based. The department has a triple responsibility in the area of internal control:

- monitoring tax inspections carried out by tax authorities in all of the Group's entities;
- ensuring consistency in the tax procedures used by the Group's entities and liaising with tax consultants to verify that the Group's main activities are compliant with current legislation;
- selecting tax consultants and monitoring the services provided along with their cost.

THE GROUP MANAGEMENT CONTROL DEPARTMENT

The Group Executive Committee attaches great importance to the Group's planning procedures. These prepare the ground for the annual budget, which makes it possible to define the Group's strategic priorities and draw up operational plans.

With this in mind, the Management Control department coordinates budget planning and control, using a handbook of management procedures and rules applicable to all entities, including Group budgeting, forecasting and management reporting methods.

The monthly management reporting system uses a consolidation management tool. Twice a year (June and September), Group performance forecasts are comprehensively revised. Improvement plans are developed, if necessary, based on this new outlook. Partial re-projections are made throughout the year.

Physical or financial controls make it possible to verify balance sheet items such as components of the working capital requirement and cash position.

These various aggregates are budgeted at the end of the year and monitored monthly.

The Management Control department draws up a monthly Group dashboard chart and distributes this, with an analysis of significant variances and trends based on the information provided by the Group's entities in their monthly business reports.

The department uses specialised accounting and management software that allows efficient operational and strategic monitoring.

The Management Control department works with the Financial Communications department to review the Group's performance.

THE INFORMATION SYSTEMS DEPARTMENT

The Group's IT system is designed to guarantee the security, integrity, availability and traceability of information.

To ensure the proper use of these applications and the utility of data, an operating manual reflecting users' needs has been drawn up.

The Group has also introduced procedures to ensure the reliability of its information systems and the integrity of its electronic data.

An Information Systems Steering Committee is responsible for drawing up an IT master plan which corresponds to the Group's organisational needs and general development policy. This Committee, chaired by the Executive Vice-president, Industry, comprises the Information Systems department and representatives from user entities (including Continental General Management, Strategic Business Areas Management, the Group Finance department and the Human Resources department). Within this framework, it determines the nature of IT system projects and decides on priorities for resource allocation and IT security policies.

The IT Data Security Committee, of which the Audit department is part, meets regularly to ensure that the level of IT risk within the Group and its subsidiaries is adequately managed and that appropriate information and awareness measures are taken to prevent the risk of hacking of our systems.

Internal audit missions include scrutiny of IT security risk areas, and analysis of user profile management and the risk of incompatibility in system access rights within an enterprise function.

The risk of intrusion into the network or into a centralised application is periodically evaluated and tested.

Data security audits were also conducted in some supplier companies.

THE QUALITY DEPARTMENT

The desire to improve the quality of its products and processes has always been a central concern for Groupe SEB.

Groupe SEB uses a Quality Management System (QMS) with Group-wide standards that are posted on the company's intranet.

Documentation for this system includes reference to all procedures, tools and methods relating to the Group's key processes:

- management procedures, definition of Group policy, strategic planning, continuous quality improvement, and safeguarding the environment;
- operational processes including strategic marketing, R&D, sales and marketing, client order processing and production;
- operational support functions, covering human resources, information systems, purchasing, finance, after-sales service and customer assistance.

The Quality department uses monthly feedback reporting to fine-tune its action plans.

The Safety policy, which is also overseen by the Quality department and was set out in 2013, establishes the safety of people at work as a major area of focus for the Group, broken down into five points:

- achieving a good level of safety;
- focusing on an ambitious goal;
- denormalising each accident or serious incident;
- sharing the same level of skills and requirements, based on common standards;
- acting promptly upon any recorded non-compliance to address it.

The action plans stemming from this policy are established and monitored by a "Strategic Health/Safety Committee" comprising three GEC members, and adjusted by an "Operational Health/Safety Committee" covering the Group's main geographic areas and businesses.

The health and safety organisation within the Quality department ensures these action plans are rolled out to Group sites.

THE SUSTAINABLE DEVELOPMENT DEPARTMENT

This department submits the Group Sustainable Development Policy to the Group Executive Committee for approval and then coordinates its implementation. It draws up and implements formal action plans for all of the Group's divisions, relying on a Sustainable Development Steering Committee with representatives from the Group's 15 main divisions. By applying sustainable development criteria to the Group's internal processes, the Group promotes awareness-raising and encourages appropriate behaviour within the Group.

THE FINANCIAL COMMUNICATION DEPARTMENT AND INVESTOR RELATIONS

In conjunction with the Legal department, it identifies and complies with legal and regulatory requirements for Group financial and risk reporting. Each year, this department draws up a schedule of the Group's regular financial communications for financial markets and institutional investors.

Accounting and financial information procedures

Internal control procedures for accounting and financial information aim to ensure the quality of the financial information provided by the consolidated subsidiaries, and the fairness and accuracy of the financial information issued by the Group, while safeguarding against risks of error, inaccuracy or omission in the Group's financial statements.

Production of the Group's accounting and financial information is based on interfaced reporting and consolidation systems covering all subsidiaries and guarantees the uniformity of individual and consolidated accounting data.

CENTRALISED TREASURY AND FINANCE OPERATIONS

Local regulations permitting, the Group Finance, Treasury and Tax department ensures the financing of its subsidiaries via cash pooling, inter-company financing contracts and the use of currency flows for payments and receipts.

This centralisation of operations allows the department to:

- control external debt and monitor its development;
- manage the interest rate risks inherent in contracted debt;
- finance its subsidiaries in their local currency where regulations permit;
- anticipate and manage the currency risk inherent in commercial and financial flows.

Another important element of internal control is the Group's globally centralised choice of working-partner banks and effective long-term management of these relations.

This organisational approach enables the Finance, Treasury and Tax department to ensure overall control of the Group's treasury operations.

CONSOLIDATED ACCOUNTS MANAGEMENT AND CONTROL

The role of Group Management Control in overseeing monthly consolidated financial management information has already been described.

Budgetary control identifies deviations from performance targets, on the basis of monthly consolidated data which is compared to an analysis of Group operational directives. This makes it possible to identify any changes or discrepancies in relation to financial budget data and previous years.

This statutory consolidation includes all the companies in the Group that are directly or indirectly controlled by the Group's holding company, SEB S.A.

Each consolidated subsidiary prepares a set of accounts, restated to comply with the Group's accounting procedures and based on accounting data from local information systems. The Finance Managers of the subsidiaries prepare the restated accounts on the basis of the Group's accounting procedures handbook, which sets out rules for accounting entries and evaluation.

This handbook describes the principles used to draw up financial statements. The principles cover areas such as preparation of accounts on the basis of a going-concern assumption, compliance with accounting periods, and ensuring the integrity of the information in the financial statements. It is regularly updated to integrate changes in the legislation and regulations governing the preparation of consolidated accounts in France.

The accounting procedures handbook also gives a precise description of the principles used by the Group for accounting entries, and evaluation and presentation of the main items in the financial statements:

- descriptions of constituent items of the consolidated income statement with their definitions, as well as consistency tests for the purpose of taxation;
- rules governing balance sheet and off-balance sheet items and their presentation;
- regulations concerning the valuation of certain estimated items, such as:
  - provisions for the impairment of receivables,
  - provisions for the impairment of raw material and finished product inventories,
  - provisions for the impairment of non-current assets,
  - provisions relating to sales (e.g. warranties and unsold returns),
  - other provisions for contingencies and charges, and in particular, provisions for restructuring;
- accounting principles applied to the reporting of intra-Group transactions.

Prior to each consolidation period, the Group Consolidation department issues a reminder of the reporting deadline and indicates any newly applicable changes in standards, rules and principles.

On receiving the sets of accounts for consolidation, the Group Consolidation department conducts the usual verifications before carrying out the actual consolidation. This review of the accounts submitted is an opportunity to verify the evaluation and accounting methods used for large, unusual or exceptional transactions.

To ensure the integrity of the financial data received from the subsidiaries, the Group Consolidation department refers to the covering letter sent in by the management of each subsidiary (whether or not consolidated), at the time of closure of the half-yearly and annual accounts. In this covering letter, the official representative and the Finance Director of the entity concerned jointly certify the compliance of the financial statements with the Group's accounting rules and principles, the effectiveness of the internal control procedures used to process and draw up the financial statements and the absence of any irregularities involving personnel or management. In addition, they comment on any significant events occurring during the accounting period under review and describe all elements which, in themselves or in their overall effect, influence the comprehension and evaluation of the financial statements of the entity concerned.

THE FINANCIAL REPORTS PREPARATION PROCESS

The Group's financial statements, accounts and notes to the accounts are drawn up on the basis of the final data processed by the consolidation software. These are then integrated into the annual or half-year reports.

The texts of all the Group's financial publications (annual and half-year reports, letters to shareholders, press releases, etc.) are drawn up with reference to information gathered throughout the year and specific interviews conducted at least twice a year (or more frequently as dictated by current concerns or special issues) with the senior management of the Strategic business areas, Continental Structures and Corporate Support Functions. They are subject to a thorough validation process which includes validating the traceability of the information processed, with final validation falling to the Group's Executive Committee. The presentations made from this information and used throughout the year at meetings, road shows or telephone conferencing with financial analysts, portfolio managers or individual shareholders are created to be consistent with press releases and are approved by senior management.

Statutory information is circulated fully and effectively by electronic means (in accordance with the General Regulation of the French Financial Markets Authority) in line with principles of accuracy, precision, honesty and equal treatment of investors.

2.7 STATUTORY AUDITOR'S REPORT

prepared in accordance with Article L. 225-235 of the French Commercial Code and dealing with the report of the Chairman of the Board of Directors of SEB SA

FINANCIAL YEAR ENDED DECEMBER 31ST, 2015

This is a free translation into English of a report issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory auditors of SEB SA and in accordance with Article L. 225-235 of the French Commercial Code, we hereby present our report dealing with the report prepared by the Chairman of your company in accordance with Article L. 225-37 of the French Commercial Code for the financial year ending December 31st, 2015.

The Chairman is responsible for preparing and submitting for the approval of the Board of Directors, a report describing the internal control and risk management procedures implemented by the company and disclosing other information as required by Article L. 225-37 of the French Commercial Code dealing in particular with corporate governance.

Our own responsibility is to:

- Communicate to you any observations we may have as to the information contained in the Chairman's report and relating to the company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information;
- And attest that the report includes the other disclosures required by Article L. 225-37 of the French Commercial Code. It should be noted that we are not responsible for verifying the fair presentation of those other disclosures.

We have performed our work in accordance with the professional standards applicable in France.

Information relating to the company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information

Our professional standards require the application of procedures designed to assess the fair presentation of the information contained in the Chairman's report and relating to the company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information.

Those procedures involve in particular:

- Obtaining an understanding of the underlying internal control and risk management procedures in the area of the preparation and processing of financial and accounting information presented in the Chairman's report, and of the related documentation;
- Obtaining an understanding of the work performed as a basis for preparing that information and the existing documentation;
- Determining if any major internal control weaknesses in the area of the preparation and processing of financial and accounting information identified by us during the course of our engagement have been appropriately disclosed in the Chairman's report.

On the basis of the procedures performed, we have nothing to report on the information relating to the company's internal control and risk management procedures in the area of the preparation and processing of financial and accounting information contained in the report of the Chairman of the Board of Directors prepared in accordance with Article L. 225-37 of the French Commercial Code.

Other disclosures

We hereby attest that the report of the Chairman of the Board of Directors includes the other disclosures required by Article L. 225-37 of the French Commercial Code.

Courbevoie and Lyon, on 24 March 2016

The Statutory auditors

PricewaterhouseCoopers Audit	**Mazars**
Nicolas BRUNETAUD	Thierry COLIN

3

CORPORATE SOCIAL RESPONSIBILITY

3.1. COMMITMENT AND MANAGEMENT

Commitment at the highest level

For a great many years, Groupe SEB has been committed to an approach, duly submitted to the Board of Directors, that strives to be ethical, economically profitable, socially fair and ecologically responsible. In fact, since 2013, corporate social responsibility has fallen within the remit of its Nominations and Remuneration Committee.

Management groups and methods

The **Sustainable Development department**, created in 2004, reports to the Human Resources department whose Head is a member of the Executive Committee. Made up of a team of six people, two of whom are seconded to the Fonds Groupe SEB, the Sustainable Development department coordinates and drives Group-wide participatory efforts. As well as holding twice-yearly meetings with each division to monitor projects and action plans, it is supported by a dedicated **Steering Committee**. In order to instil sustainability criteria at all levels of the company and on all continents, this Steering Committee is composed of some twenty members hailing from a variety of core business areas and divisions (communications, quality/environment, innovation, purchasing, logistics, marketing, etc.) and meets three times a year. Its mission is to define and monitor short- and medium-term action plans in response to the Group's five key sustainable development challenges.

A three-year **roadmap** designed around these five challenges is set out on page 84 of this document. The large number of international projects, such as the 2012/2013 code of ethics or the 2015 Charity Week, are managed locally by a network of CSR contacts from the HR department. This network was enhanced in 2015 with the appointment of sustainable development coordinators for each continent.

An open-minded approach

Paying close attention to the Group's "ecosystem", in 2013, the Sustainable Development department began a series of discussions with a **panel of the Group's stakeholders**, to gather their opinions and suggestions about its sustainable development policy. This panel comprises eight external international experts (environmental NGOs, a sociologist working on alternative consumption, a professor of corporate governance, an eco-design expert, a specialist on CSR in China, etc.) plus an employee representative from the Group's European Committee. The first meeting, held in 2013 with members of the Sustainable Development Steering Committee resulted in, among other things, adjustments being made to the eco-design guide being finalised at that time (see page 111-112). The following year, the discussion dealt with the responsible value chain, with members of the Group's Executive Committee taking part in the discussion day. Areas for improvement were also identified, especially with regard to incorporating sustainable development into brands and consumer information to help consumers work towards more responsible food and more sustainable lifestyles (see improvements made on page 110).

In 2015, this spirit of openness was reflected in a **Learning Expedition** to London, organised by the French consulting firm, Utopies. During this study trip, the Sustainable Development Steering Committee was able to see what had been achieved by other large companies (Kingfisher, Marks & Spencer, Interface etc.) when combining business with sustainable development. Inspiring examples were complemented by presentations from high-profile experts on the circular economy (from Forum for the Future and the Ellen MacArthur Foundation) and NGOs with a great deal of experience in this area (Oxfam). Once this inspiring seminar was over, the Steering Committee compiled a dozen or so proposals for practical measures to advance the incorporation of sustainable development into the Group's business activities.

Raising employee awareness

The Group has produced several communication tools to increase employees' awareness of sustainability issues. The Group's intranet has a tab devoted to this subject, and numerous news items are published throughout the year (telex on the intranet, articles in site newspapers, etc.). Every year, the **sustainable development week** is a special opportunity to enlist the cooperation of employees, through various on-site activities. In 2015, this event was organised on an international scale for the first time, and dealt with the topic of climate change. Initiatives were very varied, ranging from panel discussions and initiatives aiming to improve energy efficiency at tertiary sites, to cookery demonstrations highlighting food waste and photo exhibitions etc. Lastly, a number of training programmes include specific modules relating to ethics and corporate social and environmental responsibility.

Internal audit and sustainable development

In 2013, the Audit and Organisation department included the code of ethics and the Responsible purchasing charter in the internal control manual used in auditing the subsidiaries. This has led to tighter controls over the ethical, social and environmental aspects of all the Group's processes. Sites that are not audited in a particular year complete a self-assessment questionnaire using reporting software managed by the department. This 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 fully harmonised and ensure that the audit process is fully consistent. Furthermore, when studies take place prior to company acquisitions, the Strategy department considers social and environmental issues using a matrix of questions inspired, amongst other things, by the HRCA (Human Rights Compliance Assessment) Quick Check.

External verification of data

A pioneer in this regard since 2011, Groupe SEB had a selection of corporate social responsibility indicators for the 2010 financial year audited by one of its Statutory auditors, PricewaterhouseCoopers Audit. Groupe SEB continued this voluntary commitment and PricewaterhouseCoopers Audit issued a limited assurance report for the 2011 and 2012 financial years on a selection of social and environmental indicators. Finally, to comply with what are now legal obligations, PricewaterhouseCoopers Audit verified the completeness and fairness of the social, employment-related and environmental information in the Registration Document, for 2013, 2014 and 2015 (see details on the reporting process on page 86 and PricewaterhouseCoopers Audit's report for 2015 on page 119).

An established CSR policy

Corporate social responsibility (CSR) is a consideration for an increasing number of investors. Alongside the Financial Communications and Investor Relations departments, the Sustainable Development department goes out to investors to outline Groupe SEB's approach to CSR. In 2015: conference in May on the subject of incorporating ethics into daily practice with the Vice-President of Internal Audit, and participation in the discussion day organised in November by Société Générale (on environmental, social and governance issues).

Several **non-financial rating** agencies assess Groupe SEB's CSR performance and have included it in their SRI (Socially Responsible Investment) indices. This is the case with Vigeo (for the Eurozone 120 and Europe 120 indices), Forum Ethibel (with their Pioneer and Excellence classifications) and EthiFinance (the Gaia Index). In 2014, the latter placed the Group in its Top Five in the Gaia Index for industrial companies. The Group is also part of the Oekom and Sustainalytics research panel.

In addition, in 2015, the Group's CSR efforts were awarded the CSR Grand Prix for Responsible Consumer Industries by the ESSEC Business School in Paris, in partnership with the French Ministry of the Economy, Industry and the Digital Sector.

3.2. STAKEHOLDERS

Generally speaking, Groupe SEB conducts a transparent dialogue with all stakeholders through various communication media, annually via the publication of the Business and Sustainable Development report 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 Article 5.3.2 of ISO 26000.

Stakeholders	Means of dialogue
Employees Employees (managers and non-managers)	Intranet site, welcome booklet, internal communications initiatives, annual performance appraisals, employee survey *(Great Place to Work), site newspapers*, leaflets 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	Labour relations agenda, employee-management dialogue 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 review, 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, Registration Document, Letter to shareholders, website, webzine, General Meeting, information meetings, etc.
Customers Distributors	Code of ethics, sales meetings, partnerships and multiyear action plans, etc.
Professional associations Ceced, Gifam, Unitam, Medef, Afep, Demeter, Éco-systèmes and other eco-organisations, etc.	Participation in working groups, involvement in governance, etc.
Civil society NGOs, charitable organisations, 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, analysts, investors, banks, funds, etc.	Business and sustainable development report, Registration Document, website, SRI meetings, road shows, responses to questionnaires, press releases, communication on progress of the UN Global Compact, etc.

The breakdown of revenue by stakeholder is shown on pages 82-83 of the Business and sustainable development report.

Lobbying activities

Groupe SEB sees lobbying as a proactive approach that consists of communicating its opinion about the potential consequences of an action to the relevant authority. The aim is for said authority to take the best decision to ensure that the impact is proportionate to the desired aim and is fair to all stakeholders. The Group bases its analysis on its industry expertise and its market knowledge. In 2015, the Group structured its lobbying activities to fall within the remit of the new European Affairs Department, reporting to the Group's Head of Quality Standards and Environment. The department is charged with feeding the information needed to compile regulations and standards that may impact on the Group's product designs, back to the entities in question. For example, it promotes the circular economy by highlighting the importance of producing products that can be repaired and the use of recycled materials (see page 111).

To participate in discussions about its industry, Groupe SEB takes an active role in various French and European professional associations such as:

- FIEEC – French Federation of Electrical, Electronic and Communication Industries;
- GIFAM – French Association of Household Appliance Manufacturers;
- UNITAM – Union of Homeware Manufacturers;
- CECED – European Committee of Domestic Equipment Manufacturers;
- FEC – Federation of the European Cutlery, Flatware, Holloware and Cookware Industries.

The European Affairs Department is also responsible for coordinating the action taken by Group members with a lobbying remit in different countries. It meets once a quarter.

Materiality matrix

In accordance with Global Reporting Initiative (GRI) recommendations, Groupe SEB decided in 2012 to rank its corporate social responsibility issues using a materiality matrix. This determines which sustainable development issues are most important to the company. In 2015, Groupe SEB wished to fine-tune the ranking of these issues by using a more in-depth methodology.

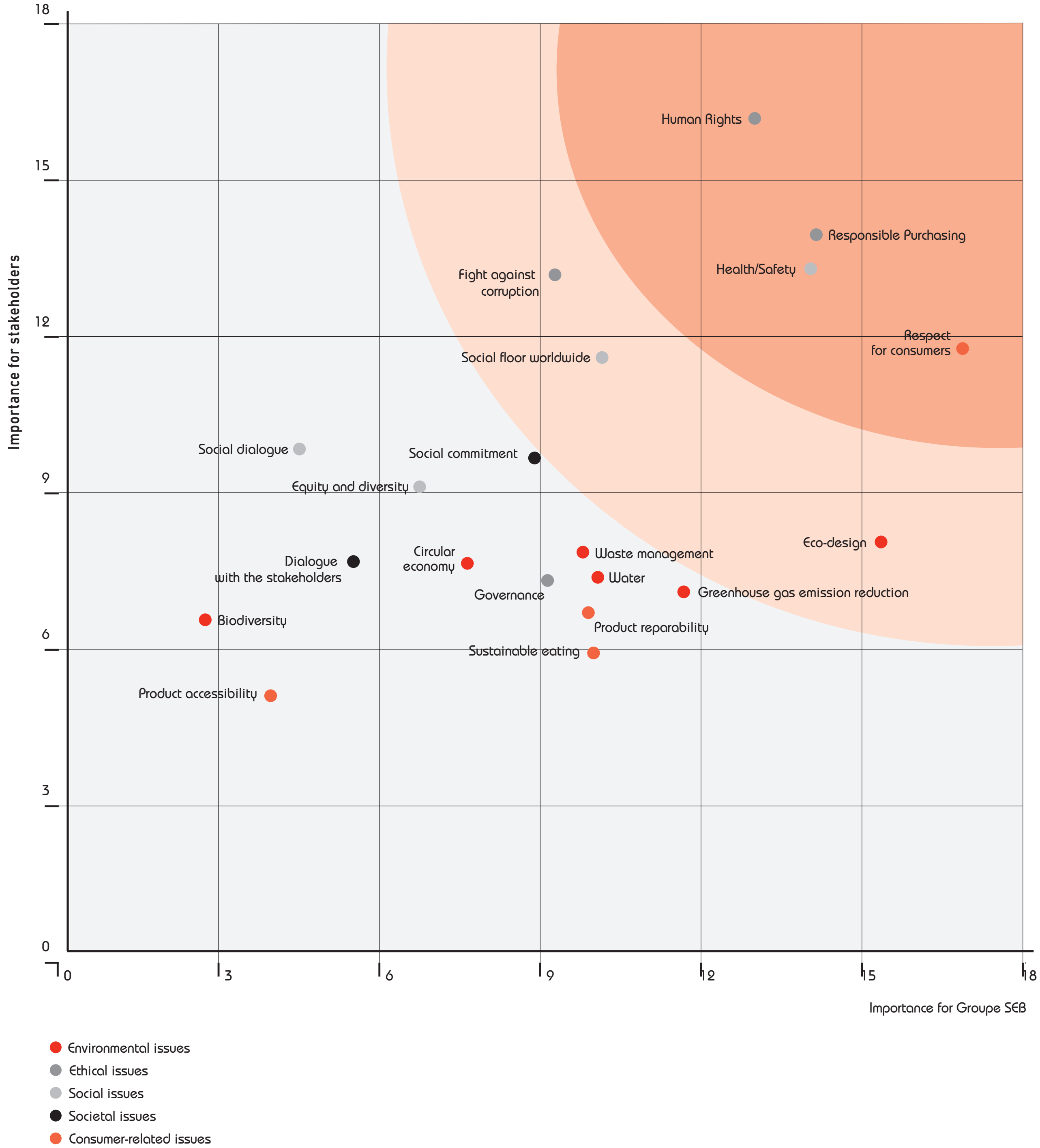
A list of 20 issues was identified and evaluated by the Group, taking account of the importance placed on each by stakeholders and by the Group itself:

- externally: by consulting various stakeholder representatives already identified via an online survey with over 200 responses.
- internally: by questioning the Sustainable Development Steering Committee and taking into account the Group's strategy.

The materiality matrix highlights five main sustainable development challenges for Groupe SEB:

- **Human rights,** considered particularly important by the Group's suppliers, financial bodies, social partners (via the Group's European Committee) and customers.
- **respect for consumers,** primarily advocated by future employees (via the French Student Network for Sustainable Development), professional associations and financial bodies, as well as by the Groupe SEB Sustainable Development Steering Committee.
- **responsible purchasing,** supported by the Group's shareholders, financial bodies, suppliers and the Groupe SEB Sustainable Development Steering Committee.
- **employee health and safety,** prioritised by professional associations, clients, social partners (via the Group's European Committee) as well as financial bodies.
- **eco-design** advocated by future employees (via the French Student Network for Sustainable Development), financial bodies, civil society and the Groupe SEB Sustainable Development Steering Committee.

MATERIALITY MATRIX



To make it easier to read the information contained in this section, the table below summarises the 20 issues identified by Groupe SEB, defines them and lists the page number(s) where the issue is addressed.

Issues	Definitions	Page no.
RESPECT FOR ETHICS		
Human rights	Fight against all kind of forced or compulsory labour, concealed work, child labour, inhuman working conditions and excessive overtime.	88
Responsible purchasing	Require our suppliers to respect Human rights and essential ethical, social and environmental principles.	88-90
Fight against corruption	Prohibit strongly any kind of corruption in our relationships, not only with our commercial and institutional partners, but also with the Government.	90
Governance	Work in favour of a more responsible governance: diversity and independence of the Board of Directors, increased female participation in key positions, transparency about the earnings of the top managers…	Section 2
RESPONSIBLE SOCIAL POLITICS		
Equity and Diversity	Ensure equal treatment between the employees. Only take into account their professional skills when it comes to their recruitment, earning and development within the Group.	95-97
Social dialogue	Respect for freedom and representation of association and support of social dialogue both in individual and collective dimensions.	97
Health/Safety	Provide each employee with a safe and healthy working environment.	98-100
Social floor worldwide	Ensure a fair earning, a minimum benefit scheme and decent working conditions to all the employees. Develop employability and skills of all the employees.	101
A CORPORATE CITIZEN		
Dialogue with the stakeholders	Take into account the expectations of all our stakeholders: consumers, organizations/charities, communities/public authorities, suppliers, customers, shareholders, employees…	80-82
Social commitment	Fulfil our business and social responsibilities in the territories in which we operate : creating jobs, taking part in the development of local companies, supporting local organizations acting against exclusion.	105-107
AN OFFER MATCHING THE EXPECTATIONS OF OUR CONSUMERS		
Respect for consumers	Propose high-standard products with all the guarantees in terms of safety and innocuousness. Be very demanding about the quality of the information given to the consumers through our consumer contact centers, and via our brands' websites and our after-sales service.	108
Product reparability	Facilitate the repair of our products: conception, availability and price of the spare parts, training of the authorized service centers…	109
Product accessibility	Promote the accessibility of the offer to the majority of people by working on the price, the ergonomics and the distribution networks.	110
Sustainable eating	Promote means of consumption favouring a healthy and sustainable food by innovating and accompanying the consumers.	110
REDUCE OUR ENVIRONMENTAL IMPACTS		
Eco-design	Eco-design requires a product approach. It aims to reduce the environmental footprint of the products.	111-112
Circular economy	Circular economy requires an approach of fitting of channels (e.g. recycling, reuse…). 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 to reduce the impact on the environment while enabling the welfare of the individuals.	111-112
Water	Limit the water consumption of our sites together with their discharges in the water.	114
Waste management	Waste limit and waste recovery by favouring solutions with a smaller impact on environment.	115
Greenhouse gas emission reduction	Reduce greenhouse gas emissions linked with the production process (optimisation of energy consumption, use of renewable energies, etc.) together with the transport of products, raw materials and components.	115-116
Biodiversity	Promote ordinary biodiversity and limit the impacts of our process and our products on biodiversity.	116

3.3. CHALLENGES AND ROADMAP

To track Groupe SEB's progress on the 16 key sustainable development issues according to the materiality matrix (see page 82), the Sustainable Development department works with each division to establish a specific roadmap. The roadmap spells out the year's major accomplishments and sets the objectives for the next few years.

	Issues	Issues addressed in 2015	Next steps
Compliance with ethical principles	***Human Rights***	Introduction of an ethical, social and environmental audit plan aiming, in particular, to check the social compliance of plants in hazard areas.	2016-2017: complete ethical, social and environmental audits of Groupe SEB industrial sites in hazard areas.
	Responsible purchasing	134 ethical, social and environmental supplier audits from the Group were handled by the consulting firm, Intertek.	2016: 150 ethical, social and environmental audits to be conducted during the year in order to audit all raw materials, components and finished products suppliers on the panel at least once every four years.
	Anti-corruption measures	34 entities (of the 71 Groupe SEB auditable entities) involved in internal audit initiatives (incorporating, in particular, different dimensions of the Code of Ethics).	2016: strengthen anti-corruption measures in line with the renewed rollout of the Code of Ethics.
	Governance	Adoption of a new Board of Directors' assessment questionnaire including director self-assessment. Introduction of a new procedure designed to prevent and deal with conflicts of interest within the Board of Directors. Decision to significantly increase the length of Nominations and Remuneration Committee (CNR) meetings so as to be able to devote more time to CSR and Human Resources issues.	Maintaining and increasing the percentage of women on the Board: renewal of the directorships of FSP, represented by Catherine Pourre and VENELLE INVESTISSEMENT, represented by Damarys Braida in 2016 and attainment of the threshold of 40% women on the Board of Directors in 2017. Inclusion of salaried directors.
Responsible employment policy	***Health and Safety***	Reduction of LTIR (Lost Time Injury Rate): • global LTIR (excluding Groupe SEB India): 2.2. • LTIR France: 6.3.	2016: reducing LTIR *(Lost Time Injury Rate)*. • global LTIR (excluding Groupe SEB India): 2.0. • LTIR France: 5.7. 2016: launch of an international health plan.
	Global human resources platform	2.93% of wage bill allocated to training, excluding Supor; 2.53% with Supor Excluding Supor, almost 58% of Group employees received at least one *training session in 2015*. Strengthen initiatives to increase the number of women in technical roles.	International development of e-learning programmes. Roll out a global employee benefit campaign. Continue with the employee shareholding scheme.
	Equity and diversity	36.1% of Groupe SEB managers are women.	2016: Implementation of a process in favour of gender equity at work (forum on 31 March 2016)
A corporate citizen	***Commitment to corporate citizenship***	International expansion of the employee mobilisation fortnight: Charity Week Nearly €2,855,000 devoted to sponsorship (Fonds Goupe SEB and subsidiaries).	2016: Implementation of a process in favour of gender equity at work (launch of forum on 31 March 2016)

	Issues	Issues addressed in 2015	Next steps
Consumer expectations	***Respect for consumers***	Reduction in the percentage of potentially faulty products. Improvement of the Sofia multi-country call centre and opening of two new call centres in Egypt and India.	2016: continue international expansion of service centres.
	Responsible food	In France, cause-related marketing operations with discount vouchers distributed to consumers in exchange for their old pans. For each pan purchased under this initiative, part of the product price is diverted to the WWF to support its responsible food initiatives.	2016-2017: create new content/products/services to promote more responsible food.
	Repairable products	Launch of the "10-year repairable product" logo in France. 67% of products fully repairable. 97% of products at least partially repairable.	2016: international expansion of the "10-year repairable product" logo.
	Circular economy	Launch of the Eurêcook project: Groupe SEB appliance rental service. Launch of Programme ENCORE to refurbish used All-Clad pans. Recycling: closed loop recycling of cookware (aluminium) in partnership with different brands.	2016-2017: continue international expansion of recycling operations.
Respect for the environment	***Eco-design***	Roll out of the eco-design guide in China. Market launch of the first products to incorporate recycled plastic from WEEE.	2020: at least 20% recycled materials in the Group's new products. 2020: reduce energy consumption in the Group's new products by 20%.
	Reduction of greenhouse gas emissions	Loading rate of transport units: • containers: 85%; • lorries: 63.5% (intergroup shipments). International rollout of the programme of "1 eco-innovative product" per industrial and logistical site.	2016: improve transport unit loading. 2020: reduce GHG emissions from product transport (per unit transported) by 20% 2020: reduce energy consumption at the Group's production sites by 20%
	Waste management	Recycling of 73.2% of non-hazardous waste. Example of site project: introduction by Rowenta Erbach of waste identification in a "book of wastes" to optimise recycling.	2016: identify new ways of reducing and recovering waste by sharing good practice between the Group's sites worldwide.
	Water	Installation of miscellaneous equipment to control water consumption. Assessment of risks relating to water and its availability based on the geographical location of industrial and logistics sites, as well as the "Aqueduct Water Risk Atlas" reference tool from the World Resources Institute (WRI).	2016: Development of enhanced action plans relating to water management earmarked for priority sites.

* *Intergroup shipments are shipments from plants to consolidation platforms (Rumilly P2 and Mions) or to subsidiary warehouses, as well as shipments between consolidation platforms and subsidiary warehouses.*

3.4. REPORTING PROCESS

Monitoring of social, 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 indicators and reporting procedures that are regularly reviewed as part of a process of continuous improvement. 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 2015 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. The Group goes beyond this legal requirement by reporting other indicators that fall under Global Reporting Initiative (GRI) recommendations. Concrete efforts were made to bring indicators into conformity in this regard. Each year, the Group incorporates new GRI indicators to adhere as closely as possible to GRI guidelines, as these represent an international standard for the reporting of non-financial information. Application of the GRI guidelines will allow for better comparability of sustainability indicators among the companies that use them.

In keeping with the development of national and international requirements and the Group's philosophy of continuous improvement, the Group added new indicators. It 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 when 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 information related to employment conditions, corporate citizenship and the environment. It develops formal processes for every relevant division and consolidates all 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 analyses and dashboard charts that will be useful in management and decision-making. International rollout 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 (outside France)
Breakdown of workforce by gender, age, region and classification; external labour	Data extracted from SAP BW imported into Tennaxia (annual)	SAP BW data imported into Tennaxia (annual)
Persons with disabilities	Data compiled in 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 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	Data compiled in spreadsheet using Winlassie software then imported into Tennaxia (half-yearly)	Data input directly into Tennaxia (quarterly)
Safety	Data compiled in spreadsheet using Winlassie software then imported into Tennaxia (quarterly)	Data input directly into Tennaxia (quarterly)
Training	Data extracted from SAP BW imported into Tennaxia (annual)	Data compiled in spreadsheet and imported into Tennaxia (annual)
Corporate philanthropic expenses	Data input directly into Tennaxia (annual)	Data input directly into Tennaxia (annual)
Environmental data excluding direct raw materials	Data input directly into Tennaxia (half-yearly)	Data input directly into Tennaxia (half-yearly)
Direct raw materials	Data compiled in spreadsheet	Data compiled in spreadsheet

ACCURACY AND COMPARABILITY

Groupe SEB is committed to ensuring that the data it publishes is accurate by carrying out a number of consistency tests. The Tennaxia reporting system provides 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 will be 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 is available.

METHODOLOGICAL LIMITATION AND SCOPE

The labour-related, social 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 scope of the data reported 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.

Data on absenteeism come with a methodological limit. 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. It was therefore decided not to publish data from outside France any more, since it was considered insufficiently reliable. Groupe SEB is, however, currently working on its own international definition.

Regarding Health and Safety reporting, a limitation has been identified in the recording of work-related illness on a global scale. Some legal systems (such as Germany) impose medical secrecy and figures are therefore unavailable and treated as null for these specific cases.

REPORTING PERIOD

The period used for annual sustainability reporting is the financial year, which corresponds to the calendar year in Groupe SEB's case (1 January to 31 December).

AUDIT

To comply with what are now legal obligations, PricewaterhouseCoopers Audit verified the completeness and fairness of the social, employment-related and environmental information in the Registration Document in respect of 2015.

3.5. 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 Organisation (ILO) and the OECD's guidelines for multinational enterprises. It has also signed up to the UN's Global Compact and the CECED [(1)] Code of Conduct.

Code of ethics

Over the last ten years, Groupe SEB has doubled in size, acquiring several companies, and has become an increasingly international group. It now has over 25,000 employees around the world, with more than two-thirds of its workforce located outside of Europe. Since a common culture and shared values are essential to the success of an ethical approach, Groupe SEB has structured and formalised its policy in the form of a code of ethics, which was drafted in 2012. Translated into the Group's **10 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 labour, anti-corruption measures, non-discrimination, environmental protection and prevention of conflicts of interest. Each of these areas was explored further in training materials used in 2012 and 2013 by international HR Managers, through counter-examples and practical questions and answers. This rollout represents almost 10,000 training hours. Awareness-raising initiatives are organised on a regular basis for new arrivals. This was the case in 2015 in Asia (Japan, Hong Kong, Taiwan, Singapore, Vietnam etc.). Different points of the code of ethics are included in the internal audit manual and are checked during site audits (34 entities were involved in audit initiatives in 2015).

In 2015, the procedure for alerting the Group's code of ethics adviser, via the dedicated email address ethics@groupeseb.com, was used once by an employee of the Brazilian subsidiary. Investigations showed that this was a classic HR management issue rather than a violation of the code, and it was dealt with according to existing HR procedures.

(1) European Committee of Domestic Equipment Manufacturers.

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, the Group decided to evaluate its teams' practices in relation to Human Rights in subsidiaries employing more than 10 people, starting in 2007. To achieve this, 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) a version of the HRCA, specially adapted for China. These self-assessments, which were carried out every couple of years or so, covered almost 99% of the workforce and resulted in corrective action plans where necessary. In seven years, they enabled all sites to gain a high level of awareness of this issue.

In 2015, Groupe SEB decided to take things to another level by applying the same **ethical, social and environmental audit** procedure that it operates with its suppliers to its industrial sites in hazard areas, using the same specialist consulting firm (Intertek – see below). Audits will be accompanied by action plans to correct any non-compliances. These plans will be monitored by the Sustainable Development department and forwarded to the Audit and Organisation department, which can verify their application during internal audits. For the industrial sites in question, which will be audited every two years, this system, similar to the one used for the Group's suppliers, will allow to make external comparisons and to generate audits on which the Group's customers can rely. In 2016, these types of audits will be conducted on the Group's industrial sites in Colombia, China (SSEAC) and Vietnam.

Supor, the Group's Chinese subsidiary, is not subject to this process since it has already embarked upon the **SA 8000** (basic Human Rights of workers) certification process, which, by its very nature, includes these types of audit. Supor's first site to be SA 8000-certified was Shaoxing, in 2015.

Responsible purchasing

With more than 14,000 suppliers worldwide, Groupe SEB bears great responsibility in terms of the manufacturing of its products under ethical conditions. For this reason, the Group has committed to a responsible purchasing policy and has implemented reporting and control systems to ensure that its suppliers comply with its ethical, labour and environmental requirements. **Since 2012, this policy has been bolstered with numerous projects**:

- **Responsible purchasing charter**, in conjunction with the Group's code of ethics. Sent to listed suppliers [(1)], it explains what the Group requires from its suppliers in relation to Human Rights and its ethical, social and environmental principles. This Charter was sent to all of the Group's listed suppliers (including Supor). Around 90% of suppliers who received the Responsible purchasing charter have signed up to its requirements or have been deemed to be compliant thanks to their own existing policies;
- **social and environmental criteria in the preliminary evaluation of new suppliers.** CSR criteria account for 25% of the score given to new suppliers of raw materials/components and finished products. Moreover, since 2013, if just one of the social or environmental criteria is rated unsatisfactory, the supplier will be struck off. For the environmental portion, these criteria primarily include the following aspects: ISO 14001 certification, visible pollution (water, ground and air), and use of hazardous products. For the social portion, the main criteria involve: 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. To evaluate new indirect (non-production) suppliers, the CSR criteria account for 15% of the score;
- **ethical, social and environmental audits.** Since 2015, these audits have been conducted by the consulting firm, Intertek, which replaced SGS. In addition to more detailed audit criteria (approximately twice as many checkpoints), Intertek offers a highly effective global audit management tool with immediate and specific listed supplier monitoring. This tool also makes it possible to compare the results obtained by the Group's suppliers with those of companies listed in the Intertek database, which includes over 30,000 audits. The procedure is very formal. During an initial in-depth audit (involving one to three days on site, depending on the size of the company), the auditors review nearly **300 checkpoints** taken from the WCA (Workplace Condition Assessment) audit criteria. Each checkpoint is assessed according to a four-level scale of compliance ranging from "zero tolerance" (forced labour, blocked emergency exits) to minor non-compliance, with moderate and major non-compliance (no pay slip, faulty electrical installation 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. One single "zero tolerance" non-compliance (e.g. failure to comply with the legal working age) triggers the following actions: a letter from the Group's Purchasing Director requiring the implementation of a **corrective action plan** within two weeks, immediate suspension of any new consultation and **follow-up audit** (by Intertek) three months later to check that the issue has been resolved. If not, the Group ends the collaboration. With scores of less than 50, the regional Head of Purchasing sends a formal letter warning the company to correct the breach and follows this up with an audit three months later.

(1) Groupe SEB's listed suppliers comprise a selection of 476 direct suppliers (for materials and components), 52 finished product suppliers and 557 indirect suppliers (non-production). Listed suppliers account for over 80% of the Group's purchases in the raw materials/components and finished products categories. These preferred suppliers are considered to be particularly effective, based on criteria of quality, cost and corporate social responsibility.

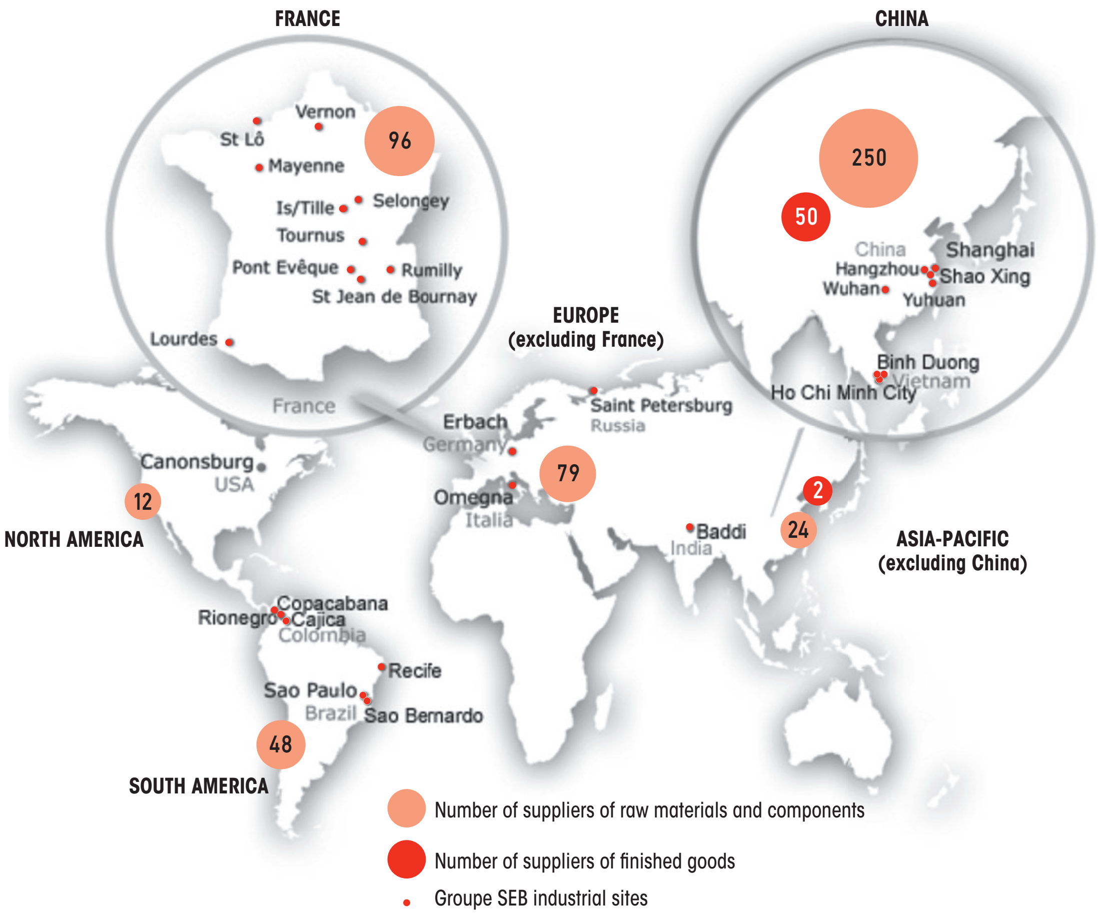
Every year the Group audits about a quarter of its listed suppliers of raw materials/components and finished products in terms of their compliance with its ethical, social and environmental requirements. In 2015, the Group carried out 134 first-time audits (*vs* 153 in 2014 and 145 in 2013), all of which were handled by Intertek. These involved suppliers in Asia, South America, Europe and Turkey. Four suppliers presented “zero tolerance” non-compliances. In all four cases, this related to blocked emergency exits. Three other suppliers obtained a score of less than 50, primarily due to non-compliance in relation to wages and working hours. These companies all undertook corrective action in the manner suggested by the Group and no suppliers were removed from the list. A total of nearly 30 follow-up audits were conducted in 2015. Intertek also hands out an Achievement Award (AA) label to suppliers who have an overall score of at least 85 and do not present any major or zero tolerance-type non-compliances. In addition, the Group recognised 5 suppliers as being “compliant” with the Group’s audit policy upon presentation of the results of their BSCI (Business Social Compliance Initiative) audit.

- **charter of ethical, social and environmental audits.** Drafted in 2013, it was updated in 2015 to incorporate the new audit procedure following the change of consulting firm. For the sake of transparency, this document is sent to suppliers, along with the points on which they will be rated during the audit. To help suppliers make progress on social and environmental matters, the Group organises training sessions for their benefit on this topic. In 2015, three meetings (in Shenzhen and Shanghai) were held with the representatives of 70 Chinese suppliers and were attended by Group buyers responsible for monitoring said suppliers;
- **internal global network of Social Audit Leaders.** Ten Purchasing Directors, from Asia (4), South America (3) and Europe (3) make up the network of Social Audit Leaders. They are responsible for the completion of audits falling within their remit and for progress plans undertaken by suppliers. The network is kept active with quarterly meetings chaired by the Group Purchasing Director, covering reports on the audits, analysis of results, exchange of best practices, etc.;
- **monitoring of chemical substances.** To help suppliers guarantee compliance with regulations relating to the non-use of hazardous substances, Groupe SEB decided to call upon EcoMundo, a consulting firm specialising in regulatory compliance in relation to chemical substances. Almost 1,000 Groupe SEB suppliers can access a dedicated Internet portal, which makes it easier for them to write their eco-declarations;
- **mapping of CSR issues by purchasing group and pilot projects.** Besides the compliance requirement, the Group seeks to strengthen the sustainable development component of its purchasing. In order to identify opportunities for improvement, in 2014, it mapped out the social and environmental challenges for its main purchasing families (in the **Beyond Compliance** operation). This study resulted in 17 pilot projects including, in particular, the insertion of environmental and social clauses into calls to tender. These clauses are designed, for example, to select suppliers offering environmentally friendly solutions or who are committed to employing disadvantaged people. By the end of 2014, such clauses had been adopted for the following purchasing families: warehousing, waste management, brochures and promotional materials, and catering.

  This impetus has pushed the boundaries: for example, FM Logistic France, which manages the Group’s product logistics at its Saint-Cyr-en-Val platform, near Orléans, created a company providing work to people with disabilities, FMEA, on this site in 2015. This organisation employs 6 people with disabilities to perform repackaging operations (such as adding starter kits or samples to packaging). In 2016, FMEA plans to increase its workforce and to open two more workshops of the same type elsewhere in France. At the end of 2015, subcontracted work to the protected sector (companies providing work to people with disabilities) totalled more than €2,6 million across all of the Group’s French sites. Another example of action being taken, this time in relation to the environment, is at the industrial site of Pont-Evêque (France), where suppliers of the polystyrene blocks that protect products inside packaging are recovering broken or damaged blocks for recycling. These waste products are reintroduced into the block manufacturing process.
- **raising the awareness of the Purchasing community in relation to sustainable development**. Purchasing teams total 300 people worldwide. To galvanise this community, the Purchasing department is using hour-long Web Forums, organised on a monthly basis on specific topics. The November 2015 Web Forum was devoted to the introduction of sustainable development into Groupe SEB purchasing, with a focus on ethical, social and environmental audits. It was facilitated by the Group’s Sustainable Development director.

For further information on how purchasing is organised within Groupe SEB, see p. 14

+ MAPPING OF SUPPLIERS OF RAW MATERIALS/COMPONENTS AND FINISHED GOODS AS OF 31/12/2015



N.B: the sum of suppliers comes in at 509, the difference is explained by suppliers present on several geographies. In addition, please note that outsourced finished products account for 28% of Groupe SEB sales.

Anti-corruption measures

This topic was incorporated in the Code of ethics that applies to all employees worldwide. 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, its tenth principle requiring businesses to work against corruption.

The Audit and Organisation department includes risk of fraud and corruption in its assessments. Given the economic environment in which the 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.

For further information on the management of risks of fraud and corruption, see p. 18)

3.6. RESPONSIBLE EMPLOYMENT POLICY

The Groupe SEB Human Resources policy strives to assemble a global human resources platform based on the Group's values. It is based on major factors such as the respect of Human Rights, the development of skills, health and safety in the workplace, dialogue with labour organisations, diversity and equal opportunities.

All the data presented below are worldwide, excluding Groupe SEB India (315 employees), the Indian company in which Groupe SEB made a 55% equity investment in 2011 and took total control of in December 2014, excluding Coranco Corporation (16 employees), GSE Ghana (1 employee) and OBH Nordica (136 employees) which Groupe SEB acquired in August 2015. Data concerning the 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 has harmonised its human resources processes worldwide. They are integrated into a dedicated information system that makes them more manageable. This is particularly the case with career management applications that have gradually been extended to all its entities in the world. In 2014-2015, more than 93% of the 2,600 or so managers worldwide received an annual assessment interview. A set of **Group guidelines on managerial competencies** was finalised in 2015. This will be rolled out in 2015 and incorporated into the Annual Assessment Interview framework. These guidelines, based on the Group's management values and practices, define the skills expected of a Groupe SEB manager in a common language, understandable by all. The Group places great importance **on promoting from within**: in 2015, 94% of its key positions were filled by people who had come from within its ranks. It also favours the geographic and job **mobility** of managers, with a view to career development and spreading a shared vision of the Group's strategy and values. This mobility involves an increasing number of managers: + 60% since 2013.

Breakdown of total workforce by geographical zone

(Worldwide)

(number of individuals)	**2015**	2014	2013
France	5,754	5,844	5,868
Other Western European countries	1,285	1,311	1,308
North America	660	678	681
South America	2,206	2,342	2,620
Asia-Pacific	14,599	14,373	13,340
Central Europe, Russia and rest of world	1,047	905	865
TOTAL	**25,551**	**25,453**	**24,682**

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 2015, Groupe SEB had 25,551 employees based on the scope defined in the introduction. Data from Groupe SEB Egypt (111 employees) were included in 2013 and those of Groupe SEB South Africa (12 employees) were included in 2014.

Breakdown of changes in staffing

(Worldwide)

(number of individuals)	2015	2014	2013
FRANCE			
Recruitment [(a)]	**504**	**596**	**574**
Fixed-term contracts	297	364	366
Permanent contracts	207	232	208
Departures [(a)]	**595**	**618**	**595**
Economic redundancies	10	2	2
Terminations for other reasons	36	43	34
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**0.77**	**0.86**	**0.73**
OTHER WESTERN EUROPEAN COUNTRIES			
Recruitment [(a)]	**161**	**202**	**208**
Fixed-term contracts	112	152	109
Permanent contracts	49	50	99
Departures [(a)]	**180**	**186**	**194**
Economic redundancies	26	38	15
Terminations for other reasons	35	31	16
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**3.49**	**4.98**	**5.55**
NORTH AMERICA			
Recruitment [(a)]	**105**	**182**	**123**
Fixed-term contracts	14	9	11
Permanent contracts	91	173	112
Departures [(a)]	**123**	**180**	**128**
Economic redundancies	3	1	2
Terminations for other reasons	33	50	26
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**11.05**	**16.60**	**11.72**
SOUTH AMERICA			
Recruitment [(a)]	**476**	**393**	**475**
Fixed-term contracts	215	195	144
Permanent contracts	261	198	331
Departures [(a)]	**601**	**669**	**568**
Economic redundancies	315	247	30
Terminations for other reasons	7	189	284
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**3.48**	**3.44**	**5.52**
ASIA-PACIFIC			
Recruitment [(a)]	**9,920**	**10,925**	**9,738**
Fixed-term contracts	9,738	10,204	9,102
Permanent contracts	182	721	636
Departures [(a)]	**9,718**	**9,886**	**9,686**
Economic redundancies	6	18	12
Terminations for other reasons	11	8	2
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**14.15***	**14.80***	**13.20***

(number of individuals)	2015	2014	2013
CENTRAL EUROPE, RUSSIA AND OTHER COUNTRIES			
Recruitment [(a)]	**214**	**199**	**287**
Fixed-term contracts	121	93	104
Permanent contracts	93	106	183
Departures [(a)]	**173**	**153**	**177**
Economic redundancies	13	18	36
Terminations for other reasons	25	14	7
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**8.66**	**12.87**	**15.95**
WORLD			
Recruitment [(a)]	**11,380**	**12,497**	**11,405**
Fixed-term contracts	11,497	11,017	9,836
Permanent contracts	883	1,480	1,569
Departures [(a)]	**11,390**	**11,692**	**11,348**
Economic redundancies	373	324	97
Terminations for other reasons	147	335	369
AVERAGE RATE OF STAFF TURNOVER [(b)] *(%)*	**3.80 ***	**4.59 ***	**4.76 ***

(a) Excluding internal transfers and the return of expatriates.
(b) Number of resignations of permanent contract employees/Average number of permanent employees.
** Excluding Supor and Asia Fan, for which data were unavailable.*

Data from GS South Africa were integrated to 2014 reporting. Data from Asia Fan and Groupe SEB Egypt were integrated in 2013. As in previous years, the consolidation of Supor in the Asia-Pacific 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-Pacific region thus corresponds to the expiration of these fixed-term contracts.

In 2015, there were 315 economic redundancies in South America. This was due to the transfer of operations from the Copacabana (Colombia) site to the Rionegro site. The Copacabana site did not comply with current safety standards and its location made logistics difficult. Most Copacabana employees were given the option to transfer across and join the workforce at Rionegro, thereby limiting the social impact of this project.

In 2015, the Group turnover rate (excluding Supor and Asia Fan) was 3.80% (4.59% in 2014).

Breakdown of employees by type of contract

(Worldwide)

	2015	2014	2013
FRANCE			
Permanent contracts, fixed-term contracts or other short-term contracts	5,516	5,588	5,639
Full-time	90.0%	89.7%	89.2%
Part-time	10.0%	10.3%	10.8%
Work-study trainees [(a)]	238	256	229
OTHER WESTERN EUROPEAN COUNTRIES			
Permanent contracts, fixed-term contracts or other short-term contracts	1,277	1,303	1,299
Full-time	73.5%	73.7%	76.0%
Part-time	26.5%	26.3%	24.0%
Work-study trainees [(a)]	13	8	9
NORTH AMERICA			
Permanent contracts, fixed-term contracts or other short-term contracts	660	678	681
Full-time	97.1%	96.0%	97.9%
Part-time	2.9%	4.0%	2.1%
Work-study trainees [(a)]	0	0	0
SOUTH AMERICA			
Permanent contracts, fixed-term contracts or other short-term contracts	2,159	2,302	2,566
Full-time	99.9%	99.8%	99.6%
Part-time	0.1%	0.2%	0.4%
Work-study trainees [(a)]	47	40	54
ASIA-PACIFIC			
Permanent contracts, fixed-term contracts or other short-term contracts	14,599	14,373	13,340
Full-time	99.7%	99.9%	99.9%
Part-time	0.3%	0.1%	0.1%
Work-study trainees [(a)]	0	0	0
CENTRAL EUROPE, RUSSIA AND OTHER COUNTRIES			
Permanent contracts, fixed-term contracts or other short-term contracts	1,047	905	865
Full-time	93.7%	92.8%	93.3%
Part-time	6.3%	7.2%	6.7%
Work-study trainees [(a)]	0	0	0
WORLD			
Permanent contracts, fixed-term contracts or other short-term contracts	25,258	25,149	24,390
Full-time	96.0%	95.9%	95.8%
Part-time	4.0%	4.1%	4.2%
Work-study trainees [(a)]	298	304	292

(a) Working under apprenticeship/professional training contracts.

Data from GS South Africa were integrated to 2014 reproting. Data from Asia Fan and Groupe SEB Egypt were integrated in 2013.

Worldwide, 48.7% of employees are on permanent contracts, 50.1% on fixed-term contracts and 1.2% are work-study trainees. Excluding Supor, where temporary contracts are normal and often for long periods, particularly for manual workers, 87.9% of employees are on permanent contracts.

Attractiveness of the Group

To widen its pool of young talent, the Group is internationalising its relationships with higher education establishments. Most notably, in 2004, it entered into a partnership with the CEMS Global Alliance, which includes some 30 top ranked management schools (30 countries, 1,000 students, 65 nationalities). In 2015, it developed a negotiating and influencing skills course for students belonging to this network, which was delivered at the annual CEMS forum in Vienna in November. Contacts made at this forum resulted in the recruitment of 3 trainees in 2016. Three years ago, the Group also set up the **International Masterclass** programme which offers students graduating from top schools and universities a twelve-month internship with the Group (6 months in France and 6 months at a subsidiary). Three quarters of the twenty-one young people already taking part in the programme won a permanent position. Another 2015/2016 innovation: the Group participated in the creation of the Telecom Ecole de Management "Social networks and connected objects" chair (Institut Mines-Télécom, Paris). In addition to strengthening its "employer brand" the aim of this partnership is to give the Group access to the work of researchers in this field which is key to its growth strategy.

On average, the Group takes in about 300 interns and students on work-study contracts every year. In 2015, for the second year running, it was awarded the Happy Trainees (France) label which recognises excellence in its commitment to these students. The Happy Trainees survey, conducted with over 250 students, revealed that 9 out of 10 would recommend Groupe SEB as a place to carry out an internship or work-study training.

The Group's attractiveness has been enhanced by a fully redesigned **Careers website** with new content, including video. It has now been tailored to 17 different geographical areas and is based on a scalable e-recruitment tool adapted to the Group's global structure. The tool handles both outside candidates (more than 40,500 applications received in 2015, twice as many as in 2014) and requests for internal transfer posted on the intranet. In 2015, the tool was enhanced by the creation of a "Careers" section on Groupe SEB TV (YouTube) which includes 17 online videos. The Group is also raising its profile on targeted professional **social networks**: in 2015, it more than tripled its number of followers on LinkedIn (40,000), after having entered the TOP 80 most followed consumer goods companies on this network on an international level, the previous year. This "employer brand" package was recognised in 2015 by a gold TOP/COM, an award which honours the best communications in France on a yearly basis.

Every year, **Group subsidiaries are recognised for their HR policy**. This recognition also makes them more attractive. In 2015, for example, Supor (China) was awarded the "Top Human Resources Management Award" by the leading Chinese recruitment company, 51job. This award, recognised the Human Resources department's efforts to "promote the integration of a Chinese company into an international group and for its support for the company's long-term strategy", highlighting the fact that "Supor is a model of transformation to be followed in the field of Human Resources". For its part, Asia Fan (Vietnam) was recognised as "Best Employer" by Ho Chi Minh City and its Workers' Federation for its excellence in terms of compliance with employment legislation and the well-being of its employees.

Diversity

Because diversity is a source of vitality, creativity and innovation, the Group promotes all aspects of diversity: gender equality; ethno-social diversity; age-group balance, inclusion of persons with disabilities, etc. Groupe SEB has a non-discrimination policy to ensure that all employees are treated equally as regards their recruitment, remuneration and career paths within the Group, in accordance with our Code of ethics.

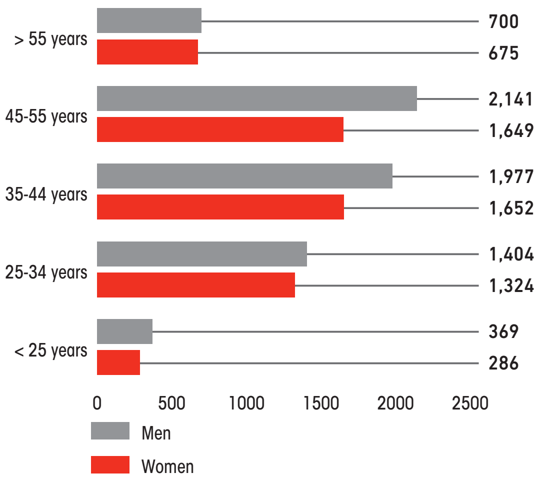
In France, Groupe SEB has been a signatory of the Diversity charter since 2005. Numerous actions have been implemented to support this policy at local sites and raise employee awareness. A **Diversity Monitoring Commission** and a **Diversity Council**, with participation from the LICRA [1] were thus created to promote diversity and combat all forms of discrimination. The Diversity Monitoring Commission monitors application of Diversity action plans. It met three times in 2015. The Diversity council provides mediation services and recourse to employees regarding any type of diversity or discrimination related issues that are not successfully resolved by local bodies within the Group. In addition, each site in France has a local Diversity Committee. All the local committees were trained in 2014 in indicators and measurement of diversity by the specialised body ISM Corum.

Groupe SEB has had an in-house guide to the subject of **religion** since 2013. Drafted by the Diversity Monitoring Commission with the support of the LICRA, it provides the HR community and Group managers with rules and recommendations to follow when dealing with questions from any employees regarding religious practice. For example, it covers the topics of structure of work, arrangements for special diets, prayer or even clothing. This guide was updated in 2015.

(1) International League against Racism and Antisemitism.

BREAKDOWN OF EMPLOYEES BY AGE

(Worldwide excluding Supor and Asia Fan, number of employees)



The inter-generational contract, signed in France in 2013 with social partners, aims to bring young people, particularly those without qualifications, into the workforce, to hire and keep older employees and to ensure knowledge is transmitted. Incorporating the agreement on the employment of senior workers signed in 2009, it reiterates the aim of keeping employees over 55 in work and the principle of non-discrimination when hiring. A target of recruiting over-50s on fixed-term contracts has been set at 5% of Group new hires over the period in all categories.

Under this agreement, between 445 and 465 new hirings are planned in France by 2016, 25% of which will be young people, rising to 33% when replacing retirements at industrial sites. By the end of 2015, the Group had already hired 507 new employees since the introduction of the inter-generational contract. Including: 190 young people under the age of 27 (or 37% of hires), 55 of whom had no qualifications. These young people received a training course and assistance, primarily through mentorships.

GENDER EQUALITY

Workplace gender equality is an integral part of the non-discrimination and diversity promotion policy carried out by Groupe SEB. In France, it was the subject of a collective agreement which was renewed, at the end of 2015, by the unanimous agreement of all social partners. Within the context of this agreement, each of the Group's French subsidiaries compiles an action plan with a set of indicators for monitoring remuneration, promotion/classification and training. It is part of a comparative Annual Report. Among the actions taken to help people balance their work and personal lives, certain options were accorded in terms of flexible work scheduling, and several sites instituted child-care or concierge services arrangements (Rumilly, Écully). To take this a step further and get employees even more involved in the initiative, the Group decided to organise a **general equality at work forum** in March 2016 in France. A panel of 25 employees from all different backgrounds met in November 2015 to prepare this forum, taking a participatory approach.

In addition, to make it easier for women to enter technical occupations, traditionally held by men, specific training (awarding academic credits) has been offered to women in some French plants since 2011. This has, for example, allowed production line workers to rise to line supervisor or manager. In 2016, this initiative will be extended to all French production sites which will then be obliged to introduce these types of training course, the key objective being to propose job changes (this point appears in the 2015 collective agreement on gender equality). The Group is also a partner in the digital platform, Egalitées.fr, which promotes gender equality. Under the heading "The gender of my job", it includes the profiles of several women within the Group with jobs that have been traditionally considered to be masculine roles.

The balance between men and women is also improving in **management** at the global level: in 2015, 36.1% of managers were women (compared with 32% in 2009) and accounted for 48% of hires in this category (40% in 2009),

BREAKDOWN BY GENDER AND CATEGORY

(Worldwide)

(in %)	**2015**	2014	2013
MEN			
Manual workers	35.0	34.8	37.8
Employees	17.1	16.6	13.2
Managers	7.4	7.3	7.4
TOTAL	**59.5**	**58.7**	**58.4**
WOMEN			
Manual workers	21.1	21.8	23.4
Employees	15.2	15.4	14.1
Managers	4.2	4.1	4.1
TOTAL	**40.5**	**41.3**	**41.6**

At year-end 2015, 56.1% of Group employees were manual workers, 32.3% were employees and 11.5% were managers. Excluding Supor, manual workers, both male and female, represent only 38.7% of the workforce, while managers represent 20.8%, 37.3% of whom are female.

PERSONS WITH DISABILITIES

Disability represents a two-fold challenge for Groupe SEB: it works to prevent it through its health and safety policy and to provide employment opportunities to people with disabilities. A three-year collective agreement on people with disabilities was signed by Groupe SEB in France in 2013. It aims to deliver better conditions for disabled workers joining the workforce and ensure their long-term integration into the companies, whether industrial or tertiary. To achieve this, the agreement sets out plans for a proactive communication campaign to change employee attitudes toward disability: awareness sessions on visible and invisible disability, a disability booklet, guide to support on offer, etc. Groupe SEB has also informed its partner schools about the agreement and works with specialist organisations starting with recruitment. The agreement also sets out some concrete actions; for example, persons with disabilities reaching the end of their career can apply for a 20% cut in working time, with a doctor's note, at the same rate of pay.

(Worldwide)

	2015		2014		2013	
	World	France	World	France	World	France
Number of disabled employees	461	323	484	325	485	310
% of disabled employees [a]	1.80	5.61	1.90	5.56	1.96	5.28

(a) Ratio between the number of employees with disabilities and the total number of employees as at 31 December, excluding temporary employees and ESAT (centres providing care through employment) sheltered employees.

With the exception of Supor, where the number of physically disabled employees is relatively low, the number of disabled employees stands at 3.33% worldwide in 2015 (3.44% in 2014).

When temporary workers and ESAT sheltered employees are included, the rate of disabled employees in France in 2015 surpasses the 6% legal quota.

Social dialogue

Groupe SEB is committed to respecting freedom of association everywhere in the world and encourages social dialogue at its subsidiaries, on both an individual and collective basis. It also works to create employee representation bodies in all countries in which it operates. This commitment was reaffirmed in the Group's code of ethics.

In France, to encourage the exercise of trade union rights, in 2007 Groupe SEB signed a specific agreement with labour unions. It sets forth additional measures to accompany the careers of employees who are union representatives. In addition, team managers also receive training in staff-management dialogue.

Groupe SEB has a European Group Committee with employee representatives from 15 European Union countries.

COLLECTIVE AGREEMENTS

(Worldwide)

	France	Other Western European countries	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Total
2015	25	26	1	17	38	3	110
2014	28	23	1	18	40	4	114
2013	39	21	1	27	40	7	135

A total of 110 collective agreements were signed in 2015. 32% of these agreements related to remuneration (35), over 25% to health and safety (27) and 17% to social dialogue (19). In France, the Group renewed its collective agreement on gender equality at the end of 2015.

At end-2015, almost 90% of Groupe SEB's staff were covered by a collective agreement. In countries where the Group has industrial facilities, this percentage stands at 97%.

Workplace quality of life

The Group also pays close attention to its employees' quality of life at work. In an attempt to make improvements, since 2012, it has had a survey (59 questions) conducted by the **Great Place To Work** institute to assess employees' perceptions in this area. First introduced in France, in 2015, this employee survey was rolled out in 8 European countries (the Netherlands, Spain, Portugal, Italy, the United Kingdom, the Czech Republic, Hungary, Slovakia) and in Turkey with a very high participation rate (86%). 72% of employees who responded, thought that Groupe SEB was a great place to work. The survey is conducted every two years. In France, the latest version dates back to 2014 and showed that 76% of employees are proud to work for the Group. An action plan is adopted in light of the detailed results of each survey. In France, for example, numerous actions were undertaken in 2015 to improve managerial communication and career path information. Several sites have launched initiatives to present jobs in different areas to encourage mobility and raise awareness between teams: the "Experience my job" operation, the "1 hour, 1 job" conferences and the "Tell me about your job" series of videos on the Intracom etc.

As part of preventing **psychosocial risks**, in 2012 Groupe SEB set up a counselling office in France, outsourced to the specialist firm Turka. The purpose 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 counsellor assists the employee and/or puts them in contact with the person in the best position to help. In its first three years of operation (October 2012/September 2015), 71 employees sought help from the counselling office, a figure that is below national standards according to Turka. Reasons for asking for help mainly related to times of stress associated with extraordinary, one-off events.

Health and Safety

For several years, Groupe SEB has taken steps to reduce the number of workplace accidents and limit the number of work-related health conditions, primarily musculoskeletal disorders (MSDs). In order to put health and safety at the forefront of all its employees' minds, in 2012 a **Strategic Health and Safety Committee** was set up, involving three members of the Executive Committee, as well as an international **Operational Committee**. The Strategic Committee sets health and safety policy and direction for the Group and defines priorities. The Operational Committee identifies the necessary actions and standards to implement the Strategic Committee's decisions. These Committees meet alternately each quarter.

The health and safety policy is steered by the Quality department, with two persons dedicated to it full-time. It is based on a global network of 28 Environmental Health and Safety Coordinators (EHS), who became fully operational in 2014. They cover all industrial and logistics sites. Tertiary sites for their part have EHS reference contacts. Since 2007, the Group has been committed to the certification of its health and safety management system (OHSAS 18001), with 89.5% of industrial and logistical entities certified at the end of 2015.

SAFETY

Groupe SEB gave new impetus to its safety efforts in 2012 when it launched the global "Safety in SEB" programme. This approach is backed by the highest levels of management, as shown by the letter sent by Thierry de La Tour d'Artaise to all employees on this issue in 2013. The CEO has also made a video presenting the Group's safety policy, which has been translated into eight languages and disseminated widely among the teams, with the support of local management.

In 2015, the Group continued to deploy its **safety standards** worldwide. These procedures formalise 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 organisation and management, whilst others target the prevention of specific risks (falls from a height, machine protection etc.). An internal audit was conducted to ensure their application. At the end of 2015, 14 standards were operational and 8 others were due to become operational by the end of 2016.

Being aware that over 80% of accidents could be avoided by a change of behaviour, the Group included a set of tools in these standards such as **Behavioural Safety Inspections** (BSI). The aim of this tool is to eliminate dangerous practices and conditions on the basis of dialogue between "inspected" employees and their line managers. On average, every production or logistics site employee is inspected twice a year. Training in how to conduct Behavioural Safety Inspections continued in 2015 (USA, Germany, Brazil, Shanghai) and a Behavioural Safety Inspection monitoring indicator was introduced in France in 2015. It will be extended to cover international sites in 2016. Another good practice which has become a Group standard is: The Safety Pyramid This aims to detect future events likely to result in accidents so that these can be prevented. And so, faced with a potentially hazardous situation or a near miss, the individual has to take immediate action to prevent the risk and to report it so that corrective measures can be taken.

Since 2013, every accident that has a direct relation to work is reported to all site mangers and to EHS coordinators in Groupe SEB to strengthen preventive measures (Flash Safety Vigilance tool). Each plant and logistics site also defined five "unbreakable rules" to address major risks, no deviation from which will be tolerated.

HEALTH

The Groupe SEB Health Plan focuses on fighting musculoskeletal disorders (MSDs) to the upper body and back pain. The aim is to prevent them from appearing and slow their deterioration. This is a major issue for the plants, particularly in Europe, exacerbated by the ageing 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 forward and carrying out specific measures in the sites.

Every French industrial and logistics site has a Steering Committee for Musculoskeletal Disorders and one or more **MSD Specialists** who will ensure risks will be taken into account upstream, at the product design stage, and downstream, by amending workstations where appropriate. Ergonomic improvements to workstations, training and staff rotation, warm-up and cool-down exercises, as well as quick response whenever an employee indicates discomfort while working have helped reduce, since 2010, the number of MSDs reported. The approach is gradually being rolled out internationally, in ways suited to local contexts.

In 2014, the Group reviewed the product development process so as to take account of health issues at each phase and prevent MSDs for the line workers responsible for their manufacture. In early 2015, the Groupe SEB University and the Industry department launched a training programme, primarily aimed at Methods teams, several modules of which are devoted to the prevention of MSDs (School of Methods).

	2015	2014	2013
FRANCE			
Number of workplace accidents with days lost	53	63	73 *
Number of days lost	2,202	3,040	3,860 *
LTIR (a)	6.3	7.4	8.5 *
Severity rate (b)	0.26	0.36	0.45 *
Number of workplace fatalities	0	0	0
OTHER EUROPEAN COUNTRIES			
Number of workplace accidents with days lost	8	13	13
Number of days lost	239	136	210
LTIR (a)	2.9	4.8	4.9
Severity rate (b)	0.09	0.05	0.08
Number of workplace fatalities	0	0	0
EURASIA (c)			
Number of workplace accidents with days lost	1	1	0
Number of days lost	9	17	0
LTIR (a)	0.9	1.0	0
Severity rate (b)	0.01	0.02	0
Number of workplace fatalities	0	0	0
NORTH AMERICA			
Number of workplace accidents with days lost	6	4	3
Number of days lost	105	360	91
LTIR	4.6	3.5	2.4
Severity rate (b)	0.08	0.31	0.07
Number of workplace fatalities	0	0	0
SOUTH AMERICA			
Number of workplace accidents with days lost	19	26	26
Number of days lost	589	1,000	813
LTIR (a)	4.0	5.5	4.8
Severity rate (b)	0.13	0.21	0.15
Number of workplace fatalities	0	0	0
ASIA-PACIFIC			
Number of workplace accidents with days lost	39	65	92
Number of days lost	2,832	3,230	3,596
LTIR (a)	1.0	1.5	2.3
Severity rate (b)	0.07	0.08	0.09
Number of workplace fatalities	3	0	0
WORLD			
Number of workplace accidents with days lost	126	172	207
Number of days lost	5,976	7,783	8,570
LTIR (a)	2.2	2.8	3.5
Severity rate (b)	0.10	0.13	0.14
Number of workplace fatalities	3	0	0

(a) Lost Time Injury Rate.
(b) Number of days lost per thousand hours worked.
(c) Kazakhstan, Iran, Turkey, Ukraine, Dubai and Russia.
** Restated consequent to a change in accounting rule (LTIR).*

All data in the table exclude temporary employees.

The frequency rate of occupational accidents (TF1), used by the Group until 2013, corresponds to the number of workplace accidents with days lost per million hours worked. It counts all types of accident including those that are not directly related to working conditions. In 2014, Groupe SEB adopted a new system of accounting for accidents that includes the idea of a link with work. This is the one used by the Occupational Safety and Health Administration (OSHA) and applied in many large groups. Accidents which have no direct causal link with work are no longer counted in the Group's Lost Time Injury Rate (LTIR). The new internal recording system has no effect on local legal declarations, which remain unchanged. The LTIR target for 2016 is 5.7 for France and 2.0 worldwide.

In France the LTIR, excluding temporary employees, stood at 6.3 in 2015 versus 7.4 in 2014. This rate has been cut by more than half in five years. France counted 102 workplace accidents with or without days lost in 2015.

Worldwide, the LTIR, excluding temporary employees, stood at 2.2 in 2015 versus 2.8 in 2014. Overall, Groupe SEB counted 207 workplace accidents with or without days lost in 2015. The Group-wide severity rate was 0.10.

Despite its efforts to improve safety in the workplace, the Groupe greatly regrets three fatal accidents which took place in 2015, all of which were at its Supor subsidiary in China. Faced with these dramatic and extraordinary events (no fatal accidents occurred in 2013 and 2014), relating most notably to failure to comply with current safety rules, the Group's reaction was strong and immediate. The Strategic Health and Safety Committee met several times with the CEO of Supor in attendance, so as to measure the severity of the situation and study the plan of action to be implemented. The Group Safety director visited the Chinese sites. He pointed out the fact that, at all Group sites, compliance with safety rules is the responsibility of management at every level and that breaches are liable for sanctions. The three sites where these accidents took place implemented employee information and safety training initiatives. Additional protection/risk prevention measures were adopted and some Group safety procedures were tightened. Supor also has a main Environmental Health and Safety Coordinator (EHS) who leads a network of EHS coordinators across the subsidiary's various sites, both in China and in Vietnam.

Four Group entities alone account for 80% of the total number of work-related accidents: France, Supor China, Groupe SEB Brazil and Groupe SEB Colombia in diminishing order of significance. France and Supor had 67% of accidents between the two of them. Thanks to the multiplication of accident prevention measures worldwide, Supor China reported 17 fewer accidents than in 2014, and France had 10 fewer accidents. In spite of a slight increase in the number of accidents in North America (+2), and in South America (+1), the Group's performance on other continents is improving.

A global survey of work-related illness has been conducted since 2013. 52 new work-related illness files were recognised throughout the Group in 2015. Work-related illnesses were down slightly compared with 2014 when 56 cases were reported.

Number of new work-related cases recognised in the year	2015
France	48
Other European countries	0
Eurasia	0
North America	3
South America	0
Asia-Pacific	1
TOTAL	**52**

OHSAS 18001 CERTIFICATION

(Worldwide)

	2015	2014
Number of certifiable entities	38	38
Entities holding OHSAS 18001 certification [(a)]	89.5%	89.5%

(a) Based on industrial and logistics entities at the end of the year concerned.

Since 2007, the Group has involved all its sites in the certification of its health and safety management system (OHSAS 18001). At year-end 2015, 89.5% of the Group's industrial and logistics entities now hold this workplace health and safety certification.

Action plans aiming to bring this figure to 100% by the end of 2017 have been approved.

Global social floor

PAYROLL AND CHARGES

Groupe SEB is committed to the implementation of a fair and transparent remuneration policy, 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, each situation can be assessed in relation to others in terms of remuneration and responsibility. The remuneration of all managers who have a certain level of responsibility comprises a variable part related to the results of the Group and those of the entity in which they work.

	2015		2014		2013	
(in € millions)	World	France	World	France	World	France
Remunerations [(a)]	576.5	238.2	528.6	231.0	511.5	227.9
Payroll taxes [(b)]	122.4	69.0	119.1	68.0	121.8	68.3
Pension and other post-employment benefit plan costs	54.0	39.9	48.8	38.9	46.6	37.4

(a) Excludes bonuses and profit-sharing – includes provisions for paid holidays, excludes employee benefits.
(b) Includes provisions for payroll taxes on paid holidays.

DISCRETIONARY AND NON-DISCRETIONARY PROFIT SHARING AND EMPLOYEE BENEFITS

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, 45% of the total amount of discretionary profit-sharing 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. In 40 years, it has implemented 13 employee shareholding initiatives, gradually extending beyond France from 1992 onwards. The last initiative, in 2012, covered 30 countries and the scheme was taken up by over 30% of the employees concerned. At the end of 2015, there were 964 direct employee shareholders (shares managed by the Group's shareholder service direct), added to which, 1,503 former employees.

As regards job security, the Group is continuing its efforts to offer its employees, throughout the world, a high level of job security compared to the local context, beyond regulatory obligations. A global survey of practices that was carried out in 2014 showed that 80% of them already had death and disability coverage. The Group is keen to review employment contracts on a regular basis in order to supplement and/or improve existing guarantees. In 2015, guarantees were, therefore, extended in several countries, particularly in Portugal, Poland and Hong Kong.

(France)

(in € thousands)	2015	2014	2013
Provision for discretionary profit-sharing	13,926	15,960 *	19,995 *
Provision for non-discretionary profit-sharing	17,722	19,048 *	21,807 *
TOTAL	**31,648**	**35,008**	**41,802**

Amounts paid over the year in question for the previous year.
* *Data updated to correct a calculation error*

In 2016, the amount paid in profit sharing will amount to €31.6 million.

Please note that figures include the employer's social tax contribution. In addition, the profit-sharing bonus was abolished in 2015.

Training

Training is essential to skills development. It covers all Group employees and most training programmes are organised in a decentralised manner. Each year, the Human Resources department defines the Group's training priorities. Using this frame of reference, each subsidiary develops its own training plan based on the employees' needs and aspirations. In the case of managers, these goals are expressed during the annual evaluations, carried out worldwide. In France, all non-managerial employees receive an annual evaluation which includes a training and skills development component. A global reporting system makes it possible to track the training provided throughout the world.

TRAINING (STAFF AND TRAINING HOURS)

(Worldwide, excluding Groupe SEB Korea)

	2015		2014		2013
	World	World excluding Supor	World	World excluding Supor	World excluding Supor
Number of training hours	543,905	218,253	624,793	215,918	227,504
Number trained	24,324	7,532	27,811	9,218	9,030
Of which women	8,962	3,241	10,060	3,981	3,782
Of which men	15,362	4,291	17,751	5,237	5,248

Groupe SEB Korea (75 employees) staff and training hours were not included in the 2015 consolidated data due to unavailability of data. Supor data were included in consolidated data in 2014. Excluding Supor, almost 58% of Group employees benefited from at least one training session in 2015, compared with 70% in 2014. This percentage drop mainly concerned South America and Asia and was due to the following:

- in 2015, the Group's ongoing investment in developing leadership within the managerial community;
- the completion of large-scale projects aiming to respond to industrial and health and safety challenges.

Of the total hours of training conducted in 2015 (not including Supor and Groupe SEB University), 31% targeted manual workers, 34% targeted employees and 35% targeted managers. Supor organised 325,648 training hours.

In France, Groupe SEB employs almost 5,750 people across nearly 15 sites. Its industrial operations are moving towards greater automation and computerisation of production systems and new management system requirements. In this regard, the Group is committed to guaranteeing the employability of its employees, to facilitate their professional development. That is the objective of the training organised as part of the GPEC (occupation and skills forecasting), aimed primarily at the lowest skilled jobs (the Group renewed this three-year agreement late in 2014).

This training offering is based on four "bricks" of skills, adapted to employees' various training needs: DÉCLIC (review of fundamental concepts in core subjects); General Training Certificate (national education diploma combined with an Internet and computer skills certificate); RIAE (in-house recognition of professional experience) and VAE (validation of professional experience). In 2015, 101 employees received this type of training. All of the Group's French sites have had career centres since 2011 and aim to allocate 20% of their total training budget to training designed to improve the employability of employees with limited qualifications.

In France, Groupe SEB also makes use of **inter-generational mentoring** to facilitate the integration of new employees, to transfer core skills and know-how and to support work-study trainees during their apprenticeships. Already appearing in the 2013 inter-generational contract, its method of implementation was specified in a new GPEC (occupation and skills forecasting) agreement (November 2014). To support this initiatives, a booklet on mentoring was produced in 2015. It was handed out to every mentor/mentee pairing. 429 pairings were in operation in 2015 (317 mentors of work-study trainees, 15 mentors in various fields of expertise and 97 mentors facilitating employee integration).

TRAINING BUDGETS [(a)]

(Worldwide)

(as a % of payroll)	2015	2014	2013
France	3.86	3.94	3.91
Other Western European countries	1.62	1.63	1.18
North America	1.42	1.47	1.71
South America	0.83	0.60	0.63
Asia-Pacific	1.32	1.38	1.45
Central Europe, Russia and rest of world	4.34	2.82	2.44
TOTAL	**2.53**	**2.56**	**2.54**

(a) Teaching costs + expenses, wages for trainees.

The training expenses of Supor this year were 1.21% of the payroll (1.19% in 2014). The Group's training expenses were 2.53% of its payroll in 2015 (2.56% in 2014). Excluding Supor, this percentage stands at 1.68% for the Asia-Pacific region and 2.93% Group-wide (1.92% and 2.90% in 2014, respectively).

3

GROUPE SEB UNIVERSITY

(Worldwide)

	2015	2014	2013
Number of trainees	998	1,912	1,357
Number of training sessions	121	175	141
Number of training hours	22,708	33,166	28,356

The drop in the number of interns trained and the number of training hours between 2014 and 2015 was due to the conclusion of a certain number of training programmes that had achieved their objectives.

Founded in 1991, the Groupe SEB University offers both French and international employees the chance to participate in high-level training on management in a multicultural environment, the Group's strategic objectives and specialised skills (marketing, digital, purchasing, finance, logistics, etc.).

In 2015, Groupe SEB University expanded its **Digital Academy** programmes, particularly by preparing a large-scale e-learning operation to develop managers' digital skills. This programme was rolled out in early 2016 for 2,450 managers worldwide. Other, more specific, programmes have been developed, for example, on relations with e-commerce retailers. The Groupe SEB University also focused on the topic of management and leadership with a new formula for the **Advanced Management** programme, aimed at the 250 top Group managers. The first part of the training is now taking place in China, with the support of teams from Supor. This is an opportunity for participants from all backgrounds to familiarise themselves with the Chinese market, which is key to the company's future, as well as to find out all about Supor and its place in the Group. Other Groupe SEB University innovations in 2015: the Developing Your Leadership Impact programme, intended for a wider population of managers, as well as Creativity training for Innovation teams in France. New modules were also introduced within the Purchasing Academy.

Absenteeism rate

(France)

	2015	2014	2013
Absenteeism rate [(a)]	4.0	3.8	4.0

(a) Ratio between the number of days absent and the hypothetical number of days present.

Overtime

(Worldwide)

	2015		2014		2013	
	Worldwide excluding Supor	Supor	Worldwide excluding Supor	Supor	Worldwide excluding Supor	Supor
Number of overtime hours	794,307	9,426,620	815,698	10,233,335	559,236	9,771,609
Full-time equivalent (individuals)	345	4,509	381	4,903	257	4,682

For the Chinese subsidiary, Supor, these figures reflect the local context, where work is highly seasonal, and there are pressures on the recruitment of labour in Eastern China.

France accounts for 55,014 hours of overtime (or 30 full-time equivalents).

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. The Groupe SEB is actively working to achieve these objectives, particularly in its Chinese plants.

External labour [a]

(Worldwide)

	2015	2014	2013
France	517	501	550
Other Western European countries	32	28	23
North America	188	184	178
South America	1,287	1,481	1,151
Asia-Pacific	354	545	679
Central Europe, Russia and other countries	4	27	31
TOTAL	**2,382**	**2,766**	**2,142**

(a) Temporary full-time equivalent employees.

Internal communications and digital universe

Intracom, the Groupe SEB Intranet, is the cornerstone of the internal communications system and has a key role to play in the movement towards the Digital Workplace of the future. Having been completely revised in 2014 to offer a platform that better reflected the Groups priorities and structure, in 2015, it was equipped with a new company directory, **MyProfile**, which enables individuals to provide details of their work experience and skills and to search for expertise within the Group. Intracom's video content was also improved with the creation of 4 series based on employee stories. Three of these series focus on jobs (Tell me about your job), the Group strategy and marketing best practices, whilst the fourth (3 questions for….) gives the floor to different speakers talking about key issues.

This overhaul of Intracom was accompanied by the launch of new jobs-based **collaborative websites** (Human Resources, Digital Community etc.) and **Local Intranets** (the Netherlands, the United Kingdom, Ireland, Campus SEB etc.).

In addition to local management communications, Group management organises an International Management Forum several times a year which is held in France and is attended by one hundred or so managers. It is relayed to over 400 managers worldwide, to improve the sharing of information and its broader dissemination among teams. The internal press also has an important role to play with Tempo, the Group's digital magazine (published in French, English and Chinese), a number of site newspapers and a wide range of topical newsletters.

3.7. A CORPORATE CITIZEN

The Group's commitment to social issues is reflected both in its contribution to the economic and social growth of the regions where it operates and in corporate philanthropy initiatives, particularly via the Fonds Groupe SEB which works to further inclusiveness.

A responsible participant in the economy

Groupe SEB fulfils 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 non-profit and social sectors. Whenever possible, it favours the use of companies that support disadvantaged people in finding employment. This responsible purchasing policy has been extended to include social clauses in calls to tender (see p. 89). At a local level, lots of the Group's sites are already working towards this goal. For example, for many years now, the Is-sur-Tille plant (France) has used Juratri, a specialist recycling company with 115 employees, 40 of whom are part of an inclusion programme. In 2015, subcontracted work to the protected sector (companies providing work to people with disabilities and sheltered employment centres) totalled almost €2.6 million across all of the Group's French sites.

The Group is also an active member of the community. It maintains a number of links with local operators, in particular, with educational establishments, providing classroom talks and inviting students to take part in site visits or work experience programmes. In the US, for several years now the industrial site of Canonsburg (All-Clad) has been working with three secondary schools on manufacturing and engineering-related topics. Students analyse the site's complex issues, look for alternative solutions and make recommendations. This initiative, which benefits tens of high school students every year, won recognition for the Canonsburg site in 2015 at the Champions of Learning Awards, held in Pennsylvania by the Consortium for Public Education.

Groupe SEB also takes part in discussions on social issues such as, for example, nutrition, health or ageing. These topics are also handled by its research and development teams (see p. 110).

Corporate philanthropy

In all countries, the Group encourages employees to become involved as citizens and participate in the work of charitable organisations, whether personally or as part of initiatives undertaken by the Group, through Fonds Groupe SEB or its subsidiaries. It structures its philanthropic policy around inclusiveness.

FONDS GROUPE SEB

Created in 2007, the Groupe SEB Foundation was replaced in 2015 by the Fonds Groupe SEB (endowment fund), which benefits from a more flexible legal framework when it comes to budget allocation and is more suited to an international environment. The objectives of the Fonds Groupe SEB are in line with those of the Foundation. It drives and coordinates the Group's corporate philanthropy policy and lends its support (financial support, product donations, and volunteering) to inclusion projects. The Fonds primarily targets inclusion projects focusing on work, education/training, fitting out accommodation and providing access to a healthy diet. It may also act as an advocate for people with health issues. In 2015, the Fonds Groupe SEB supported 33 very different initiatives, within the context of a support budget that amounted to €322,000 in cash and €852,000 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;
- Vincent Léonard: Senior Executive Vice-president, Finance, Treasurer of the Fonds;
- Harry Touret: Senior Executive Vice-president, Human Resources;
- Joël Tronchon: Vice-president of Sustainable Development, Managing Director of the Fonds;
- Marianne Eshet: Managing Director of the Fondation Solidarité SNCF;
- Guillaume Bapst: Director of the Association Nationale de Développement des Épiceries Solidaires (ANDES).

The Operational Committee reviews and selects projects submitted to the Fonds and monitors their implementation, thereby contributing to the direction and improvement of future philanthropic programmes.

It has 12 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

IN FRANCE

Since 2007, the Foundation, and then the Fonds, has supported 359 projects in France aimed at “better living for all”, conducted by charitable organisations with which close links have been established, such as Emmaüs Défi, the Association Nationale de Développement des Épiceries Solidaires (ANDES), Énergie Jeunes, the Institut Télémaque, etc. The same is true for the **Agence du Don en Nature** (ADN) of which the Fonds has been a founder member since 2008 and whose development it supports. The ADN collects new, unsold (non-food) products from manufacturers for redistribution to aid organisations. Since its inception, support for the Fonds has translated into the donation of 210,000 products (with a significant rise in 2015), financial assistance totalling €255,000 and the provision of skills. In 2015, this commitment was recognised by the French National Corporate Citizen Award (special jury prize).

The partnership with **ANDES**, initiated in 2011, also continued in 2015. The Fonds Groupe SEB contributes money and products to the “Compagnie des Gourmands,” a series of cooking workshops bringing together parents and children being helped by community food banks. These workshops make it possible to strengthen or re-establish family ties. As a result of this initiative, Groupe SEB and ANDES were shortlisted for the 2015 CSR Grand Prix of the Responsible Consumer Industries organised by the ESSEC Business School, under the “Civil responsibility” category.

Since 2012, the Fonds has also supported La Banque Solidaire de l’Equipement (BSE), founded in Paris by **Emmaüs Défi** to help people leaving temporary accommodation (emergency accommodation or homeless hostels) to equip their new homes. Over 1,000 families have already benefited from this scheme. In 2015, when the organisation decided to open a branch of the BSE in Lyon, the Fonds stepped up by making a financial donation as well as a donation in kind.

One of the new projects selected for support in 2015 included the **Foyer Notre-Dame des Sans-Abri** programme in Lyon, which helps hostel residents to find employment, and the **Forum Réfugiés COSI** charitable organisation, to which the Fonds donated products for resettled or relocated families.

The Fonds also runs programmes to encourage employees to get involved in community projects. For the third year running, it organised the **API Sol’** in-house call for projects. The objective of this initiative is to give a helpful push to projects sponsored by the Group’s employees. The Fonds supported 19 projects selected by local on-site juries.

ON AN INTERNATIONAL LEVEL

In Vietnam, the Fonds has been in partnership with the **Life Project 4 Youth** charitable organisation since 2014. It is supporting the development of an occupational training centre to help marginalised young people create a life plan. Set up in Ho Chi Minh City, close to the Asia Fan site, this centre, which was named “Lanterns & Lights”, makes lanterns from recovered materials. Since June 2014, it has already trained 17 young people and currently has around fifteen or so young people on its 9 to 18-month inclusion programme. Beyond developing their basic knowledge, the youngsters experience the creation, development and management of an economic micro-initiative. They are provided with support for their personal project, whether this involves creating their own business, joining a company or continuing their schooling. During the Charity Week organised by the Fonds in December 2015, a dozen or so young people from the centre visited the Asia Fan plant where they were able to talk with the teams and find out about how the site operates and the trades employed there.

In Colombia, in 2014, the Fonds Groupe SEB and 18 volunteers from the Colombian and Brazilian subsidiaries worked alongside the charitable organisation Habitat for Humanity. Together they spent a day improving the housing conditions of four families living in extreme poverty north west of Medellin.

Global coordination and local initiatives

Since 2012, the Fonds has redoubled its efforts to coordinate and harmonise the Group’s philanthropic commitments by means of a formal corporate philanthropy policy.

In 2015, the Fonds gave the **Charity Week** which had been organised on a European scale in 2014, a worldwide reach. The theme of the 2015 version of this vast solidarity initiative, conducted in December, was disadvantaged children. It mobilised employees from 35 sites in all four corners of the world to take part in a wide variety of initiatives: fundraising, collecting clothes or toys, festive snacks, product donations, DIY solidarity day to renovate the premises of charitable organisations, baking workshops etc. As part of the Charity Week, French employees were invited to participate in **Challenge Babyloan** by sponsoring a micro-entrepreneur with a financial loan. Thanks to this Group effort, topped up by the Fonds, about €20,000 was loaned to 36 beneficiaries.

All over the world, Group subsidiaries fund or start up projects directly.

In China, for example, since 2007, **Supor** has pressed ahead with its vast construction programme, **building schools** for disadvantaged children in rural areas. Fifteen schools have opened since the project launch (two in 2015) and five are under construction. In addition to funding schools and organising training sessions for teachers, this programme asks employees to volunteer through leadership, learning support and book donation initiatives. During the Charity Week in December, the Chairman of Supor inaugurated the 15th school in the province of Gansu. In addition, employees and some distributors collected the equivalent of €17,000 to buy clothes for 600 children living in the vicinity of another Supor school in the Sichuan mountains. The Supor schools programme won two awards in 2015. In January, it won the “best charity project” award at the 4th Chinese Charity festival and in December, an award for excellence at the China CSR Awards ceremony, sponsored by the China Philanthropy Times, under the aegis of the Ministry of Civil Affairs.

In **Korea**, in 2012, the Groupe SEB subsidiary entered into a partnership with the American NGO Child Fund, supporting disadvantaged children. Every year it includes a charity sale in September, with the proceeds going to the organisation, and a festive event for children living in hostels at Christmas time. The staff of the subsidiary are widely involved during these two busy periods. Another example can be seen in **Colombia**: on its 80th anniversary in 2014, the Imusa brand ran a large-scale operation under its “Dream Builders” programme. This brought together over 200 employees, customers, consumers and suppliers to build wooden houses for eight needy families.

Every year, all over the world, teams take part in local events to raise money for causes such as combating cancer or help for children in need (in the United Kingdom, France, Spain, Czech Republic, Hungary etc.). Faced with certain difficult situations, Group employees do not hesitate to take action. In Greece, a country experiencing severe economic and social difficulties and a serious migration crisis, the subsidiary's teams ramped up their solidarity initiatives to come to the aid of local communities experiencing hardship and refugees, (with product donations and food, clothing and toy collections, etc).

TOTAL CORPORATE PHILANTHROPIC EXPENSES

(Worldwide)

(in €)	**2015**	2014	2013
Financial donations	1,786,402	1,788,551	2,248,636
of which, Fonds Groupe SEB	*322,000*	*500,000*	*543,000*
Product donations	1,068,339	359,233	597,381
of which, Fonds Groupe SEB	*852,328*	*109,726*	*334,000*
TOTAL CORPORATE PHILANTHROPIC EXPENSES	**2,854,741**	**2,147,784**	**2,846,017**

Overall, the Group allocated more than €2.85 million to corporate philanthropic activities in 2015, up by more than €707,000 compared to 2014. This increase was mainly due to one-off product donations by Groupe SEB France to Fonds Groupe SEB. This includes donations to public interest organisations 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 below €10,000 for a single public-interest organisation are reportable.

3.8. A PRODUCT RANGE MEETING CONSUMER EXPECTATIONS

Consumer satisfaction is Groupe SEB's number one objective. Our priority is to better understand consumers' expectations so as to meet their needs, but also to help them towards more responsible consumer practices, from the point of view of both nutrition and health and respect for the environment. To achieve this, the Group's innovation teams are open to new methods and are taking up technological challenges in the field of materials, energy consumption and ergonomics etc. Such innovation has led to an exploration of circular economy pathways, aiming to save the planet's resources by extending product lifetimes, promoting recycling and prioritising product use rather than product ownership.

This strong innovation policy is based on frequent and extensive exchanges between the marketing, R&D, design, quality, consumer support and sustainable development teams, and on open collaboration with external partners. It is based on five key factors: the connected universe (communications devices, human/machine interface, intelligent systems, 100% digital solutions etc.), energy and portability (energy savings, innovative batteries etc.), the ageing population (product ergonomics, specific needs etc.), preservation of capital in the form of beauty, health, and well-being (nutrition, health monitoring, body care etc.), eco-responsibility and sustainable development (improvement of energy and acoustic performance, repairability, recyclability and new materials etc.).

Respect for consumers

PRODUCT LIABILITY

Groupe SEB is committed to offering customers high-quality products that are guaranteed to be safe and harmless. In each country, it 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.

Quality

Groupe SEB has developed a Quality Management System (QMS) which describes the steps to be taken, at every level, to ensure the quality of the products sold and related services. The QMS covers all Groupe SEB activities, processes and sites throughout the world. Every Group operation, every site, every function and every employee is responsible for the quality of the work performed and for compliance with the rules contained in 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 ongoing improvement of product and process Quality. The Quality Management System is discussed in greater detail in the section on internal control (see p. 69).

The Group controls quality at each stage in the design and manufacture of its products, including with subcontractors. In 2015, it added an extra validation stage prior to the commencement of new product manufacturing (Pilot Run Validation). This involves the production of an additional pre-series of a hundred or so products, with extremely demanding quality criteria, so as to further reduce the scrap rate. Within the context of continuous quality improvement, the Group incorporates customer comments gathered by Call Centres and, using a centralised IT platform, these are forwarded to the marketing staff, who factor them into product development. Returns under warranty, a sign of the continuous improvement in product quality, have continued to drop since 2009 and have been cut by half in six years. Over this same period, finished good quality indicators have also improved consideratly, such as the percentage of potentially faulty products which went down tenfold.

Finally, the Group conducts monitoring and takes proactive steps to raise quality standards in the interests of the consumer (see page 81)

Safety and harmlessness

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 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, where sample products are unpacked and tested to check that all production tests have been carried out.

With regard to product harmlessness, the Group is particularly vigilant when it comes to selecting component materials, going beyond regulatory requirements whilst demonstrating transparency. As part of its commitment to quality, the Group has introduced a "Health & Environment" notice which has been in use for several years now on Tefal/T-fal non-stick cookware. This commitment provides a guarantee of the absence of PFOA (1), Lead and Cadmium and thus of the safety of its coatings for both the consumer and the environment.

FEEDBACK AND SERVICE

To answer consumers' questions, Groupe SEB has call centres in most of the larger countries. In 2014, to bring better service to more consumers, it set up multi-country call centres. In 2015, it improved the Sofia call centre which now covers seven central and eastern European countries, with a team capable of responding in the different languages of the region. 2015 also saw the opening of two new call centres, one in Egypt (in Cairo) and the other in India (in Delhi). In the latter country, the Group has begun to structure its after-sales service, in particular, by making it easy to access full product documentation and by improving the warranty and service, regardless of the country in which the product was purchased.

Keen to help the consumer in all circumstances, the Group continues to expand the services it offers. In 2015, it developed new product use and maintenance videos (on average, one a month), which were posted on YouTube and could be accessed via brand websites. It also hosts consumer mutual aid communities on several brand sites, replicating the dedicated Cuisine Companion multifunction food processor forum hosted on the product's website, which now has nearly 10,000 members. In Germany, a new community was launched in 2015 on the Moulinex website.

(1) PFOA: Perfluorooctanoic acid is a substance used as an aid to polymerisation in lots of polymer manufacturing processes.

Repairability

A PIONEERING APPROACH

Extending the product lifetimes is helpful both to the consumer (economic benefit) and to the environment (reducing the resources consumed and the waste produced). The Group is convinced of this and took early leadership with its repairability policy initiated back in 2008. Repairability is one of the key elements of 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 2015, 67% of the total volume of household appliances sold were fully repairable and 97% were partially repairable. A product is considered to be fully repairable when all the components that can be changed are available and none costs more than half the price of the product. A product is considered partially repairable if one or two spare parts (maximum) are not available or cost more than half the price of the product.

Whether or not the products are under warranty, the Group encourages its consumers to have them repaired in preference to exchanging them by pointing them towards the approved repair centres in its network (over 6,500 worldwide). To achieve this, it is increasing the number of information channels, with product documentation, brand websites, explanatory videos etc. As a result, the percentage of products repaired in approved centres is increasing. In Western Europe, for example, the percentage rose from 77% in 2013 to nearly 81% in 2015 for products under warranty, and was up by 24% for products out of warranty. To encourage product repairs, the Group guarantees its repair centres that some 36,000 listed spare parts will be available for as long as 10 to 15 years after the product ceases to be manufactured, at the cheapest possible price (down by 30% in 2012). In Western Europe, spare parts are delivered to repair centres within 24 to 48 hours, rising to a maximum of four days in other parts of the world. Over five million spare parts are stored in the Group's warehouse in Faucogney in Franche-Comté (France). In addition, in a growing number of countries, consumers can order accessories, consumables or spare parts on the www.accessories.home-and-cook.com website or on brand websites. This was the case in 2015 in 13 countries in Europe and North America, with orders up 20% on 2014. This service was extended to 11 new countries in early 2016.

The Group is also exploring new methods such as 3D printing of spare parts. Manufacturing parts on demand would simplify stock control and extend availability almost indefinitely. A project relating to this issue was launched in 2015 and qualification testing is under way.

RAISING CONSUMER AWARENESS

A study conducted by Groupe SEB in 2014 in France and Germany showed that consumers were in favour of product repair but that they were rather poorly informed about this option. The Group decided to improve its communication strategy, starting with France via the two flagship brands, Seb and Rowenta. Since June 2015, each brand's website has displayed the "10-year repairable product" logo, offering videos demonstrating this commitment and explaining to consumers how they can get their products repaired. The Group also turned to the media to bring this issue into the spotlight. Numerous newspapers and TV programmes echoed the Group's repairability policy, applauding the exemplary nature of its commitment and the leadership shown in this area. In late 2015, Group research conducted with a representative panel of 816 consumers showed that the "10-year repairable product" logo was perceived positively by consumers and had a significant impact in terms of purchasing decisions.

In addition, within the context of changes in French consumer rights legislation, Groupe SEB was invited to present its repairability initiative to members of parliament, consumer associations and NGOs with an interest in the issue.

In several markets (like France, the US, Turkey and Germany) the Group has also been exploring ways to help consumers who wish to repair their products themselves. For example, in France in June 2015, together with Gifam [(1)] and the support of Ademe [(2)], it opened its first three self-repair centres, designed in the spirit of "repair cafes". Located in Limoges, Périgueux and Tours, they are housed in Group product repair centres. Consumers can come to the workshop with, or without, an appointment (timeslots can be booked online). Consumers can access technical documentation, advice and all the necessary spare parts, within a dedicated and well-equipped area. The Group wants to extend this innovative service across its 250-strong network of approved repair centres in France.

NEW MODELS OF CONSUMPTION

At the forefront of new, more sustainable, models of consumption and in support of the circular economy, in 2015, the Group tested an innovative kitchen appliance rental service in France to respond to ad hoc consumer requirements. Christened Eurêcook, it was rolled out in September in the Dijon urban area in partnership with a network of public and private sector operators such as Ademe and Groupe Casino. The principle is simple. The consumer books their appliance on the www.eurecook.fr website, chooses the rental period (from one evening to one week) then picks it up from one of the seven pick-up points available. During this test phase, 28 appliances are available for rent. Once they have been returned, the products are systematically cleaned, checked and re-packaged.

The Eurêcook service is part of the Groupe SEB sustainable development initiative for more than one reason. From an environmental perspective, it is in keeping with the optimisation of natural resources (a single product is used more often) and packaging is re-usable and eco-designed (cellular polypropylene). From an affordability perspective, due to its lower cost of use, Eurêcook makes appliances more affordable for economically vulnerable people. Lastly, it fulfils non-profit and social sector objectives by calling in a local inclusion enterprise (Envie) to take care of products cleaning and logistics.

(1) French Association of Household Appliance Manufacturers (GIFAM).
(2) French Agency for the Environment and Energy Management (ADEME).

NUTRITION AND WELL-BEING

Consumers are increasingly sensitive to the quality of their food, and Groupe SEB is innovating to support them in this respect. Products in the Nutrition Gourmande range are aimed at consumers who wish to eat healthily without giving up on taste, while many appliances make “homemade” easier, in keeping with a well-balanced diet. At the end of 2014, the Group reached another milestone in terms of consumer support with the introduction of connected products that offer new recipe-related services. This is the case with the Actifry Smart XL, a connected version of the Nutrition Gourmande range flagship product. Launched at the end of 2015, the Actifry Smart XL talks to a smartphone via the My Actifry app. In addition to a “step by step” aid to cooking from a recipe, the app incorporates a number of services, including nutritional coaching to help consumers eat a balanced diet and stay healthy. In particular, it encourages users to eat fresh products (especially fruit and vegetables), passes on nutritional advice and offers weekly menus for one year, together with suggestions of recipes that can be followed using the appliance.

To take this further and, in particular, to meet the specific dietary requirements of elderly consumers, the Group has embarked upon three major research projects with a number of different partners. It is one of a “hard core” of members of the European consortium InnoLife (144 companies, research organisations and universities) which, in 2014, won a call for projects from the European Union on the subject of “Healthy living and active ageing”. The other two projects focus on optimising fruit and vegetable consumption by the elderly and on developing digital services to help them eat better.

This “open” approach to innovation also takes the form of acquiring interests in start-ups through the SEB Alliance investment fund. Some of these are developing cutting edge technologies to do with well-being and health, such as Ethera, specialising in the quality of indoor air. The partnership between Ethera and Groupe SEB resulted in the creation of a new line of air purifiers (Intense Pure Air), which were introduced in China in late 2014 before expanding to other countries. There was special recognition for this product in 2015, in the “Health and Environment” category of the Innovation Award for Franco-Chinese teams, organised by the France-China Committee in partnership with MEDEF [1].

PRODUCTS ACCESSIBLE TO THE GREATEST NUMBER OF PEOPLE

Making products more ergonomic and easier to use is another of Groupe SEB’s areas of research. This includes factoring in the needs of people with reduced dexterity. For example, the Group has collaborated in France with the Institut de la Vision and the École Nationale Supérieure de Création Industrielle on prototypes of products adapted for the vision-impaired. This project has increased the innovation teams’ awareness of visual impairment and suggested ways to improve existing and future products.

Accessibility is also an issue when it comes to deprivation; how can we meet the specific needs of low-income consumers? In addition to constructing its brand policy to meet the needs of different categories of consumers, Groupe SEB is studying various scenarios for addressing this matter.

As part of its research into accessibility, in 2015, Groupe SEB organised a study day with the Ashoka organisation, the largest global network of social entrepreneurs. This took the form of two workshops on access to the Group’s products for vulnerable and elderly people. This day opened up several options which will now be tested.

SUSTAINABLE DEVELOPMENT AT THE HEART OF BRAND STRATEGY

Since 2013, the Group has further incorporated sustainable development into the heart of its business and, together with the Marketing and Brand teams, it has incorporated sustainable development into the Tefal and Rowenta brand platforms. These two flagship Group brands, already very involved in this field, have focused on and formalised the key aspects of their commitment in this regard. Accordingly, Tefal places particular emphasis on healthy and responsible eating, while Rowenta focuses on energy efficiency. For each of them this translates into specific R&D efforts to develop products and solutions through new partnerships and preferred lines of communication.

It was against this backdrop that the partnership between the two brands and WWF began in 2014 with the aim of raising general public awareness. As regards Rowenta, the WWF supported the launch of an Eco-Intelligence iron offering real energy savings without compromising on performance. The brand also supported the Earth Hour event organised by WWF on 28 March, when millions of people around the world were invited to switch off their lights for one hour as a sign of awareness of climate change. In France, Rowenta launched a competition via its Facebook page and website, encouraging individuals to switch off its online “Eiffel Tower”. In Tefal’s case, the partnership was reflected in cause-related marketing products (the Harmony range) and WWF support of brand initiatives to promote cookware recycling (see p. 118). Tefal also relies on its longstanding partnership with the English chef, Jamie Oliver, to promote healthy eating in homes around the world. For example, each year, the brand organises its Food Revolution Day campaign around this topic.

In the US, the All-Clad brand took a welcome step towards the circular economy in 2015 with an unprecedented product line, which offers its chefs customers second-hand pans that have been refurbished at the Canonsburg plant. The All-Clad pans, recovered from chefs, are disassembled, cleaned, returned to their original condition, brushed, polished, etc. for a pristine result. They leave the factory 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.

(1) Movement of French Enterprise.

3.9. REDUCTION OF ENVIRONMENTAL IMPACTS

From a product's design to its end of life, the Group takes measures to limit its environmental footprint (eco-design, eco-production, eco-logistics, recycling etc.). It does so by means of its product **eco-design guide** and **ISO 14001** international certification. In the factories, offices, laboratories or warehouses all employees and contractors of the Group 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 Environmental Health and Safety Coordinators. Information on Groupe SEB's environmental expenditure is available on page 192.

The data provided below concern worldwide operations, except in cases where it is explicitly stated that they only include the ISO 14001 certified entities [(1)]. Neither do they include Asia Fan (Vietnam) and Groupe SEB India, companies in which Groupe SEB acquired a 65% and 55% stake, respectively, in 2011. The Campus SEB headquarters in Écully as well as the Supor Vietnam site, certified in 2014, were also included in the scope of reporting in 2015. The Imusa sites (Colombia) were certified in 2013 and were included in the scope of reporting in 2014. The Supor (China) and St Petersburg (Russia) sites were certified in 2012 and included for the first time in 2013 consolidated data.

Data concerning the new acquisitions will be included progressively, as and when they are integrated into the various Group processes.

Employee education and training

All Groupe SEB employees are informed of the Group's requirements in relation to respect for the environment. They have been codified in the Group's Code of ethics, which is deployed internationally. Specific training actions are held to ensure that personnel have the necessary skills. Finally, Groupe SEB also shares its performance in terms of environmental responsibility with employees via in-house channels (intranet, posters, events, etc.) and external channels (Business and sustainable development report, website, etc.). In 2015, the theme of the **Sustainable Development week**, organised on an international scale within the Group for the very first time, was climate change. Employee awareness and mobilisation initiatives were very varied, ranging from conferences/debates and initiatives aiming to improve energy efficiency at tertiary sites, to cookery demonstrations highlighting food waste and photo exhibitions etc.

The listing of eco-innovative projects at production sites (see p. 113) also form part of this awareness raising initiative, as do certain in-house newsletters such as Métamorphoses, which focuses on new materials.

Commitments 2020

In 2013 the Group set four ambitious targets to be met by 2020:

- 20% less energy consumption by electrical goods (base year: 2013);
- 20% less energy consumption by production plants (base year: 2010);
- at least 20% recycled materials in new products (base year: 2013);
- 20% less greenhouse gas emissions from transporting products (per unit transported) (base year: 2013).

Eco-design of products

Groupe SEB's policy of eco-design of products aims to reduce the environmental footprint of the Group's products throughout their life cycle. To make progress in this area, it employs an **eco-design guide**, completely revised in 2013. The new guide clearly incorporates all stages of the life cycle of products and their packaging (extraction of raw materials, manufacturing, transport, use, end-of-life). More complete and operational than its predecessor, it is structured around the Group's eco-design priorities: energy efficiency, recyclability, repairability, use of recycled materials and bio-sourced polymers, reduction of carbon footprint during transport, etc. For each priority, the guide sets out the Group's ambitions and defines performance levels based on measurable criteria. Eco-design is embedded within the product design process and allows project teams to select the appropriate performance level for each new product based on the specifications.

(1) Certificates obtained by sites prior to their acquisition by Groupe SEB were not taken into consideration.

This guide is a key tool in meeting the 2020 environmental targets. It has been distributed to the Group's entire innovation community: teams in marketing, R&D, design, purchasing, quality, legal, etc. Its introduction was underpinned by a major training initiative which, in 2014, took the form of 33 training sessions in France, Hong Kong and South America and continued in early 2015 with three new training sessions in China.

To date, Groupe SEB has carried out **life cycle studies** on 95% of its product families. These significant studies [(1)], which measure the various impacts of products on the environment, make it possible to orient our research so as to reduce their ecological footprint.

ENERGY EFFICIENCY

Since a large part of the environmental impact of household appliances stems from their electrical consumption, Groupe SEB has several efforts under way to reduce it and has made great progress in this regard. Vacuum cleaners provide a good illustration. In four years, the Group's R&D teams have succeeded in cutting by more than half the energy consumption of vacuum cleaners with no trade-off in cleaning power. In 2015 all the new Rowenta vacuum cleaners had 750 to 900 watts of power, which is well below the new European regulatory threshold set at 1,600 watts. To achieve this level of performance, the Group developed low input/high output motors, designed more effective suction nozzles and improved all the air flows to reduce charge losses. It is continuing this work, particularly on new motor technologies. Another example is the latest (Rowenta) Eco Intelligence iron, which came onto the market in late 2014 and which consumes 30% less energy with no loss of performance. It received the support of the WWF, to whom a portion of the purchase price is contributed for their work on behalf of the environment.

Being aware of the importance of this energy issue, in 2015, the Group decided to ramp up its coordination of these types of initiatives. The **Smart Energy Products** project was created by a team combining the Quality, Standards and Environment department, the Sustainable Development department and the Research department and working closely with Strategic business areas. The first stage consisted of identifying the Group product families with the greatest impact in terms of energy consumption, given their individual consumption and the volumes sold. The Group will focus its efforts on these product families both in terms of technology (energy performance) and aspects of marketing.

In terms of energy consumption on stand-by, all the Group's products are below the thresholds set by European regulations, applicable since 07/01/2013 (0.5W on stand-by without display and 1W with display). This parameter is, therefore, no longer an issue for the Group and is no longer included in reporting.

RECYCLABILITY

All the Group's products are evaluated in terms of their potential recyclability, using a harmonised approach. To increase this rate, the Group gives preference to materials that can be recycled (metallic components, certain plastics like polypropylene) and seeks to reduce the number of different materials used in its products to facilitate sorting. It also provides for quick and easy disassembly of its appliances. The average potential recyclability for new product families designed in 2015 reached nearly 79%. As for cookware, the materials of these items are about 80% recyclable, essentially comprising metals (aluminium and steel).

USE OF RECYCLED MATERIALS

Groupe SEB is using more and more recycled materials in its products. For instance, since 2009, Tefal's Enjoy spatulas have been made of 95% recycled **PET** plastic, and its Natura cookware range has been made of 100% recycled aluminium. In 2014, the Group ramped up its work on incorporating recycled plastics into its products, spurred on by the Purchasing, Quality, Standards Environment and Research departments: collaboration with recyclers to improve the quality of plastics, verification of their compliance with regulations, performing injection and prototype testing, launch of pre-series, etc. The result being that, in 2015, the Group launched a shell for a steam generator made of **polypropylene** recycled from electrical and electronic devices. Numerous tests are under way on other products and using other types of plastics (ABS, PET, etc.). At the same time, training and awareness raising initiatives were organised at the end of the year for the teams affected (design offices, laboratories, quality, marketing etc.), including during the Innovation Forum in November.

This recycled plastics initiative was reported in the media and attracted the attention of the European Commission which invited the Group to make a presentation at a study day, applauding its voluntary commitment in this area.

UNPOPULAR SUBSTANCES

With regard to unpopular substances, the Group classes in this category substances that, although not banned by regulations, are considered by some stakeholders (e.g. NGOs) as being potentially hazardous. Bearing this in mind, the Group is working on plans to replace a certain number of substances and materials, even though regulations do not list them as being hazardous.

REPAIRABILITY

See p. 109.

(1) Life cycle studies conducted on the models that are most representative of each of the Group's product families in terms of technical features, sales and geographical distribution.

Eco-production

Since 2003, the Group has adopted a worldwide environment management system. It aims, first and foremost, to control the use of resources (water and energy) and to reduce waste and emissions. This approach has resulted in the gradual ISO 14001 certification of the sites. The Group is committed to adhering to the guidelines set forth in the standard: compliance with the regulations and laws in force, as well as continuous improvement and pollution prevention.

In 2012, with a view to sharing best practices, the Group asked each French industrial site to present at least one **"eco-innovative" project** focusing, for example, on improved recycling, innovative waste sorting methods and the use of renewable energy. This initiative was extended to Europe in 2014 then to all the Groups production and logistics sites worldwide. As many as one quarter of the 41 projects listed at the end of 2015 focused on replacing existing lighting (particularly fluorescent tubes) with LED systems that use between 50% and 75% less energy. Knowing that lighting is one of the sites' main items of energy consumption, this operation will not only result in a reduction in the energy footprint but will also generate significant savings. Conducted in France, Germany, Colombia, Brazil, the USA and China, these projects are a testament to the Group's drive to reduce its energy consumption, spurred on by the Category team Energy (see below). Another energy-related initiative destined to be shared: in Italy, the Omegna 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.

To move forward with energy optimisation, the Group draws on the **Category team Energy** launched in 2011 by the Purchasing department in conjunction with the Sustainable Development department, the Quality department and the Buildings and Energy managers for the French sites. Its members meet every six months to share their experiences, analyse different energy conservation routes (processes and buildings), define good practices and determine the indicators for monitoring their application. In 2015, the team welcomed a new member: the Cookware Energy Coordinator (a newly created post).

Generally speaking, Groupe SEB takes environmental considerations into account in the development of its industrial processes. An example of this is the preparation of the aluminium disks for coating purposes when manufacturing pans and pots. A few years ago, at its Rumilly site in France, the Group adopted a mechanical treatment (brushing) that requires little water and abrasive, to partially replace the chemical treatment that it previously used. This process is just as effective, but is more environmentally friendly and compatible with a wider variety of aluminium. The São Bernardo do Campo plant in Brazil has also adopted this process.

ISO 14001 CERTIFICATION

Groupe SEB's goal is for all of its industrial and logistics entities to be ISO 14001 certified worldwide.

(Worldwide)

	2015	2014	2013
Number of certifiable entities	*38*	*38*	*38*
Entities holding ISO 14001 certification [(a)]	92.1%	92.1%	89.5%

(a) Based on industrial and logistics entities at the end of the year considered (including the Group's head office).

Asia Fan and Groupe SEB India, both acquired in 2011, are part of the certification scope but not yet certified. Action plans are in place to bring them up to the standards of Groupe SEB.

CONSUMPTION OF RESOURCES

(ISO 14001 certified entities)

The Campus SEB in Écully as well as the Supor Vietnam site, certified in 2014, were also included in the scope of reporting in 2015. Data for the Imusa sites (Colombia), certified in 2013, were included in the 2014 consolidated data.

Direct raw materials

(in tonnes)	2015	2014	2013
Total consumption of metals	173,806	170,337	163,645
of which motors	*28,406*	*30,198*	*27,853*
Total consumption of plastics	73,200	72,364	69,900
Total consumption of packaging	106,600	94,400	80,300

Indirect raw materials

	2015		2014		2013	
	World	World excluding Supor	World	World excluding Supor	World	World excluding Supor
Total consumption of natural gas *(in GWh)*	220.2	161.3	210.8	157.8	223.2	174.6
Total consumption of liquefied gas *(in tonnes)*	2,607.0	604.0	1,770.3	658.0	1666.1	756.2
Total consumption of electricity *(in GWh)*	373.6	171.9	368.2	170.6	348.0	162.2
Total consumption of water *(in thousands of m3)*	3,192.4	720.4	3,567.6	1,041.0	3,662.7	1,128.0
Total consumption of fuel oil, excluding fuel *(in m^3)*	27.4	27.4	38.5	38.5	39.2	39.2

Excluding Supor, with the exception of the consumption of electricity and natural gas which was up slightly compared to 2014 (0.8% and 2.2% respectively), the consumption of indirect raw materials fell across the sites compared with 2014 (-8.2% liquefied gas consumption, -28.8% fuel oil consumption, excluding fuel, and -30.8% water consumption). The drop in liquefied gas consumption was mainly due to the drop in the number of finished products manufactured at the sites. Fuel oil consumption was down sharply due to a drop in the use of emergency generators in South America to cope with power cuts. Lastly, repairs to the Tefal Rumilly water system and optimisation of cooling systems at the Rowenta Vernon site made a major contribution to reducing water consumption.

Elsewhere, Supor consumption grew (+11.1% natural gas and 80.1% liquefied gas), apart from electricity and water consumption which was stable (-2.1% and -2.2% respectively). The hike in the consumption of natural gas was mainly due to increased production at the Wuhan site. The increase in liquefied gas consumption was due to the sharp rise in consumption at the Yuhuan site which accounts for 76.2% of Supor's liquefied gas consumption. The Yuhuan site has, in fact, replaced its electricity use with gas for part of its processes. Water consumption fell due to the introduction of water recycling techniques at the Wuhan site.

In 2015, a finished product manufactured in a Groupe SEB plant required on average 1.03 kWh of natural gas, 1.76 kWh of electricity and 15 litres of water.

WATER SUPPLY ACCORDING TO LOCAL CONSTRAINTS

In 2015, Groupe SEB consumed more than 3 millions m^3 of water worldwide, mainly in cookware manufacturing processes. In addition to the volumes consumed, it is, however, of paramount importance to consider the location of the consumption, since this may involve regions under water stress where water is a sensitive resource. In 2015, with the aim of prioritising its plans of action, the Group wanted to find out the water scarcity level for each production and logistics site. A risk assessment was carried in relation to water and its availability according to the geographical location of the sites in question using the World Resources Institute (WRI) reference tool, the "Aqueduct Water Risk Atlas".

This analysis showed that none of the Group's production or logistics sites is in a region under "extreme" or "high" water stress according to the "Overall water risk" indicator. In addition, 21 of the Group's production or logistics sites are located in regions exposed to a risk which is considered "low" or "low to medium". In the future, the Group will pay particular attention to the 12 production and logistics sites located in the regions where the risk is considered to be "medium to high".

Land use

Besides metal stamping (pressure cookers, frying pans and saucepans), surface treatments (nonstick) and the production of certain components that occupy less than 10% of total industrial staff personnel, most of Groupe SEB's production involves assembly operations. Therefore, Groupe SEB 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 the majority of sites are not subject to any such compulsory assessment. 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.

WASTE

(ISO 14001 certified entities)

(in tonnes of CO_2 equivalent)	2015 World	2015 World excluding Supor	2014 World	2014 World excluding Supor	2013 World excluding Supor
Non-hazardous waste (NHW) * *(in tonnes)*	20,112	14,770	22,121 **	15,263 **	15,851
Percentage of NHW recycled * *(as a %)*	73.2	77.5	69.6	80.1	77.6
Percentage of NHW recovered for energy * *(as a %)*	5.7	7.8	4.6	6.7	9.2
Production of Hazardous Waste – excluding waste oil, effluent and sludge *(in tonnes)*	1,429	1,182	1506	1,331	1,169
Sludge produced by internal wastewater treatment plants *(in tonnes)*	4,343	3,436	4080	3,292	4,266

* *Excluding Oils, Metals and Sludges.*
** *Data updated to correct a calculation error.*

Campus SEB as well as Supor Vietnam sites, certified in 2014, were also included in the scope of reporting in 2015. Data for the Imusa site (Colombia), certified in 2013, were included in the 2014 consolidated data. The St Petersburg (Russia) site was certified in 2012 and included for the first time in 2013 consolidated data. Supor site in Wuhan is not included in the 2014 consolidated date due to unavailable data.

Groupe SEB's goal for non-hazardous waste focuses on recycling and recovery. In 2015, 73.2% of the Group's non-hazardous waste was thus treated in recycling systems and 5.7% was used to produce energy. The Group also kept track of its metal waste and WEEE (Waste from Electrical and Electronic Equipment) from production waste, which amounted to 18,805 and 172 metric tonnes respectively for this year.

In 2015, the amount of Non-hazardous and Hazardous waste produced was down compared to 2014 (by 9.1% and 5.1% respectively). This drop was mainly due to the reduction in the amount of waste produced by Supor sites.

GREENHOUSE GAS EMISSIONS

Groupe SEB's sites and activities are not directly impacted by climate change given the nature of its current facilities. The Group did, however, set up a climate change-related risk assessment and has all the necessary insurances to cover any financial consequences.

With regard to volatile organic compounds (VOCs), Groupe SEB regularly tests its emissions (which are relatively small in terms of volume) in order to treat and control these emissions. The Group has made significant capital expenditure, totalling 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 eliminate VOCs entirely.

(ISO 14001 certified entities)

(in tonnes of CO_2 equivalent)	2015 World	2015 World excluding Supor	2014 World	2014 World excluding Supor	2013 World	2013 World excluding Supor
Greenhouse gas emissions	239,911	61,657	234,780	61,241	231,181	64,283

Campus SEB as well as Supor Vietnam sites, certified in 2014, were also included in the scope of reporting in 2015. Data for the Imusa sites (Colombia), certified in 2013, were included in the 2014 consolidated data. The Supor (China) and St Petersburg (Russia) sites were certified in 2012 and included for the first time in 2013 consolidated data.

Since 2011, this indicator covers direct greenhouse gas emissions ("scope 1") generated through the burning of fossil fuels, as well as indirect emissions stemming from the electricity purchased ("scope 2"). These scopes were calculated based on the financial control approach. The emission factors used in this calculation were taken from the French Environment and Energy Management Agency's emissions factor guide for carbon footprint assessments (version 6.1 dated June 2010).

Greenhouse gas emissions for scopes 1 and 2 were up slightly (up 2.2% on 2014), in line with the change in electricity and natural gas consumption (accounting for 76% and 19% of scope 1 and scope 2 emissions, respectively). The slight increase in electricity consumption (+1.5%), was due to inclusion of the Supor Vietnam site and the Campus SEB headquarters in the 2015 scope of reporting . Natural gas consumption rose by 4.5% following a harsher winter in 2015 in France (which accounts for more than 60% of the Group's global consumption of natural gas).

DISCHARGE INTO WATER

(ISO 14001 certified entities)

Chemical Oxygen Demand (COD) represents the amount of oxygen necessary to oxidise 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 2015, Groupe SEB discharged 217 metric tonnes of COD from its own wastewater treatment plants.

NOISE AND OTHER DISTURBANCES

At many sites, management of noise pollution must comply with regulations and any complaints in this regard must be managed in accordance with ISO 14001. Therefore, all certified sites have procedures in place to deal with complaints relating to noise. Furthermore, noise pollution, light pollution and odours from the Group's sites are insignificant given its operations.

BIODIVERSITY

Risk prevention is integral to the ISO 14001 certification process in order to preserve the ecological balance surrounding the sites. The sites define the procedure to be followed in the event of an incident and implement preventative measures, such as water reservoirs for extinguishing fires and pipe cut-off systems. Many sites feature retention systems underneath the tooling to prevent pollution from accidental spills.

Certain plants have also launched local initiatives, especially in France, to promote biodiversity. The Is-sur-Tille site has created a flower meadow and installed a nesting tower for swallows.

Eco-logistics

The transport of products, as well as the raw materials and components used to make them, is the main source of greenhouse gas emissions within Groupe SEB, which clearly hopes to reduce these emissions. Reducing the carbon footprint is one of the main priorities of the eco-design guide.

An initial balance sheet for greenhouse gas emissions related to transport was drawn up by the Group in 2009 and the reliability of the data in this assessment has been improving year on year. To improve the carbon footprint of its logistics activities, Groupe SEB is focusing on two main areas: increasing the loading rate of transport units (lorries or containers) and developing new modes of low-impact transport as alternatives to road transport (water transport, rail, etc.).

Groupe SEB's Supply Chain department oversees the Group's eco-logistics policy and strategy. It coordinates all actions, in France and internationally, and consolidates annual data using the Tennaxia sustainable development reporting system. To do so it works through two channels:

- the Export Logistics department, which liaises with transporters (inserting social and environmental clauses into Purchasing contracts, requesting CO_2 and alternative transport reports each month, checking ISO 14001 certification and/or setting up sustainable development systems within the company, etc.) and encourages the use of alternatives to road transport to cut the Group's CO_2 emissions from product transport;
- Logistics, Markets and Plant Managers, who report on physical flow of goods entering and leaving their entity, for a given scope.

In addition, since 2005, Groupe SEB has been part of Club Déméter alongside retailers, logistics partners, manufacturers and public bodies such as **Ademe** [(1)]**, the University of Aix-Marseille and Mines Paris**. It is the vice-chair of this organisation via its director, Logistique Export. 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. Work topics in 2015 included: optimisation of rail flows and pooling of means of transportation and logistics platforms between contractors.

GREENHOUSE GAS EMISSIONS

(Worldwide)

(in tonnes of CO_2 equivalent)	**2015**	2014	2013
Average value of greenhouse gas emissions	195,295	240,370 *	252,840

* *Data updated to correct a calculation error*

The flows concerned in the calculation of greenhouse gas emissions are:

- transport of components and raw materials between Tier 1 suppliers and the manufacturing site if this belongs to Groupe SEB;
- transport of finished products between Tier 1 suppliers and warehouses of Groupe SEB subsidiaries;
- transport of the finished product between its manufacturing site and the subsidiary's warehouse;
- distribution from the subsidiary's warehouse to the clients delivery address.

All modes of transport are included: road, rail, sea, waterways and air.

(1) French agency for the environment and energy management (ADEME).

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 portion of extrapolated emissions is thus declining on a regular basis.

In 2015, Groupe SEB emitted 195,295 tonnes of CO_2 equivalent. 32.7% from maritime transport, 41% from road transport, 21.6% from distribution and 4.7% from air transport.

The sharp drop in CO_2 emissions from maritime transport was primarily due to changes to the container fleet (introduction of "Mega Vessels") which, over the years, have emitted much lower quantities of CO_2, thus leading service providers to revise their methods for calculating carbon emissions.

Compared with 2014, road transport-related emissions are up 2%. This rise is linked to the increase in volumes being transported.

Air transport-related emissions were down 11%. This reduction was due to the fact that this method of transport was used much less frequently in 2015 than in 2014. The total weight of goods transported by air was down 22%, generating a saving of €1.5 million.

LOADING TRANSPORT UNITS

To reduce CO_2 emissions from the transport of products and components, the Group continues to improve the loading rate of the transport units. It makes particular use of the **EffyPACK** (which stands for PACKagin system for supply chain EFFiciencY) approach, which optimises packaging dimensions according to pallet size. For example, it only took cutting a few centimetres off the Fresh Express packaging (in 2014) to increase the number of products per pallet by 50%. In 2015, the Group decided to push the EffyPACK logic further by reducing, as far as possible, the **percentage of empty space inside the packaging**. This project began at the end of last year and, in the future, the aim is to incorporate this parameter into the product design process. Transporting less empty space means emitting less CO_2 whilst cutting costs.

	2015	2014	2013
Container loading rate	85%	85%	90%
Lorry loading rate (intergroup traffic flows) *	63%	63%	62%

* *Intergroup shipments refer to shipments from factories to the consolidation platforms (Rumilly P2 and Mions) or to the warehouses of subsidiaries, as well as to shipments between consolidation platforms and subsidiaries' warehouses.*

Containers departing from China have a loading rate of 84.3%, slightly down on 2014 (-0.5%). Unchanged from the previous year, containers leaving Europe are 88% full which, in maritime transport terms, constitutes a high level of performance.

SELECTING AND ARRANGING MODES OF TRANSPORT

The Group also fosters research into transportation solutions with 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 tonne transported by half.

In other cases (pre- and post-shipments to/from ports, transport between the Group's plants and platforms or those of its subsidiaries), the Group prioritises **non-road transport: rail and waterway**. In the future, road transport must become the exception rather than the rule. In 2015, in Spain, 85% of products imported from Asia arrived at the central warehouse from the port by train rather than by road. Results: 83% less CO_2 emissions, at a lower cost (-7%). In 2015, to improve the oversight of this initiative, the Group created a **tracking chart** to monitor the percentage of non-road transport for pre- and post-shipment to/from ports. For each entity (plant, depot, marketing subsidiary etc.), changes in this percentage have a two-fold impact in terms of cost and CO_2 emissions. In the first instance, this table was completed for France (pre- and post-shipment) and other European countries (pre-shipment). It will be completed with all itineraries and extended worldwide in 2016. By way of example, in 2015, the French production sites of Pont-Évêque and Saint-Jean de Bournay achieved a rate of 82% non-road transport (mainly by barge) for goods arriving from the port of Fos (+12% on 2014). This equates to an 80% reduction in CO_2 emissions and a 6% cost saving compared with road transport. Across all French entities, the percentage of non-road transport from, or to, ports rose from 29% in 2014 to 40% in 2015. Across Europe as a whole, the pre and post-shipment percentage was up by 16% (rising from 24% to 40%).

In 2015, the Group also conducted tests on rail transport between China and Europe. The objective is to be able to make use of this solution rather than using air travel in the event of urgent demand for supplies. Transport by rail cuts the maritime freight time by almost half, which is often enough, and savings in terms of cost and carbon footprint are extremely favourable (CO_2 emissions down by 98%).

The Group also optimises the organisation of transport flows, for example, by developing **direct shipments** from its plants to marketing subsidiaries, without passing through redistribution platforms. In France, these direct shipments were up more than 30% by volume in 2015, with an accompanying reduction in costs (-44%) and CO_2 emissions (-16%).

Product end of life

In Europe, the collection and processing of small domestic appliances are managed by **eco-organisations**. Groupe SEB is especially involved in this endeavour in France, as part of Éco-Systèmes, the country's largest eco-organisation for WEEEs.

Still, frying pans, saucepans and casseroles have as yet no specific process set up for them. Since 2012, Groupe SEB France has worked with Éco-systèmes and the major retailers to set up a **recycling chain for end-of-life cookware**: consumers are asked to deposit their old products in stores, for a discount voucher. The products are then sorted and a sufficient quantity of lumped material is recycled. 2015 saw the arrival of two new partner retailers, making it possible to extend the operation to nearly 1,600 hypermarkets. Since 2012, 580,000 items of cookware have been collected, then recycled, as a result of these operations. This initiative won Groupe SEB the 2015 CSR Grand Prix of Responsible Consumer Industries organized by the ESSEC Business School in the Resource Management category. Other countries have been implementing these types of initiatives for several years now. In the Netherlands, for example, more than four times as many items of end-of-life cookware were collected in 2015 than in 2014, with major involvement on the part of retailers committed to this initiative. Thailand has also been moving in this direction since 2013. In that country, products collected were turned over to a local association that manufactures prostheses (artificial legs) largely made of aluminium.

In 2015 in the USA, All-Clad launched an innovative initiative to give its pans, known for their extreme longevity, a second life. Pans are refurbished and offered to chef customers at half the price of new pans. Everyone is a winner, the customer and the environment (see p. 110).

Information systems

Groupe SEB is developing an eco-responsible IT policy based on the Green IT 72 best practices benchmark drafted by the collaborative platform Opquast (Open Quality Standards). Its activities in this regard strive to make progress on three fronts:

- reduce the number of printers in service and the consumption of paper. In Europe the decrease in the number of printers in service and the widespread use of shared multifunction machines enabled us to avoid printing nearly 4.8 million pages over three years (2013 to 2015). This programme, conducted with Xerox, was extended to Brazil in 2015 and roll out of the model in other subsidiaries is being studied;
- incorporate sustainability criteria in the purchasing of hardware and see that it is properly processed at end of life. In France, computers and telephones at end of life have since 2012 been given to the company Dataserv, which calls on companies working in the protected sector to dismantle the products;
- facilitate collaboration among Groupe SEB employees by offering alternatives to travel. The global deployment of the Lync instant communication software has had a significant effect on reducing travel: in 2015, an average of 4,310 of these types of meetings were held (+16% on 2014) as well as over 300,000 "one to one" connections (+31%). The new videoconferencing system, installed in 2015, recorded an average of 163 videoconferences a month (average duration: 2h12).

3.10. REPORT BY ONE OF THE STATUTORY AUDITORS

Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated human resources, environmental and social information included in the management report.

This is a free translation into English of the Statutory Auditors' 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 auditing standards applicable in France.

FOR THE YEAR ENDED DECEMBER 31ST 2015

To the shareholders,

In our capacity as Statutory Auditor of SEB S.A., appointed as an independent third party and certified by COFRAC under number 3-1060 (1), we hereby report to you our report on the consolidated human resources, environmental and social information for the year ended December 31st, 2015, included in the management report (hereinafter named "CSR Information"), pursuant to article L. 225-102-1 of the French Commercial Code *(Code de commerce).*

3

Company's responsibility

The Board is responsible for preparing a company's management report including the CSR Information required by article R. 225-105-1 of the French Commercial Code in accordance with the guidelines used by the Company (hereinafter the "Guidelines"), summarised in the management report and available on request from the Company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics *(Code de déontologie)* of our profession and the requirements of article L. 822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

- attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R. 225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);
- express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved 5 persons and was conducted between September 2015 and March 2016 during a 8 week period. We were assisted in our work by our CSR experts.

We performed our work in accordance with the French professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000 (2) concerning our conclusion on the fairness of CSR Information.

1. ATTESTATION REGARDING THE COMPLETENESS OF CSR INFORMATION

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

(1) whose scope is available at www.cofrac.fr
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

We compared the CSR Information presented in the management report with the list provided in article R. 225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R. 225-105, paragraph 3 of the French Commercial Code.

We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L. 233-1 and the controlled entities as defined by article L. 233-3 of the French Commercial Code within the limitations set out in the methodological note, presented in 3.4 section of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

As mentioned in the methodological information, the CSR Information presented in this report covers the consolidated undertaking, i.e., the Company, its subsidiaries and controlled entities. It does not concern the Company alone, as specified by law, since the Company deems that this presentation provides more meaningful information.

2. CONCLUSION ON THE FAIRNESS OF CSR INFORMATION

Nature and scope of our work

We conducted 80 interviews with persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate;
- verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important (detailed in appendix):

- at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;
- at the level of a representative sample of sites selected by us [1] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and to identify potential undisclosed data, and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents between 28% and 31% of quantitative social information, 31% of the corporate sponsorship spending and between 39% and 85% of quantitative environmental data.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part in the light of good professional standards set out in the Global Reporting Initiative.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

French original signed by:

Neuilly-sur-Seine, March 24 2016

One of the Statutory Auditors
PricewaterhouseCoopers Audit

Nicolas BRUNETAUD
Partner

Sylvain LAMBERT
Corporate Social Responsibility Department

(1) *The sites selected are: Mions (Calor), Rumilly (Tefal), Vernon (Rowenta), Cajica (GS Colombia), Rio Negro (GS Colombia), Hanghzou (Supor China) et Yuhuan (Supor China).*

Appendix: List of CSR Information that we considered to be the most important

SOCIAL PERFORMANCE INDICATORS:

- Total workforce and breakdown by gender and geographical region, including indicators of changes in employees by geographical region, breakdown by type of contract (excluding trainees) and breakdown of men/women by category;
- Hires and redundancies;
- Absenteeism, including absenteeism rate;
- Organisation of employee-management dialogue, including an indicator of collective bargaining agreements;
- Workplace health and safety conditions;
- Workplace accidents, in particular their frequency and severity, and occupational diseases;
- Training policies, including an indicator of the number of staff trained (men and women);
- Number of training hours;
- Respect for freedom of association and the right to collective bargaining;
- Elimination of discrimination in employment and occupation;
- Elimination of forced labour.

CORPORATE RESPONSIBILITY INDICATORS:

- Conditions of dialogue with stakeholders (notably the Group materiality matrix with regard to the Global Reporting Initiative principles);
- Corporate partnership or sponsorship actions, including an indicator of total corporate philanthropy spending;
- Inclusion of social and environmental criteria in the procurement policy;
- Extent of sub-contracting and consideration of the corporate responsibility of suppliers and contractors in dealings with them;
- Measures taken in favour of consumer health and safety.

ENVIRONMENTAL PERFORMANCE INDICATORS:

- Company organisation to address environmental issues;
- Resources allocated to prevent environmental risks and pollution;
- Measures to prevent, reduce or remedy emissions into the air, water or soil that seriously affect the environment;
- Water consumption and supply according to local constraints, including an indicator of total water consumption;
- Measures to prevent, recycle and dispose of waste, including indicators of non-hazardous waste (NHW), percentage of NHW recycled, percentage of NHW recovered for energy, production of hazardous waste (excluding waste oil, effluent and sludge) and sludge produced by internal purification plants;
- Energy consumption, measures taken to improve energy efficiency and use of renewable energy, including an indicator of total electricity consumption, total natural gas consumption; total consumption of liquefied gas, and total consumption of non-fuel fuel-oil;
- Greenhouse gas emissions (production and eco-logistics).

4

COMMENTARY ON THE FINANCIAL YEAR

4.1. 2015 HIGHLIGHTS

General environment

With just a few exceptions, the Small Household Appliance (SHA) market performed largely in line with the prevailing economic climate from country to country. Against the backdrop of relatively buoyant demand in Europe, this market was particularly lively. In the United States, performance was mixed, depending on product family, with cookware proving to be the main growth driver, fuelled by the Group momentum. Generally speaking, the SHA market remained upbeat in mature markets and was mainly driven by innovation and upgrading.

Emerging economies, often disrupted by currency depreciation, differed from country to country The disparate situation of South American countries was reflected in the demand for small domestic appliances which was up in Colombia but felt the pressure in Brazil, for example. In Turkey, consumption remained buoyant overall despite the overriding tensions in the region and the country's recent political issues. In Russia, on the other hand, against the backdrop of a steadily deteriorating economic climate, the market continued to crash. Lastly, in China, the Small Household Appliance Market remained buoyant, driven by increasing urbanisation, territorial expansion of the distribution network and the exponential growth of e-commerce. Despite such disparate situations, emerging countries are still significant growth drivers for the future of the SHA market since households still have relatively few appliances, the middle classes are increasing rapidly and spending power is steadily improving.

The overall vitality of the market is due to a few categories of products which have provided it with a strong impetus. These include, in particular, electrical cooking (driven by rice cookers and electric pressure cookers in China, for example), food preparation, floor maintenance (steady growth in vacuum cleaners), ventilation (business linked to weather conditions) and cookware.

As in previous years, the Small Household Appliance market continued to be highly competitive and discount-driven, particularly in countries that have been hit the hardest economically.

Currencies

In 2015, the monetary environment was, once again, marked by extreme volatility on the foreign exchange markets. The changes cited below are based on average exchange rates as compared to 2014. Continuing the trend that began at the end of the 2014 financial year, the Chinese yuan and the US dollar appreciated significantly (+17.5% and +19.8% respectively). It should be noted that the Group has costs in excess of income in both these currencies due to its buying structure. Their appreciation against other currencies was, therefore, damaging and had a negative impact on the Group's profitability in 2015 despite the fact that it was mitigated by the effect of hedging. Several emerging currencies once again fell against the euro. The Russian rouble experienced another sharp fall in 2015 (-25.2%). The same was true for the Brazilian real (-15.5%), the Colombian peso (-12.8%), the Ukrainian hryvnia (-34.8%) and, to a lesser extent, the Turkish lira (-3.9%). Some currencies were up against the euro, like the Japanese yen (+4.5%), the pound sterling (+11.0%) and the Korean won (+11.4%).

These fluctuations were reflected in contrasting effects on the Group's performance with a positive impact on sales (+€149 million in 2015 compared with negative impacts of -€132 million in 2014 and -€116 million in 2013) but a negative impact on profitability, with an operating result from activity down €100 million in 2015. The Group implemented compensatory measures such as price increases and strict cost controls, aimed at lessening the impact of currencies on profitability in the countries concerned.

Raw materials

The Group's business is exposed to fluctuations in the price of certain raw materials, including metals such as aluminium, nickel (used in stainless steel) and copper. It is also exposed to price changes in plastics used in the manufacture of small domestic appliances. These exposures are direct (for in-house production), or indirect if the manufacturing of the product is outsourced to subcontractors. Generally speaking, raw material prices fell significantly in 2015.

The price of aluminium was down 11% on the previous year (average price of $1,683 per tonne in 2015 compared with $1,895 per tonne the previous year) with the downward trend accelerating in the second half. Copper was also down (-19%) with an average price of $5,502 dollars a tonne compared with $6,830 in 2014. Lastly, the price of nickel fell (-46%) with an average price of $11,906 a tonne ($16,950 in 2014). It should be recalled, nonetheless, that in order to smooth out the effect of these variations, the Group has implemented a hedging policy for a significant portion of its metal needs.

The price of a barrel of oil continued to fall over the year with an average price of $54 (down 46% on 2014). At the same time, the price of plastics raw materials flattened out with, in particular, a drop in the price of polypropylene.

The prices of outsourced finished goods fell in mid-2015 despite wage inflation in China (more moderate than in previous years), owing to the purchasing terms negotiated and suppliers' productivity gains. The Group's index of purchased finished goods for 2015 was, therefore, down on 2014.

Ocean freight rates were negotiated down over the year.

Groupe SEB strengthens its Executive Committee

To better serve its different markets and to support its international expansion, the Group announced that it would be strengthening its Executive Committee by creating:

- three continental divisions in charge of the Groups worldwide sales activity: Asia, the Americas and EMEA (Europe, Middle East, Africa and India).
- a "Products and Innovation" division which combines Kitchen Electrics, Cookware, Home and personal care business units as well as Innovation.

The Group's Executive Committee now has nine members:

- Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer.
- Bertrand Neuschwander, Chief Operating Officer who assists Thierry de La Tour d'Artaise in the Group's management and supervises the Strategy, Partnerships, Brands and IT Systems departments. He also coordinates the Group's digitalisation.
- Vincent Léonard, Chief Finance Officer, Senior Executive Vice-President.
- Harry Touret, Senior Executive Vice-President Human Resources.
- Stéphane Laflèche, Executive Vice-President, Industrial Operations.
- Frédéric Verwaerde, Executive Vice-President of the Asia Continental division. He was previously in charge of the Continents department.
- Cyril Buxtorf, new Executive Vice-President of the EMEA Continental division, previously in charge of Home and personal care business unit. He is still based at the Group's registered office in Ecully.
- Luc Gaudemard, Executive Vice-President of the Americas Continental division. He was previously in charge of Europe.
- Philippe Crevoisier, Executive Vice-President, Products and Innovation. He was previously in charge of Kitchen Electrics.

Appointments to the Board of Directors

On 12 May 2015, the General Shareholders' Meeting of SEB S.A. approved the appointment of William Gairard as a member of the Board of Directors for a period of four years, to replace Jacques Gairard, whose term of office came to an end. As the mandates of Hubert Fèvre and Cédric Lescure were due to expire at this same meeting, they were renewed for another four years.

The Group celebrated the 40th anniversary of its listing on the Paris stock exchange

On 27 May 1975, the Group, which was already 120 years old, was listed on the Paris stock exchange. The decision to list reflected the Group's desire to increase its financing capabilities by raising funds, to enable its employees to become shareholders, to raise its profile and improve transparency.

On Wednesday 27 May 2015, the Group was the guest of Euronext Paris at the opening ceremony of the European financial markets. After the countdown of the last 10 seconds before the European markets opened, Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer of Groupe SEB, rang the legendary bell which initially, and until shares were dematerialised, used to announce the opening and closing of the financial markets.

Acquisition of OBH Nordica

At the end of August, the Group finalised the acquisition of OBH Nordica, a major operator in the small domestic appliance (SDA) market in Scandinavia. Founded in 2002 and based in Stockholm, OBH Nordica sells a wide range of small domestic appliances (electrical appliances and cookware). The company enjoys top-ranking positions in the Nordic region, with access to some 4,200 points of sale, and the OBH brand is extremely well known in Sweden, Denmark, Finland and Norway. OBH Nordica achieved SEK 628 million (€66 million) turnover in 2014-15 and has around 7% value market share in the Nordic SDA market. In the lead on the Scandinavian cookware market but positioned as a challenger on the region's small domestic appliance market, Groupe SEB will take advantage of the acquisition of OBH Nordica to significantly increase its market share.

Bond issue

On 18 November 2015, Groupe SEB successfully placed its second bond issue. The €500 million, 7-year issue (due on 25 November 2022), bearing interest at a rate of 2.375%, was five times oversubscribed by a diversified investor base, once again demonstrating the confidence of the financial community in the Group's strategy and long-term outlook.

The bonds were admitted to trading on the Euronext Paris market. The lead managers for the transaction were BNP Paribas, HSBC, Natixis and Société Générale.

This issue enabled the Group:

- to secure refinancing for bonds issued in 2011, ahead of the June 2016 due date;
- to extend the average maturity of its debt;
- to benefit from attractive financing terms.

Please note that Groupe SEB is rated A2 by Standard & Poors for its short-term debt. Its long-term debt is not rated.

An increase in the Group's capital interest in Supor

On 22 December 2015, Groupe SEB announced that it had signed an agreement with Supor Group the Su family holding company to buy 50 million shares, 7.9% of the capital of Supor at a unit price of CNY 29 per share. This transaction followed the 10 million share purchase already made in the first half of 2015 and finalised in mid-2016, subject to approval from the Chinese authorities.

After the operation, Groupe SEB will hold 81.03% of the company and the founding family 1.29%, the remaining stake, i.e. 17.68%, representing the free float. The Group does not envisage taking full control of Supor which will continue to be listed on the Shenzhen stock market. Transaction costs stood at CNY 1,450 million, or around €200 million.

This increased capital interest does not change Groupe SEB's effective control over Supor but confirms the Group's confidence in Supor's ability to continue to expand on the Chinese domestic market and to consolidate its strategic role in the Group's manufacturing base.

Awards for Groupe SEB

In 2015, Groupe SEB received a wide variety of awards:

GOLDEN TOP/COM FOR THE GROUP EMPLOYER BRAND CAMPAIGN

The Group's employer brand campaign "With you, no matter where you are" was awarded a golden TOP/COM trophy at the awards ceremony in Paris on 12 February 2015. The TOP/COM Awards ceremony is held every year to recognise the best communication projects developed by companies and their agencies.

Groupe SEB, together with its agency 4People, was nominated in the category 'corporate campaigns', along with over 30 other companies and agencies.

GROUPE SEB WON THE CSR GRAND PRIX AT THE RESPONSIBLE CONSUMPTION AWARDS ORGANISED BY THE ESSEC BUSINESS SCHOOL

On 6 March 2015, Groupe SEB won the 2015 CSR (Corporate Social Responsibility) Grand Prix at the Responsible Consumption Awards organised by the ESSEC Business School. Launched at the behest of ESSEC's Chair of Fast-Moving Consumer Goods, this award was organised in partnership with the French Ministry of the Economy, Industry and the Digital Sector.

The Group won support for the innovative nature of its experimental cookware recycling network initiative. In addition to this experimental initiative in France, the Group organised a whole host of similar initiatives in different countries which were all praised (the Netherlands, Finland, Thailand).

PURCHASING AWARD

Groupe SEB won the 9th Purchasing Award on 22 June 2015, in one of the seven categories, "Process modernisation and Purchasing performance". The event was primarily organised by three entities representing the Purchasing function in France. In particular, this award recognised a project to reduce on-site retail advertising by standardising and optimising specifications and diversifying procurement.

EURONICS "LIFETIME ACHIEVEMENTS 1990-2015" AWARD

Euronics International, the leading European buying group specialising in consumer electronics and domestic appliances, representing 6,000 independent retailers and over 11,000 points of sale in 31 countries, held its annual International Convention in Amsterdam (the Netherlands) on 2 and 3 July 2015 to celebrate its 25th anniversary.

As is the case every year, Euronics International focused on recognising supplier performance by awarding a 25th anniversary "Lifetime achievement" award. Groupe SEB won this award in the small domestic appliance category and was recognised for its remarkable performance in the field of innovation, the quality of its customer service, and its collaboration since Euronics was created in 1990.

LAW AWARDS – BUSINESS

In Paris on 19 November 2015, the Group's legal department won the 2nd Law Award – Business, in the "International Group Legal department" category. The Group's team put forward some of its achievements over the last three years:

- introduction of a global, yet more secure, panel of lawyers;
- worldwide insurance programmes;
- legal support for connected product launches;
- legal support for SEB Alliance in its capital expenditure projects.

BEST INVESTOR RELATIONS AWARD ACROSS ALL CATEGORIES

The Group was awarded the 2015 Best Investor Relations Award across all categories at the IR Forum in Paris. The Investor Relations Forum is held every year in France and is an opportunity for professionals to get together to share their thoughts and discuss key topics in their industry and markets. It is sponsored by Euronext, SFAF, AFG, CLIFF, Middlenext and the IFA. The Trophies are awarded on the basis of answers to a questionnaire sent to around 2,000 French and international analysts and managers. The expert jury then decides on the prize winners.

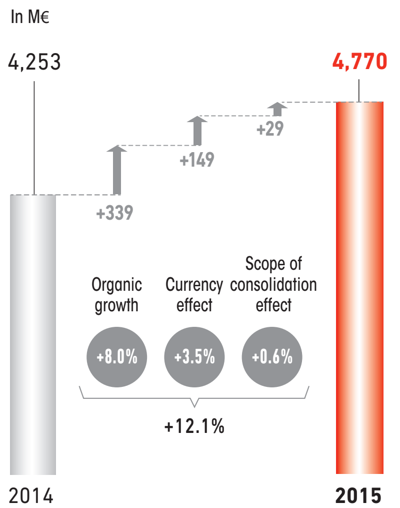
Following on from 2015, the year the Group celebrated 40 years since the SEB share was first listed, this trophy recognises both the transparency and clarity of the Group's financial communications and the availability and commitment of the entire team.

4.2. COMMENTARY ON CONSOLIDATED SALES

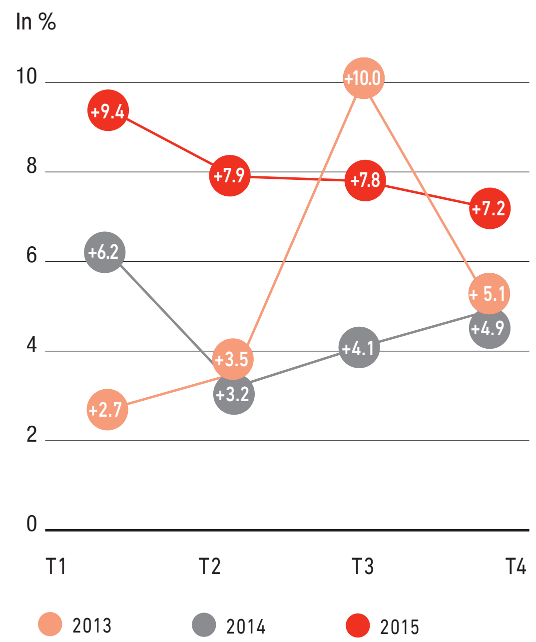
Sales (in € millions)	2015	2014	Change (based on exact figures, not rounded) Reported	Like-for-like
France	739	700	+5.6%	+5.6%
Other Western European countries	970	849	+14.1%	+9.7%
North America	599	496	+20.8%	+6.7%
South America	374	421	-11.2%	+3.4%
Asia-Pacific	1,453	1,132	+28.3%	+12.8%
Central Europe, Russia and other countries	635	655	-3.0%	+3.9%
TOTAL	**4,770**	**4,253**	**+12.1%**	**+8.0%**

Sales (in € millions)	4th quarter 2015	4th quarter 2014	Change (based on exact figures, not rounded) Reported	Like-for-like
France	281	275	+2.2%	+2.1%
Other Western European countries	375	305	+23.0%	+15.8%
North America	192	171	+12.4%	+3.5%
South America	99	128	-22.6%	-0.8%
Asia-Pacific	380	315	+20.5%	+11.8%
Central Europe, Russia and other countries	202	204	-1.0%	+2.1%
TOTAL	**1,529**	**1,398**	**+9.4%**	**+7.2%**

2014-2015 SALES GROWTH



ORGANIC GROWTH IN SALES BY QUARTER IN 2013, 2014 AND 2015



Product sales performance

The Group relies on a product thrust driven by new concepts, the introduction of new functional features, fresh designs, opening up new categories, the geographical expansion of certain ranges, etc. In 2015, strong organic growth in sales (+8.0%) was based on a large number of products. All categories contributed to the Group's strong performance.

- **home comfort** saw another sharp rise in sales, particularly in Brazil and Colombia, primarily driven by fans and the success of the Turbo Silencio and Silence Force ranges. Air conditioning and heating business was also up;
- **home care** recorded double digit growth in sales, driven by an excellent performance from cylinder vacuum cleaners, with and without dust bag. The Group benefited greatly from the introduction, on 1 September 2014, of performance labelling of vacuum cleaners in Europe, having one of the best positioned ranges on the market in terms of the four criteria being assessed. The Silence Force Multicyclonic range of bagless vacuum cleaners has been very successful, particularly on the French, Turkish, Spanish, German and Italian markets, whilst Air Force upright vacuum cleaners maintained good momentum. The Group significantly increased its vacuum cleaner market share in the countries in which it has a presence;
- **food preparation** saw sales rise slightly, despite the decline in meat mincers, a typical product on the Russian market, and the slowdown in Fresh Express sales. Food processor business was very steady due to the continuing success of the Cuisine Companion, particularly in France and Italy, as well as its launch on the German market where it was awarded the coveted test winner prize awarded by Stiftung Warentest. In addition, the growth of heater blenders was steady, driven by Soup&Co and by the launch of Easy Soup;
- **linen care** ended the year up slightly, the drop in sales of steam irons in some countries having been offset by the rise in steam generators driven by several European markets. Sales of garment steamers continued to rise, benefiting from the category's rapid growth and the expansion of its geographical reach. Semi-automatic washing machines, the vast majority of which were sold in Brazil, saw sales fall;
- **personal care** was up slightly, despite the continued complexity of the weighing business. Sales of hair care equipment continued to rise with, in particular, strong performances in Russia and Spain and as a result of the ongoing development of Steampod, the professional hair smoothing solution designed in partnership with L'Oréal. Epilation saw sales grow, in particular, on the Turkish market;
- **cookware** recorded steady growth, driven by buoyant ordinary business (growth across all categories), as well as sharp growth in loyalty programmes. Business was, once again, very buoyant in China where Supor consolidated its positions. Sales of fixed-handle frying pans and saucepans were up across a large number of markets including the United States, France, Japan, Russia, South Korea etc. Sales of the Ingenio ranges with detachable handles were also up, in particular, on the Japanese and Russian markets. Sales of pressure cookers were up slightly whilst cooking utensils recorded steady growth driven, in particular, by the success of thermos flasks;
- **electrical cooking** experienced another year of strong growth and benefited from the rapid rise in sales of rice cookers in China where the Group recorded new gains in market share due, in particular, to a constant flow of innovative products. Multicookers made great advances due to the excellent performance of Cookeo which distinguished itself once again on the French market and saw sales driven upward by the launch of a new connected version, Cookeo Connect. Sales of multicookers also benefited from rapid growth in sales in China. Optigrill benefited from the extension of its geographical reach. Deep fryers were up slightly, buoyed by traditional fryers, sales of which were up on most markets whilst the Actifry range was expanded with the addition of two new models;
- **beverage preparation** experienced steady growth. On the highly competitive single-serve coffee market, the Group steadily increased its sales of Dolce Gusto, mainly driven by growth in Brazil. Automatic espresso coffee machines continued to make advances in Germany and Russia, particularly due to the ongoing expansion of the range. Electric kettle business bounced back due to a price policy adjustment in Japan and sales growth in China.

Geographical performance

FRANCE: AN EXCELLENT YEAR

In 2015, the French market continued to trend positively overall and proved particularly dynamic in small electrical appliances, especially in vacuum cleaners and electrical cooking, despite the end-of-year repercussions of the terrorist attacks in Paris in November. The Group achieved a very strong performance with annual sales up 5.6%, fueled by multiple factors such as a very positive contribution of many products, several successful sales and marketing campaigns and improved business with almost all retail customers. After a particularly spritely start to the year, growth softened in the second half, and particularly in the fourth quarter, because of a high comparison basis in 2014 for the same period (+9.2% in fourth-quarter 2014). Through its core business and several loyalty programmes, the Group outperformed the market and significantly strengthened its positions in small electrical appliances and even more so in cookware.

Among the best-sellers of the year, special mention should be made of coffee makers (automatic espresso and single-serve coffee machines), draught beer systems, food preparation appliances such as the Cuisine Companion cooking food processor, the Cookeo multicooker (including the connected version, Cookeo Connect) and fryers, together with vacuum cleaners and steam generators. Most of these products benefited from a powerful media plan in the fourth quarter that considerably boosted sales. On a contrasting note, business was more difficult in personal care products.

OTHER WESTERN EU COUNTRIES: STRONG GROWTH IN ALL THE MAJOR MARKETS

The European small electrical appliance market was highly favorable in 2015 with sustained growth in most countries and product categories. The situation was more mixed in cookware, although the underlying trend was positive. In this context, Group sales grew sharply in the region, with fourth-quarter growth of 15.8% like-for-like.

In Germany, after a first half-year penalized by the non-recurrence of major loyalty programmes of 2014, the Group had an excellent year-end, combining a strong improvement in core business, boosted by the highly positive impact of consumer tests, new loyalty programmes, fast-rising online sales and enhanced investments in growth drivers.

Revenue also increased sharply in Portugal and Spain (particularly the latter) throughout the year and across all product categories, driven up by considerable sales and marketing support.

In Italy, the Group achieved record sales in 2015, on the back of kitchen electrics, vacuum cleaners and ironing as well as rapid growth in online sales.

Business also trended favorably in the Netherlands, while the strong momentum continued in the UK (despite a slight slowdown in the fourth quarter), generated by both electrical appliances and cookware.

NORTH AMERICA: SUSTAINED GROWTH

Group performance in North America was marked throughout 2015 by major FOREX impacts. Sales for the year as a whole increased 20.8%, of which 6.7% in organic growth.

In the United States, in a relatively positive market environment, sales grew 4.5% in 2015 on a like-for-like basis. The performance was largely driven by cookware, with the Group's benchmark brands such as T-fal, All-Clad and Imusa delivering very good results, and with kitchen tools doing very well. Activity was more subdued in small electrical appliances (ironing, OptiGrill), despite a significant recovery in the last quarter. Meanwhile, the Group continued to rapidly develop online sales across its entire product line-up.

Sales in Canada were impacted by price increases introduced to offset currency effects, but grew year on year owing to a sharp rebound in activity in the fourth quarter.

In Mexico, the Group achieved in 2015 strong organic revenue growth, bolstered by cookware (core business and loyalty programme at Soriana) while business was more volatile in small electrical appliances and contrasted from one product family to the next.

SOUTH AMERICA: DIFFICULT END OF YEAR IN BRAZIL, AS EXPECTED

Annual sales in South America were down 11.2%, strongly impacted by the depreciation of the Brazilian real and Colombian peso, the Group's two main currencies in the region. However, like-for-like growth came out at 3.3%, reflecting solid business through end-September followed by a downturn in the fourth quarter.

In Brazil, the Group contended throughout the year with a climate of economic crisis, a persistently weak real and major political issues. While business remained positive in the first nine months, the end of the year proved more complicated, as expected, with consumer spending under pressure, heightened competition, and a drastic inventory reduction policy on the part of retailers. As such, fourth-quarter sales contracted. As a matter of fact, growth in food preparation appliances and the ongoing success of Dolce Gusto failed to offset the downward trend in cookware and ironing as well as an unfavorable start to the season for fans owing to weather conditions. Against this troubled backdrop, the Group stepped up the reorganization of its manufacturing, logistics and sales activities.

In Colombia, sustained demand was fueled by strong product momentum and powerful marketing and advertising support. Together they served to generate vigorous sales growth, which accelerated sharply in the fourth quarter on the success of all product categories in small electrical appliances (particularly food preparation and fans) and cookware (Triforce non-stick coating).

ASIA-PACIFIC: ROBUST ORGANIC GROWTH OVER THE WHOLE YEAR

The fourth quarter was in line with the first nine months, with brisk organic sales growth driven by the three large markets in the region – China, Japan and South Korea – and the highly positive impact of the year-on-year appreciation of the yuan.

In China, growth in revenue hovered around +17% throughout the year on a like-for-like basis. In the highly competitive Chinese market, Supor achieved this robust performance by continuously enhancing its product line-up with new value-added products (new fast pressure cooker and steam rice cooker), developing new categories (notably kitchen tools), increasing the number of points of sales (presence at over 50,000 stores at end-2015) and growing online sales at a brisk pace.

In Japan, 2015 was a year of business recovery and recapture of market share. Strong organic growth in the year and the fourth quarter was driven by kettles, cookware and recently launched garment steamers.

The Group also enjoyed an excellent year in South Korea with an extended range of flagship products including cookware, vacuum cleaners, food preparation appliances and personal care products.

In nearly all other Asia-Pacific countries, the Group recorded growth, except in Thailand, where the economic environment led to a decline in activity.

CENTRAL EUROPE, RUSSIA AND OTHER COUNTRIES: CONTRASTED END OF THE YEAR

In this disrupted region, impacted by major currency effects (including the Russian rouble, Ukrainian hryvnia and Turkish lira), Group sales grew solidly in the first half-year and held up well in the second part of the year despite severe downturns in several markets and a high comparison basis in fourth-quarter 2014. As a result, the Group outperformed the market and shored up its positions in almost all the countries in the region.

Group performance in Central Europe was positive overall, with strong end-of-year momentum in most countries.

In Russia, where the small household equipment market collapsed, the Group delivered a satisfactory year although it recorded an organic fall in sales in the fourth quarter, to be put in perspective with a very strong fourth quarter in 2014. In a context of very significant price increases introduced to offset the weakness of the rouble, Group's 2015 sales were stable at constant exchange rate, thanks to sustained growth in cookware, multicookers, rice cookers, and personal care products, and to new loyalty programmes. The result, ultimately, was an increase in market share.

In Ukraine, the deteriorated general environment ended up by weighing on demand, and fourth-quarter revenue dropped. But full-year sales registered solid like-for-like growth and the Group consolidated its positions on the market.

In a resilient Turkish market, sales increased and the Group confirmed its outperformance at the end of the year in small electrical appliances, especially in vacuum cleaners and ironing – the two pillars of the business – as well as in personal care. The renovation of newly integrated Tefal shops together with stronger in-store marketing initiatives substantially boosted performance and market share.

Meanwhile, the Group enjoyed very strong sales growth in local currencies in Egypt and India.

4.3. COMMENTARY ON THE CONSOLIDATED RESULTS

Income statement

OPERATING RESULT FROM ACTIVITY OF €428 MILLION, UP 16.3% IN EUROS, AND 43.0% LFL*

The Group generated operating result from activity (ORfA) of €428 million, up €60 million (+16.3%), despite a negative currency effect of €100 million, resulting largely from the strengthening of the US dollar and Chinese yuan, the Group's main purchasing currencies, against the euro. The depreciation of several emerging currencies, especially in the second half of the year, also contributed to the negative currency effect, though to a lesser extent. At constant exchange rates and scope of consolidation, ORfA came out at €525 million, with growth of 43.0% (+12.6% in 2014), which can be attributed to the following:

- a positive volume effect, stemming from robust organic growth in sales;
- a positive price-mix effect, reflecting the sometimes sharp price increases made in some countries to offset the depreciation of the local currency, as well as the continued improvement of the product mix;
- ongoing efforts to boost industrial competitiveness, together with gains in purchasing attributable both to the fall in commodity prices and to productivity initiatives;
- strengthened growth drivers, as announced, particularly in operational marketing and advertising (up 16% on a like-for-like basis), which strongly supported business momentum;
- effective control of costs and operating expenses, which rose considerably less than Group activity;
- a scope effect with the consolidation of OBH Nordica for four months of the year.

Harnessing all the above, the Group succeeded in more than offsetting the -€100 million currency impact on ORfA, which grew in a robust manner.

SIGNIFICANT INCREASE IN OPERATING PROFIT AND NET PROFIT

Operating profit totaled €371 million, up 18.4% on 2014, mainly reflecting the improvement in ORfA. Other income and expense stood at -€25 million (-€21 million in 2014), notably including costs and provisions linked to enhancing competitiveness in Brazil and to the workforce reduction plan in Lourdes.

At -€48 million, net financial expense improved slightly on 2014 (-€49 million), with a significant reduction in interest expense (-€27 million, compared with -€31 million in 2014) along with an increase in other financial expense, notably comprising unfavorable currency translation adjustments.

Consequently, net profit came to €206 million (+21.2%) after a tax expense of €82 million, corresponding to an effective tax rate of 25.5% (26.9% in 2014), and non-controlling interests of €35 million, which rose year on year as a result of the continuous improvement in Supor performance in China and the re-evaluation of the yuan.

* *At constant currencies and scope of consolidation.*

Balance sheet

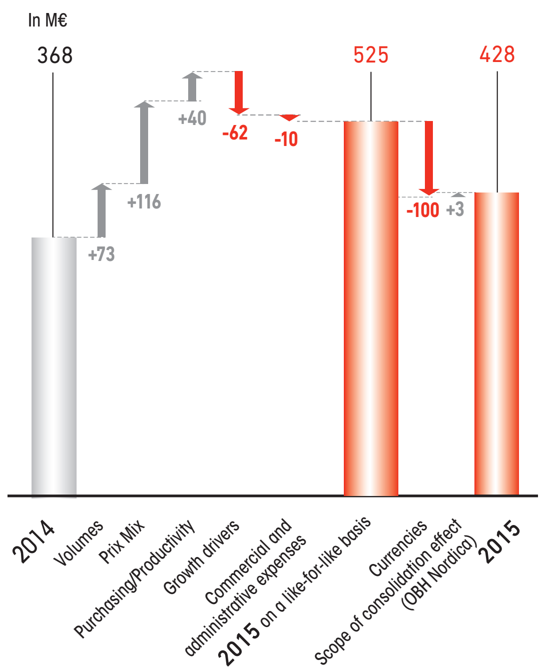
At 31 December 2015, **equity stood** at €1,908 million, up €183 million year on year mainly owing to the profit generated in 2015 and positive currency adjustments worth around €50 million (with the favorable effects of the Chinese yuan and US dollar outweighing the unfavorable effects of the Brazilian real, Colombian peso and Turkish lira).

Net debt at 31 December 2015 amounted to €316 million, down €137 million on last year. That substantial reduction resulted from the generation of strong operating cash flow of €257 million (€175 million in 2014).

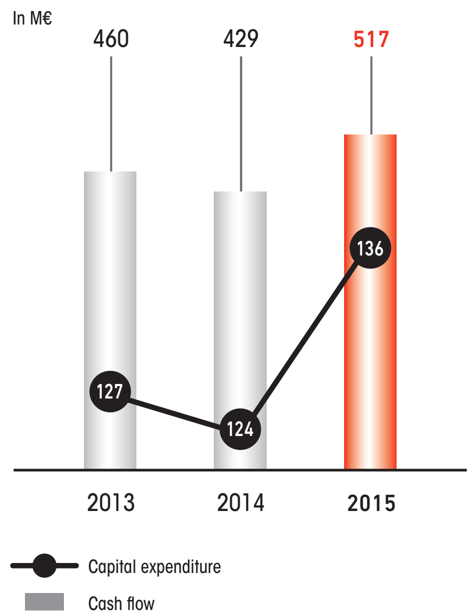
The working capital requirement increased in value due to the strong growth in business activity, but improved in ratio terms (21.0% of sales versus 22.4% at the end of 2014). The Group ended 2015 with a gearing of 17% (26% at end-2014) and a debt/EBITDA ratio of 0.6 (compared with 1.0 at 31 December 2014), further strengthening its financial structure, based on a diversified financing architecture, reinforced by the bond issue in November 2015.

Capital expenditures totalled €136 million, slightly higher than 2014 levels (€124 million). In general, they were principally for tangible assets (approximately 70%), with almost equivalent distribution between moulds and tools for new products on the one hand and production equipment (installation of new assembly lines, injection presses, etc.) and/or the renovation of buildings on the other. The remaining 30% covered mostly capitalised development costs and production-related computer software linked to the production and to the development of the Group's own retail brand outlets.

+ BREAKDOWN OF OPERATING RESULT FROM ACTIVITY



+ CASH FLOW AND CAPITAL EXPENDITURE



4.4. OUTLOOK

Fiscal year 2015 concluded with excellent performances, both in terms of organic growth in sales and improvement in results.

The first few weeks of 2016 attest to the fact that the global macro-economic environment will remain highly contrasted from one geographical region to the next. Groupe SEB expects demand to remain well oriented in Europe and in China, more subdued in the United States, and anticipates a situation which is likely to remain highly deteriorated in Russia and Brazil.

The Group also expects a continued unfavorable forex configuration in 2016, with its two main purchasing currencies, the dollar and the yuan, having appreciated considerably in 2015 - leading to less favorable hedging rates -, while several emerging currencies depreciated significantly. Together, these factors should translate into a sharply negative currency impact on revenue and on Operating Result from Activity (on which it is currently estimated at around €130-140 million). As in 2015, Groupe SEB will endeavor to more than offset these negative effects by harnessing innovation, the Group's worldwide presence, a proactive pricing policy, strong advertising and marketing investments, together with the competitiveness and flexibility of its manufacturing base and structures.

In this context, Groupe SEB's objective in 2016 is to once again achieve organic growth in its sales and, despite an ongoing adverse currency effect, ensure a new increase in its Operating Result from Activity.

5

CONSOLIDATED FINANCIAL STATEMENTS

5.1. FINANCIAL SUMMARY

(in € millions)	**2015**	2014	2013	2012	2011 [f]	2010 [f]	2009	2008	2007 [f]	2006 [f]
RESULTS										
Sales in France	739	700	666	689	705	712	685	668	640	595
Sales outside France	4,031	3,553	3,495	3,371	3,258	2,940	2,491	2,562	2,230	2,057
Total sales	4,770	4,253	4,161	4,060	3,963	3,652	3,176	3,230	2,870	2,652
Operating result from activity	428	368	410	415	455	438	355	342	301	262
Operating profit	371	314	364	368	402	349	248	279	237	153
Profit attributable to owners of the parent	206	170	200	194	236	220	146	152	145	87
Depreciation, amortisation and impairment losses	146	123	112	109	115	117	124	110	88	97
Employee benefits expense [b]	802	753	737	698	665	627	549	563	540	534
Discretionary and non-discretionary profit sharing and matching contributions to employee savings plans	31	33	37	48	44	50	33	38	33	26
EBITDA [c]	508	434	475	475	516	468	372	388	329	247
Adjusted EBITDA [e]	533	455	485	474	511	488	416	394	351	324
BALANCE SHEET (AT 31 DECEMBER)										
Shareholders' equity after appropriation	1,829	1,650	1,460	1,395	1,279	1,487	1,169	992	814	770
Net debt	316	453	416	556	673	131	243	649	658	422
Non-current assets	1,654	1,593	1,413	1,434	1,453	1,249	1,163	1,184	1,060	766
Capital expenditure	153	201	127	128	131	140	109	116	92	85
Inventories and work-in-progress	821	823	731	681	702	635	466	615	528	517
Trade receivables	886	768	740	836	828	733	627	646	627	646
Net cash from operating activities	376	271	298	313	242	256	558	165	228	154
Number of employees at 31 December	26,024	25,759	24,682	24,758	24,927	23,058	20,663	18,879	13,048	13,741
SHARES (IN €) [a]										
Total number of shares outstanding *(in thousands)*	50,169	50,169	50,169	50,169	49,952	49,952	49,952	50,912	50,881	51,057
Weighted average number of shares *(in thousands)*	49,037	48,694	48,344	47,718	47,886	47,414	46,477	47,326	48,620	48,610
Adjusted diluted earnings per share	4.14	3.45	4.08	4.01	4.81	4.54	3.13	3.18	2.92	1.78
Dividend per share	1.54	1.44	1.39	1.32	1.25	1.17	1.04	0.94	0.93	0.85
Dividend yield per share (in %) [d]	1.63	2.34	2.12	2.37	2.15	1.51	2.62	4.38	2.26	2.37
Price range:										
+ high	97.45	68.99	69.5	67.85	82.15	82.78	40.53	44.00	48.15	38.07
+ low	58.01	56.85	51.5	46.70	52.0	39.15	16.44	19.71	35.33	26.70
Price at 31 December	94.60	61.57	65.7	55.71	58.12	77.73	39.70	21.46	41.33	35.87
Stock market capitalisation *(in millions €)*	4,746.0	3,088.9	3,296.1	2,794.9	2,903.2	3,882.8	1,983	1,093	2,103	1,831
Average daily trading volume (number of shares)	79,811	56,210	75,245	90,232	143,151	107,282	88,830	117,527	127,638	75,681

(a) Figures were restated following the three-for-one share split.
b) Excluding discretionary and non-discretionary profit sharing and matching contributions to employee savings plans but 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.
(c) Earnings before interest, taxes, depreciation and amortisation (including amortisation and impairment of goodwill and trademarks, and depreciation and amortisation expense reported under "Other operating income and expense").
(d) Dividend for the year expressed as a percentage of the closing share price at the year-end.
(e) Recurring operating profit before interest, taxes, depreciation and amortisation.
(f) The balance sheets and income statements for 2006, 2007, 2010, and 2011 were restated in subsequent years. The restatements were not material.

5.2. CONSOLIDATED RATIOS

(in %)	**2015**	2014	2013	2012	2011 [(b)]	2010 [(b)]	2009	2008	2007	2006
PROFITABILITY RATIOS										
Return on equity before appropriation of previous year's profit	11.94	11.09	13.66	14.47	15.27	18.04	15.69	18.85	17.71	10.88
Net profit/Sales	4.32	4.00	4.80	4.78	5.96	6.03	4.59	4.69	5.04	3.28
FINANCIAL RATIOS										
Net debt/Shareholders' equity before appropriation [(c)]	16.57	26.27	27.14	38.04	50.14	8.48	22.52	71.64	76.12	51.7
Financial costs, net/revenue	1.00	1.15	1.32	1.54	0.68	0.44	0.86	1.50	1.21	1.15
Net debt/Adjusted EBITDA (in value) [(c)]	0.59	1.00	0.86	1.17	1.32	0.27	0.59	1.65	1.87	1.30
INVESTMENT RATIOS [(a)]										
Investments/Sales	3.23	4.73	3.05	3.14	3.55	3.86	3.44	3.60	3.20	3.21

(a) Capital expenditure on property, plant and equipment, software and development costs.
(b) Restated for the effects of early application of IAS 19R.
(c) According to the definition of net debt. Note 1.4.8.

5.3. FINANCIAL STATEMENTS

Consolidated income statement

Years ended 31 December

(in € millions)	**31/12/2015**	31/12/2014	31/12/2013
Revenue (Note 3)	4,769.7	4,253.1	4,161.3
Operating expenses (Note 4)	(4,341.7)	(3,885.1)	(3,750.9)
OPERATING RESULT FROM ACTIVITY	**428.0**	**368.0**	**410.4**
Statutory and discretionary employee profit-sharing (Note 5)	(31.4)	(33.3)	(37.2)
RECURRING OPERATING PROFIT	**396.6**	**334.7**	**373.2**
Other operating income and expense (Note 6)	(25.3)	(21.0)	(9.5)
OPERATING PROFIT	**371.3**	**313.7**	**363.8**
Finance costs (Note 7)	(27.5)	(31.2)	(31.0)
Other financial income and expense (Note 7)	(20.3)	(17.8)	(23.9)
Share of profits of associates			
PROFIT BEFORE TAX	**323.5**	**264.7**	**308.9**
Income tax (Note 8)	(82.4)	(71.2)	(87.2)
PROFIT FOR THE PERIOD	**241.1**	**193.5**	**221.7**
Non-controlling interests (Note 20)	(35.2)	(23.6)	(22.0)
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**205.9**	**170.0**	**199.8**
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT PER SHARE			
Basic earnings per share (Note 9)	4.20	3.49	4.13
Diluted earnings per share (Note 9)	4.14	3.45	4.08

The accompanying Notes 1 to 32 are an integral part of these Consolidated Financial Statements.

Consolidated statement of comprehensive income

(in € millions)	**31/12/2015**	31/12/2014	31/12/2013
Profit for the period	241.1	193.5	221.7
Exchange differences on translating foreign operations	50.9	69.8	(81.2)
Gains (losses) on cash flow hedges	(16.8)	35.1	(12.5)
Restatement of employee benefit obligations, net of tax	(0.7)	(9.4)	0.2
Other comprehensive income	33.4	95.6	(93.5)
COMPREHENSIVE INCOME	**274.5**	**289.1**	**128.2**
Non-controlling interests	(46.5)	(39.5)	(19.2)
COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	**228.0**	**249.6**	**109.0**

(a) Items that will not be reclassified to profit or loss.
(b) The pre-tax effect of this restatement is shown in Note 22.4 Change in other comprehensive income.

Consolidated balance sheet

Years ended 31 December

ASSETS *(in € millions)*	**31/12/2015**	31/12/2014	31/12/2013
Goodwill (Note 10)	544.9	512.1	448.2
Other intangible assets (Note 10)	485.0	464.1	411.8
Property plant and equipment (Note 11)	596.5	587.1	485.9
Investments in associates (Note 13)			
Other investments (Note 13)	16.7	16.0	57.4
Other non-current financial assets (Note 13)	10.4	13.9	9.5
Deferred taxes (Note 8)	50.3	34.9	52.0
Other non-current assets (Note 17)	23.6	5.9	6.0
Long-term derivative instruments (Note 25)	5.0	8.5	
NON-CURRENT ASSETS	**1,732.4**	**1,642.5**	**1,470.8**
Inventories (Note 15)	820.9	822.8	731.1
Trade receivables (Note 16)	886.0	768.3	740.2
Other receivables (Note 17)	90.2	137.8	116.7
Current tax assets	44.5	35.0	33.3
Short-term derivative instruments (Note 25)	45.9	50.9	2.8
Other financial investments (Note 24)	244.5	172.5	
Cash and cash equivalents (Note 18)	770.8	341.4	426.3
CURRENT ASSETS	**2,902.8**	**2,328.7**	**2,050.4**
TOTAL ASSETS	**4,635.2**	**3,971.2**	**3,521.2**

5

LIABILITIES *(in € millions)*	**31/12/2015**	31/12/2014	31/12/2013
Share capital (Note 19)	50.2	50.2	50.2
Reserves and retained earnings (Note 19)	1,728.6	1,579.9	1,414.2
Treasury stock (Note 19)	(71.2)	(79.0)	(74.7)
Equity attributable to owners of the parent	**1,707.6**	**1,551.0**	**1,389.7**
Non-controlling interests (Note 20)	**200.1**	**173.5**	**142.6**
EQUITY	**1,907.7**	**1,724.5**	**1,532.3**
Deferred taxes (Note 8)	70.1	65.3	71.3
Long-term provisions (Note 21)	185.8	192.9	180.9
Long-term borrowings (Note 24)	707.0	576.9	627.0
Other non-current liabilities (Note 23)	41.7	38.4	33.3
Long-term derivative instruments (Note 25)	3.5	1.9	
NON-CURRENT LIABILITIES	**1,008.1**	**875.4**	**912.5**
Short-term provisions (Note 21)	61.0	55.6	45.6
Trade payables (Note 23)	695.2	637.3	524.8
Other current liabilities (Note 23)	291.6	260.3	251.3
Current tax liabilities	31.5	20.8	26.6
Short-term derivative instruments (Note 25)	16.6	8.2	13.5
Short-term borrowings (Note 24)	623.5	389.1	214.6
CURRENT LIABILITIES	**1,719.4**	**1,371.3**	**1,076.4**
TOTAL EQUITY AND LIABILITIES	**4,635.2**	**3,971.2**	**3,521.2**

The accompanying Notes 1 to 32 are an integral part of these Consolidated Financial Statements.

Consolidated cash flow statement

Year ended 31 December

(in € millions)	31/12/2015	31/12/2014	31/12/2013
PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT	**205.9**	**170.0**	**199.8**
Depreciation, amortisation and impairment losses (Notes 10 and 11)	146.5	122.8	111.7
Change in provisions (Note 21)		3.7	8.9
Unrealised gains and losses on financial instruments (Note 25)	9.5	(6.3)	(2.9)
Income and expenses related to stock options plan (Note 19.2)	13.9	10.2	6.0
Gains and losses on disposals of assets	1.9	2.7	(3.2)
Other	(6.0)		
Non-controlling interests (Note 20)	35.2	23.6	22.0
Current and deferred taxes (Note 8)	81.7	71.2	86.5
Finance costs (Note 7)	28.0	31.2	31.2
CASH FLOW [(a)]	**516.6**	**429.2**	**459.9**
Change in inventories and work in progress (Note 15)	26.5	(70.2)	(89.4)
Change in trade receivables (Note 16)	(137.6)	(28.9)	37.3
Change in trade payables (Note 23)	41.8	72.8	36.1
Change in other receivables and payables (Notes 17 and 23)	45.7	(6.1)	(23.4)
Income tax paid	(88.6)	(94.6)	(91.2)
Net interest paid	(28.0)	(31.2)	(31.2)
NET CASH FROM OPERATING ACTIVITIES	**376.4**	**271.0**	**298.1**
Proceeds from disposals of assets (Note 11)	5.0	6.6	11.5
Purchases of property, plant and equipment (Note 11)	(133.6)	(187.6)	(114.2)
Purchases of software and other intangible assets (Note 10)	(23.5)	(13.4)	(12.8)
Purchases of financial assets (Notes 13 et 24)	(62.8)	(171.1)	(3.1)
Acquisitions of subsidiaries, net of cash acquired (Note 2)	(18.5)	5.9	(25.2)
Effect of other changes in scope of consolidation (Note 2)			
NET CASH USED BY INVESTING ACTIVITIES	**(233.4)**	**(359.7)**	**(143.8)**
Change in long-term borrowings (Note 24)	130.1	(50.1)	39.2
Change in short-term borrowings (Note 24)	273.4	173.8	(132.4)
Issue of share capital (Note 19)			
Transactions between owners (Note 20)	(24.1)	(23.2)	(10.2)
Change in treasury stock (Note 19.4)	(3.6)	(6.0)	21.2
Dividends paid, including to non-controlling interests	(85.4)	(78.0)	(73.6)
NET CASH USED BY FINANCING ACTIVITIES	**290.3**	**16.5**	**(155.9)**
Effect of changes in foreign exchange rates	(3.9)	(12.7)	29.1
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**429.4**	**(84.9)**	**27.6**
Cash and cash equivalents at beginning of period (Note 18)	341.4	426.3	398.7
Cash and cash equivalents at end of period (Note 18)	770.8	341.4	426.3

(a) Before interest and income taxes paid.

Consolidated statement of changes in equity

(in € millions)	Share capital	Share premium	Reserves and retained earnings	Translation reserves	Treasury stock	Equity attributable to owners of the parent	Non-controlling interests	Equity
AT 31 DECEMBER 2012	**50.2**	**88.1**	**1,123.0**	**161.5**	**(91.1)**	**1,331.8**	**130.3**	**1,462.1**
Profit for the period			199.8			199.8	22.0	221.7
Other comprehensive income			(12.3)	(78.5)		(90.8)	(2.7)	(93.5)
Comprehensive income			*187.5*	*(78.5)*		*109.0*	*19.2*	*128.2*
Dividends paid			(66.1)			(66.1)	(7.5)	(73.6)
Issue of share capital								
Reduction of share capital								
Changes in treasury stock					16.4	16.4		16.4
Gains (losses) on sales of treasury stock, after tax			3.1			3.1		3.1
Exercice of stock options			6.0			6.0		6.0
Other movements			(10.4)			(10.4)	0.5	(9.9)
AT 31 DECEMBER 2013 (NOTE 19)	**50.2**	**88.1**	**1,243.1**	**83.0**	**(74.7)**	**1,389.7**	**142.6**	**1,532.3**
Profit for the period			170.0			170.0	23.6	193.5
Other comprehensive income			25.7	53.9		79.6	15.9	95.5
Comprehensive income			*195.7*	*53.9*		*249.6*	*39.5*	*289.1*
Dividends paid			(70.2)			(70.2)	(7.8)	(78.0)
Issue of share capital								
Reduction of share capital								
Changes in treasury stock					(4.4)	(4.4)		(4.4)
Gains (losses) on sales of treasury stock, after tax			(1.0)			(1.0)		(1.0)
Exercice of stock options			7.1			7.1		7.1
Other movements			(19.8)			(19.8)	(0.8)	(20.6)
AT 31 DECEMBER 2014 (NOTE 19)	**50.2**	**88.1**	**1,354.8**	**137.0**	**(79.0)**	**1,551.0**	**173.5**	**1,724.5**
Profit for the period			205.9			205.9	35.2	241.1
Other comprehensive income			(17.5)	39.6		22.1	11.3	33.4
Comprehensive income			*188.4*	*39.6*		*228.0*	*46.5*	*274.5*
Dividends paid			(73.6)			(73.6)	(11.8)	(85.4)
Issue of share capital								
Reduction of share capital								
Changes in treasury stock					7.8	7.8		7.8
Gains (losses) on sales of treasury stock, after tax			(7.5)			(7.5)		(7.5)
Stock options			13.9			13.9		13.9
Other movements *			(12.0)			(12.0)	(8.1)	(20.1)
AT 31 DECEMBER 2015 (NOTE 19)	**50.2**	**88.1**	**1,464.0**	**176.6**	**(71.1)**	**1,707.6**	**200.1**	**1,907.7**
DIVIDENDS PROPOSED FOR 2015			**(79.2)**			**(79.2)**		**(79.2)**
BALANCE AFTER APPROPRIATION AT 31 DECEMBER 2015	**50.2**	**88.1**	**1,384.8**	**176.6**	**(71.1)**	**1,628.4**	**200.1**	**1,828.5**

* *Of which acquisition of 1.58% of non-controlling interests of Supor (Note 20).*

5.4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Figures at 31 December (in millions of euros)

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 appliances: pressure cookers, irons and steam generators, kettles, coffee makers, deep fryers, toasters and food processors.

SEB S.A.'s registered office is at Chemin du Petit-Bois, 69130 Écully, France and it is listed on the Euronext-Paris Eurolist market (ISIN code: FR0000121709).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Consolidated Financial Statements were authorised for publication by the Board of Directors on 23 February 2016.

As a company listed in a European Union country and in compliance with European Commission regulation 1606/2002/EC dated 19 July 2002, the 2015 Consolidated Financial Statements and the 2014 and 2013 restated information have been prepared in accordance with the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the European Union as of 31 December 2015, including the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and its predecessor, the Standing Interpretations Committee (SIC). These documents can be downloaded from the European Commission's website http://ec.europa.eu/internal_market/accounting/ias_en.htm.

New standards, amendments and interpretations with mandatory application

Since 1 January 2015, it has been mandatory to apply the following standards, amendments and interpretations:

- IFRIC 21: "Levies": this interpretation states that levies must be recognised in accordance with the activity that triggers payment, as defined by law irrespective of the basis used to calculate them. The application of this interpretation had no material effect on the annual financial statements;
- annual improvements to IFRSs (2011-2013 cycle) applicable as of 1 July 2014.

These new standards and amendments had no material impact on the Group's financial statements.

Standards and amendments not early-adopted by the Group

The Group did not early-adopt any standards, amendments or interpretations in 2015 that concern the Group and are applicable from 1 January 2016 or that are applicable despite not having been adopted by the European Union as they do not contradict any existing standards. These new standards and amendments are not expected to have a material impact on the Consolidated Financial Statements:

- annual improvements to IFRS (2010-2012 cycle) applicable as of 1 February 2015: these amendments mainly concern related party disclosures (IAS 24) and more specifically, clarifications as to the concept of services by "key" management personnel, share-based payments (IFRS 2) and notably a clarification of the concept of "vesting conditions", operating segment information (IFRS 8) and the disclosures to be made regarding aggregation criteria as well as the reconciliation of assets by segment with the entity's assets as a whole, the clarification of the notion of fair value for short-term receivables and payables and the option to offset financial assets and liabilities (IFRS 13, Fair Value Measurement) and the recognition of contingent consideration in a business combination (IFRS 3);
- amendments to IAS 16 (Property, Plant and Equipment) and IAS 38 (Intangible Assets) concern acceptable methods of depreciation and amortisation. The IASB has clarified that using an amortisation method based on income is not appropriate, as it will not reflect the consumption of an intangible asset's economic benefits. This presumption may be refuted under certain circumstances;
- amendment to IFRS 11 «Joint Arrangements» dealing with acquisition of a stake in a joint venture;
- amendment to IAS 19 «Employee Benefits» which applies to employee or third-party contributions to defined-benefit plans. Some contributions may now be recognised as a deduction from the cost of services rendered for the period in which the service was rendered.

IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments" were published in May and July 2014 respectively and have an application date of 1 January 2018. The impact of these new standards and amendments on the Group's financial statements is in the process of being analysed.

NOTE 1.1. BASIS AND SCOPE OF CONSOLIDATION

Material companies that are exclusively controlled by SEB S.A. either directly or indirectly are fully consolidated.

The profits of subsidiaries acquired or disposed of during the year are recognised 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.

At 31 December 2015, no entities were accounted for by the equity method.

Certain companies fulfilling all of the above criteria are not consolidated because they are not material in relation to the Group as a whole. The materiality criteria applied by the Group are as follows:

- revenue of at least €15 million;
- total assets of at least €15 million;
- total debt of at least €5 million.

The list of consolidated companies is presented in note 32.

All material intra-group transactions have been eliminated in consolidation.

NOTE 1.2. TRANSLATION OF FOREIGN FINANCIAL STATEMENTS AND CURRENCY TRANSACTIONS

1.2.1. 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 functional and reporting currency is the euro.

The financial statements of foreign entities 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 recognised as a separate component of equity, under "Translation reserve".

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 rate for the year, apart from depreciation, amortisation and impairment losses on non-monetary items;
- the resulting exchange differences are recognised in the income statement.

These financial statements in the functional currency are then translated into euros using the closing rate method.

In accordance with the option available to first-time adopters under IFRS 1, Groupe SEB elected to reset to zero at 1 January 2004 the cumulative translation differences arising on consolidation of foreign entities.

1.2.2. Translation of foreign currency transactions

Foreign currency transactions are recognised and measured in accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates. Transactions in currencies other than the euro are initially recognised at the exchange rate prevailing on the transaction date.

Monetary assets and liabilities denominated in currencies other than the euro are translated at the closing exchange rate. The resulting exchange gains and losses are recognised in the income statement except where they are recognised directly under other comprehensive income or refer to eligible cash-flow hedges or hedges of a net investment in a foreign entity.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at historical cost are translated using the exchange rate on the transaction date.Non-monetary assets and liabilities measured at fair value in 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 recognised under other comprehensive income, any exchange component of this profit or loss is recognised directly under other comprehensive income. In contrast, where a profit or a loss on a non-monetary item is recognised directly in the income statement, any exchange component of this profit or loss is recognised in the income statement.

The Group's exposure to certain currency risks is hedged using forward contracts and options (see below for the accounting methods applicable to hedging positions).

NOTE 1.3. 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, amortisation and impairment losses – and contingent assets and liabilities at the balance sheet date, as well as on income and expenses for the year.

All such estimates are made on a going concern basis using the information available when the financial statements are drawn up. They reflect amounts and assumptions that management considers relevant and reasonable given the Group's operating environment and past experience. Forecasting and producing medium-term plans are rendered difficult by the current economic environment. The consolidated financial statements for the period were 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 the year-end based on the long-term economic outlook and management's best estimates, taking into account the reduced visibility of future cash flows.

The assumptions used – which mainly concern impairment tests on non-current assets – and the sensitivity of reported amounts to changes in these assumptions, are presented in the relevant notes to these Consolidated Financial Statements, in accordance with IAS 36.

Estimates are adjusted following 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.

The main estimates and assumptions used to prepare the Consolidated Financial Statements concern the measurement of pension and other post-employment benefit obligations (Note 22.1), deferred taxes (Note 1.4.10), property, plant and equipment (Note 1.4.3), intangible assets (Notes 1.4.1 and 10), investments in associates and other investments, impairment of current assets (Notes 1.4.5 and 1.4.6), short and long-term provisions (Notes 1.4.11 and 1.4.12), certain financial instruments (Note 1.4.4 – Derivative instruments) and share-based payments (Note 1.4.11 – Share-based payments).

NOTE 1.4. ACCOUNTING POLICIES AND VALUATION METHODS

The financial statements of Group companies are prepared in accordance with local generally accepted accounting principles. They are restated where necessary to comply with Group accounting policies.

The notes to the Consolidated Financial Statements include analyses of assets and liabilities by maturity where disclosure of this information is required under IFRS.

1.4.1. Intangible assets

A) DEVELOPMENT COSTS

Under IAS 38 – Intangible Assets, research costs are recognised as an expense and development costs are recognised 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 asset will flow to the Group;
- its ability to reliably measure the cost of the asset.

Development costs that do not fulfil the above criteria are expensed as incurred.

In the Consolidated Financial Statements, qualifying development costs incurred after the advance design phase and before the manufacturing phase are recognised as intangible assets.

Development costs are amortised on a straight-line basis over three to five years, corresponding to the same useful life as that applied to specific tooling.

B) OTHER INTANGIBLE ASSETS

Software licences and internal software development costs are recognised as intangible assets when it is probable that they will generate future economic benefits. They are amortised by the straight-line method over useful lives ranging from three to five years. Other software licences and software development costs are expensed as incurred.

Patents, licences and trademarks with a finite useful life are amortised over the shorter of the period of legal protection and their expected useful life, not to exceed 15 years.

Trademarks with an indefinite useful life are not amortised but are tested for impairment.

C) GOODWILL

Goodwill arising from consolidated companies are recognised as a balance sheet asset under "Goodwill".

It is measured as the excess of the Group's interest in the net fair value of the identifiable assets and liabilities acquired in a business combination over the consideration transferred. 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 recognised directly in the income statement on the acquisition date under "Other operating income and expense".

For each business combination, any non-controlling interest in the acquiree 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 acquiree's identifiable net assets (partial goodwill method).

The fair values provisionally attributed to identifiable assets and liabilities, non-controlling interests measured at fair value and the various components of the consideration transferred may be adjusted for a period of twelve months after the acquisition date. After that period, any adjustments are recognised prospectively in profit or loss with no adjustment to goodwill.

Goodwill is not amortised but is tested for impairment at least once a year. For impairment testing purposes, goodwill is allocated to a Cash-Generating Unit (CGU), defined as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

The method used to test CGUs for impairment is described in Note 1.4.3.

When a CGU is found to be impaired, an impairment loss corresponding to the difference between the carrying amount of the goodwill and its recoverable amount is recognised in "Other operating expense". Impairment losses on goodwill are not reversible.

Negative goodwill is recognised directly in the income statement under "Other operating income and expense" and is attributed in full to the acquirer.

1.4.2. Property, plant and equipment

Property, plant and equipment are initially recognised at cost and are depreciated by the straight-line method over their estimated useful lives.

Maintenance and repair costs are expensed as incurred.

The main useful lives are as follows:

- buildings: 10-40 years;
- plant and machinery: 10 years;
- office equipment: 3-10 years;
- vehicles: 4-5 years;
- tooling: 1-5 years.

Each significant part of an item of property, plant and equipment 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 – corresponding to a change in accounting estimates – is applied prospectively.

No items of property, plant or equipment have been revalued.

In accordance with IAS 17 – Leases, finance leases that transfer substantially all the risks and rewards incidental to ownership of an asset are recognised in property, plant and equipment for an amount corresponding to the lower of the fair value of the leased asset and the present value of the minimum lease payments.

A liability for the same amount is recorded under “Finance lease liabilities”.

1.4.3. Impairment of non-current assets

In accordance with IAS 36 – Impairment of Assets, the Group assesses at the end of each reporting period whether there is any indication that its property, plant and equipment and intangible assets may be impaired. Assets with an indefinite useful life – corresponding in the case of Groupe SEB to goodwill and trademarks – are tested for impairment at least once a year, irrespective of whether there is any indication of impairment.

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 the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The value in use of these units is determined by reference to net discounted future cash flows. An impairment loss is recognised for any excess of an asset’s carrying amount over its recoverable amount. Recoverable amount corresponds to the higher of the asset’s fair value less costs to sell and its value in use, calculated using the discounted cash flows method. The impairment loss is allocated to reduce the carrying amount of goodwill and then pro rata to the other assets of the CGU based on their respective carrying amounts.

The capitalised amount of development projects in progress is also tested for impairment.

Impairment losses on CGUs and on assets with an indefinite useful life are recorded in “Other operating income and expense”.

At Groupe SEB, CGUs correspond to individual production sites, broken down where appropriate by product family. The assets allocated to each CGU correspond mainly to tooling and other manufacturing assets (primarily buildings and machinery). Marketing subsidiaries and integrated manufacturing and sales entities are each treated as separate CGUs, but marketing subsidiaries that share resources are combined in a single CGU.

Impairment losses recognised for non-financial assets other than goodwill are reviewed at each annual and interim period-end and adjusted as necessary.

1.4.4. Financial instruments

Financial instruments are accounted for in accordance with IAS 39 – Financial Instruments: Recognition and Measurement.

Financial assets and liabilities are recognised in the balance sheet when the Group becomes a party to the contractual provisions of the instrument. They are recognised at the fair value of the consideration given or received. Transaction costs directly attributable to the acquisition or issue of the financial asset or liability are included in the initial measurement of all financial assets and liabilities. Acquisition costs include direct external transaction costs.

A) FINANCIAL ASSETS

Financial assets consist of shares in subsidiaries and affiliates as well as operating receivables, debt securities and other cash equivalents classified as current assets.

Available-for-sale

Available-for-sale financial assets are assets that are intended to be held for an indefinite period but which may be sold in response to changes in market interest rates or liquidity needs. They correspond to investments in non-consolidated companies.

At each period-end, they are measured at fair value and the resulting unrealised gain or loss is recognised directly in equity. When the assets are sold, the cumulative gains and losses previously recognised in equity are reclassified to profit.

When there is objective evidence of significant or prolonged decline in Fair Value, the impairment loss is recognised directly in the income statement.

When the fair value of investments in non consolidated companies cannot be reliably measured, they are measured at their historical cost.

Recognised at amortised cost

These assets include loans and receivables and held-to-maturity investments.

Held-to-maturity investments are financial assets with a fixed maturity that the Group has the positive intention and ability to hold to maturity. They are measured at amortised cost, determined by the effective interest method.

B) FINANCIAL LIABILITIES

Financial liabilities comprise borrowings and other financing, including bank overdrafts, and operating liabilities.

Borrowings and other financial liabilities are measured at amortised cost, determined by the effective interest method.

When interest rate risks on financial liabilities are hedged by swaps qualifying as cash flow hedges, the swaps are also recognised in the balance sheet at fair value. The effective portion of changes in their fair value is recognised directly in equity and the ineffective portion is recognised in profit

C) DERIVATIVE INSTRUMENTS

Market risks (interest rate, currency and commodity price risks) are hedged, generally through the use of derivative instruments.

In accordance with IAS 32 and IAS 39, derivative instruments are measured at fair value.

The accounting treatment of changes in fair value depends on the future use of the derivative and the resulting accounting classification.

Derivative instruments designated as the hedging instrument in a hedging relationship may be classified as either fair value or cash flow hedges:

- a fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability, or an unrecognised firm commitment, that is attributable to a particular risk and could affect profit;
- a cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, or a highly probable forecast transaction, and could affect profit.

The gain or loss arising from remeasurement at fair value of derivative instruments designated as fair value hedges is recognised in profit, offsetting all or part of the gain or loss recognised on the hedged item.

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 recognised in equity and the ineffective portion is recognised in profit. The cumulative gains and losses on cash flow hedges recognised directly in equity are reclassified into profit when the hedged item affects profit.

Hedge accounting is applied when:

- the hedging relationship is formally designated and documented at the inception of the hedge;
- the hedge is expected to be highly effective and is determined actually to have been highly effective throughout the financial reporting periods for which it was designated.

At the inception of each hedge, the hedging relationship is formally documented, specifying in particular the Group's risk management objective and strategy for undertaking the hedge. The initial documentation also includes details of how the Group will assess the hedging instrument's effectiveness. In subsequent periods, the hedging instrument's actual effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk is also fully documented.

Hedge accounting is discontinued prospectively when the derivative instrument ceases to be a highly effective hedge or when it expires or is sold, terminated or exercised.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised in profit.

1.4.5. 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 labour 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 realisable value.

Net realisable 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.

1.4.6. Trade receivables

Trade receivables are measured at their nominal amount, which is equivalent to their fair value in view of their short-term maturity. Where necessary, these receivables are impaired, to aligned them to their estimated net realisable value. Provisions for impairment are determined on the basis of the age of the receivables, taking into account any identified recovery risks.

1.4.7. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term investments in money market instruments. These instruments have maturities of less than three months; they are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

The consolidated cash flow statement is presented using the indirect method and cash flows are analysed 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.

1.4.8. Net debt

Net debt corresponds to total long-term and short-term borrowings less cash and cash equivalents and derivative instruments acquired as hedges of debt that mature in less than one year and are readily convertible into cash. It also includes potential 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.

1.4.9. Treasury stock

Treasury stock is deducted from equity at cost. Any gains or losses arising from the purchase, sale, issue or cancellation of treasury stock are recognised directly in equity without affecting profit.

1.4.10. Income taxes

Income tax expense reported in the income statement corresponds to current tax for the period and changes in deferred taxes.

In accordance with IAS 12 – Income Taxes, deferred taxes are recognised, 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 recognised for deductible temporary differences and tax loss carry forwards to the extent that it is highly probable that future taxable profits will be available in the foreseeable future against which they can be utilised.

Deferred tax assets previously unrecognised at the date of a business combination or during the twelve-month purchase price allocation period are subsequently recognised 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.

1.4.11. Employee benefits

A) 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 schemes in its various host countries. The accounting treatment of these pension and other post-employment benefit plans depends on the type of plan, as follows:

Defined contribution plans

Contributions to these plans are recognised as an expense for the period to which they relate.

Defined benefit plans

In accordance with IAS 19R – Employee Benefits, obligations under defined benefit plans are calculated annually by qualified 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, which is then discounted. The actuarial assumptions used to calculate the obligation include staff turnover rates, mortality rates, the discount rate and the expected 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 plan amendments and curtailments, is recognised in operating expense.

Actuarial gains and losses, corresponding to the effects of changes in actuarial assumptions and experience adjustments (i.e. the effects of differences between the previous actuarial assumptions and what has actually occurred) are recorded 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 recorded in "Other financial income and expense".

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 19R in determining any asset recognised in the balance sheet.

B) 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 recognised in profit over the service lives of the employees concerned. Actuarial gains and losses are recognised 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 expense in accordance with the alternative treatment allowed under IAS 19R.

Contributions to external funds and payments to employees are reported in the cash flow statement under "Cash flows from operating activities".

In accordance with IAS 19R, which was early-adopted on 1 January 2012, unrecognised actuarial gains and losses on defined benefit obligations at 31 December 2009 and past service costs were recognised in equity in the opening balance sheet starting from 1 January 2010.

C) SHARE-BASED PAYMENTS

Stock option plans are measured and recognised 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 recognised as an expense over the vesting period by adjusting equity for an amount corresponding to the fair value of the underlying equity instruments As the stock options 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 behaviour 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 recognised 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 cancelled by recording an equivalent amount in income. Conversely, if a grantee leaves the Group earlier than originally expected, amortisation of the cost of his or her options or performance shares is accelerated.

D) EMPLOYEE SHARE OWNERSHIP PLANS

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 when 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 recognised in full in the income statement in the year of the rights issue provided that 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 recognised in the income statement, under "Statutory and discretionary profit-sharing."

1.4.12. Provisions

In accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, a provision is recognised 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

The Group provides a warranty on its products. 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, which are set up when the recall is decided.

B) PROVISIONS 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.

1.4.13. Off-balance sheet commitments

For several years now, the Group's reporting system has included detailed reporting of off-balance sheet commitments. 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);
- commitments under operating leases and firm orders for fixed assets;
- other commitments.

1.4.14. Transactions between owners

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 recognised upon obtaining control) and liabilities remain unchanged.

In the event of a partial disposal leading to the loss of control of a subsidiary, the Group (a) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost; (b) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost; (c) recognises the fair value of the consideration received; (d) recognises any investment retained in the former subsidiary at its fair value at the date when control is lost; (e) reclassifies to profit or loss any gain or loss recognised in other comprehensive income and (f) recognises any resulting difference as a gain or loss in profit or loss attributable to owners of the parent. The remeasurement at fair value of the retained investment therefore affects profit or loss.

NOTE 1.5. INCOME STATEMENT PRESENTATION

1.5.1. 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.

Revenue is recognised when the significant risks and rewards of ownership are transferred to the buyer – generally when the customer receives a product.

Revenue is assessed for an amount corresponding to the fair value of the consideration received or receivable as determined after deducting rebates and discounts.

Advertising expense contributions billed by customers and the cost of consumer promotions that do not fulfil the criteria for recognition as operating expenses are recognised as a deduction from revenue. The reported amount of revenue also includes miscellaneous revenues.

Freight and other costs billed to customers are treated as an integral part of revenue.

Accruals are booked for deferred rebates granted to customers on the basis of contractual or constructive commitments identified at the period-end.

1.5.2. Operating result from activity and operating expenses

The Group's main performance indicator is operating result from activity. Operating result from activity corresponds to sales less operating expenses. Operating expenses comprise the cost of sales, research and development costs, advertising costs and distribution and administrative expenses. Statutory and discretionary employee profit sharing and other operating income and expenses, as defined in Note 1.5.4, are excluded from the calculation.

1.5.3. Recurring operating profit

Recurring operating profit corresponds to operating result from activity less statutory and discretionary employee profit sharing.

1.5.4. Operating profit

Operating profit comprises 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. Other non-recurring items, reported under "Other operating income and expenses", mainly include the following (see Note 6 for details):

- costs of significant restructuring plans;
- 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 the remeasurement at fair value of any previously held investment on the date control was obtained;
- gains or losses recognised upon losing exclusive control of a subsidiary, including the remeasurement at fair value of any retained investment;
- gains and losses on highly exceptional events (litigation, asset disposals, etc. involving unusually large amounts) and changes in provisions booked for these types of events.

1.5.5. Other income statement items

Accrued interest on interest-bearing instruments is recognised by the effective interest method based on the purchase price.

Dividend income is recognised when the shareholder's right to receive payment is established.

Finance costs are recognised in the income statement in the period in which they are incurred.

1.5.6. 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 equity instruments issued by the company.

NOTE 2 CHANGES IN SCOPE OF CONSOLIDATION

NOTE 2.1. TRANSACTIONS IN 2015

OBH Nordica Group

On 31 August 2015, Groupe SEB acquired 100% of the shares of OBH Nordica Group, a major operator in the small domestic appliance (SDA) market in Scandinavia. These shares were owned by Triton-managed funds.

Founded in 2002 and based in Sundbyberg, north of Stockholm, OBH Nordica markets a wide range of kitchen products (electrical appliances and cookware), representing 80% of its revenue, as well as personal and home care appliances. As a result of strong in-house innovation, the company enjoys leading positions in the Nordic region, implementing a single brand strategy with high brand awareness in Sweden, Denmark, Finland and Norway. OBH Nordica has also developed a solid foothold in all distribution channels, with access to some 4,200 points of sale.

OBH Nordica achieved revenue of SEK 628 million in 2015 (approximately €67 million) and has around 7% value market share in the Nordic SDA market. Groupe SEB's share of revenue in 2015 stood at €28.6 million.

The provisional net fair value of the identifiable assets and liabilities when Groupe SEB acquired control of the company on 31 August 2015 was as follows:

(in € millions)	31 August 2015
Non-current assets [(a)]	17.5
Inventories	18.3
Trade and other receivables	8.8
Net debt	(3.0)
Trade and other payables	(5.4)
Other net liabilities	(8.2)
TOTAL NET ASSETS	**27.2**
PERCENT INTEREST	**100%**
NET ASSETS ACQUIRED	**27.2**
Non-controlling interests	
CASH OUTFLOW FOR THE OBH NORDICA GROUP ACQUISITIONS	**17.7**
Negative goodwill	(9.5)

(a) Mainly comprising the OBH Nordica brand estimated at €13.3 million by an independent assessor.

Atakoy

On 30 June 2015, the Group took over part of the retail business of one of its former distributors in Turkey. This resulted in goodwill provisionally estimated at around €3 million.

Legal restructuring in Germany and the United States

Legal restructuring is under way in Germany and the United States. This restructuring had no impact on the Consolidated Financial Statements.

Supor

In late December 2014, Groupe SEB acquired 10 million Supor shares (1.58% of the capital) owned by the Su founding family at a price of CNY 17.50 per share. This transaction was completed once approval had been obtained from the Chinese authorities, increasing the Groupe SEB holding to 73.13% at 31 December 2015.

In late December 2015, Groupe SEB signed a new agreement with the Su family holding company, Supor Group, to buy 50 million shares, 7.9% of the capital of Supor at a unit price of CNY 29 per share. This transaction should be finalised in mid-2016 subject to approval by the Chinese authorities. After the transaction, Groupe SEB will hold 81.03% of the company and the founding family 1.29%, with the remaining stake, i.e. 17.68%, representing the free float.

NOTE 2.2. TRANSACTIONS IN 2014 AND 2013

Coranco

On 16 December 2013, Groupe SEB acquired the Canadian company Coranco, giving it direct control over the marketing of Lagostina products in Canada. This company has been included in the scope of consolidation since 1 January 2014.

The net fair value of the identifiable assets and liabilities when Groupe SEB acquired control of the company on 16 December 2013 was as follows:

(in € millions)	16 December 2013
Non-current assets [(a)]	19.6
Inventories	1.2
Trade and other receivables	2.8
Net debt	4.1
Trade and other payables	(2.4)
Other net assets	0.0
TOTAL NET ASSETS	**25.3**
PERCENT INTEREST	**100%**
NET ASSETS ACQUIRED	**25.3**
Non-controlling interests	
CASH OUTFLOW FOR THE CORANCO ACQUISITION	**25.3**
Goodwill	0.0

(a) Mainly comprising rights to use the Lagostina licence for the remaining term of the agreement.

Maharaja Whiteline

On 16 December 2011, Groupe SEB acquired a majority interest in Maharaja Whiteline, a leading producer of small electrical appliances in India. Founded in 1976, Maharaja Whiteline has its roots in northern and western India. It is one of the major players in a market that is still highly fragmented, with a portfolio covering several product families in small household appliances. In particular, Maharaja Whiteline is an established brand name in mixer grinders, an indispensable appliance used in India in Kitchen Electrics. Backed by a network of 330 distributors, Maharaja Whiteline is present in over 26,000 sales outlets. Its revenue for the 2010-2011 financial year ended 31 March totalled €21 million.

The company operates a plant in Baddi, Himachal Pradesh state, in northern India, and employs around 350 people.

Following the acquisition, Groupe SEB holds 55% of the company's share capital, with the rest remaining with the founding family. The Group had chosen not to consolidate this company in 2012 or 2013, in particular due to insufficient reliability of the figures and its small significance in terms of the Group's aggregates. The interest in the company was therefore reported under "Other investments" on the consolidated balance sheet.

As the company's financial performance was below the assumptions made at the time of the acquisition, in 2012, the shares were written down by €25.3 million. An additional €7.5 million impairment loss was recognised in 2013 under "Other financial income and expenses", reducing the aggregate carrying amount of the shares to €20 million.

This company has been fully consolidated since 1 January 2014, the Group considering that it took effective control of the company at the end of 2013. The net fair value of the identifiable assets and liabilities when Groupe SEB acquired control of the company on 1 January 2014 was as follows:

(in € millions)	1 January 2014
Non-current assets [(a)]	14.8
Inventories	3.5
Trade and other receivables	1.6
Net debt	(7.0)
Trade and other payables	(4.4)
Other net liabilities	(8.4)
TOTAL NET ASSETS	**0.1**
PERCENT INTEREST	**55%**
NET ASSETS ACQUIRED	**0.1**
Non-controlling interests	0.0
CASH OUTFLOW FOR THE MAHARAJA WHITELINE ACQUISITION	**20.1**
Goodwill	20.0

(a) Including the Maharaja Whiteline trademark estimated at €9.5 million by independent assessors.

On 21 April 2014, Groupe SEB acquired the 45% interest in Maharaja Whiteline previously held by its partner, thus increasing its stake to 100%. This transaction between shareholders had a direct impact on the Group's equity. Groupe SEB subsequently recapitalised this subsidiary in the amount of €8.5 million.

On 13 November 2014 Maharaja Whiteline was renamed Groupe SEB India.

Key Ingredient

A formal settlement was agreed on 21 December 2013 with the former manager of Key Ingredient to buy out his 30% stake in the company. The conditions precedent were fulfilled at the start of 2014 and Groupe SEB now owns 100% of the shares in this company. Since this company is not considered to be material in terms of the Group's criteria for consolidation, the value of its shares is shown on the "Other investments" line.

Asia Fan

On 10 July 2014 and 17 November 2014, Groupe SEB acquired virtually all of the non-controlling interests previously held by the founding shareholders in its Vietnamese subsidiary, which was taken over on 31 May 2011. This transaction between shareholders, which increased the Group's stake to nearly 100%, had a direct impact on its equity.

Egypt

In the first quarter of 2013, Groupe SEB had set up a 75%-owned joint subsidiary with Egypt's leading manufacturer of small household equipment, Zahran, which was the Group's main cookware distributor in the country. Groupe SEB Egypt for Household Appliances, SEB's first direct outlet in Africa, has the aim of dynamising Group sales in Egypt, which previously went through third-party distributors.

In early 2014, the Group then set up a subsidiary in South Africa named Groupe SEB South Africa.

NOTE 3 SEGMENT INFORMATION

In accordance with IFRS 8 – Operating Segments, financial information is presented by geographical segment, which is the basis of the internal information reviewed and used by the chief operating decision makers, i.e. the members of the Executive Committee.

NOTE 3.1. GEOGRAPHICAL SEGMENT INFORMATION (BY LOCATION OF ASSETS)

(in € millions)	France	Other Western European countries [(a)]	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Intra-Group transactions	Total
2015								
Revenue								
Inter-segment revenue	736,5	930,9	576,8	370,1	1 427,7	570,3		4 612,3
External revenue	729,1	81,0	0,4	7,4	1 065,7	25,5	(1 751,7)	157,4
TOTAL REVENUE	**1 465,6**	**1 011,9**	**577,2**	**377,5**	**2 493,4**	**595,8**	**(1 751,7)**	**4 769,7**
Operating result from activity	81,1	37,7	9,9	(1,6)	251,1	46,1	3,7	428,0
Operating profit	42,1	43,2	9,0	(23,3)	251,0	45,6	3,7	371,3
Finance costs and other financial income and expenses								(47,8)
Profit (loss) attributable to associates								
Income tax								(82,4)
PROFIT FOR THE PERIOD								**241,1**
Balance sheet								
Segment assets	762,3	536,7	465,4	364,6	1 299,7	316,9	(298,5)	3 447,1
Financial assets [(b)]								1 093,3
Tax assets								94,8
TOTAL ASSETS								**4 635,2**
Segment liabilities	486,3	310,1	86,3	89,5	431,7	120,3	(248,8)	1 275,4
Borrowings								1 350,6
Tax liabilities								101,6
Equity								1 907,7
TOTAL EQUITY AND LIABILITIES								**4 635,2**
Other information								
Capital expenditure and purchases of intangible assets	84,6	6,0	4,9	22,9	30,2	4,7		153,3
Depreciation and amortisation expense	69,5	5,2	8,0	7,9	40,5	2,2		133,3
Impairment losses	3,7			9,4				13,1

(a) "Other Western European countries" correspond to the 15 countries other than France comprising the pre-enlargement European Union. The new EU countries are included in the "Central Europe and other countries" segment.
(b) Including other financial investments.

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(in € millions)	France	Other Western European countries [(a)]	North America	South America	Asia-Pacific	Central Europe, Russia and other countries	Intra-Group transactions	Total
2014								
Revenue								
Inter-segment revenue	696.2	818.0	481.5	419.7	1021.0	597.7	0.0	4,034.2
External revenue	691.4	77.4	0.5	7.4	981.5	12.3	(1,551.4)	218.9
TOTAL REVENUE	**1,387.2**	**895.4**	**482.0**	**427.1**	**2,002.5**	**609.9**	**(1,551.4)**	**4,253.1**
Operating result from activity	78.7	49.9	2.0	25.3	159.1	60.6	(7.6)	368.0
Operating profit	42.5	47.4	0.9	11.6	158.7	60.2	(7.6)	313.7
Finance costs and other financial income and expenses								(49.0)
Profit (loss) attributable to associates								
Income tax								(71.2)
PROFIT FOR THE PERIOD								**193.5**
Balance sheet								
Segment assets	726.2	440.7	427.5	441.0	1,228.5	319.4	(285.2)	3,298.1
Financial assets [(b)]								603.2
Tax assets								69.9
TOTAL ASSETS								**3,971.2**
Segment liabilities	474.7	272.4	88.2	93.6	376.0	116.9	(237.3)	1,184.5
Borrowings								976.1
Tax liabilities								86.0
Equity								1,724.5
TOTAL EQUITY AND LIABILITIES								**3,971.2**
Other information								
Capital expenditure and purchases of intangible assets	144.8	4.8	2.9	11.7	32.8	4.0		201.1
Depreciation and amortisation expense	65.3	5.7	6.9	9.3	31.2	1.8		120.2
Impairment losses	0.2			2.6				2.8

(a) "Other Western European countries" correspond to the 15 countries other than France comprising the pre-enlargement European Union. The new EU countries are included in the "Central Europe, Russia and other countries" segment.

(b) Including other financial investments.

(in € millions)	France	Other Western European countries [a]	North America	South America	Asia-Pacific	Central Europe , Russia and other countries	Intra-Group transactions	Total
2013								
Revenue								
Inter-segment revenue	664.5	792.1	457.3	425.3	960.6	631.6		3,931.4
External revenue	721.7	78.0	0.5	8.0	955.3	5.7	(1,539.3)	229.9
TOTAL REVENUE	**1,386.2**	**870.1**	**457.8**	**433.3**	**1,915.9**	**637.3**	**(1,539.3)**	**4,161.3**
Operating result from activity	73.5	47.6	(3.3)	25.0	174.8	88.7	4.1	410.4
Operating profit	35.7	47.1	(7.2)	18.7	174.8	90.6	4.1	363.8
Finance costs and other financial income and expenses								(54.8)
Profit (loss) attributable to associates								
Income tax								(87.2)
PROFIT FOR THE PERIOD								**221.7**
Balance sheet								
Segment assets	628.3	430.0	351.8	415.7	1,082.3	299.2	(267.5)	2,939.8
Financial assets								496.1
Tax assets								85.3
TOTAL ASSETS								**3,521.2**
Segment liabilities	427.1	274.9	63.0	87.3	306.7	98.8	(221.8)	1,036.0
Borrowings								855.0
Tax liabilities								98.0
Equity								1,532.2
TOTAL EQUITY AND LIABILITIES								**3,521.2**
Other information								
Capital expenditure and purchases of intangible assets	70.5	5.8	3.5	16.5	28.8	1.9		127.0
Depreciation and amortisation expense	61.4	6.4	4.4	9.9	27.7	1.4		111.2
Impairment losses	0.5							0.5

(a) "Other Western European countries" correspond to the 15 countries other than France comprising the pre-enlargement European Union. The new EU countries are included in the "Central Europe and other countries" segment.

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.

Intra-group transactions are carried out on an arm's length basis.

NOTE 3.2. REVENUE BY GEOGRAPHICAL LOCATION OF THE CUSTOMER AND BUSINESS SECTOR

(in € millions)	**2015**	2014	2013
France	739.0	699.7	665.8
Other Western European countries [(a)]	969.7	849.5	820.6
North America	598.7	495.7	468.0
South America	373.9	420.9	426.4
Asia-Pacific	1,453.2	1,132.5	1,087.1
Central Europe, Russia and other countries	635.2	654.9	693.4
TOTAL	**4,769.7**	**4,253.1**	**4,161.3**

(a) "Other Western European countries" correspond to the 15 countries other than France comprising the pre-enlargement European Union. The new EU countries are included in the "Central Europe and other countries" segment.

(in € millions)	**2015**	2014	2013
Cookware	1563.0	1,340.7	1,329.6
Small domestic appliances	3206.7	2,912.4	2,831.7
TOTAL	**4769.7**	**4,253.1**	**4,161.3**

NOTE 4 OPERATING EXPENSES

(in € millions)	**2015**	2014 [(a)]	2013 [(a)]
Purchased raw materials and goods	(2,388.8)	(2,045.8)	(1,918.8)
Labour costs	(196.1)	(195.3)	(192.1)
Freight costs	(136.6)	(125.8)	(133.5)
Other production costs	(240.7)	(272.1)	(298.6)
COST OF SALES (SUB-TOTAL)	(2,962.2)	(2,639.0)	(2,543.0)
Research and development costs	(88.5)	(81.6)	(75.6)
Advertising	(121.6)	(104.1)	(108.9)
Distribution and administrative expenses	(1,169.4)	(1,060.4)	(1,023.4)
OPERATING EXPENSES	**(4,341.7)**	**(3,885.1)**	**(3,750.9)**

(a) After reallocation of certain production costs.

NOTE 5 EMPLOYEE BENEFITS EXPENSES

(in € millions)	2015	2014	2013
Wages and salaries (excluding temporary staff costs)	(576.5)	(528.6)	(511.5)
Payroll taxes	(122.4)	(119.1)	(121.8)
Pension and other post-employment benefit plan costs	(54.0)	(48.8)	(46.6)
Service cost under defined benefit plans	(4.9)	(11.7)	(8.4)
Discretionary and non-discretionary profit sharing	(31.4)	(33.3)	(37.2)
TOTAL EMPLOYEE BENEFITS EXPENSES	**(789.2)**	**(741.4)**	**(725.5)**

Breakdown by geographical segment 2015	France	Other Western European countries [a]	North America	South America	Asia-Pacific	Central Europe + other countries [b]	Total
Employee benefits expense (excluding temporary staff costs) [b]	(383.2)	(82.5)	(54.6)	(46.4)	(188.6)	(33.9)	(789.2)
Average number of employees *(in units)*	5,784	1,425	680	2,246	14,541	1,273	25,949

(a) "Other Western European countries" correspond to the 15 countries other than France comprising the pre-enlargement European Union. The new EU countries are included in the "Central Europe and other countries" segment.
(b) Of which Groupe SEB India.

Breakdown by geographical segment 2014	France	Other Western European countries [a]	North America	South America	Asia-Pacific	Central Europe + other countries [b]	Total
Employee benefits expense (excluding temporary staff costs) [b]	(379.5)	(78.3)	(46.6)	(53.8)	(151.2)	(32.0)	(741.4)
Average number of employees *(in units)*	5,838	1,357	677	2,409	13,636	1,111	25,028

(a) "Other Western European countries" correspond to the 15 countries other than France comprising the pre-enlargement European Union. The new EU countries are included in the "Central Europe and other countries" segment.
(b) Of which Groupe SEB India.

Breakdown by geographical segment 2013	France	Other Western European countries [a]	North America	South America	Asia-Pacific	Central Europe + other countries [b]	Total
Employee benefits expense (excluding temporary staff costs) [b]	(377.8)	(78.0)	(44.1)	(59.5)	(135.4)	(30.7)	(725.5)
Average number of employees *(in units)*	5,849	1,357	680	2,671	13,303	804	24,664

(a) "Other Western European countries" correspond to the 15 countries other than France comprising the pre-enlargement European Union. The new EU countries are included in the "Central Europe and other countries" segment.
(b) Of which Groupe SEB India.

Employees by category *(%)*	2015	2014	2013
Direct labor	48.0	48.0	48.2
Other workers	40.4	40.5	40.4
Managers	11.6	11.5	11.4
TOTAL	**100.0**	**100.0**	**100.0**

NOTE 6 OTHER OPERATING INCOME AND EXPENSES

(in € millions)	**2015**	2014	2013
Restructuring costs	(18.8)	(20.0)	(9.0)
Impairment losses	(9.9)	(1.0)	(0.5)
Gains and losses on asset disposals and other	3.4		
OTHER OPERATING INCOME AND EXPENSE	**(25.3)**	**(21.0)**	**(9.5)**

NOTE 6.1. RESTRUCTURING COSTS

2015

Restructuring costs in 2015 amounted to €18.8 million, primarily including:

- €8.7 million associated with continuation of the industrial and commercial restructuring of the Brazilian subsidiary;
- €5.9 million restructuring costs to return the Lourdes site to competitiveness;
- €3.2 million restructuring costs in Scandinavia following the acquisition of OBH Nordica.

2014

In 2014, restructuring costs amounted to €20.0 million, broken down as follows:

- €7.4 million associated with the industrial and commercial restructuring of the Brazilian subsidiary;
- continued rescaling of the Retail business in South America (Brazil, Chile, Peru) at a cost of €3.8 million;
- costs connected with the wind-down of Pesage business and a variety of adjustments in France, partly offset by the resumption of an old lawsuit, for a net charge of €3 million;
- the announced closure of the Copacabana plant in Colombia and the transfer of production to the Rio Negro plant, at a cost of €1.9 million;
- a reorganisation of the sales forces in Germany and Spain, in the amounts of €1.4 million and €0.9 million.

2013

Restructuring costs amounted to €9 million, including the following items:

- a rescaling of the Retail business in South America (Brazil, Chile, Peru) at a cost of approximately €3.6 million;
- reorganisation of the US sales force at a cost of €3.4 million;
- a €0.6 million expense to cover changes to length-of-service awards in France;
- an additional €0.6 million linked to the ongoing restructuring at the Omegna site in Italy launched in 2009.

NOTE 6.2. IMPAIRMENT LOSSES

2015

Impairment losses recognised in 2015 primarily relate to real estate owned by our Venezuelan subsidiary written down to market value as a result of the political and monetary climate (€6.8 million) and the partial impairment of certain cookware brands in Brazil (€2.0 million).

In application of the principle described in Note 1.4.3, certain manufacturing CGUs were tested for impairment by comparing the carrying amount of the assets of each CGU with their value in use. The value in use calculations were performed based on the sum of discounted future cash flows expected to be derived from the assets concerned as contained in the five-year business plan as well as a terminal value determined by extrapolating the cash flows forecast for the last year of the plan. All CGUs comprising intangible assets with an indefinite useful life were tested for impairment at the year end and CGUs comprising assets with finite useful lives were only tested when there was an indication that they may have been impaired. The main impairment tests and CGUs concerned are discussed in Note 10 – Intangible Assets.

In 2015 none of these tests resulted in the recognition of an impairment loss.

The main actuarial assumptions used in 2015 for impairment tests on the manufacturing CGUs in Europe were as follows:

- the weighted average cost of capital was estimated at 7.09% (versus 7.09% in 2014 and 7.52% in 2013);
- the long-term growth rate beyond the five-year period covered by the business plan was set between 0% and +2%, depending on the business of the CGU concerned (unchanged for the past three years).

The tests performed on the European manufacturing CGUs in late 2015 generally showed little sensitivity to changes in financial assumptions (WACC and long-term growth).

2014 and 2013

In 2014 and 2013, no material impairment losses were recorded.

NOTE 6.3. GAINS AND LOSSES ON ASSET DISPOSALS AND OTHER

2015

In 2015, the €9.5 million negative goodwill arising from the initial recognition of the OBH Nordica Group was partially offset by the recognition of a €4 million charge for a provision for depollution costs in Brazil.

2014

In 2014, €1.9 million received under the liability guarantee granted as part of the acquisition of Imusa in February 2011 partly offset over €3 million of costs associated with depollution and the discontinuation of certain strategic projects in Brazil.

2013

In 2013, the Group recognised a €4.8 million gain on disposal of a building in Lyon after a number of teams were transferred to Écully. This offset a number of immaterial other costs including legal costs for the ongoing litigation with the non-controlling shareholder in India.

NOTE 7 FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSES

(in € millions)	**2015**	2014	2013
FINANCE COSTS	**(27.5)**	**(31.2)**	**(31.0)**
Interest cost on long-term employee benefit obligations	(3.0)	(4.4)	(4.7)
Exchange gains and losses and financial instruments	(9.3)	(1.7)	(1.8)
Other	(8.0)	(11.7)	(17.4)
OTHER FINANCIAL INCOME AND EXPENSE	**(20.3)**	**(17.8)**	**(23.9)**

The interest cost on long-term employee benefit obligations corresponds to the difference between the discounting adjustment for the year – arising from the fact that benefit payments are one year closer to being paid – and the expected return on the corresponding plan assets, as well as the discounting adjustment for other long-term liabilities and provisions.

Exchange gains and losses on manufacturing and sales transactions denominated in foreign currencies are included in Operating result from activity. Gains and losses on borrowings in foreign currencies and related hedges are reported under "Other financial income and expense".

Income and expenses from financial instruments correspond to amortization of the time value of hedging instruments, and derivative instruments for which the hedging relationship has not been documented.

In 2013, the "Other" line included an additional €7.5 million impairment loss recognized against the Group's investment in Maharaja Whiteline, largely due to the depreciation of the Indian rupee. Since 1 January 2014, this company has been part of the Group's scope of consolidation.

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NOTE 8 INCOME TAXES

NOTE 8.1. INCOME TAX EXPENSE

(in € millions)	**2015**	2014	2013
Current tax assets and liabilities	86.3	85.5	94.7
Deferred tax assets and liabilities	(3.9)	(14.3)	(7.5)
INCOME TAXES	**82.4**	**71.2**	**87.2**

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 companies in each tax group record in their accounts the income tax charge or benefit that they would have paid or received if they had been taxed on a stand-alone basis (Note 32). Tax savings resulting from the election for group relief are not material; the main benefit lies in the fact that any tax losses can be set off immediately against the taxable income of other companies in the tax group.

NOTE 8.2. EFFECTIVE TAX RATE

The difference between the effective tax rate of 25.5% (26.9% in 2014 and 28.2% in 2013) and the statutory French tax rate of 38% in 2015 (including additional contribution) breaks down as follows:

(in %)	2015	2014	2013
STATUTORY FRENCH TAX RATE	**38.0**	**38.0**	**38.0**
Effect of difference in tax rates [a]	(19.1)	(17.6)	(15.5)
Unrecognised and relieved tax loss carryforwards	6.2	4.3	2.4
Prior period tax loss carryforwards recognised and utilised during the period	(0.6)	(2.2)	(1.7)
Other [b]	1.0	4.4	5.0
EFFECTIVE TAX RATE	**25.5**	**26.9**	**28.2**

(a) *The caption "Effect of differences in tax rates" is affected by the large share of profits made in China.*
(b) *The caption "Other" primarily includes the dividend tax (0.7%), the non-taxation of OBH negative goodwill (1.1%) and the non-deductibility of the impairment loss on assets in Venezuela (0.8%)*
In 2014, this caption included unrecognised deferred tax assets other than tax losses, changes in deferred tax assets not recognised in prior periods, the dividend tax (0.8%) and some tax adjustments that were not individually material.
In 2013 this caption included the impact of the non-deductibility of the impairment loss on Maharaja shares (0.8%), the new tax on dividends (0.6%) and a few tax adjustments that individually were not material.

"Profit before tax" amounted to €323.5 million in 2015, versus €264.7 million in 2014 and 308.9 million in 2013.

NOTE 8.3. DEFERRED TAXES ASSETS AND LIABILITIES

(in € millions)	2015	2014	2013
Intangible assets (brands)	(115.9)	(108.8)	(94.1)
Capitalised development costs	(3.8)	(4.4)	(5.0)
Property, plant and equipment	(31.1)	(36.4)	(33.9)
Net tax loss carryforwards	12.0	13.7	12.6
Provisions for pensions and other employee-related liabilities	51.5	52.8	46.4
Elimination of intra-Group gains	21.9	23.9	20.5
Other temporary differences	45.6	28.8	34.1
NET DEFERRED TAX ASSET (LIABILITY)	**(19.8)**	**(30.4)**	**(19.3)**
Of which:			
Deferred tax assets	50.3	34.9	52.0
Deferred tax liabilities	(70.1)	65.3	71.3

Deferred taxes on other temporary differences principally comprise deferred taxes on the non-deductible portion of provisions.

The change in net deferred taxes on the balance sheet is explained as follows:

(in € millions)	
NET DEFERRED TAXES AT 31 DECEMBER 2013	**(19.3)**
Deferred taxes for the period recognised in profit or loss	14.3
Effect of deferred taxes recognised in equity	(13.9)
Effect of changes in foreign exchange rates	(7.3)
Effect of changes in the scope of consolidation	(4.2)
Other	
NET DEFERRED TAXES AT 31 DECEMBER 2014	**(30.4)**
Deferred taxes for the period recognised in profit or loss	3.9
Effect of deferred taxes recognised in equity	13.3
Effect of changes in foreign exchange rates	(5.3)
Effect of changes in the scope of consolidation	(1.3)
Other	
NET DEFERRED TAXES AT 31 DECEMBER 2015	**(19.8)**

Deferred taxes recognised in equity principally derive from actuarial gains and losses on pension commitments, hedging derivatives and gains or losses on treasury stock.

NOTE 8.4. OTHER INFORMATION

At 31 December 2015, the Group had a number of unrecognised deductible temporary differences and tax loss carryforwards. These amounts are listed per category as well as per expiry date in the table below:

At 31/12/2015 *(in € millions)*	Deductible temporary differences	Tax losses	Total
2016	1.7		1.7
2017	0.1		0.1
2018		1.6	1.6
2019			
2020 and beyond	3.0	27.0	30.0
Unlimited	0.5	63.9	64.4
TOTAL	**5.3**	**92.5**	**97.8**

Unrecognised tax from previous periods rose from €74.3 million in 2014 to €92.5 million in 2015.

It mainly relates to Germany (€27.8 million in 2015, €27.6 million in 2014 and €26.7 million in 2013), the USA (€26.5 million in 2015, €28.3 million in 2014 and €22.3 million in 2013), Brazil (€18.2 million in 2015, €6.2 million in 2014 and €3.2 million in 2013) and Spain (€4.2 million in 2015, €4.2 million in 2014 and €5.7 million in 2013).

NOTE 9 EARNINGS PER SHARE

(in € millions)	**2015**	2014	2013
Numerator			
Profit attributable to owners of the parent	205.9	170.0	199.8
After tax effect of dilutive potential shares			
Profit used to calculate diluted earnings per share	205.9	170.0	199.8
Denominator			
Weighted average number of ordinary shares used to calculate basic earnings per share	49,037,044	48,694,391	48,343,868
Effect of dilutive potential shares	670,030	495,319	575,507
Weighted average number of ordinary shares used to calculate diluted earnings per share	49,707,074	49,189,711	48,919,375
Basic earnings per share *(in €)*	4.20	3.49	4.13
Diluted earnings per share *(in €)*	4.14	3.45	4.08

Dilutive potential shares correspond mainly to outstanding stock option and performance share plans (see Note 19.2).

In 2013, 407,425 stock options were not included in the calculation of earnings per share as they would be earnings enhancing if exercised.

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NOTE 10 INTANGIBLE ASSETS

In accordance with IAS 38, intangible assets with an indefinite useful life – corresponding to trademarks and goodwill – are no longer amortised but are tested for impairment at each year-end. The impairment testing method is described in Note 1.4.

Intangible assets with a finite useful life are amortised by the straight-line method over their estimated useful life. Amortisation expense is included in "Operating Result from Activity".

The Group also holds certain trademarks – such as the Tefal international brand and the SEB and Calor regional brands – which are not recognised in the balance sheet.

2015 *(in € millions)*	Patents and licences	Trademarks	*Goodwill*	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	39.2	377.5	563.2	84.3	34.0	59.0	1,157.2
Acquisitions/additions	0.5			12.6	4.2	3.1	20.4
Disposals				(17.8)	(11.8)	(0.5)	(30.1)
Other movements [(a)]	0.1	13.9	3.1	4.1	0.7	(4.0)	17.9
Foreign currency translation adjustments	(1.5)	12.1	35.5	(2.6)	(0.5)	3.0	46.0
AT 31 DECEMBER	**38.3**	**403.5**	**601.8**	**80.6**	**26.6**	**60.6**	**1,211.4**
Depreciation and impairment losses							
At 1 January	19.5	7.8	51.2	63.3	22.9	16.3	181.0
Foreign currency translation adjustments	(0.2)	0.6	5.6	(2.2)	(0.2)	1.0	4.6
Amortization of the period	2.9			11.0	6.2	1.7	21.8
Impairment losses		2.0				0.7	2.7
Depreciation and impairment written off on disposals				(17.8)	(11.0)		(28.8)
Other movements [(a)]		0.6			0.2	(0.6)	0.2
AT 31 DECEMBER	**22.2**	**11.0**	**56.8**	**54.3**	**18.1**	**19.1**	**181.5**
Carrying amount at 1 January	19.7	369.7	512.0	21.0	11.1	42.7	976.2
CARRYING AMOUNT AT 31 DECEMBER	**16.1**	**392.5**	**545.0**	**26.3**	**8.5**	**41.5**	**1,029.9**

(a) Including changes in scope of consolidation.

2014 *(in € millions)*	Patents and licences	Trademarks	*Goodwill*	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	19.3	340.9	493.4	74.5	36.5	56.0	1,020.6
Acquisitions/additions	0.1			4.2	4.6	4.5	13.4
Disposals	(1.0)			(2.1)	(7.1)	(1.2)	(11.4)
Other movements [(a)]	19.6	9.5	20.0	7.0		(5.3)	50.8
Foreign currency translation adjustments	1.2	27.1	49.8	0.7		5.0	83.8
AT 31 DECEMBER	**39.2**	**377.5**	**563.2**	**84.3**	**34.0**	**59.0**	**1,157.2**
Depreciation and impairment losses							
At 1 January	17.3	6.9	45.2	54.1	23.3	13.8	160.6
Foreign currency translation adjustments	0.4	0.9	6.0	0.4		1.4	9.1
Amortization of the period	2.7			10.4	5.1	1.6	19.8
Impairment losses							
Depreciation and impairment written off on disposals	(0.9)			(1.7)	(5.5)	(0.5)	(8.6)
Other movements [(a)]				0.1			0.1
AT 31 DECEMBER	**19.5**	**7.8**	**51.2**	**63.3**	**22.9**	**16.3**	**181.0**
Carrying amount at 1 January	2.0	334.0	448.2	20.4	13.2	42.2	860.0
CARRYING AMOUNT AT 31 DECEMBER	**19.7**	**369.7**	**512.0**	**21.0**	**11.1**	**42.7**	**976.2**

(a) Including changes in scope of consolidation.

2013 *(in € millions)*	Patents and licences	Trademarks	*Goodwill*	Software	Development costs	Intangible assets in progress and other	Total
Cost							
At 1 January	19.7	357.8	508.9	71.0	34.5	56.9	1,048.8
Acquisitions/additions	0.1			2.4	4.9	5.4	12.8
Disposals				(1.6)	(2.5)	(0.4)	(4.5)
Other movements [(a)]				5.9	(0.1)	(4.0)	1.8
Foreign currency translation adjustments	(0.5)	(16.9)	(15.5)	(3.2)	(0.3)	(1.9)	(38.3)
AT 31 DECEMBER	**19.3**	**340.9**	**493.4**	**74.5**	**36.5**	**56.0**	**1,020.6**
Depreciation and impairment losses							
At 1 January	17.3	7.2	47.2	47.9	20.7	13.0	153.4
Foreign currency translation adjustments	(0.3)	(0.3)	(2.0)	(2.4)	(0.1)	(0.6)	(5.7)
Amortization of the period	0.2			10.4	5.2	1.5	17.3
Impairment losses						0.1	0.1
Depreciation and impairment written off on disposals				(1.5)	(2.5)		(4.0)
Other movements [(a)]				(0.3)		(0.2)	(0.5)
AT 31 DECEMBER	**17.3**	**6.9**	**45.2**	**54.1**	**23.3**	**13.8**	**160.6**
Carrying amount at 1 January	2.4	350.6	461.7	23.1	13.8	43.9	895.4
CARRYING AMOUNT AT 31 DECEMBER	**2.0**	**334.0**	**448.2**	**20.4**	**13.2**	**42.2**	**860.0**

(a) Including changes in scope of consolidation.

Trademarks and goodwill were tested for impairment according to the method described in Note 1.4.3. by comparing their carrying amount to their value in use, with the exception of the trademarks mentioned below, which were valued using the relief from royalty method.

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 2015 was 5.75%. Specific equity risk premiums ranging from 0.4% to 4.5% were applied to the Group's different CGUs, according to their size, region and other specific characteristics.

Impairment tests in 2015 were generally based on the CGUs' 2016 budgets, which reflect a continuation of the trends observed in 2015.

The All-Clad CGU – including the trademark for €132.9 million and goodwill for €51.4 million at 31 December 2015 – was tested for impairment by comparing its carrying amount to its value in use. The value in use calculations were performed based on the sum of discounted future cash flows expected to be derived from the assets concerned as contained in the five-year business plan as well as a terminal value determined by extrapolating the cash flows forecast for the last year of the plan. The main actuarial assumptions used were as follows:

- a discount rate of 7.54% (versus 7.34% in 2014 and 7.49% in 2013);
- a long-term growth rate of 3%, in line with forecasts for the high-end household equipment market, and similar to the rate used since All-Clad was acquired.

This test gave rise to no additional impairment of goodwill in 2015. All-Clad's economic performance in 2015 was in line with forecasts.

The sensitivity of the test to changes, taken in isolation, in the assumptions used to calculate the value in use of the All-Clad CGU at the end of 2015 is as follows:

- use of a 12.28% discount rate (i.e. 4.7 point increase) would have reduced the test margin to zero;
- a 1-point decrease in the growth rate to perpetuity would not result in any additional impairment loss being recognised;
- a 10-point fall in operating result from activity activities for the last year of the business plan, as used to calculate the CGU's terminal value, would reduce the test margin to zero;
- as regards the sales trends for 2016-2020, Group management currently considers the most probable scenario to be average annual growth of 3.1%. A revision of sales forecasts to flat over the entire period would result in no additional goodwill impairment loss.

The Imusa CGU – including the trademark for €15.0 million and goodwill for €24.2 million at 31 December 2015 – was tested for impairment by comparing its carrying amount to its value in use. The value in use calculations were performed based on the sum of discounted future cash flows expected to be derived from the assets concerned as contained in the five-year business plan as well as a terminal value determined by extrapolating the cash flows forecast for the last year of the plan. The main actuarial assumptions used were as follows:

- a discount rate of 12.96%;
- and a long-term growth rate of 3% in line with forecasts for the high-end household equipment market.

The test did not lead to any impairment loss being recognised.

The sensitivity of test results to changes in the individual assumptions used in 2015 to determine the value in use of the Imusa CGU assets is as follows:

- use of a 13.7% discount rate (i.e. a 0.7 point increase) would have reduced the test margin to zero;
- a 1-point decrease in the growth rate to perpetuity would not result in any additional impairment loss being recognised;
- a 1.2-point fall in operating result from activity for the last year of the business plan, as used to calculate the CGU's terminal value, would reduce the test margin to zero;
- as regards the sales trends for 2016-2020, Group management currently considers the most probable scenario to be average annual growth of 6.3%. A 10% downward revision in sales forecasts over the entire period would not result in any goodwill impairment loss being recognised.

At 31 December 2015, the Supor CGU (including the trademark for €114.4 million and goodwill for €407.4 million) was compared to its market value. ZJ Supor is listed on the Shenzen stock market and the share is enough liquid to make this a good basis for comparison. At 31 December 2015, Supor shares were trading at CNY 27.82. The carrying amount at the same date was CNY 15.39 per share.

The Maharaja CGU – including the trademark for €11.2 million and goodwill for €23.8 million at 31 December 2015 – was tested for impairment by comparing its carrying amount to its value in use. The value in use calculations were performed based on the sum of discounted future cash flows expected to be derived from the assets concerned as contained in the 10-year business plan as well as a terminal value determined by extrapolating the cash flows forecast for the last year of the plan. The main actuarial assumptions used were as follows:

- a discount rate of 15.68%; and
- a long term growth rate of 5% in keeping with those used in this geographic area.

The test did not lead to any impairment loss being recognised.

The sensitivity of test results to changes in the individual assumptions used in 2015 to determine the value in use of the Maharaja CGU assets is as follows:

- use of a 16.0% discount rate (i.e. a 0.32 point increase) would have reduced the test margin to zero;
- a 1-point decrease in the growth rate to perpetuity would have led to a recognition of an impairment loss amounting to €0.7 million;
- a 0.4-point fall in operating result from activity for the last year of the business plan, as used to calculate the CGU's terminal value, would reduce the test margin to zero.

The brands listed below were tested using the relief from royalty method which consists of discounting the royalty revenues that would be derived from licensing the brands. The carrying amount of trademarks amounted to:

- Arno €23.5 million;
- Lagostina €30.4 million;
- Rowenta €23.2 million;
- Krups €7.8 million.

In addition, the Moulinex, Panex, Clock, Rochedo, Penedo, Imusa USA, Umco, MiroWearEver and AsiaVina trademarks were recognised in the Consolidated Financial Statements for a total of €20.9 million. At 31 December 2015, a €1.8 million impairment loss was recognised on Brazilian cookware brands (Panex, Clock, Rochedo et Penedo).

The main assumptions used in the 2015 tests were as follows:

- royalty rate: 2.0% to 5.5% (unchanged from 2014 and 2013);
- discount rate after tax: from 5.93% (Rowenta) to 18.83% (Arno) (5.94% to 17.06% in 2014);
- long-term growth rate: 1% to 3% (unchanged from 2014 and 2013).

The Group ran sensitivity analyses on the values in use of all of these assets under different scenarios for cash flows for the years 2016-2020. It also tested the sensitivity of the resulting values in use to different assumptions on discount rate (1% increase) and perpetual growth (1% decrease).

With the exception of the Brazilian cookware brands, the decreases in value in use under each of these simulations would not result in the recognition of an impairment loss on the trademarks concerned in the balance sheet. Also, the margin of these tests is significant.

NOTE 11 PROPERTY, PLANT AND EQUIPMENT

2015 *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed assets in progress	Total
Cost						
At 1 January	42.5	416.0	962.7	139.5	55.2	1,615.9
Acquisitions/additions	0.3	7.3	48.3	10.4	66.6	132.9
Disposals		(3.2)	(30.6)	(10.5)	(1.2)	(45.5)
Other movements [(a)]	0.1	11.5	22.2	6.3	(37.3)	2.8
Foreign currency translation adjustments	(2.6)	5.0	(1.5)	(0.3)	(1.3)	(0.7)
AT 31 DECEMBER	**40.3**	**436.6**	**1,001.1**	**145.4**	**82.0**	**1,705.4**
Depreciation and impairment losses						
At 1 January	7.0	192.0	732.3	97.5		1,028.8
Foreign currency translation adjustments		(0.5)	(1.8)	(0.3)		(2.6)
Amortization of the period	0.2	17.3	79.7	15.2		112.4
Impairment losses		7.4	2.8	0.3		10.5
Depreciation and impairment written off on disposals		(2.0)	(29.4)	(9.5)		(40.9)
Other movements [(a)]		0.4	(0.8)	1.1		0.7
AT 31 DECEMBER	**7.2**	**214.6**	**782.8**	**104.3**		**1,108.9**
Carrying amount at 1 January	35.5	224.0	230.4	42.0	55.2	587.1
CARRYING AMOUNT AT 31 DECEMBER	**33.1**	**222.0**	**218.3**	**41.1**	**82.0**	**596.5**

(a) *Including changes in scope of consolidation.*

At 31 December 2015, an impairment loss of €6.8 million on real estate assets in Venezuela was recognised in consideration of the local political and monetary climate. Other impairment losses recognised, taken in isolation, were immaterial.

2014 *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed assets in progress	Total
Cost						
At 1 January	30.7	332.2	883.3	129.7	45.4	1,421.3
Acquisitions/additions	10.4	60.6	53.5	12.4	50.7	187.6
Disposals	(0.3)	(2.7)	(21.4)	(8.4)	(0.6)	(33.4)
Other movements [(a)]	2.0	12.8	27.6	4.5	(41.0)	5.9
Foreign currency translation adjustments	(0.3)	13.1	19.7	1.3	0.7	34.5
AT 31 DECEMBER	**42.5**	**416.0**	**962.7**	**139.5**	**55.2**	**1,615.9**
Depreciation and impairment losses						
At 1 January	7.1	174.2	665.7	88.4		935.4
Foreign currency translation adjustments		3.0	12.3	1.1		16.4
Amortization of the period	0.2	16.2	69.5	14.5		100.4
Impairment losses			2.6			2.6
Depreciation and impairment written off on disposals	(0.3)	(1.6)	(19.6)	(6.7)		(28.2)
Other movements [(a)]		0.2	1.8	0.2		2.2
AT 31 DECEMBER	**7.0**	**192.0**	**732.3**	**97.5**		**1,028.8**
Carrying amount at 1 January	23.6	158.0	217.6	41.3	45.4	485.9
CARRYING AMOUNT AT 31 DECEMBER	**35.5**	**224.0**	**230.4**	**42.0**	**55.2**	**587.1**

(a) Including changes in scope of consolidation.

2013 *(in € millions)*	Land	Buildings	Machinery and equipment	Other property, plant and equipment	Fixed assets in progress	Total
Cost						
At 1 January	32.6	331.0	844.9	128.0	52.3	1,388.8
Acquisitions/additions	0.1	17.7	46.5	13.6	36.3	114.2
Disposals	(0.5)	(11.3)	(17.6)	(12.5)	(0.4)	(42.3)
Other movements [(a)]	1.0	2.5	30.5	5.8	(41.9)	(2.1)
Foreign currency translation adjustments	(2.5)	(7.7)	(21.0)	(5.2)	(0.9)	(37.3)
AT 31 DECEMBER	**30.7**	**332.2**	**883.3**	**129.7**	**45.4**	**1,421.3**
Depreciation and impairment losses						
At 1 January	6.9	173.6	629.0	88.0		897.4
Foreign currency translation adjustments		(3.2)	(14.9)	(3.4)		(21.5)
Amortization of the period	0.3	13.0	66.9	13.7		93.9
Impairment losses						
Depreciation and impairment written off on disposals	(0.1)	(7.9)	(16.0)	(11.0)		(35.0)
Other movements [(a)]		(1.3)	0.7	1.1		0.5
AT 31 DECEMBER	**7.1**	**174.2**	**665.7**	**88.4**		**935.4**
Carrying amount at 1 January	25.7	157.5	215.9	40.0	52.3	491.4
CARRYING AMOUNT AT 31 DECEMBER	**23.6**	**158.0**	**217.6**	**41.3**	**45.4**	**485.9**

(a) Including changes in scope of consolidation.

Most of the Group's operations are on 30 major industrial sites. They are distributed as follows:

Region	Country	Plant	Main products
France	France	Rumilly	Cookware, informal meal appliances
		Tournus	Cookware
		Selongey	Pressure cookers
		Pont-Évêque	Irons, steam generators, epilators
		Is-sur-Tille	Deep fryers, ovens
		Saint Jean de Bournay	Plastic components
		Lourdes	Meat grinders and small food preparation appliances
		Mayenne	Food processors, *blenders*, full-automat espresso *machines*
		Saint-Lô	Electronic components
		Vernon	Vacuum cleaners
Western Europe	Germany	Erbach	Steam irons
	Italy	Omegna	Cookware
North America	United States	Canonsburg	Cookware
South America	Brazil	São Paulo	Fans, washing machines, *blenders*
		São Bernardo	Cookware
		Recife	Fans, washing machines, *blenders*
	Colombia	Cajica	*Blenders*, fans
		Rio Negro	Cookware
		Copacabana	Plastic items
Asia-Pacific	China	Shanghai	Steam irons, steam cookers, kettles
		Yuhuan	Cookware
		Wuhan	Cookware
		Hangzhou	Rice cookers
		Shaoxing	Kettles, electric pressure cookers, induction hotplates, deep fryers, breadmakers, coffee machines, soya milk makers
	India	Baddi	Food processors, *blenders*, fans
	Vietnam	Vinh Loc	Fans
		Binh duong	Components
		Ho Chi Minh	Cookware
Other countries	Russia	Saint-Petersburg	Cookware
	Egypt	Borg el Arab	*Blenders* and small food preparation appliances

The Group owns all of its plants, except for those in São Bernardo (Brazil) and Shanghai (China).

Logistics warehouses and commercial and office buildings are generally leased, except for the Group's headquarters building in Écully.

As previously reported, on 13 January 2014, Groupe SEB bought the Parc Mail office complex in Écully, already used by some of its activities and corporate teams. During 2016, all head-office functions will be moved to this site in the Lyon region, bringing them under one roof with a view to improving the functioning and efficiency of the Group's organisations. Aggregate capital expenditures in this regard totalled nearly €94 million at 31 December 2015.

All leases are with unrelated lessors and reflect normal market terms.

NOTE 12 LEASES

Finance leases can be analysed as follows:

Carrying amounts *(in € millions)*	**2015**	2014	2013
Land			
Buildings			
Machinery and equipment	2.9	2.6	2.1
Other	1.0	1.2	0.9
CARRYING AMOUNT	**3.9**	**3.8**	**3.1**

These amounts are included in the tables in Note 11 – Property, plant and equipment.

Groupe SEB does not have any finance leases related to intangible assets or investment property.

Commitments under finance leases and non-cancellable operating leases are as follows:

2015 *(in € millions)*	Finance leases	Operating leases
LEASE COMMITMENTS:		
Due within one year	1.1	40.5
Due in one to five years	2.1	81.6
Due beyond five years	0.2	10.3
TOTAL MINIMUM FUTURE LEASE PAYMENTS	**3.4**	**132.4**
Future interest costs	0.2	
DISCOUNTED PRESENT VALUE OF LEASE COMMITMENTS	**3.2**	**132.4**

Lease payments recorded in expenses for the year are as follows:

(in € millions)	**2015**	2014	2013
Lease payments	57.8	61.7	67.1

NOTE 13 INVESTMENTS IN ASSOCIATES, OTHER INVESTMENTS AND OTHER NON-CURRENT FINANCIAL ASSETS

Note 13.1. INVESTMENTS

13.1.1. Investments in associates

The Group does not hold any investments in associates.

13.1.2. Other investments

At 31 December 2015, "Other investments" amounted to €16.7 million. This largely consists of non-controlling interests in several entities and investments in non-consolidated entities due to their non-material size in the Group (notably Key Ingredient).

At 31 December 2013, "Other investments" consisted of the Group's investment in the Indian company Maharaja Whiteline, acquired at the end of 2011, but not yet consolidated at 31 December 2013, and the investment in Coranco, acquired in December 2013 (see Note 2.2) and consolidated on 1 January 2014.

Note 13.2. OTHER NON-CURRENT FINANCIAL ASSETS

These assets mainly comprise guarantee deposits, chiefly for property leases.

NOTE 14 PRODUCT DEVELOPMENT COSTS

(in € millions)	2015	2014	2013
RESEARCH AND DEVELOPMENT GROSS EXPENDITURE	**(99.8)**	**(93.5)**	**(87.3)**
Research tax credit	7.1	7.3	6.8
RESEARCH AND DEVELOPMENT NET EXPENDITURE	**(92.6)**	**(86.2)**	**(80.5)**
as a % of revenue	1.9%	2.0%	1.9%
CAPITALISED DEVELOPMENT COSTS	**4.2**	**4.6**	**4.9**
as a % of R&D expenditure	4.5%	5.3%	6.1%
RESEARCH AND DEVELOPMENT COSTS RECOGNISED DIRECTLY IN THE INCOME STATEMENT (NOTE 4)	**(88.5)**	**(81.6)**	**(75.6)**
AMORTISATION FOR THE PERIOD RECOGNISED IN COST OF SALES	**(6.1)**	**(5.1)**	**(5.2)**
TOTAL COST RECOGNISED IN THE INCOME STATEMENT	**(94.5)**	**(86.7)**	**(80.8)**
as a % of revenue	2.0%	2.0%	1.9%

In 2015, research and development expenditure totalled €92.6 million, compared with €86.2 million in 2014.

Capitalised development costs amounted to €4.2 million, versus €4.6 million in 2014 and €4.9 million in 2013.

In all, research and development costs recognised in the income statement came to €94.5 million, versus €86.7 million in 2014 and €80.8 million in 2013.

NOTE 15 INVENTORIES

	2015			2014			2013		
(in € millions)	Cost	Depreciation	Carrying amount	Cost	Depreciation	Carrying amount	Cost	Depreciation	Carrying amount
Raw materials	190.7	(9.6)	181.1	209.3	(11.0)	198.3	190.8	(9.8)	181.0
Work in progress	6.8	(0.3)	6.5	6.5	(0.2)	6.3	6.2	(0.3)	5.9
Finished products and goods purchased for resale	658.2	(24.9)	633.3	635.2	(17.0)	618.2	566.0	(21.8)	544.2
TOTAL	**855.7**	**(34.8)**	**820.9**	**851.0**	**(28.2)**	**822.8**	**763.0**	**(31.9)**	**731.1**

NOTE 16 TRADE RECEIVABLES

(in € millions)	2015	2014	2013
Trade receivables (including discounted bills)	898.0	782.5	752.4
Provision for doubtful debt	(12.0)	(14.2)	(12.2)
CARRYING AMOUNT	**886.0**	**768.3**	**740.2**

The fair value of trade receivables is equivalent to their carrying amount, in view of their short maturities.

A receivables ageing analysis is presented in Note 26.4.

NOTE 17 OTHER NON-CURRENT ASSETS AND OTHER RECEIVABLES

(in € millions)	2015	2014	2013
OTHER NON-CURRENT ASSETS [(1)]	**23.6**	**5.9**	**6.0**
Prepaid expenses	5.7	7.8	7.1
Prepaid and recoverable taxes and other receivables [(1)]	84.5	130.0	109.6
OTHER CURRENT RECEIVABLES	**90.2**	**137.8**	**116.7**

(1) Including VAT claims amounting to €80.7 million at 31 December 2015.

The fair value of other non-current assets and other receivables is equivalent to their carrying amount.

At the period-end, other non-current assets and other receivables broke down as follows:

(in € millions)	Other receivables	Other non-current assets	Total
Prepaid expenses	5.7	1.6	7.3
Prepaid and recoverable taxes and other receivables	84.5	22.0	106.5
CARRYING AMOUNT	**90.2**	**23.6**	**113.8**

NOTE 18 CASH AND CASH EQUIVALENTS

(in € millions)	2015	2014	2013
Cash at bank	713.7	341.4	426.3
Marketable securities	57.1		
CARRYING AMOUNT	**770.8**	**341.4**	**426.3**

Cash equivalents consist mainly of very short-term investments, such as SICAV money market funds, whose market value corresponds to their carrying amount at the balance sheet date.

NOTE 19 EQUITY

Note 19.1. SHARE CAPITAL

At 31 December 2015, 2014 and 2013, the share capital was made up of 50,169,049 shares with a par value of €1.

One class of shares carries double voting rights and the right to a supplementary dividend. Shares acquire double voting rights when they are fully paid-up and have been registered in the name of the same owner for five years.

After deducting treasury shares, the weighted average number of shares outstanding in 2015 was 49,037,044 (48,694,391 in 2014 and 48,343,868 in 2013).

At 31 December 2015 the Founder Group held 41.26% of the share capital (of which FÉDÉRACTIVE: 21.40% and VENELLE INVESTISSEMENT: 19.86%). These shares represent 56.00% of the voting rights.

Note 19.2. SHARE-BASED PAYMENTS

19.2.1. Stock options

Information about stock option plans at 31 December 2015 is provided below:

STOCK OPTIONS

At 31/12/2015	Date			Number of options [a]				Exercise price [a]
Type	of grant [b]	of exercise	of expiry	Granted	Exercised	Cancelled	Outstanding	*(in €)*
Purchase plan	20/04/2007	20/04/2011	20/04/2015	579,150	571,050	8,100	0	44.00
Purchase plan	13/05/2008	13/05/2012	13/05/2016	1,005,900	822,513	47,400	135,987	38.35
Purchase plan	12/06/2009	12/06/2013	12/06/2017	371,300	294,722	15,266	61,312	28.05
Purchase plan	18/06/2010	18/06/2014	18/06/2018	412,592	211,427	17,863	183,302	53.86
Purchase plan	15/06/2012	15/06/2016	15/06/2020	408,925		1,500	407,425	54.12
TOTAL				**2,777,867**	**1,899,712**	**90,129**	**788,026**	
of which, movements in 2015				0	557,054	0	(557,054)	

(a) The number of options and the exercise price for plans prior to 16 June 2008 were adjusted following the three-for-one stock split that took place on 16 June 2008.
(b) The grant date corresponds to the date of the Board Meeting when the option grants were decided.

In accordance with IFRS 2 – Share-Based Payment, stock options are measured at the grant date. The valuation method used is the Black & Scholes option pricing model. The initial valuation is not adjusted for any subsequent changes in value after the grant date.

The value is recognised in employee benefits expense on a straight-line basis over the option vesting period by adjusting equity.

The amount recognised employee benefits expense in 2015 in respect of stock options was €1.1 million, versus €1.5 million in 2014 and €2.7 million in 2013. The assumptions used to value options under the Black & Scholes model are as follows:

	2012 plan
INITIAL VALUE *(in € millions)*	**5.0**
AMOUNT RECOGNISED IN EMPLOYEE BENEFITS EXPENSES IN 2015 *(in € millions)*	**1.1**
ASSUMPTIONS	
Share price on the grant date *(in €)*	51.00
Expected volatility	28.0%
Risk-free interest rate	2.80%
Exercise price *(in €)*	54.12
Option term *(in years)* [a]	5
Expected dividend yield	2.3%

(a) The option term represents the average exercise period.

19.2.2. Performance shares

In 2013, 2014 and 2015, the Board of Directors granted performance shares to certain employees and to the Chief Executive Officer.

Shares granted under the plans are subject to vesting periods of three years (2013, 2014 and 2015 plans) and certain performance obligations. The performance targets concern growth in revenue and operating result from activity and are the same as those used to determine senior management bonuses. Vested shares are subject to a two-year lock-up.

Further information on the performance share plans is provided in the table below:

At 31/12/2015	Date			Number of shares				
Type	of grant [(a)]	of vesting	of end of lock-up	Granted	Vested	Cancelled	Outstanding	Share price at grant date [(b)]
Performance shares	23/07/2013	23/07/2016	23/07/2018	233,475	0	0	233,475	63.00
Performance shares	22/07/2014	22/07/2017	22/07/2019	169,175	0	0	169,175	64.00
Performance shares	12/05/2015	12/05/2018	12/05/2020	169,450	0	0	169,450	81.41
TOTAL				**572,100**	**0**	**0**	**572,100**	

(a) The grant date corresponds to the date of the Board Meeting when the performance sahre were decided.
(b) Share price on the date of the Board Meeting.

The fair value of performance shares includes a discount to reflect the impact of the restriction on the sale of the shares represented by the lock-up. The measurement method used to determine this discount is based on a strategy that consists of selling the shares under a four-year forward contract (corresponding to the vesting/lock-up period) and immediately purchasing an equivalent number of shares free of any restrictions, with the purchase financed by debt repayable at the end of the lock-up using the proceeds from the forward sale and dividends received during the lock-up period.

The main assumptions used to determine the fair value of performance shares were as follows:

Assumptions	2015 plan	2014 plan	2013 plan
Share price on the grant date *(in €)*	81.41	64.00	63.00
Risk-free interest rate (5-year rate in 2013 and 2014 and 4-year rate in 2012)	0.19%	0.47%	2.10%
Average interest rate on a 5-year general purpose loan	6.19%	5.97%	5.10%
Expected dividend yield	2.11%	2.34%	2.30%
Discount for the lock-up (as a % of the price on the vesting date)	14.77%	12.00%	19.97%
INITIAL VALUE *(in € millions)*	**11.9**	**13.1**	**11.8**
AMOUNT RECOGNISED IN EMPLOYEE BENEFITS EXPENSES IN 2015 *(in € millions)*	**2.9**	**3.4**	**3.7**

Note 19.3. RESERVES AND RETAINED EARNINGS (BEFORE APPROPRIATION OF PROFIT)

Reserves and retained earnings include the reserves recorded in the balance sheet of SEB S.A. (of which €1,004 million available for distribution at 31 December 2015, €875 million at 31 December 2014 and €862 million at 31 December 2013), and SEB S.A.'s share of the post-acquisition retained earnings of consolidated subsidiaries.

SEB S.A.'s share of the retained earnings of foreign subsidiaries is considered as being permanently reinvested and withholding taxes or additional taxes on distributed income are recognised only when distribution of these amounts is planned or considered probable.

Note 19.4. TREASURY STOCK

The Group buys back shares for the following purposes:

- for cancellation in order to reduce the company's capital;
- for allocation to employees, 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.

In 2015, the Group bought back 1,014,174 shares at a weighted average price of €79.51 and sold 1,230,963 shares at an average price of €62.56. The after-tax loss on the sales, in the amount of €7.5 million, was recognised directly in equity without affecting profit for the period.

At 31 December 2015, the Group had 1,074,453 shares in treasury acquired at an average price of €66.24.

Movements in treasury stock were as follows:

(in number of shares)	2015	2014	2013
Shares held in treasury at 1 January	1,291,242	1,412,347	2,050,102
Purchases			
Buyback plan	350,000	425,000	54,075
Liquidity contract	664,174	604,510	813,739
Sales			
Shares sold on the market	(673,909)	(616,859)	(802,996)
Shares allocated on exercise of stock options, and under the performance share and employee share ownership plans	(557,054)	(533,756)	(702,573)
Shares cancelled during the period			
SHARES HELD IN TREASURY AT 31 DECEMBER	**1,074,453**	**1,291,242**	**1,412,347**

NOTE 20 NON-CONTROLLING INTERESTS

Changes in non-controlling interests are as follows:

(in € millions)	2015	2014	2013
AT 1 JANUARY	**173.5**	**142.6**	**130.3**
Non-controlling interets in profit	35.2	23.6	22.0
Dividends paid	(11.8)	(7.8)	(7.5)
Exercise of stock options			
Non-controlling interests in shares issues by subsidiaries			0.7
Changes in scope of consolidation and acquisition by the Group of non-controlling interests in subsidiaries	(8.1)	(0.8)	(0.2)
Foreign currency translation adjustments	11.3	15.9	(2.7)
TOTAL AT 31 DECEMBER	**200.1**	**173.5**	**142.6**

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 has therefore essentially changed according to the ZJ Supor group's reserves (net income and foreign currency translation adjustments in particular), and exceptionally as a result of purchases, sales or any other voluntary adjustments to SEB's stake in ZJ Supor.

The ZJ Supor group is made up of various subsidiaries, whose name, line of business, location and percentage of interest are shown in Note 32 to these notes.

In late December 2014, Groupe SEB acquired 10 million Supor shares (1.58% of the capital) owned by the Su founding family at a price of CNY 17.50 per share. This transaction was completed once approval had been obtained from the Chinese authorities, increasing the Groupe SEB holding to 73.13% at 31 December 2015.

In late December 2015, Groupe SEB signed a new agreement with the Su family holding company, Supor Group, to buy 50 million shares, 7.9% of the capital of Supor at a unit price of CNY 29 per share. This transaction should be finalised in mid-2016 subject to approval by the Chinese authorities. After the transaction, Groupe SEB will hold 81.03% of the company and the founding family 1.29%, with the remaining stake, i.e. 17.68%, representing the free float.

The 2014 dividends paid to minority shareholders in 2015 were €11.8 million. The 2015 net income of this sub-group taken by itself was €137.1 million on revenues of €1,541.7 million. The impact of the sub-group on the consolidated statement of comprehensive income consists solely of foreign currency translation adjustments.

Summary balance sheet 2015 *(in € millions)*

ASSETS		**EQUITY AND LIABILITIES**	
Non-current assets	661	Shareholders' equity	1,158
Working Capital Requirement	172	Long-term provisions	10
Net cash and cash equivalents and financial investments	391	Other current assets and liabilities	56
TOTAL	**1,224**	**TOTAL**	**1,224**

Summary cash flow statement 2015 *(in € millions)*

Net cash from operating activities	175
Net cash from used by investing activities	(18)
Net cash from used by financing activities	(39)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS	**119**

Since this group is located in China, the cash it generates is subject to the foreign exchange controls in effect in that country.

NOTE 21 OTHER PROVISIONS

Provisions are classified as short-term or long-term according to whether the obligation is expected to be settled within or beyond one year.

	2015		2014		2013	
(in € millions)	non-current	current	non-current	current	non-current	current
Pension and other post-employment benefit obligations (Note 22)	143.5	9.6	146.4	12.7	133.9	7.7
Product warranties (21.1)	4.8	22.9	5.0	19.7	5.9	18.3
Claims and litigation and other contingencies (21.2)	32.5	16.1	36.2	16.3	32.5	15.3
Restructuring provisions (21.3)	5.0	12.4	5.3	6.9	8.6	4.3
TOTAL	**185.8**	**61.0**	**192.9**	**55.6**	**180.9**	**45.6**

Provision movements (other than provisions for pensions and other post-employment benefits) are as follows:

(in € millions)	01/01/2015	Increases	Reversals	Utilisations	Other movements [(a)]	31/12/2015
Product warranties (21.1)	24.7	17.7	0.8	15.9	2.0	27.7
Claims and litigation and other contingencies (21.2)	52.5	16.4	5.6	15.8	1.1	48.6
Restructuring provisions (21.3)	12.2	12.0	0.6	5.0	(1.2)	17.4
TOTAL	**89.4**	**46.1**	**7.0**	**36.7**	**1.9**	**93.7**

(a) *"Other movements" include foreign currency translation adjustments and the effect of changes in the scope of consolidation.*

(in € millions)	01/01/2014	Increases	Reversals	Utilisations	Other movements [(a)]	31/12/2014
Product warranties (21.1)	24.2	16.7		16.5	0.3	24.7
Claims and litigation and other contingencies (21.2)	47.8	10.3	2.9	9.3	6.6	52.5
Restructuring provisions (21.3)	12.9	7.0	1.7	5.9	(0.1)	12.2
TOTAL	**84.9**	**34.0**	**4.6**	**31.7**	**6.8**	**89.4**

(a) *"Other movements" include foreign currency translation adjustments and the effect of changes in the scope of consolidation.*

(in € millions)	01/01/2013	Increases	Reversals	Utilisations	Other movements [(a)]	31/12/2013
Product warranties (21.1)	27.3	15.3	3.2	14.2	(1.0)	24.2
Claims and litigation and other contingencies (21.2)	50.3	11.7	5.7	5.3	(3.2)	47.8
Restructuring provisions (21.3)	10.9	5.2	0.8	2.3	(0.1)	12.9
TOTAL	**88.5**	**32.2**	**9.7**	**21.8**	**(4.3)**	**84.9**

(a) *"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, is generally for 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. The corresponding provisions have been determined in accordance with the principle described in Note 1.4.

At 31 December, this item included:

(in € millions)	**2015**	2014	2013
Supplier claims and litigation	3.5	2.5	2.5
Local government claims, litigation and contingencies	6.2	13.1	14.6
Commercial claims, litigation and contingencies	1.8	1.7	1.7
Employee claims, litigation and contingencies	14.9	13.6	12.7
Sales returns			
Other claims, litigation and contingencies	22.2	21.6	16.3
TOTAL	**48.6**	**52.5**	**47.8**

Except for the litigation described in Note 29.1.2., all items included in “Other claims, litigation and contingencies” are individually immaterial.

Note 21.3. RESTRUCTURING PROVISION

Restructuring provisions break down as follows:

(in € millions)	**2015**	2014	2013
Severance costs	15.6	11.7	12.4
Site closure costs	1.8	0.5	0.5
TOTAL	**17.4**	**12.2**	**12.9**

The short-term portion of restructuring provisions amounted to €12.4 million. The remaining €5.0 million concerns costs expected to be incurred over the next one to five years, mainly for early retirement schemes and for rent on sites no longer being used.

NOTE 22 EMPLOYEE BENEFITS

Note 22.1. ASSUMPTIONS

Provisions for pension and other post-employment benefit obligations, determined as explained in Note 1.4, mainly concern France and Germany. The obligations are estimated 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 2015	Germany 2015
Economic assumptions		
Rate of salary increases	between 2.50% and 3.50%	between 1.75% and 2.50%
Discount rate (based on Iboxx AA)	2.00% and 1.50%	2.00%
Average remaining service life of participations employees	variable depending on entity	11 to 16 years
Demographic assumptions		
Retirement age	60 to 65 [(a)]	65 to 67
Staff turnover	0% to 8.3%	
Mortality tables	INSEE TD/TV 2011-2013	HEUBECK RT 2005 G

(a) Depending on the age of employees and their category (management or other).

Assumptions	France 2014	Germany 2014
Economic assumptions		
Rate of salary increases	between 2.50% and 3.50%	2.00%
Discount rate (based on Iboxx AA)	2.00% and 1.50%	2.00%
Average remaining service life of participations employees	variable depending on entity	11 to 15 years
Demographic assumptions		
Retirement age	60 to 65 [(a)]	65
Staff turnover	0% to 8%	
Mortality tables	INSEE TD/TV 2010-2012	HEUBECK RT 2005 G

(a) Depending on the age of employees and their category (management or other).

Assumptions	France 2013	Germany 2013
Economic assumptions		
Rate of salary increases	3% and 4%	2.50%
Discount rate (based on Iboxx AA)	3.00% and 2.50%	3.00%
Average remaining service life of participations employees	variable depending on entity	11 to 16 years
Demographic assumptions		
Retirement age	60 to 65 [(a)]	65
Staff turnover	0% to 8%	
Mortality tables	INSEE TD/TV 2009-2011	HEUBECK RT 2005 G

(a) Depending on the age of employees and their category (management or other).

Note 22.2. ANALYSIS OF PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

The total obligation breaks down as follows:

	2015			
(in € millions)	France	Germany	Other countries	Total
Projected benefit obligation based on final salaries	130.3	70.9	15.6	216.8
Present value of plan assets	(55.1)	(4.2)	(4.4)	(63.7)
DEFICIT	**75.2**	**66.7**	**11.2**	**153.1**
Recognised liability	75.2	66.7	11.2	153.1
Recognised asset				
NET	**75.2**	**66.7**	**11.2**	**153.1**

	2014			
(in € millions)	France	Germany	Other countries	Total
Projected benefit obligation based on final salaries	123.5	74.9	36.7	235.1
Present value of plan assets	(50.6)	(3.8)	(21.6)	(76.0)
DEFICIT	**72.9**	**71.1**	**15.1**	**159.1**
Recognised liability	72.9	71.1	15.1	159.1
Recognised asset				
NET	**72.9**	**71.1**	**15.1**	**159.1**

	2013			
(in € millions)	France	Germany	Other countries	Total
Projected benefit obligation based on final salaries	112.7	67.7	32.9	213.3
Present value of plan assets	(49.1)	(3.5)	(19.1)	(71.7)
DEFICIT	**63.6**	**64.2**	**13.8**	**141.6**
Recognised liability	63.6	64.2	13.8	141.6
Recognised asset				
NET	**63.6**	**64.2**	**13.8**	**141.6**

Obligations for the payment of jubilees were €7.9 million at 31 December 2015, €7.5 million at 31 December 2014 and €7 million at 31 December 2013.

Note 22.3. RECOGNISED COST

The cost recognised in the income statement for pension and other post-employment benefit plans breaks down as follows:

	2015			
(in € millions)	France	Germany	Other countries	Total
Service cost	7.6	0.6	1.6	9.8
Interest cost	2.2	1.5	0.4	4.1
Expected return on plan assets	(0.9)	(0.1)	(0.1)	(1.1)
Other	(2.4)		(2.4)	(4.8)
COST FOR THE PERIOD	**6.5**	**2.0**	**(0.5)**	**8.0**

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(in € millions)	2014 France	Germany	Other countries	Total
Service cost	8.7	0.5	2.5	11.7
Interest cost	3.1	2.0	1.0	6.1
Expected return on plan assets	(1.3)	(0.1)	(0.6)	(2.0)
Other	0.4			0.4
COST FOR THE PERIOD	**10.9**	**2.4**	**2.9**	**16.2**

(in € millions)	2013 France	Germany	Other countries	Total
Service cost	6.4	0.5	1.4	8.3
Interest cost	3.7	2.1	1.0	6.8
Expected return on plan assets	(1.4)	(0.1)	(0.6)	(2.1)
Other				
COST FOR THE PERIOD	**8.7**	**2.5**	**1.8**	**13.0**

Note 22.4. CHANGE IN GAINS AND LOSSES RECORDED IN OTHER COMPREHENSIVE INCOME

(in € millions)	**2015** France	Germany	Other countries	Total
At 1 January	(43.3)	(25.0)	(6.0)	(74.3)
Actuarial gains and losses	(4.2)	2.2	(0.4)	(2.4)
Return on plan assets greater/(less than) expected return	1.5			1.5
Other			2.7	2.7
AT 31 DECEMBER	**(46.0)**	**(22.8)**	**(3.7)**	**(72.5)**

Actuarial gains and losses for the period were mainly due to changes in the discount rate.

(in € millions)	2014 France	Germany	Other countries	Total
At 1 January	(39.2)	(16.2)	(3.9)	(59.3)
Actuarial gains and losses	(6.3)	(8.8)	(2.2)	(17.3)
Return on plan assets greater/(less than) expected return	2.2		1.2	3.4
Other			(1.1)	(1.1)
AT 31 DECEMBER	**(43.3)**	**(25.0)**	**(6.0)**	**(74.3)**

(in € millions)	2013 France	Germany	Other countries	Total
At 1 January	(38.0)	(14.7)	(7.2)	(59.9)
Actuarial gains and losses	(3.4)	(1.5)	3.5	(1.4)
Return on plan assets greater/(less than) expected return	2.2		(0.2)	2.0
AT 31 DECEMBER	**(39.2)**	**(16.2)**	**(3.9)**	**(59.3)**

Note 22.5. MOVEMENTS IN PROVISIONS

Movements in provisions break down as follows:

(in € millions)	**2015**	2014	2013
Net at 1 January	159.1	141.6	141.6
Cost for the period	8.0	16.2	13.0
Contributions paid	(14.7)	(12.4)	(12.0)
Actuarial gains and losses and other changes [a]	0.7	13.7	(1.0)
NET AMOUNT AT 31 DECEMBER	**153.1**	**159.1**	**141.6**

(a) "Other changes" include the effect of changes in the scope of consolidation.

Note 22.6. MOVEMENTS IN PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS

MOVEMENTS IN PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS 2015

(in € millions)	France	Other countries	Total
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY 2015	**123.5**	**111.6**	**235.1**
Service cost	7.6	2.2	9.8
Interest cost	2.2	1.9	4.1
Benefits paid	(4.8)	(7.4)	(12.2)
Plan amendments			
Actuarial gains and losses	4.3	(1.8)	2.5
Curtailments/Settlements [a]	(0.4)	(19.9)	(20.3)
Other	(2.1)	(0.1)	(2.2)
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER 2015	**130.3**	**86.5**	**216.8**

(a) Of which €(19.4) million associated with the change of plan in the Netherlands which now has a defined-benefit plan.

MOVEMENTS IN PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS 2014

(in € millions)	France	Other countries	Total
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY 2014	**112.7**	**100.6**	**213.3**
Service cost	9.3	2.5	11.8
Interest cost	3.1	2.9	6.0
Benefits paid	(7.7)	(6.0)	(13.7)
Plan amendments			
Actuarial gains and losses	6.6	10.9	17.5
Curtailments/Settlements	(0.5)		(0.5)
Other		0.7	0.7
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER 2014	**123.5**	**111.6**	**235.1**

MOVEMENTS IN PENSION AND OTHER POST-EMPLOYMENT BENEFIT OBLIGATIONS 2013

(in € millions)	France	Other countries	Total
PROJECTED BENEFIT OBLIGATION AT 1 JANUARY 2013	**105.1**	**104.6**	**209.7**
Service cost	6.4	1.9	8.3
Interest cost	3.7	3.1	6.8
Benefits paid	(4.7)	(6.9)	(11.6)
Plan amendments			
Actuarial gains and losses	3.1	(1.2)	1.9
Curtailments/Settlements	(0.6)		(0.6)
Other	(0.4)	(0.9)	(1.3)
PROJECTED BENEFIT OBLIGATION AT 31 DECEMBER 2013	**112.7**	**100.6**	**213.3**

Note 22.7. ANALYSIS OF PLAN ASSETS

CHANGE IN PLAN ASSETS IN 2015

(in € millions)	France	Other countries	Total
PLAN ASSETS AT 1 JANUARY 2015	**50.6**	**25.4**	**76.0**
Expected return on plan assets	0.9	0.2	1.1
Contributions paid	2.0	1.4	3.4
Benefits paid		(0.9)	(0.9)
Actuarial gains and losses and other [(a)]	1.6	(17.5)	(15.9)
PLAN ASSETS AT 31 DECEMBER 2015	**55.1**	**8.6**	**63.7**

(a) Of which €(17.5) million associated with the change of plan in the Netherlands which now has a defined-benefit plan.

CHANGE IN PLAN ASSETS IN 2014

(in € millions)	France	Other countries	Total
PLAN ASSETS AT 1 JANUARY 2014	**49.1**	**22.6**	**71.7**
Expected return on plan assets	1.3	0.7	2.0
Contributions paid		1.3	1.3
Benefits paid	(1.9)	(0.6)	(2.5)
Actuarial gains and losses and other	2.1	1.4	3.5
PLAN ASSETS AT 31 DECEMBER 2014	**50.6**	**25.4**	**76.0**

CHANGE IN PLAN ASSETS IN 2013

(in € millions)	France	Other countries	Total
PLAN ASSETS AT 1 JANUARY 2013	**45.8**	**22.3**	**68.1**
Expected return on plan assets	3.6	0.5	4.1
Contributions paid		0.9	0.9
Benefits paid		(0.9)	(0.9)
Actuarial gains and losses and other	(0.3)	(0.2)	(0.5)
PLAN ASSETS AT 31 DECEMBER 2013	**49.1**	**22.6**	**71.7**

Plan assets in France are managed by two insurance companies and are invested as follows:

- approximately 50% in the insurance company's general portfolio, 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 6.38% in 2015.

The actual return on plan assets for 2015 should be in line with the expected rate and actuarial gains and losses generated in 2016 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	Total
In less than 1 year	3.3	4.0	7.3
1 to 5 years	19.1	16.1	35.2
TOTAL 5 YEARS	**22.4**	**20.1**	**42.5**

22.8.2. Expected contributions to plans in the following year

No material contribution is currently planned.

22.8.3. Sensitivity analysis

Use of a discount rate of 1.75% would have had the effect of increasing the projected benefit obligation by approximately €5.6 million. Use of a 2.25% rate would have reduced the obligation by approximately €5.3 million. The impact on 2015 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.

Changes in other assumptions such as the rate of salary increases or pension rate would have no material impact on the projected benefit obligation.

NOTE 23 TRADE PAYABLES AND OTHER LIABILITIES

(in € millions)	**2015**	2014	2013
TRADE PAYABLES	**695.2**	**637.3**	**524.8**
Accrued taxes and employee benefits expenses	299.0	274.9	262.7
Due to suppliers of non-current assets	16.5	14.1	11.5
Other payables	17.8	9.7	10.4
OTHER LIABILITIES	**333.3**	**298.7**	**284.6**

At 31 December 2015, trade payables and other liabilities broke down as follows by maturity:

	Current	Non-current	Total
TRADE PAYABLES	**695.2**		**695.2**
Accrued taxes and employee benefits expenses	259.0	40.0	299.0
Due to suppliers of non-current assets	16.5		16.5
Other payables	16.1	1.7	17.8
OTHER LIABILITIES	**291.6**	**41.7**	**333.3**

Non-current accrued taxes and employee benefits expense corresponds mainly to employee time savings accounts in France.

NOTE 24 BORROWINGS

Note 24.1. TOTAL BORROWINGS

(in € millions)	2015	2014	2013
Bonds	497.4	299.9	299.5
Bank borrowings	1.5	23.4	25.8
Finance lease liabilities	2.2	2.2	2.1
Other debts (including private placements)	181.8	220.8	268.3
Non-discretionary profit sharing liability	24.1	30.6	31.3
LONG-TERM BORROWINGS	**707.0**	**576.9**	**627.0**
Bonds	299.8		
Bank borrowings	34.2	49.6	44.6
Commercial paper	110.0	155.0	76.0
Current portion of long-term borrowings	179.5	184.5	94.0
SHORT-TERM BORROWINGS	**623.5**	**389.1**	**214.6**
TOTAL BORROWINGS	**1,330.5**	**966.0**	**841.6**

At 31 December 2015, Group debt was composed of short-term and long-term borrowings. The Group has diversified its financing sources and borrowings now comprise:

- €220 million of private placement notes (Schuldschein loan);
- a €300.0 million bond debt due in 2016;
- a €500.0 million bond debt due in 2022;
- €110.0 million of French commercial paper drawn from a €600 million programme given an A2 short-term rating by Standard & Poor's.

At 31 December 2015, the weighted average interest rate on long-term bank borrowings denominated in euros was 4.06%, compared with 4.08% at 31 December 2014.

CHARACTERISTICS OF BORROWINGS (NOMINAL AMOUNTS)

At 31 December 2015 *(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	Rate after hedging
Schuldschein loan	EUR	2016	13.5	13.5			Fixed	
Schuldschein loan	EUR	2016	26.5	26.5			Euribor variable	
Schuldschein loan	EUR	2017	40.0		40.0		Fixed	
Schuldschein loan	EUR	2017	58.0		58.0		Euribor variable	Fixed
Schuldschein loan	EUR	2017	20.0		20.0		Euribor variable	Fixed
Schuldschein loan	EUR	2019	57.0		57.0		Fixed	
Schuldschein loan	EUR	2019	5.0		5.0		Euribor variable	
Bonds	EUR	2016	300.0	300.0			Fixed	
Bonds	EUR	2022	500.0			500.0	Fixed	
Commercial paper	EUR	2016	110.0	110.0			Euribor variable	Variable [(a)]
Other bank borrowings (including overdrafts)			163.1	162.5	0.4	0.3	Variable	
Finance lease liabilities			3.2	1.0	2.0	0.2		
Non-discretionary profit sharing liability	EUR		34.2	10.1	24.1			
TOTAL			**1,330.5**	**623.5**	**206.5**	**500.5**		

(a) A portion of these borrowings is hedged by floating-rate cross-currency swaps to cover subsidiaries' financing needs in their functional currency. Consequently, the interest rates given on such borrowings are those for the main currencies (Note 25.2).

All commercial paper is due in less than three months.

LOAN MATURITIES (UNDISCOUNTED NOMINAL AMOUNTS, INCLUDING ACCRUED INTEREST)

At 31 December 2015 *(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 loan	EUR	2016	13.7	13.7		
Schuldschein loan	EUR	2016	26.7	26.7		
Bonds	EUR	2016	313.5	313.5		
Schuldschein loan	EUR	2017	20.8	0.4	20.4	
Schuldschein loan	EUR	2017	42.4	1.2	41.2	
Schuldschein loan	EUR	2017	60.4	1.2	59.2	
Schuldschein loan	EUR	2019	5.5	0.1	5.4	
Schuldschein loan	EUR	2019	65.9	2.2	63.7	
Bonds	EUR	2022	583.1	11.9	47.5	523.7
TOTAL			**1,132.0**	**370.9**	**237.4**	**523.7**

CONFIRMED CREDIT FACILITIES

The Group also has unused, confirmed credit facilities that break down as follows by maturity:

At 31 December *(in € millions)*	Confirmed credit facilities 2015 [a]
2016	610
2017	560
2018	560
2019	560
2020	

(a) Unused confirmed lines of credit at year-end, of which: a €50.0 million bilateral credit facility expiring in August 2017; a syndicated credit facility for €560.0 million, expiring in July 2020.

None of these credit lines include any acceleration clauses.

Note 24.2. NET DEBT

(in € millions)	**2015**	2014	2013
Long-term borrowings	707.0	576.9	627.0
Short-term borrowings	623.5	389.1	214.6
TOTAL BORROWINGS	**1,330.5**	**966.0**	**841.6**
Net cash and cash equivalents [a]	(770.8)	(341.4)	(426.3)
Other current financial investments [a]	(243.6)	(172.5)	
Derivative instruments (net)	(0.5)	1.0	0.5
NET DEBT	**315.6**	**453.1**	**415.8**

(a) Of which €391 million in China (Note 20 – Non-controlling interests).

Net debt corresponds to total long and short-term borrowings less cash and cash equivalents, other current financial assets and derivative instruments used for Group financing purposes that are readily convertible into cash. It also includes 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.

At 31 December 2015, none of these borrowings were subject to early repayment clauses based on covenants.

NOTE 25 FAIR VALUE OF FINANCIAL INSTRUMENTS

Note 25.1. FINANCIAL INSTRUMENTS

(in € millions)	2015		Financial instruments by category				
	Carrying amount	Fair value	At fair value through profit or loss (excluding derivatives)	Assets available for sale	Loans and receivables	Held to maturity	Derivative instruments
ASSETS							
Investments in non-consolidated companies	11.1	11.1		11.1			
Other non-current financial assets	10.4	10.4			10.4		
Other non-current assets	1.9	1.9			1.9		
Trade receivables	886.0	886.0			886.0		
Other current receivables, excl. prepaid expenses	17.9	17.9			17.9		
Derivative instruments	50.9	50.9					50.9
Other financial assets	243.6	243.6	243.6				
Cash and cash equivalents	770.8	770.8	770.8				
TOTAL FINANCIAL ASSETS	**1,992.5**	**1,992.5**	**1,014.4**	**11.1**	**916.2**		**50.9**
LIABILITIES							
Long-term borrowings	707.0	719.3				719.3	
Other non-current liabilities	1.7	1.7				1.7	
Trade payables	695.2	695.2				695.2	
Other current liabilities	32.6	32.6				32.6	
Derivative instruments	20.1	20.1					20.1
Short-term borrowings	623.5	630.4				630.4	
TOTAL FINANCIAL LIABILITIES	**2,080.1**	**2,099.2**				**2,079.1**	**20.1**

(in € millions)	2014		Financial instruments by category				
	Carrying amount	Fair value	At fair value through profit or loss (excluding derivatives)	Assets available for sale	Loans and receivables	Held to maturity	Derivative instruments
ASSETS							
Investments in non-consolidated companies	10.3	10.3		10.3			
Other non-current financial assets	13.9	13.9			13.9		
Other non-current assets	5.9	5.9			5.9		
Trade receivables	768.3	768.3			768.3		
Other current receivables, excl. prepaid expenses	16.1	16.1			16.1		
Derivative instruments	59.4	59.4					59.4
Other financial assets	172.5	172.5	172.5				
Cash and cash equivalents	341.4	341.4	341.4				
TOTAL FINANCIAL ASSETS	**1,387.9**	**1,387.9**	**514.0**	**10.3**	**804.2**		**59.4**
LIABILITIES							
Long-term borrowings	576.9	594.4				594.4	
Other non-current liabilities	2.2	2.2				2.2	
Trade payables	637.3	637.3				637.3	
Other current liabilities	21.7	21.7				21.7	
Derivative instruments	10.1	10.1					10.1
Short-term borrowings	389.1	390.7				390.7	
TOTAL FINANCIAL LIABILITIES	**1,637.3**	**1,656.3**				**1,646.2**	**10.1**

(in € millions)	2013 Carrying amount	Fair value	Financial instruments by category: At fair value through profit or loss (excluding derivatives)	Assets available for sale	Loans and receivables	Held to maturity	Derivative instruments
ASSETS							
Investments in non-consolidated companies	10.1	10.1		10.1			
Other non-current financial assets	9.5	9.5			9.5		
Other non-current assets	6.0	6.0			6.0		
Trade receivables	740.2	740.2			740.2		
Other current receivables, excl. prepaid expenses	14.8	14.8			14.8		
Derivative instruments	2.8	2.8					2.8
Cash and cash equivalents	426.3	426.3	426.3				
TOTAL FINANCIAL ASSETS	**1,209.7**	**1,209.7**	**426.3**	**10.1**	**770.4**		**2.8**
LIABILITIES							
Long-term borrowings	627.0	648.0				648.0	
Other non-current liabilities	0.6	0.6				0.6	
Trade payables	524.8	524.8				524.8	
Other current liabilities	21.2	21.2				21.2	
Derivative instruments	13.5	13.5					13.5
Short-term borrowings	214.6	214.6				214.6	
TOTAL FINANCIAL LIABILITIES	**1,401.7**	**1,422.7**				**1,409.2**	**13.5**

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 (classified as held-to-maturity investments) is equivalent to their carrying amount, in view of their short maturities.

Non-current financial assets consist mainly of investments in non-consolidated companies, certain receivables related to those investments and operating receivables due beyond one year.

Financial assets that are not quoted in an active market are recognised in the balance sheet at cost, which is representative of their fair value.

Financial liabilities comprise borrowings and other financing, including bank overdrafts, and operating liabilities (excluding accrued taxes and employee benefit expense).

Borrowings that are not quoted in an active market are measured by the discounted cash flows 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.

Note 25.2. DERIVATIVE INSTRUMENTS

The fair value of derivative instruments is as follows:

	2015				2014			
	Assets		Liabilities		Assets		Liabilities	
(in € millions)	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value	Notional amount	Fair value
FAIR VALUE HEDGES								
Forward sales of foreign currencies *	46.8	1.4	35.5	(0.9)	41.9	2.1	34.2	(0.4)
Forward purchases of foreign currencies *	37.9	2.8	129.2	(3.3)	58.9	3.2	91.9	(0.5)
TOTAL		**4.2**		**(4.2)**		**5.3**		**(0.9)**
SUPERHEDGES AND TRADING TRANSACTIONS								
Currency swaps								
GBP			15.7	(0.1)			16.6	(0.1)
AUD			13.8	(0.2)			9.3	(0.1)
CAD			16.1	(0.2)			18.7	(0.2)
CHF	5.4							
CZK			4.3					
DKK			15.4		7.6			
HUF			7.4		14.5			
MXN	15.8	0.1					7.9	(0.1)
RUB								
USD			97.5	(0.9)			142.3	(0.7)
JPY			45.0	(0.4)			51.3	(0.6)
THB			15.9	(0.2)			13.5	(0.2)
SGD			0.6				2.0	
ZAR	2.8						2.7	
Other hedges of debt		2.6		(1.0)		1.3		(3.9)
TOTAL		**2.7**		**(3.1)**		**1.3**		**(5.8)**
CASH FLOW HEDGES								
Forward purchases and sales of foreign currencies	487.0	39.4	245.9	(9.1)	564.7	49.2	103.4	(1.2)
Floating/fixed rate swaps			78.0	(1.6)			78.0	(1.9)
Aluminium derivatives			18.4	(1.4)	15.1	0.4		
Nickel derivatives			1.0	(0.1)			2.1	
TOTAL		39.4		(12.3)		49.6		(3.0)
HEDGES OF THE NET INVESTMENT IN FOREIGN OPERATIONS		**39.4**		**(12.3)**				
Currency swaps	93.8	4.6	55.0	(0.5)	33.9	3.2	51.0	(0.4)
TOTAL		**4.6**		**(0.5)**	**33.9**	**3.2**	**51.0**	**(0.4)**
TOTAL DERIVATIVES INSTRUMENTS		**50.9**		**(20.1)**		**59.4**		**(10.1)**
NET IMPACT ON EQUITY (INCLUDING FAIR VALUE ADJUSTMENTS RECOGNISED IN PROFIT)				30.8				**49.3**

* *The notional amount of forward purchases and sales of foreign currencies shown in the above table does not include positions taken at 31 December, representing notional amounts of €20.9 million for forward purchases and €18.7 million for forward sales. These derivative instruments have a zero fair value.*

The only derivatives expiring beyond one year are cash flow hedges. At 31 December 2015, these instruments (shown at fair value) expired in the following periods:

At 31 December 2015	In less than 1 year	In 1 to 5 years	In more than 5 years	Total
Forward purchases and sales of foreign currencies	27.2	3.1		30.3
Floating/fixed rate swaps		(1.6)		(1.6)
Aluminium derivatives	(1.4)			(1.4)
Nickel derivatives	(0.1)			(0.1)
TOTAL	**25.7**	**1.5**		**27.2**

The fair value of derivative instruments is determined by the discounted cash flows method using forward exchange rates (currency hedges), market interest rates (interest rate hedges) and aluminium and nickel prices (commodity hedges) at 31 December 2015.

Note 25.3. INFORMATION ON FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

In accordance with 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 breakes down into three levels as follows:

- Level 1: quoted prices in active markets for the same instrument;
- Level 2: quoted prices in active markets for similar assets or liabilities or other valuation techniques for which all significant inputs are based on observable market data;
- Level3: valuation techniques for which any significant input is not based on observable market data.

	31 December 2015			
(in € millions)	Total	Level 1	Level 2	Level 3
ASSETS				
Derivative instruments	50.9		50.9	
Other financial investments	243.6	243.6		
Cash and cash equivalents	770.8	770.8		
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**1065.3**	**1014.4**	**50.9**	
LIABILITIES				
Derivative instruments	20.1		20.1	
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**20.1**		**20.1**	

The portfolio of derivatives used by the Group to manage risk mainly includes forward currency contracts, interest rate swaps, currency swaps and commodity swaps. These instruments are classified as Level 2, as their fair value is calculated using internal valuation models based on observable data.

NOTE 26 FINANCIAL RISK MANAGEMENT

Note 26.1. RISK MANAGEMENT

Risks are managed centrally by Group Corporate Finance, Treasury and Tax department.

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 and are only exceptionally carried out by Group subsidiaries where local regulations demand. These transactions remain under the control of the Group Finance, Treasury and Tax department, however.

Note 26.2. FINANCIAL MARKET RISKS

26.2.1. Currency risks

The majority of Group sales are billed in currencies other than the euro, mainly the US dollar, Chinese yuan, Russian rouble, Brazilian real and Japanese yen. 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 are bought from Asian suppliers by SEB Asia, whose functional currency is also the US dollar.

The main sources of transactional currency risks therefore arise from:

- intra-group billings between two Group companies with different functional currencies, as follows:
  - exports by manufacturing subsidiaries in the eurozone billed in the local currency of the marketing subsidiaries,
  - imports of goods from SEB Asia billed in US dollars by marketing subsidiaries whose functional currency is not the US dollar;
- purchases of industrial components from external suppliers by the manufacturing subsidiaries, that are billed in a currency other than their functional currency (for example, components purchases by French subsidiaries that are billed in US dollars).

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. In the main currencies, resulting balance sheet currency positions are partly hedged by means of forward sales and purchases of foreign currency against the euro. With respect to the US dollar and the Chinese yuan, currencies in which the Group has a net buying position, the Group hedges a portion of SEB Asia billings with Group subsidiaries.

The Group's overall currency risk management policy sets very strict rules for the hedging of currency risks associated with highly probable future transactions.

ANALYSIS OF CURRENCY RISKS ON INTER-COMPANY TRANSACTIONS

The Group's net exposure to transactional currency risks primarily concerns the following currencies (excluding the functional currencies of Group companies):

At 31 December 2015 *(in € millions)*	USD	CNY	RUB	PLN	GBP	JPY	Other
Total assets			5	9	8	10	49
Total liabilities	(64)	(86)					
Future transactions							
NET POSITION BEFORE HEDGING	**(64)**	**(86)**	**5**	**9**	**8**	**10**	**49**
Forward purchases of foreign currencies [a]	65	103					
Forward sales of foreign currencies [a]		(5)	(4)	(8)	(6)	(11)	(35)
NET POSITION AFTER HEDGING	**1**	**12**	**1**	**1**	**2**	**(1)**	**14**

(a) *The notional amounts of forward purchases and sales of foreign currencies shown in the above table do not include positions taken on 31 December. See Note 25.2.*

At 31 December 2014 *(in € millions)*	USD	CNY	RUB	PLN	GBP	Other
Total assets			7	9	8	53
Total liabilities	(56)	(94)				
Future transactions						
NET POSITION BEFORE HEDGING	**(56)**	**(94)**	**7**	**9**	**8**	**53**
Forward purchases of foreign currencies [a]	50	96				
Forward sales of foreign currencies [a]		(9)	(8)	(7)	(11)	(37)
NET POSITION AFTER HEDGING	**(6)**	**(7)**	**(1)**	**2**	**(2)**	**16**

(a) *The notional amounts of forward purchases and sales of foreign currencies shown in the above table do not include positions taken on 31 December. See Note 25.2.*

At 31 December 2013 *(in € millions)*	USD	CNY	RUB	PLN	GBP	Other
Total assets			14	8	8	48
Total liabilities	(54)	(54)				
Future transactions						
NET POSITION BEFORE HEDGING	**(54)**	**(54)**	**14**	**8**	**8**	**48**
Forward purchases of foreign currencies [a]	36	50				
Forward sales of foreign currencies [a]			(9)	(8)	(7)	(34)
NET POSITION AFTER HEDGING	**(18)**	**(4)**	**5**	**0**	**1**	**14**

(a) *The notional amounts of forward purchases and sales of foreign currencies shown in the above table do not include positions taken on 31 December. See Note 25.2.*

At 31 December 2015, the euro was trading at USD 1.0887, RUB 80.6736, CNY 7.0608 and JPY 131.07.

An appreciation of these currencies, assuming all other variables remained constant, would have a negative impact on profit. However, because the Group hedges dollar exposure in its budget, appreciation of the dollar would generate a gain.

At 31 December 2015, the sensitivity analysis of the net position after hedging was as follows:

(in € millions)	USD	CNY	RUB	PLN	GBP	JPY	Other
Hypothetical currency appreciation	10%	10%	10%	10%	10%	10%	10%
IMPACT ON PROFIT	**0.1**	**1.2**	**0.1**	**0.1**	**0.2**	**(0.1)**	**1.4**

CURRENCY RISKS ON FINANCING

SEB S.A. is the main provider of financing for its subsidiaries. Current account advances are made in the subsidiaries' functional currency. As SEB S.A. raises long-term financing in euros, it is exposed to currency risks on these advances. This exposure is hedged by borrowing or lending in the subsidiary's functional currency using currency swaps, so as to offset the current account positions. Currency risks on financing are therefore systematically hedged from the moment there are competitive derivative instruments available on the market.

The Group does not, however, apply hedge accounting to these transactions.

At 31 December 2015 *(in € millions)*	USD	Other
Total assets	423	138
Total liabilities	(267)	(26)
NET POSITION BEFORE HEDGING	**156**	**112**
Hedging positions	(153)	(124)
NET POSITION AFTER HEDGING	**3**	**(12)**

At 31 December 2014 *(in € millions)*	USD	Other
Total assets	398	140
Total liabilities	(223)	(12)
NET POSITION BEFORE HEDGING	**175**	**129**
Hedging positions	(177)	(144)
NET POSITION AFTER HEDGING	**(2)**	**(15)**

At 31 December 2013 *(in € millions)*	USD	Other
Total assets	336	111
Total liabilities	(94)	(15)
NET POSITION BEFORE HEDGING	**242**	**96**
Hedging positions	(264)	(125)
NET POSITION AFTER HEDGING	**(22)**	**(29)**

The appreciation or depreciation of these currencies, assuming all other variables remained the same, would have an impact on profit.

At 31 December 2015, the sensitivity analysis of the net position after hedging was as follows:

(in € millions)	USD	Other
Hypothetical currency appreciation	10%	10%
IMPACT ON PROFIT	**0.3**	**(1.2)**

CURRENCY RISKS ON NET INVESTMENTS IN FOREIGN OPERATIONS

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. Group policy does not require these risks to be hedged.

However, the Group decided in 2012 to hedge the exposure on a long-term intra-group loan to its Colombian subsidiary denominated in dollars, which is treated as part of its net investment in this subsidiary. The outstanding balance on the loan at 31 December 2015 was USD 42.2 million. It is hedged by currency swaps whose fair value at 31 December 2015 was €0.6 million, recorded in equity. During the second half of 2014 the Group also decided to consider a new long term loan to its Brazilian subsidiary as a net investment. At 31 December 2015, this loan amounted to €55.4 million, hedged against fluctuation in the Brazilian real by a currency swap whose fair value recognised in shareholder's equity was €3.5 million.

26.2.2. 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 analyses financial assets and liabilities at 31 December 2015, based on interest rate re-set dates:

At 31 December 2015 *(in € millions)*	Overnight to 1 year		1 to 5 years		More than 5 years	
	Floating rate	Fixed rate	Floating rate	Fixed rate	Floating rate	Fixed rate
Total assets	1,014.4					
Total liabilities	(298.9)	(324.6)	(83.4)	(123.1)	(0.3)	(500.2)
NET POSITION BEFORE HEDGING	**715.5**	**(324.6)**	**(83.4)**	**(123.1)**	**(0.3)**	**(500.2)**

A floating/fixed interest rate swap was arranged to hedge interest payable between August 2013 and August 2017. This swap is classed as a cash flow hedge under IAS 39.

AT 31 DECEMBER 2015

(in € millions)	Due within one year	1 to 5 years	More than 5 years
Floating/fixed rate swaps		78	

Assuming total borrowings remain constant at 31 December 2015 levels throughout the year and with the same currency breakdown, an immediate 1% rise in interest rates would add an estimated €3 million to financial expenses and would have no material impact on net debt.

The change in the impact on equity of the interest rate swap at 31 December 2015 is as follows:

(in € millions)	31/12/2015
FAIR VALUE AT 31 DECEMBER	**(1.9)**
Change in fair value	0.3
Amount recognised in income statement	
FAIR VALUE AT 31 DECEMBER	**(1.6)**

26.2.3. Commodity risks

Commodity risks arising from changes in the prices of certain raw materials used by the Group – mainly aluminium, copper and nickel used to produce stainless steel – are hedged by derivative instruments. The Group anticipates its needs for the coming year (except for China) and hedges them on a conservative basis, covering about 70% of its estimated purchases for the next six months.

At 31 December 2015, 12,260 tonnes of aluminium and 109 tonnes of nickel purchases were hedged.

Prices are set in advance using zero-premium collars and/or swaps. These hedges of raw material purchases are qualified as cash flow hedges under IAS 39 when the criteria listed in Note 1.4.4 are met.

At 31 December 2015, the derivatives on commodities showed an unrealised loss of €1.5 million. In 2014, there was an unrealised gain of €0.4 million. In 2013, there was an unrealised loss of €4.0 million.

Derivatives that expired in 2015 led to a loss of €1.5 million, compared with losses of €1.8 million in 2014 and €6.1 million in 2013.

SENSITIVITY ANALYSIS

A 10% increase in metal prices at 31 December 2015 would have had a €1.8 million positive impact on equity, while a 10% decrease would have had a €1.8 million negative impact, assuming all other variables remained constant.

A 10% increase or decrease in metal prices versus their average prices in 2015 would have had a €11.9 million positive or negative impact on operating profit from ordinary activities.

26.2.4. 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 SEB shares and to stabilise the share price; and
- the share buyback programme, mainly for allocation on exercise of employee stock options.

Treasury stock is deducted directly from equity. Gains and losses from sales of treasury stock are also recognised in equity.

Based on the closing share price on 31 December 2015 (€94.60), the market value of shares held in treasury at that date stood at €101.6 million. A 10% increase or decrease in the share price would therefore have led to a €10.2 million change in the market value of treasury stock.

ZJ Supor, which is now 73.13%-owned by Groupe SEB, is listed on the Shenzhen stock exchange. At 31 December 2015, ZJ Supor's share price was CNY 27.82, valuing Groupe SEB's investment at €1,823.6 million. Changes in the Supor share price have no impact on Groupe SEB's Consolidated Financial Statements, as ZJ Supor is fully consolidated. Similarly, changes in the share price have no impact on the company accounts of SEB Internationale because its interest in ZJ Supor is classified as a long-term investment and is not marked to market.

Note 26.3. 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, cash equivalents and other financial investments at a certain level at all times (€1,014.4 million at 31 December 2015);

and additional liquid resources including:

- a €600.0 million commercial paper programme. As of 31 December 2015, €110 million had been drawn;
- other debt facilities, including:
  - a €560.0 million syndicated credit facility expiring in 2020,
  - a €50.0 million bilateral credit facility expiring in 2017,
  - several Schuldschein loan credit lines totalling €220 million and maturing in 2015, 2016, 2017 and 2019,
  - a €298.5 million bond debt due in 2016,
  - a €497.3 million bond debt due in 2022.

Cash and cash equivalents and debt are described in Note 18 and Note 24, respectively.

Note 26.4. CREDIT RISK

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	765.2	111.5	5.9	3.4	886.0

To avoid default risks, Groupe SEB sets individual credit limits that are regularly updated based on the customer's financial position and payment history.

The Group's main customers are well-known international retailers, and for the year ended 31 December 2015, no single customer accounted for more than 4.2% of total revenue.

For more than five years, the customer credit risk has been covered by credit insurance taken out with COFACE. At 31 December 2015, 93% of net trade receivables were covered by insurance that would apply in the event of non-recovery.

NOTE 27 ENVIRONMENTAL EXPENDITURE

Environmental expenditure amounted to €9.1 million in 2015, compared with €7.7 million in 2014 and €7.4 million in 2013.

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 recognised as expenses and as capital expenditure.

	2015			2014			2013		
(in € millions)	Expenditure	Capital ex-penditure	Total	Expenditure	Capital ex-penditure	Total	Expenditure	Capital ex-penditure	Total
Ambient air quality	0.6	1.0	1.6	0.6	0.4	1.0	0.6	0.1	0.7
Waste water management and water saving systems	2.2	0.4	2.6	1.5	0.3	1.8	1.7	0.5	2.2
Waste management	2.4		2.4	1.7	0.3	2.0	2.5	0.1	2.6
Soil protection and decontamination	1.0	0.2	1.2	1.4	0.6	2.0	0.3	0.5	0.8
Other environmental protection measures	1.0	0.3	1.3	0.8	0.1	0.9	1.0	0.1	1.1
TOTAL	**7.2**	**1.9**	**9.1**	**6.0**	**1.7**	**7.7**	**6.1**	**1.3**	**7.4**

At 31 December 2015, the total provisions for environmental risk were €3.9 million and mainly related to depollution costs at the “plant 3” site in Brazil.

A provision for environmental risk, recognised in 2011 at the time of the Imusa acquisition for a risk existing prior to the acquisition date, stood at €1.0 million at 31 December 2013, reducing to €0.5 million at 31 December 2014. This provision was down to €0.3 million at 31 December 2015.

NOTE 28 OFF-BALANCE SHEET COMMITMENTS

Note 28.1. SPECIFIC COMMITMENTS

Specific commitments are discussed in the following notes:

- Note 22 – Employee benefits;
- Note 24 – Borrowings;
- Note 25 – Fair value of financial instruments.

In addition, in late December 2015, Groupe SEB signed a new agreement with the Su family holding company to buy 50 million shares, 7.9% of the capital of Supor at a unit price of CNY 29 per share. This transaction should be finalised in mid-2016 subject to approval by the Chinese authorities. After the transaction, Groupe SEB will hold 81.03% of the company and the founding family 1.29%, with the remaining stake, i.e. 17.68%, representing the free float.

Note 28.2. COMMITMENTS ARISING IN THE ORDINARY COURSE OF BUSINESS

COMMITMENTS RELATED TO OPERATING ACTIVITIES

(in € millions)	2015	2014	2013
Firm orders for property, plant and equipment	44.9	30.3	19.3
Guarantees and bonds given (1)	0.3		
Commitments under non-cancellable operating leases	132.4	119.3	125.3
Miscellaneous financial commitments	6.8	6.5	19.9
TOTAL COMMITMENTS GIVEN	**184.4**	**156.1**	**164.5**
Guarantees received for trade receivables under credit insurance policies	662.9	622.8	602,0
Miscellaneous financial commitments			6,0
TOTAL COMMITMENTS RECEIVED	**662.9**	**622.8**	**608,0**

(1) Financial guarantees given by the Group to banks within the context of external financing of subsidiaries were reclassified as Related party transactions (Note 30.1).

In late 2015, the Supor Group signed a contract worth €7.1 million, enabling it, from 2016, to extend the right to use the Supor brand to other small domestic appliance segments. Supor also committed to acquiring, in 2016, the right to use land in Shaoxin for €13 million.

In 2014, firm orders for the acquisition of industrial assets mainly included commitments made in relation to building the Group's headquarters and various improvements made to the Parc Mail plant in Écully, at a cost of €16.4 million.

In 2013, miscellaneous financial commitments given included €5.1 million to buy out the shares of Key Ingredient's non-controlling shareholder under a formal settlement agreement signed on 21 December 2013, until the conditions precedent were waived. Miscellaneous financial commitments also included €7 million for the acquisition of the Parc Mail site in Écully.

NOTE 29 SIGNIFICANT EVENTS, LITIGATION AND CONTINGENT LIABILITIES

Note 29.1. SIGNIFICANT EVENTS AND LITIGATION

29.1.1. Significant events

In late November 2015, Groupe SEB successfully placed a seven-year €500 million bond loan due on 25 November 2022 and bearing interest at a rate of 2.375%.

This new issue enabled Groupe SEB:

- to secure refinancing for bonds issued in 2011, ahead of the June 2016 due date;
- to extend the average maturity of its debt;
- to benefit from attractive financing terms.

No other significant events occurred in 2015 that materially affected the Group's financial position.

29.1.2. Claims and litigation

SUPPLIER DISPUTES

A provision for contingencies was set aside in 2009 following a dispute with a Chinese supplier concerning a shipment. The current estimated maximum expense of around €6.4 million is fully provisioned (see Note 21.2) although, at the time of writing, the Group is disputing the entire amount and the ongoing lawsuit is expected to be lengthy.

FRENCH COMPETITION AUTHORITY INQUIRY

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.

No significant developments in this case are expected until the end of 2017 and no provision was recognised in the financial statements at 31 December 2015, given the uncertainty of the outcome.

CUSTOMS DISPUTE IN TURKEY

On 1 February 2016, Groupe SEB Istanbul, the Group's Turkish subsidiary, received notification from the Customs Authorities that, according to their interpretation, our imports are liable for an additional tax which has, to date, not been settled. The notification received covers the period from 1 January 2013 to 16 January 2016 and reports a tax adjustment of €4.5 million and penalties of €13.5 million. This position is in the process of being analysed by the Group which intends to dispute this adjustment in its entirety. For this reason, no provision was recognised in the financial statements at 31 December 2015.

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 29.2. CONTINGENT LIABILITIES

No other contingent liabilities have been identified to date.

NOTE 30 RELATED PARTY TRANSACTIONS

Note 30.1. TRANSACTIONS WITH ASSOCIATES AND NON-CONSOLIDATED COMPANIES

The Consolidated Financial Statements include transactions carried out in the normal course of business with associates and non-consolidated companies.

All of these transactions are carried out on arm's length terms.

(in € millions)	2015	2014	2013
Revenue			1.1
Other income			
Purchases and expenses	0.6	0.8	
Other non-current financial assets	0.7	4.3	1.1
Customers			1.1
Suppliers		0.8	

The Key Ingredient company (non-consolidated due to its non-material size within the Group) invoices research and development services. €0.4 million in 2015. In addition, Groupe SEB acquired the Key Ingredient "CMS" application for €6.2 million. This is a search engine which provides the basis for digital applications in connected products.

In 2015, Groupe SEB paid Ethera €0.2 million in royalties for the use of its technology and to purchase filters used in the manufacture of air purifiers.

Coranco, acquired in late December 2013, pays Lagostina, a consolidated Group subsidiary, royalties for the right to sell Lagostina-branded products in Canada. These royalties totalled €1.1 million in respect of 2013 (although Coranco had not yet been consolidated).

Financial guarantees given by the Group to banks within the context of external financing of subsidiaries stood at €60.7 million at 31 December 2015 (versus €20.5 million at 31 December 2014 and €10.6 million at 31 December 2013).

Note 30.2. DIRECTORS' AND OFFICERS' REMUNERATION AND BENEFITS

Details of the members of the Board of Directors and the Executive Committee, including current members and those who retired in 2015, are provided in the Corporate Governance section of this document. The following table provides an analysis of the remuneration and benefits paid to the members of the Board of Directors and the Executive Committee:

(in € millions)	2015	2014	2013
SHORT-TERM BENEFITS			
Fixed remuneration	3.9	2.9	3.0
Variable remuneration	3.9	2.2	1.9
Directors' fees	0.4	0.4	0.5
OTHER BENEFITS			
Post-employment benefits	2.9	4.5	2.6
Share-based payments (stock options)	3.6	1.9	2.2
TOTAL	**14.7**	**11.9**	**10.2**

Pension commitments

The two corporate officers are members of the collective supplementary pension scheme which includes Groupe SEB's French senior managers (members of the Executive and Management Committees).

The 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 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, i.e. a maximum of 16% of the reference remuneration. A collective defined-benefit scheme is available for top management,

with a contribution equal to 8% of salary. Pensions earned under this plan are deducted from the supplementary pension originating from the defined-benefit supplementary pension plan.

To be eligible for the defined-benefit plan, Groupe SEB executives must have been a member of the Executive or Management Committee for at least eight years.

The scheme is capped at 41% of the reference remuneration (including the income from compulsory plans), this reference remuneration being itself capped at 36 times the annual social security ceiling in force at the time of retirement.

As a result, the supplementary pension scheme for French top management (including the Chairman and CEO and the Chief Operating Officer) complies with AFEP-MEDEF Code recommendations as updated in November 2015:

- seniority required: minimum eight years on the Executive Committee or Management Committee;
- rate of progression: entitlements based on seniority up to a maximum of 3.0% annually and capped at 20 years' seniority;
- reference period used: average of the target remuneration for the past three years;
- maximum of 41% including benefits from statutory schemes.

Groupe SEB intends to outsource the entire commitment through matching payments to a fund into which the pension contributions are made on a regular basis.

The various conditions of the retirement plan imply that, at legal retirement age, Thierry de La Tour d'Artaise will be entitled to receive a gross replacement ratio (including statutory plans) of 33.8% of his reference remuneration and that, at legal retirement age, Bertrand Neuschwander will be entitled to receive a gross replacement ratio (including statutory plans) of 36.2% of his reference remuneration.

The supplementary and top-up plan expense relating to Thierry de La Tour d'Artaise and Bertrand Neuschwander, recognised in the Consolidated Financial Statements at 31 December 2015, amounts to €1,250,999.

Severance allowance and non-compete payments

FOR MR THIERRY DE LA TOUR D'ARTAISE

Thierry de La Tour d'Artaise will not be entitled to any compensation in case of termination of his corporate mandate.

His employment contract, signed when he joined Groupe SEB in 1994 and last amended when he was appointed CEO of the company, was suspended on 1 March 2005 for the duration of his term as corporate officer.

In the same way as for other Executive Committee members, the contract stipulates that in the event of termination of his employment contract at Groupe SEB's initiative, except as a result of gross negligence or serious misconduct, or at his own initiative following a change of control of Groupe SEB, Thierry de La Tour d'Artaise will be eligible for a total termination benefit equal to two years' remuneration. In accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, an addendum to this contract was signed making the termination benefit subject to performance conditions. The revised contract stipulates that the termination benefit, set at two years' remuneration (calculated on the average remuneration earned during the last two full financial years), will be adjusted based on actual performance in relation to targets over the last four full years of service, as follows:

- if the average percentage achieved is below 50%, no termination benefits will be paid;
- if average actual performance represents 50% to 100% of the targets, the termination benefit will be comprised between 75% and 100%, based on a straight-line calculation;
- if average actual performance exceeds the targets, the termination benefit will be paid in full.

The Board of Directors retains the right to reduce such termination benefits, by a maximum of one-half, if the previous year-end presents a net loss, without such benefits falling below the fixed salary plus bonuses for the previous full financial year, should application of the performance criteria based on the achievement of targets confer entitlement to the payment of termination benefits.

Thierry de La Tour d'Artaise's employment contract does not contain a non-competition 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 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 corporate officer should he resign at his own initiative.

FOR MR BERTRAND NEUSCHWANDER

In the event of dismissal, he will be entitled to severance payment equal to two years' remuneration, minus the amounts paid under the non-competition clause and any termination benefits connected to the termination of the employment contract.

The reference remuneration used to calculate the severance allowance consists of the last two years of fixed and variable remuneration that Bertrand Neuschwander received in his capacity as Chief Operating Officer.

In accordance with Article L. 225-42-1 of the French Commercial Code, payment of the allowance will be subject to performance conditions, measured in the following manner:

- if he is dismissed within four years of his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets over the last four full years of service, as follows:
  - as corporate officer, for the period following his appointment, and
  - as a salaried employee, for the preceding period;
- if he is dismissed after four years from his appointment as corporate 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;

- for both scenarios,
  - if the average percentage achieved is below 50%: no termination benefits is paid,
  - if 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.

Furthermore, the severance allowance shall only be paid in the event of involuntary termination and remains capped at two years of remuneration (fixed and variable received), including the non-compete clause and any contractual compensation for dismissal.

Pursuant to the non-compete agreement, in case of termination of his appointment 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 of this non-compete clause and for its entire duration, Bertrand Neuschwander 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 Bertrand Neuschwander from this non-compete clause.

This non-compete agreement and the terms of severance detailed above were approved by the Board of Directors on 22 April 2014. They were also disclosed as part of the permanent information related to compensation and benefits. Furthermore, it was submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedures provided for related-party agreements.

Continuation of the 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.

On 17 February 2012, in accordance with the AFEP-MEDEF Code, the Board of Directors reviewed the situation and agreed that the employment contract of Thierry de La Tour d'Artaise should remain suspended due to his age, his personal situation and his seniority within Groupe SEB.

For Bertrand Neuschwander, on 22 April 2014, the Board of Directors decided that the suspension of his employment contract was in line with the AFEP-MEDEF Code.

NOTE 31 SUBSEQUENT EVENTS

To the best of Groupe SEB's knowledge, no events have occurred between 31 December 2015 and the date on which this Registration Document was published that could have a material impact on the Consolidated Financial Statements.

NOTE 32 LIST OF CONSOLIDATED COMPANIES AT 31 DECEMBER 2015 (% OF GROUP OWNERSHIP)

Note 32.1. FULLY CONSOLIDATED COMPANIES

Company	Core business [b]	Headquarters	Registration no.	% voting rights	% interest
FRANCE					
SEB S.A. [a]	Parent company	France	300,349,636		
Calor S.A.S. [a]	*	France	956,512,495	100	100
S.A.S. SEB [a]	*	France	302,412,226	100	100
Tefal S.A.S. [a]	*	France	301,520,920	100	100
Rowenta France S.A.S. [a]	*	France	301,859,880	100	100
Groupe SEB Moulinex S.A.S. [a]	*	France	407,982,214	100	100
SIS S.A.S. [a]	***	France	399,014,216	100	100
SEB Développement S.A.S. [a]	***	France	016,950,842	100	100
Groupe SEB France S.A.S. [a]	**	France	440,410,637	100	100
Groupe SEB Retailing [a]	**	France	440,410,884	100	100
SEB Internationale S.A.S. [a]	Holding company	France	301,189,718	100	100
Groupe SEB Export [a]	**	France	421,266,271	100	100
SEB Alliance S.A.S.[a]	Holding company	France	440,410,918	100	100
Immobilière Groupe SEB [a]	***	France	799,230,388	100	100
OTHER EU COUNTRIES [c]					
Rowenta Werke GmbH	*	Germany		100	100
Krups GmbH	**	Germany		100	100
Groupe SEB Deutschland GmbH	**	Germany		100	100
SEB Osterreich HmbH	**	Austria		100	100
Groupe SEB Belgium S.A. NV	**	Belgium		100	100
Groupe SEB Nordic AS	**	Denmark		100	100
Groupe SEB Iberica S.A.	**	Spain		100	99.8
Groupe SEB UK Ltd	**	United Kingdom		100	100
Tefal UK	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
Groupe SEB Nederland BV	**	Netherlands		100	100
Rowenta Invest BV	Holding company	Netherlands		100	100
Groupe SEB Portugal Ltd	**	Portugal		100	99.9
OBH Nordica Holding	Holding company	Sweden		100	100
OBH Nordica Sweden	**	Sweden		100	100
OBH Nordica Denmark	**	Denmark		100	100
OBH Nordica Finland	**	Finland		100	100
OBH Nordica Group	***	Sweden		100	100
OBH Nordica Fastighets	***	Sweden		100	100
OBH Nordica IP	***	Denmark		100	100
AMERICAS					
Groupe SEB Canada Inc.	**	Canada		100	100
Groupe SEB USA	**	United States		100	100
Groupe SEB Investment	Holding company	United States		100	100

Company	Core business (b)	Headquarters	Registration no.	% voting rights	% interest
All-Clad Metal-Crafters LLC	*	United States		100	100
Clad Holdings Corp. Delaware	***	United States		100	100
Groupe SEB Holdings USA	Holding company	United States		100	100
Imusa Holding Inc.	Holding company	United States		100	100
Imusa USA LLC	**	United States		100	100
Groupe SEB Argentina S.A.	**	Argentina		100	100
Grupo SEB do Brasil	*	Brazil		100	100
Groupe SEB Comercial do Brasil	**	Brazil		100	100
Lojas SEB	**	Brazil		100	100
Groupe SEB Chile Ltda.	**	Chile		100	100
Groupe SEB Colombia S.A.	*	Colombia		100	99.5
Groupe SEB Mexico	**	Mexico		100	100
Groupe SEB Servicios Mexico	***	Mexico		100	100
Groupe SEB Venezuela S.A.	**	Venezuela		100	100
Groupe SEB Peru S.R.L.	**	Peru		100	100
Coranco Corporation Ltd	**	Canada		100	100
Corporación GSV 2015, C.A.	***	Venezuela		100	100
OTHER COUNTRIES					
Groupe SEB Schweiz GmbH	**	Switzerland		100	100
Groupe SEB Central Europe	**	Hungary		100	100
Groupe SEB Croatia	**	Croatia		100	100
Groupe SEB Australia Ltd	**	Australia		100	100
SSEAC Co. Ltd	*	China		100	100
Groupe SEB Korea	**	South Korea		100	100
SEB Asia Ltd	**/***	Hong Kong		100	100
Groupe SEB Thailand	**	Thailand		100	100
Groupe SEB Singapore Pty Ltd	**	Singapore		100	100
Groupe SEB Malaysia SDN. BHD	**	Malaysia		100	100
Groupe SEB Egypt holding	Holding company	Egypt		100	100
Groupe SEB Egypt import	**	Egypt		100	93.8
Groupe SEB Egypt JV	**	Egypt		75	75
Groupe SEB South Africa	**	South Africa		100	100
Groupe SEB Japan Co. Ltd	**	Japan		100	100
Groupe SEB Polska Zoo	**	Poland		100	100
Groupe SEB CR s.r.o.	**	Czech Republic		100	100
Groupe SEB Slovensko s.r.o	**	Slovakia		100	100
Groupe SEB Romania	**	Romania		100	100
Groupe SEB Baltic	**	Latvia		100	100
Grain Harvest Development Ltd	Holding company	Hong Kong		100	100
Groupe SEB d.o.o.	**	Slovenia		100	100
Groupe SEB Bulgaria EOOD	**	Bulgaria		100	100
Groupe SEB Istanbul A.S.	**	Turkey		100	100
Groupe SEB Ukraine	**	Ukraine		100	100
Groupe SEB Vostok	*	Russia		100	100
Vina Electric Fan Joint stock company	*	Vietnam		100	99.9
ZJ Supor Zehjiang Supor Co., Ltd	Holding company	China		73.1	73.1
DG Supor Dongguan Supor Electrical Appliances	*	China		100	81.2

Company		Core business (b)	Headquarters	Registration no.	% voting rights	% interest
SX Supor	Shaoxing Supor Life Electrical Appliances Co., Ltd	*	China		100	73.1
Vietnam Supor	Supor (Vietnam) Co., Ltd	*	Vietnam		100	73.1
WH CKW	Wuhan Supor Cookware Co., Ltd	*	China		100	79.5
WH Pressure	Wuhan Supor Pressure Cooker Co., Ltd	Holding company	China		99.4	72.7
WH Supor	Wuhan Supor Co., Ltd	***	China		96.5	70.6
WH Waste	Wuhan Supor Waste Recovery Co., Ltd	***	China		100	73.1
YH Waste	Yuhuan Supor Waste Recovery Co., Ltd	***	China		60	43.9
ZJ Rubber	Zhejiang Supor Rubber & Plastics Products Co., Ltd	*	China		93.2	68.2
ZJ Supor EA	Zhejiang Supor Electrical Appliances Manufacturing Co., Ltd	*	China		100	79.8
Hangzhou Omegna trad.		**	China		100	73.1
Shanghai Cookware Supor Sales Co.		**	China		100	73.1
Groupe SEB India		*	India		100	100
OBH Nordica Norway		**	Norway		100	100

(a) A member of the French tax group.
(b) Core business:
- * *manufacturing, sales and marketing;*
- ** *sales and marketing;*
- *** *services.*

(c) Includes only the 15 European Union states before enlargement.

Note 32.2. ASSOCIATES

Company	Core business	Headquarters	Registration no.	% interest
		None		

Note 32.3. NON-CONSOLIDATED COMPANIES WHERE GROUPE SEB HAS A % INTEREST OF AT LEAST 20%

Company	Core business (a)	Headquarters	Registration no.	% interest
Tefal India	Dormant	India		100
Groupe SEB Pars (not material in relation to the Group as a whole)	**	Iran		72
Key Ingredient (not material in relation to the Group as a whole)	**	United States		100
ANZAI (not material in relation to the Group as a whole)	*	China		30
OBH Nordica Baltic	Dormant	Estonia		100

(a) Core business:
- * *manufacturing, sales and marketing;*
- ** *sales and marketing;*
- *** *services.*

5.5. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2015

This is a free translation into English of the Statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The Statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the Auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report should be read in conjunction and construed in accordance with French law and professional auditing standards applicable in France.

To the shareholders

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2015 on:

- the audit of the accompanying consolidated financial statements of SEB S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis or by selection, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2015 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.

Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention the following matters:

- At each balance sheet date, the Group assesses whether there is any indication that non-current assets belonging to various cash-generating units (CGUs) may be impaired and performs annual impairment tests on goodwill and assets with indefinite lives, as described in Notes 1.4.1 and 1.4.3 to the consolidated financial statements. We have examined the impairment testing methods as well as the cash flow forecasts and assumptions used and we have verified that Notes 6.2 and 10 contain the appropriate disclosures;
- Note 1.4.10 to the consolidated financial statements describes how deferred tax has been determined and Note 8.4 discloses the amount of deductible temporary differences and tax losses carried forward without any corresponding deferred tax assets. Our work has consisted in the assessment of the data and assumption retained by the Group for their estimations and in the verification of the pertinence of disclosures made in the notes to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Lyon and Courbevoie, March 24, 2016

The Statutory auditors

PricewaterhouseCoopers Audit	**Mazars**
Nicolas BRUNETAUD	Thierry COLIN

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COMPANY FINANCIAL STATEMENTS

6.1. FINANCIAL STATEMENTS

Balance Sheet of SEB S.A. at 31 December

ASSETS *(in € millions)*	2015 Gross	2015 Depreciation/ Amortisation	2015 Net	2014 Net
NON-CURRENT ASSETS				
Patents, licenses and other rights	7.7	7.6	0.1	0.1
Investments	1,009.0	144.9	864.1	818.3
Loans to subsidiaries and affiliates	1,679.4	-	1,679.4	1,441.6
Other non-current assets	1.0	-	1.0	1.3
TOTAL NON-CURRENT ASSETS	**2,697.1**	**152.5**	**2,544.6**	**2,261.3**
CURRENT ASSETS				
Trade accounts receivable	7.0	-	7.0	0.3
Other receivables	56.9	-	56.9	25.1
Marketable securities	127.5	-	127.5	77.9
Cash	446.1	-	446.1	197.1
Prepaid expenses	0.3	-	0.3	0.2
TOTAL CURRENT ASSETS	**637.8**	**-**	**637.8**	**300.6**
Deferred debt issuance costs	4.3	-	4.3	3.4
Bond redemption premium	1.0	-	1.0	0.2
Conversion losses	102.8	-	102.8	73.0
TOTAL ASSETS	**3,443.0**	**153.5**	**3,290.5**	**2,638.5**

EQUITY AND LIABILITIES (BEFORE APPROPRIATION OF PROFIT) *(in € millions)*	2015	2014
EQUITY		
Share capital	50.2	50.2
Additional paid-in capital	99.3	99.3
Revaluation reserve	16.9	16.9
Legal reserve	5.2	5.2
Regulatory reserves	0.8	0.8
Revenue reserves	7.9	7.9
Retained earnings	693.3	684.2
Profit(loss) for the period	203.6	82.7
TOTAL	**1,077.2**	**947.2**
PROVISIONS FOR CONTINGENCIES AND CHARGES		
Provisions for contingencies	139.5	98.5
Provisions for charges	195.2	202.6
TOTAL	**334.7**	**301.1**
PAYABLES		
Bank borrowings	1,056.8	620.9
Other borrowings	695.8	704.7
Trade payables	2.3	1.3
Accrued taxes and employee benefits expenses	3.4	2.1
Other payables	34.8	23.1
TOTAL	**1,793.1**	**1,352.1**
Conversion gains	85.5	38.1
TOTAL EQUITY AND LIABILITIES	**3,290.5**	**2,638.5**

Income Statement at 31 December

(in € millions)	2015	2014
Operating income		
Service revenues		
Reversals of depreciation, amortisation and provisions, expense transfers		0.7
Other income	0.4	0.3
TOTAL	**0.4**	**1.0**
Operating expenses		
Other purchases and external charges	9.7	6.6
Taxes other than on income	1.7	1.2
Wages and salaries	3.3	2.4
Payroll taxes	1.9	1.2
Depreciation and amortisation expense	1.0	1.1
Other expenses	0.8	0.9
TOTAL	**18.4**	**13.4**
OPERATING PROFIT	**(18.1)**	**(12.4)**
Financial income		
Income from investments in subsidiaries and affiliates	262.5	174.8
Other interest income	27.3	4.8
Reversals of provisions, expense transfers	77.0	76.5
Foreign exchange gains	95.9	38.9
Net income from sales of marketable securities	0.0	0.0
TOTAL	**462.7**	**295.0**
Financial expenses		
Provisions for impairment of financial assets	39.3	22.1
Interest and financial expenses	38.7	29.6
Charges to provisions for currency risks	102.7	73.0
Foreign exchange losses	99.5	72.1
TOTAL	**280.2**	**196.8**
FINANCE COSTS AND OTHER FINANCIAL INCOME AND EXPENSE	**182.5**	**98.2**
PROFIT FROM ORDINARY ACTIVITIES	**164.4**	**85.8**
Non-recurring income		
Non-recurring income from revenue transactions		
Non-recurring income from capital transactions	1.0	5.6
Reversals of provisions, expense transfers	63.6	2.2
TOTAL	**64.6**	**7.8**
Non-recurring expenses		
Non-recurring expenses on revenue transactions	0.0	0.0
Non-recurring expenses on capital transactions	12.4	7.2
Non-recurring charges to provisions	35.8	24.2
TOTAL	**48.2**	**31.4**
EXTRAORDINARY NET INCOME	**16.4**	**(23.6)**
Income tax (income)	(22.8)	(20.5)
PROFIT (LOSS)	**203.6**	**82.7**

6.2. NOTES TO THE SEB S.A. FINANCIAL STATEMENTS

Significant events of the year

APPOINTMENTS TO THE BOARD OF DIRECTORS

On 12 May 2015, the General Shareholders' Meeting of SEB S.A. approved the appointment of William Gairard as a member of the Board of Directors for a period of four years, to replace Jacques Gairard, whose term of office was ending. As the mandates of Hubert Fèvre and Cédric Lescure were due to expire at this same meeting, they were renewed for another four years.

BOND ISSUE

On 18 November 2015, SEB SA successfully placed its second bond issue. The €500 million, 7-year issue (due on 25 November 2022), bearing interest at a rate of 2.375%, was five times oversubscribed by a diversified investor base, once again demonstrating the confidence of the financial community in the Group's strategy and long-term outlook.

The bonds were admitted to trading on the Euronext Paris market. The lead managers for the transaction were BNP Paribas, HSBC, Natixis and Société Générale.

This issue enabled the Group:

- to secure refinancing for bonds issued in 2011, ahead of the June 2016 due date;
- to extend the average maturity of its debt;
- to benefit from attractive financing terms.

Please note that SEB SA is rated A2 by Standard & Poor's for its short-term debt. Its long-term debt is not rated.

RECAPITALISATION AND PAYMENTS IN SETTLEMENT OF UNPAID SHARE CAPITAL OF ITS SUBSIDIARIES

On 4 December 2015, SEB SA made a one-off payment of €11 million in partial settlement of its unpaid share capital in SEB ALLIANCE. This additional settlement was made by offsetting claims. The outstanding balance of €11.4 million was recognised on the company's balance sheet and will be due at the end of 2016.

On 23 December 2015, SEB SA subscribed to new increases in the share capital of its CALOR and SAS SEB subsidiaries, of €30 million and €40 million respectively. This recapitalisation was fully paid up on that date by offsetting claims.

NOTE 1 ACCOUNTING POLICIES

Note 1.1. PRINCIPLES

The company financial statements have been prepared in line with the principle of prudence and in compliance with the preparation and presentation rules set out in French law and France's new *Plan Comptable Général* (Chart of Accounts) for 2014 (regulation 2014-03).

Note 1.2. INTANGIBLE ASSETS

Intangible assets are stated at acquisition cost, excluding transaction and financing costs. They mainly consist of patents depreciated over periods ranging from three to ten years.

Note 1.3. SHARES IN SUBSIDIARIES AND AFFILIATES

Cost corresponds to acquisition cost, except for shares acquired before 31 December 1976 and included in the legal revaluation, which are stated at valuation. Shares in subsidiaries and affiliates are stated at the lower of cost and net realisable value. Net realisable value is determined based on the company's equity in the subsidiary's or affiliate's net assets, its market value or its earnings outlook.

Note 1.4. TREASURY SHARES

Treasury shares are classified as follows:

- all shares bought back for allocation under existing or future stock option or performance share plans are classified under "Marketable securities";
- all other SEB S.A. shares held by the company – mainly under the liquidity contract – are classified under "Other non-current assets".

At the year-end, an impairment loss is recognised whenever the shares' average portfolio purchase price is lower than the average share price for the last month of the year.

Note 1.5. CASH AND CASH EQUIVALENTS AND FINANCIAL INSTRUMENTS

SEB S.A. manages cash and cash equivalents and currency risk on behalf of the Group.

- 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 to monitor the requirements of the French, German, Belgian, Dutch, Spanish, Italian, Hungarian, Czech, Austrian, Swiss, US and Hong Kong subsidiaries. For other subsidiaries, cash requirements or surpluses are transferred manually. Short-term loans or borrowings between Group companies and SEB SA pay interest at the overnight rate for the currency concerned, plus or minus an intermediation margin.

  For subsidiaries in receipt of medium or long-term financing, in particular, SEB Internationale, Colombia, Brazil, Thailand, Immobilière Groupe SEB etc., interest is based on the 3-month rate for the currency concerned, plus an intermediation margin.

  SEB SA raises capital on the financial market and/or from financial institutions in euros. SEB SA issues currency swaps enabling it to convert its euro financing into its subsidiaries' local currency. The foreign exchange exposure on the financing of non-euro subsidiaries is hedged in this way. A provision may be set aside to cover the unhedged portion of the risk.

  The cost of swap is recorded in the income statement upon the maturity of the swap.
- SEB S.A. puts competitiveness and transactional hedges in place to cover exposure to currency risks. The hedged transactions are then recorded for the guaranteed price by SEB S.A. for the operating subsidiaries and in their own currency for market subsidiaries. The unrealised gain or loss, i.e. the difference between the guaranteed rate and the closing rate, is recognised in the financial statements of SEB S.A. at the period-end. Any unrealised losses arising on such transactions are recognised on the assets side of the balance sheet under "Conversion losses" and lead to the recognition of a provision for contingencies. Unrealised gains are recognised in liabilities under "Conversion gains" without affecting profit for the year.

Note 1.6. CONVERSION AND MEASUREMENT OF CASH AND SHORT-TERM BANK LOANS IN FOREIGN CURRENCY

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 recognised in profit for the period under "Foreign Exchange gains" or "Foreign Exchange losses".

Note 1.7. PROVISIONS FOR CONTINGENCIES AND CHARGES

In addition to the principles described in Note 1.5 above, a provision for unrealised losses on stock options is recorded to cover the outflow of funds arising in connection with the exercise of the options granted under current plans.

A provision is also recorded in the balance sheet for the tax savings resulting from the utilisation of tax losses incurred by certain companies in the SEB S.A. tax group, which may have to be transferred back to the companies concerned if and when they return to profit. Further details are given in Note 1.8, on the allocation of the remaining provision.

Note 1.8. INCOME TAX

Over the period, SEB SA signed a tax relief agreement with all its subsidiaries belonging to the Group relief 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 5-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 tax on Group companies, irrespective of the actual amount of said tax, a sum equal to the tax that it would have paid on income and/or net long-term capital gains for the financial year if it had been taxed separately, less all the tax deductions to which the subsidiary would have been entitled in the absence of consolidation, including its tax loss carry forwards."

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 on Group companies owing by the subsidiary shall be repaid to the subsidiary by the parent company.

Lastly, if the subsidiary leaves the tax consolidation 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.

NOTE 2 MOVEMENTS IN NON-CURRENT ASSETS

Note 2.1. INTANGIBLE ASSETS

There were no material acquisitions or disposals of intangible assets during the year.

Note 2.2. PROPERTY, PLANT AND EQUIPMENT

There were no material acquisitions, disposals or retirements of property, plant and equipment during the year.

Note 2.3. NON-CURRENT FINANCIAL ASSETS

(in € millions)	2014	Additions	Reductions	2015
Investments	928.0	81.0	0.0	1,009.0
Loans to subsidiaries and affiliates	1,441.6	360.9	123.0	1,679.5
Treasury shares	1.1	52.6	52.9	0.8
Other non-current assets	0.2	0.0	0.0	0.2
TOTAL GROSS VALUE	**2,370.9**	**494.5**	**175.9**	**2,689.5**
Impairment of equity investments	(109.7)	(39.2)	(4.0)	(144.9)
Impairment of other non-current assets	0.0	0.0	0.0	0.0
TOTAL PROVISIONS	**(109.7)**	**(39.2)**	**(4.0)**	**(144.9)**
TOTAL NET VALUE	**2,261.2**	**455.3**	**171.9**	**2,544.6**

(in € millions)	2013	Additions	Reductions	2014
Investments	928.0	0.0	0.0	928.0
Loans to subsidiaries and affiliates	1,153.2	322.5	34.1	1,441.6
Treasury shares	2.0	37.5	38.4	1.1
Other non-current assets	0.3	0.0	0.1	0.2
TOTAL GROSS VALUE	**2,083.5**	**360.0**	**72.6**	**2,370.9**
Impairment of equity investments	(88.4)	(21.3)	0.0	(109.7)
Impairment of other non-current assets	0.0	0.0	0.0	0.0
TOTAL IMPAIRMENT	**(88.4)**	**(21.3)**	**0.0**	**(109.7)**
TOTAL NET VALUE	**1,995.1**	**338.7**	**72.6**	**2,261.2**

Loans to subsidiaries and affiliates include advances by SEB S.A. to its subsidiaries in connection with the Group's financial policy (see Note 1.5). The principal increases relate to amounts owed by SEB Internationale subsidiaries for €153.4 million, Groupe SEB USA for €43.5 million and SEB Commercial Do Brasil for €39.4 million. In addition, over the period, the Groupe SEB Iberica subsidiary repaid its €8.9 million long-term loan.

The company took an additional impairment loss for the period on its equity in subsidiaries for €39.1 million, including €25.2 million on S.A.S. SEB, €4.9 million on SEB Développement, €3.8 million on Groupe SEB Moulinex, and €4.4 million on SEB Alliance.

The only own shares recognised in non-current financial assets are those held under the liquidity contract. During the financial year, 664,174 shares were bought at an average price of €79.16, and 673,909 shares were sold at an average price of €79.32. At 31 December 2015, SEB S.A. held a total of €1,074,453 own shares at an average price of €66.24, in particular to cover options plans for the purchase of SEB shares.

NOTE 3 LIST OF SUBSIDIARIES AND AFFILIATES

Note 3.1. DETAILED INFORMATION ON SUBSIDIARIES AND AFFILIATES

3.1.1. Subsidiaries (more than 50%-owned)

(in € millions)	Equity before appropriation	Percentage share of capital held	Aggregate carrying amount of shares in other subsidiaries and affiliates	Loans and advances granted	Guarantees and bonds given	Dividends received over the period
Calor S.A.S.	31.7	100%	83.9	15.1	-	
S.A.S. SEB	31.9	100%	118.3	17.6	-	
Tefal S.A.S.	40.9	100%	6.6	6.9	-	7.4
Rowenta France S.A.S.	6.1	100%	16.2	(3.3)	-	
SEB Développement S.A.S.	13.9	100%	5.2	(0.1)	-	3.2
Rowenta Invest BV	(0.2)	100%	211.8	0.2	-	
SEB Internationale S.A.S.	485.9	100%	213.3	824.2	-	145.0
Groupe SEB France	133.8	98%	73.9	(89.1)	-	52.3
Groupe SEB Export	30.9	100%	38.0	8.4	-	20.9
Groupe SEB Moulinex	11.4	100%	73.6	7.6	-	
Groupe SEB Retailing	1.2	100%	0.8	0.0	-	0.4
SEB Alliance*	26.3	100%	12.1	0.3	-	
Immobilière Groupe SEB	9.3	100%	10.0	85.5	-	

* *of which €11.4 million in unpaid capital.*

3.1.2. Affiliates (10% to 50%-owned)

(in € millions)	Equity	Percentage share of capital held	Aggregate carrying amount of shares in other subsidiaries and affiliates	Loans and advances granted	Guarantees and bonds given	Dividends received over the period
SIS	2.24	46.81%	0.5	7.7	-	0.4

As allowed by Article 24 paragraph 11 of decree 83.1020 dated 29 November 1983, the results of individual subsidiaries are not disclosed because the company considers that disclosure of this information could be seriously prejudicial to its interests. Additional information analysed by geographic segment is provided at consolidated level. Group consolidated revenue generated by direct and indirect subsidiaries and affiliates totalled €4,769.7 million, and profit attributable to owners of the parent came to €205.9 million.

Note 3.2. GENERAL INFORMATION CONCERNING OTHER SUBSIDIARIES AND AFFILIATES

Aggregate carrying amount of shares in other subsidiaries and affiliates €0.2 million.

NOTE 4 OTHER RECEIVABLES

Other receivables, in the amount of €56.9 million, largely consist of:

- €23.3 million in income tax receivables, comprising €17.5 million in prepayments, €9.5 million in net tax income from group relief for the financial year and €3.8 million in current income tax expense as a member company;
- €10.5 million in financial instruments;
- €23.0 million in deferred income from grantee companies for rebilling unrealised losses on options still to be exercised.

NOTE 5 PROVISIONS FOR CONTINGENCIES AND CHARGES

Changes in provisions for contingencies and charges for the year are as follows:

(in € millions)	2014	Provisions	Releases of surplus provisions	Utilizations	2015
Provisions for claims and litigation					
Provisions for currency risks	73.0	102.8	73.0		102.8
Provisions for other contingencies	25.5	36.7	25.5	-	36.7
TOTAL PROVISIONS FOR CONTINGENCIES	**98.5**	**139.5**	**98.5**	**-**	**139.5**
Provisions for group relief	202.6	0.0	7.4		195.2
TOTAL PROVISIONS FOR CHARGES	**202.6**	**0.0**	**7.4**	**-**	**195.2**
TOTAL	**301.1**	**139.5**	**105.9**	**-**	**334.7**

(in € millions)	2013	Provisions	Releases of surplus provisions	Utilizations	2014
Provisions for claims and litigation					
Provisions for currency risks	75.8	73.0	75.8		73.0
Provisions for other contingencies	24.0	2.2	0.7	-	25.5
TOTAL PROVISIONS FOR CONTINGENCIES	**99.8**	**75.2**	**76.5**	**-**	**98.5**
Provisions for group relief	181.2	22.2	0.8		202.6
TOTAL PROVISIONS FOR CHARGES	**181.2**	**22.2**	**0.8**	**-**	**202.6**
TOTAL	**281.0**	**97.4**	**77.3**	**-**	**301.1**

Provisions for other contingencies consist entirely of the provision for unrealised losses on stock options and performance shares in relation to all Group grantees. In addition, deferred income from option-holder companies is recognised as a €23.0 million asset.

The reversal of the €7.5 million provision for group relief comprises €4.5 million allocated to update the provision rate for prior transactions, and €3.0 million associated with the use of prior losses by a subsidiary over the period.

NOTE 6 MATURITIES OF RECEIVABLES AND PAYABLESS

All receivables are due within one year, apart from:

- medium-term intercompany loans, primarily to Seb Internationale for €86.9 million, Immobilière Groupe SEB for €80.3 million, Seb Commercial do Brasil for €55.4 million and Groupe SEB Colombie for €38.7 million;
- €10.3 million in deferred income from unrealised losses on stock options;
- €3.3 million in deferred arrangement fees, €1.5 million of which for the new €500 million bond issue and €0.8 million in issue premium.

			Due by 31/12/2015		
(in € millions)	2014	2015	Due within 1 year	Due in 1 to 5 years	Due beyond five years
Bonds	307.8	809.0	309.0		500.0
Bank borrowings	42.3	25.3	25.3		
Other debts (including private placements)	270.9	222.4	42.3	180.1	
Commercial paper	155.0	110.0	110.0		
Group borrowings	512.9	551.5	551.5		
Other borrowings	0.3	0.2	0.0		0.2
Non-discretionary profit-sharing	36.7	34.2	10.1	24.1	0.0
TOTAL	**1,325.8**	**1,752.60**	**1,048.20**	**204.2**	**500.2**

All payables are due within one year, with the exception of:

- the new €500 million bond issue redeemable in November 2022;
- the €220 million Schuldschein loan repayable in several instalments, including €118 million in August 2017 and €62 million in August 2019;
- non-discretionary employee profit-sharing accounts due in more than one year are as follows: €7.7 million due in 2017, €6.6 million due in 2018, €5.2 million due in 2019, and €4.6 million due in 2020.

A key source of financing for the Group is its €600 million commercial paper programme, which has had a Standard & Poor's rating of A2 for several years. As of 31 December 2015, €110 million had been drawn. All commercial paper is due in less than three months.

NOTE 7 RELATED PARTY TRANSACTIONS

Certain balance sheet items contain amounts concerning related party transactions, as follows:

	2015		2014	
(in € millions)	Related parties	Direct shareholding	Related parties	Direct shareholding
Non-current financial assets	709.4	969.7	581.2	860.4
Receivables	30.0	0.2	0.4	1.9
Payables	(340.6)	(222.8)	(261.2)	(268.3)
TOTAL	**394.5**	**747.1**	**320.4**	**594.0**

The advances granted to related parties mainly concerned Groupe SEB Holdings (€312.0 million) and All-Clad Metal Crafter (€45.4 million).

NOTE 8 INCOME AND EXPENSES CONCERNING RELATED PARTIES

(in € millions)	2015	2014
OPERATING EXPENSES		
Trademark registration fees	0.2	0.1
Management fees	3.4	2.7
OPERATING INCOME		
Royalties	0.2	0.2
FINANCIAL EXPENSES		
Interest and financial expenses	0.1	0.0
FINANCIAL INCOME		
Investment income	229.6	147.2
Interest income on receivables	32.8	27.6
NON-RECURRING INCOME		
Expense transfers	30.7	1.4

Dividends are paid mostly by SEB Internationale (€145 million), Groupe SEB France (€52.3 million) and Groupe SEB Export (€20.9 million). Transfers of charges mainly comprise rebilling of subsidiaries for unrealised losses on stock options. €21.5 million of these losses were unrealised and €9.1 million had expired.

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NOTE 9 ACCRUALS ACCOUNTS

Note 9.1. DEFERRED CHARGES

(in € millions)	**2015**	2014
Financial expenses	4.3	2.7
TOTAL	**4.3**	**2.7**

Note 9.2. CONVERSION GAINS AND LOSSES

(in € millions)	**2015**	2014
Receivables and payables denominated in foreign currency	98.3	69.2
Financial instruments	4.5	3.9
TOTAL ASSETS	**102.8**	**73.1**

(in € millions)	**2015**	2014
Receivables and payables denominated in foreign currency	79.7	32.2
Financial instruments	5.8	5.9
TOTAL EQUITY AND LIABILITIES	**85.5**	**38.1**

Note 9.3. DEFERRED INCOME

(in € millions)	**2015**	2014
Loans to subsidiaries and affiliates	9.0	8.3
TOTAL	**9.0**	**8.3**

Note 9.4. ACCRUED LIABILITIES

(in € millions)	**2015**	2014
Bank borrowings	11.6	11.3
Other borrowings	0.3	0.6
Trade payables	0.4	0.4
Accrued taxes and employee benefits expenses	2.4	1.8
Other payables	0.3	0.3
TOTAL	**15.0**	**14.4**

NOTE 10 EXTRAORDINARY NET INCOME

(in € millions)	2015	2014
Provisions for group relief to be transferred to subsidiaries	7.5	(21.4)
Gains and (losses) on sales of treasury shares	(21.7)	(1.6)
Other	(0.1)	(2.1)
Non-recurring expense transfer	30.7	1.4
TOTAL	**16.4**	**(23.7)**

The reversal of the €7.5 million provision for tax consolidation comprises a €4.5 million adjustment for previous years and a €3 million reversal associated with use of prior losses by a subsidiary over the period.

Over the financial year, the sale of a total of 1,230,963 own shares, including 673,909 shares under a liquidity contract and 557,054 shares to be granted under stock option exercises, generated a total net capital loss of €11.5 million The allocation of an additional €10 million to the provision for unrealised losses completed the impairment charge for the year which stood at €21.7 million.

Transfers of non-recurring expenses correspond to rebilling of grantee companies for unrealised and realised losses on stock options of €23 million and €7.2 million respectively.

NOTE 11 CONSOLIDATED TAX GROUP

The consolidated tax group recorded a profit for the 2015 financial year. This profit is composed in part of tax income of €29.2 million, recognised as income and corresponding to:

- €2.7 million in definitively acquired tax savings for the year;
- €34.4 million in tax losses by consolidated subsidiaries used during the financial year;
- an expense of €7.9 million for use of prior losses for profit-making subsidiaries.

Moreover, an additional income tax charge for the contribution on distributed income for €2.2 million was recognised during the financial year as well as SEB SA's current net tax liability of €3.8 million.

In addition, under the newly signed tax agreement, the tax savings made by the Group as a result of consolidating loss-making companies are retained by the parent company.

From now on, a provision will no longer be recorded under "Non-recurring expenses" to cover the tax loss carryforwards generated by members of the tax group other than SEB S.A. Only reversals of provisions are recognised when tax loss carryforwards are used. On this basis, a €3.0 million reversal was recognised over the period.

NOTE 12 INCOME TAX ANALYSIS

Income tax for the year ended 31 December 2015 breaks down as follows:

(in € millions)	Before tax	Tax	Profit (loss)
Profit from ordinary activities	164.4	7.1	171.5
Extraordinary net income	16.3	0.9	17.2
Tax loss carryforwards generated/(utilised)		- 4.5	- 4.5
Group relief		19.3	19.3
TOTAL	**180.8**	**22.8**	**203.6**

NOTE 13 OFF-BALANCE SHEET COMMITMENTS

	31/12/2015		31/12/2014	
(in € millions)	Notional amount	Market value	Notional amount	Market value
Currency swaps (foreign currency borrower)	387.3	2.2	371.3	0.8
Currency swaps (foreign currency lender)	17.1	(0.1)	0	0
Forward sales of foreign currencies	205.0	(0.5)	140.5	3.2
Forward purchases of foreign currencies	988.2	28.3	885.2	49.2
Interest rate swaps	78.0	(1.6)	78.0	(1.9)
Aluminium derivatives	18.4	(1.4)	15.1	0.4
Nickel derivatives	1.0	(0.1)	2.1	0
WITH SUBSIDIARIES				
Currency swaps (foreign currency lender)	93.7	(4.6)	62.2	(2.9)
Forward purchases of foreign currencies	148.8	(1.7)	210.0	1.6
Forward sales of foreign currencies	81.2	0.2		
Aluminium derivatives	18.4	1.4	15.1	(0.4)
Nickel derivatives	1.0	0.1	2.1	0.0

The use and accounting treatment of financial instruments are discussed in Note 1.5. Notional amounts represent the notional amounts of the contracts.

The market value of financial instruments represents the gain or loss that would have been recognised if the contracts had been settled on the market at 31 December 2015. It is estimated based on the exchange rate and interest rate on 31 December 2015, or obtained from the counterparty banks.

NOTE 14 PENSION COMMITMENTS

The two corporate officers are members of the collective supplementary pension scheme which includes Groupe SEB's French senior managers (members of the Executive and Management Committees).

The scheme complements the statutory schemes and is composed as follows:

- a deferred defined benefit 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 of 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' service, i.e. a maximum of 16% of the reference remuneration. A defined benefit collective scheme is available for top management, with a contribution equal to 8% of salary. Pensions earned under this plan are deducted from the supplementary pension originating from the defined benefit supplementary pension plan.

To be eligible for the defined benefit plans, Groupe SEB executives must have been a member of the Executive or Management Committee for at least eight years.

The scheme is capped at 41% of the reference remuneration (including the income from compulsory plans), this reference remuneration being itself capped at 36 times the annual social security ceiling in force at the time of retirement.

As a result, the supplementary pension scheme for French senior managers (including the Chairman and CEO and the Chief Operating Officer) complies with AFEP-MEDEF Code recommendations as updated in November 2015:

- seniority required: minimum of eight years on the Executive Committee or Management Committee;
- rate of progression: entitlements based on seniority up to a maximum of 3.0% annually and capped after 20 years' seniority;
- reference period used: average of the target remuneration for the past three years;
- maximum of 41% including benefits from statutory schemes.

Groupe SEB intends to outsource the entire commitment through matching payments to a fund into which the pension contributions are made on a regular basis.

The various conditions of the retirement plan imply that, at legal retirement age, Thierry de la Tour d'Artaise will be able to receive a gross replacement ratio (including statutory plans) of 33.8% of his reference remuneration, and that Bertrand Neuschwander will be able to receive a gross replacement ratio (including statutory plans) of 36.2% of his reference remuneration.

Severance allowance and non-compete payments

FOR THIERRY DE LA TOUR D'ARTAISE

Thierry de La Tour d'Artaise will not be entitled to any compensation in case of removal from his corporate office.

His employment contract, signed when he joined Groupe SEB in 1994 and last amended when he was appointed CEO of the company, was suspended on 1 March 2005 for the duration of his term of office as corporate officer.

In the same way as for other Executive Committee members, the contract stipulates that in the event of termination of his employment contract at Groupe SEB's initiative, except as a result of gross negligence or serious misconduct, or at his own initiative following a change of control of Groupe SEB, Thierry de La Tour d'Artaise will be eligible for a total termination benefit equal to two years' remuneration. In accordance with the provisions of Article L. 225-42-1 of the French Commercial Code, an addendum to this contract was signed making the termination benefit subject to performance conditions. The revised benefit is set at two years' remuneration (calculated on the average remuneration earned during the last two complete financial years), will be adjusted based on actual performance in relation to targets over the last four years of service, as follows:

- if the average percentage achieved is below 50%, no termination benefits will be paid;
- if average actual performance represents 50% to 100% of the targets, the termination benefit will be comprised between 75% and 100%, according to a straight-line calculation;
- if average actual performance exceeds the targets, the termination benefit will be paid in full.

The Board of Directors reserves the right to reduce such termination benefits, by a maximum of one-half, if a net loss is recorded for the previous year, without such benefits falling below the fixed salary plus bonuses for the previous year, should application of the performance criteria based on the achievement of targets confer entitlement to 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:

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 exercise terms and conditions 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 pursuant to his resignation 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.

FOR BERTRAND NEUSCHWANDER

In the event of dismissal, he will be entitled to severance payment equal to two years' remuneration, minus the amounts paid under the non-compete clause and any termination benefits associated with the termination of the employment contract.

The reference remuneration used to calculate the severance allowance consists of the last two years of fixed and variable remuneration that Bertrand Neuschwander received in his capacity as Chief Operating Officer.

In accordance with Article L. 225-42-1 of the French Commercial Code, the allowance will be subject to performance conditions, measured in the following manner:

- if he is dismissed within four years of his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets over the last four years of service, as follows:
  - as corporate officer, for the period following his appointment and,
  - as a salaried employee, for the preceding period;
- if he is dismissed after four years from his appointment as corporate officer, the severance allowance will be adjusted based on actual performance in relation to targets, in said capacity, over the last four years of service;
- for both scenarios,
  - if the average percentage achieved is below 50%: no termination benefit is paid;
  - if average actual performance represents 50% to 100% of the targets: the termination benefit is comprised between 75% and 100%, according to a straight-line calculation;
  - if the average percentage achieved exceeds 100%: 100% of the benefit is paid.

Furthermore, the severance allowance will only be paid in the event of involuntary termination and remains capped at two years of remuneration (fixed and variable received), including the non-compete clause and any contractual compensation for dismissal.

Pursuant to the non-compete agreement, in case of termination of his term of office as Chief Operating Officer, through removal 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 of this non-compete clause and for its entire duration, Bertrand Neuschwander 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 Bertrand Neuschwander from this non-compete clause.

This non-compete agreement and the terms of severance detailed above were approved by the Board of Directors on 22 April 2014. They were also disclosed as part of the permanent information related to remuneration and benefits. Furthermore, it was submitted for approval by the shareholders at the Annual General Meeting on 12 May 2015, in accordance with the procedures provided for related-party agreements.

Continuation of the 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.

On 17 February 2012, in accordance with the AFEP-MEDEF Code, the Board of Directors reviewed the situation and agreed that the employment contract of Thierry de La Tour d'Artaise should remain suspended due to his age, his personal situation and his seniority within Groupe SEB.

For Bertrand Neuschwander, the Board of Directors decided on 22 April 2014 that the suspension of his employment contract was in line with the AFEP-MEDEF Code.

Details of the remuneration policy and the components of the remuneration of these two people appear in Note 2.5 Remuneration Policy and are not reiterated in this note.

NOTE 15 DEFERRED TAX ASSETS AND LIABILITIES

At 31 December 2015, the company had an unrecognised deferred tax liability of €29.4 million (€14.4 million at 31 December 2014), corresponding to unrealised exchange gains deductible in the following year.

NOTE 16 STOCK OPTION PLANS

Information about stock option and performance share plans at 31 December 2015 is provided below:

At 31/12/2015	Date			Number of options				Exercise
Type	of grant [a]	of exercise	of expiry	granted	exercised	cancelled	outstanding	price (in €)
Purchase plan	20/4/2007	20/4/2011	20/4/2015	579,150	571,050	8,100	-	€44.00
Purchase plan	13/5/2008	13/5/2012	13/5/2016	1,005,900	822,513	47,400	135,987	€38.35
Purchase plan	06/12/2009	06/12/2013	06/12/2017	371,300	294,722	15,266	61,312	€28.05
Purchase plan	18/6/2010	18/6/2014	18/6/2018	412,592	211,427	17,863	183,302	€53.86
Purchase plan	15/6/2012	15/6/2016	15/6/2020	408,925	-	1,500	407,425	€ 54.12
TOTAL*				**2,777,867**	**1,899,712**	**90,129**	**788,026**	
** Of which movements in 2015*					*557,054*	*0*	*557,054*	

(a) The number of options and the exercise price for plans prior to 16 June 2008 were adjusted following the three-for-one stock split that took place on 16 June 2008.
(b) The grant date corresponds to the date of the Board Meeting when the option grants were decided.

At 31/12/2015	Date			Number of options				Price on the
Type	of grant [a]	of vesting	of availability	granted	acquired	cancelled	outstanding	grant date [b]
Performance shares	23/7/2013	23/7/2016	23/7/2018	233,475			233,475	63.00
Performance shares	22/7/2014	22/7/2017	22/7/2019	169,175			169,175	64.00
Performance shares	05/12/2015	05/12/2018	05/12/2020	169,450			169,450	81.41

(a) The grant date corresponds to the date of the Board Meeting when the option grants were decided.
(b) Share price on the date of the Board Meeting.

NOTE 17 EQUITY

Share capital

At 31 December 2015, share capital stood at €50,169,049 and was made up of 50,169,049 fully paid-up shares, representing 72,447,222 total "theoretical" voting rights and 71,372,769 effective voting rights (excluding treasury shares).

Changes in equity

SHAREHOLDERS' EQUITY AT 31 DECEMBER 2014 BEFORE APPROPRIATION OF PROFIT	947.2
2014 dividend paid in 2015	(73.6)
Profit(loss) for the period	203.6
Premiums on shares issued to employees	
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2015	**1,077.2**

SHAREHOLDERS' EQUITY AT 31 DECEMBER 2013 BEFORE APPROPRIATION OF PROFIT	934.7
2013 dividend paid in 2014	(70.2)
Profit(loss) for the period	82.7
Premiums on shares issued to employees	
SHAREHOLDERS' EQUITY AT 31 DECEMBER 2014	**947.2**

Potential ordinary shares at 31 December 2015

There are no convertible bonds or equity notes outstanding or securities not representing capital.

NOTE 18 EMPLOYEES

The average number of employees was 2 people (against 1.67 people at 31 December 2014). From 22 April 2014, the company's headcount rose to 2 people.

NOTE 19 SUBSEQUENT EVENTS

None

6.3. FIVE-YEAR FINANCIAL SUMMARY

(in € thousands)	**2015**	2014	2013	2012	2011
SHARE CAPITAL AT YEAR-END					
a) share capital	50,169	50,169	50,169	50,169	49,952
b) number of shares outstanding	50,169,049	50,169,049	50,169,049	50,169,049	49,951,826
c) number of convertible bonds outstanding	-	-	-	-	-
OPERATIONS AND PROFIT(LOSS) FOR THE PERIOD					
a) net revenue, excluding tax	-	-	-	-	-
b) profit before tax, depreciation, amortisation and provisions	249,746	104,853	170,977	70,279	160,295
c) income taxes	- 22,768	(20,520)	(24,590)	(32,186)	(29,186)
d) profit after tax, depreciation, amortisation and provisions	203,562	82,712	153,091	61,289	77,779
e) dividend payout [(a)]	79,200	73,700	67,351	64,144	62,403
EARNINGS PER SHARE (IN UNITS)					
a) profit after tax but before depreciation, amortisation and provisions	4.52	2.47	3.90	2.04	3.79
b) profit after tax, depreciation, amortisation and provisions	4.06	1.65	3.05	1.22	1.56
c) dividend per share	1.54	1.44	1.39	1.32	1.25
EMPLOYEES					
a) number of employees	2.00	1.60	1.00	1.00	1.00
b) total payroll	3,344	2,419	1,795	1,681	1,833
c) benefits paid (payroll taxes)	1,895	1,163	817	1,152	510

(a) Estimated in 2015

6.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31ST, 2015

This is a free translation into English of the Statutory auditors' report on regulated agreements and commitments issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you for the year ended December 31st, 2015 on:

- the audit of the accompanying financial statements of SEB SA;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

The financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements, based on our audit.

Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sample techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 31st, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

Justification of our assessments

In accordance with the requirements of Article L. 823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matter:

As indicated in Note 1.3 to the financial statements, the company records impairment depreciation of its equity investments when their carrying value falls below their historical cost. Depreciations are determined based on the share of equity held, the market value of the securities, when it can be known and the medium and long-term profitability outlook of the equity investments concerned. Our procedures consisted in assessing the data and assumptions on which such provisions are based and verifying the company's calculations.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore contributed to the opinion expressed in the first part of this report.

Specific verifications and disclosures

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

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 documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors and any other commitments made in their favour, 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 companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

Lyon and Courbevoie, March 24 2015

The Statutory auditors

PricewaterhouseCoopers Audit	**Mazars**
Nicolas BRUNETAUD	Thierry COLIN

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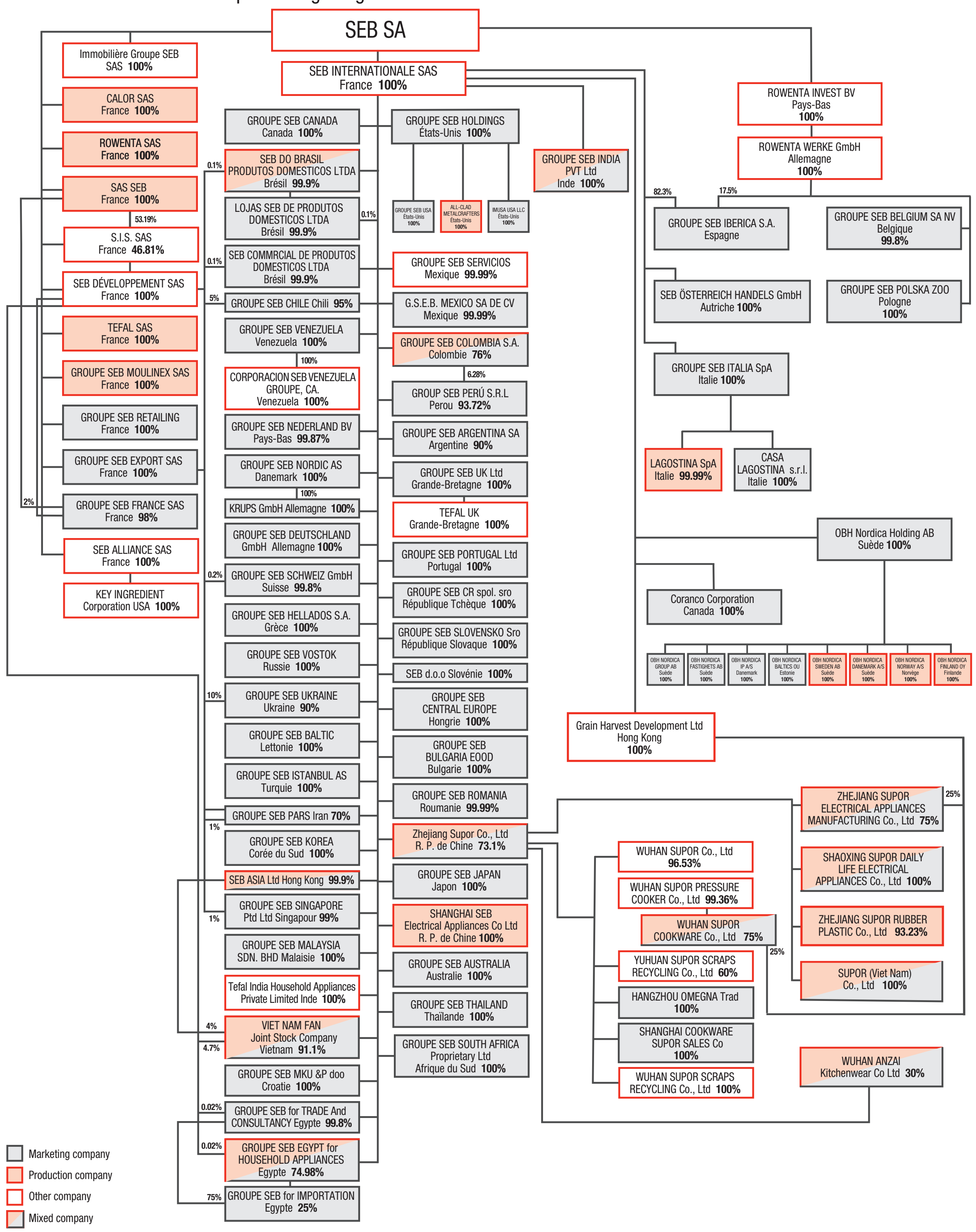
INFORMATION CONCERNING THE COMPANY AND ITS SHARE CAPITAL

7.1. INFORMATION CONCERNING THE COMPANY

Groupe SEB legal organisational chart

Groupe SEB legal organisational chart as at 01/01/2016



Corporate name: SEB S.A.

Registered head office: Les 4M | Chemin du Petit-Bois |69130 Écully, France

New address from March 21st (subject to the approval by the General Assembly of 19 May)

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: 6420 Z

Form: limited company (*société anonyme*)

Financial year: 1 January to 31 December

Legislation: French

Duration: 99 years from 27 December1973

Consultation of legal documents

The Company's Articles of Association, reports on the General Meeting 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 Articles of Association)

The purpose of the company in France and abroad covers:

- investment in any company involved in any form of business and, in consequence, 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 patents or inventions and the granting of all forms of licences for the use of these patents;
- the acquisition, construction and 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.

Statutory allocation of profits (Article 46 of the Articles of Association)

Profits are allocated in accordance with legal requirements and regulations. Payment of dividends is made in priority over distributable profits.

The General Meeting of Shareholders may offer shareholders an option to choose payment of dividends in cash or in the form of new shares.

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 which may not exceed 0.5% of the share capital. This supplement can be altered or cancelled by decision of an Extraordinary General Meeting of Shareholders which will then decide on any new terms and conditions.

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 drawings have been made.

General Meetings of Shareholders (Article 30 et seq. of the Articles of Association)

Shareholders are notified of General Meetings in accordance with legal requirements.

Each shareholder has the right to attend General Meetings of Shareholders or to be represented, regardless of the number of shares that they held, provided that said shares are fully paid up and registered in either their name or the name of the intermediary registered on the shareholder's behalf, at midnight, French time, on the second business day preceding the General Meeting, either in the accounts of registered shares held by the company, or in bearer share accounts held by the qualified intermediary.

Double voting rights (Article 35 of the Articles of Association)

Each member attending the General Meeting is entitled to exercise one vote for every share they hold or represent. Dual voting rights are allocated to any fully paid-up share subject to the nominative shareholding period in the name of the same shareholder. This registered holding period requirement set by the founders at two years when the company was established in 1973, was extended to five years at the General Meeting of Shareholders of 15 June 1985. Entitlement to double voting rights expires if the shares concerned are converted to bearer status or if their ownership is transferred, except in cases where the transfer involves a change of name in the nominal register subsequent to family inheritance or endowment. In the event of a capital increase by incorporation of reserves, profit or issue premiums, double voting rights are granted, as from their issuance, to registered shares allocated free of charge to a shareholder as a result of the shares already held which benefit from said right.

Limitation of voting rights

There is no statutory limitation on voting rights.

Statutory threshold clause (Article 8 of the Articles of Association)

There exists an obligation to disclose any holding which exceeds a threshold, within the meaning of Articles L.223-7 and L.233-9 of the French Commercial Code of 2.5% (or any multiple thereof) of the company's share capital or voting rights.

Identity of bearer shareholders

The company may at any time, in accordance with the legal provisions and regulations in force, ask the Euroclear France securities settlement agency to provide:

- the personal name or company name, year of birth, address, and nationality of holders of shares of the company;
- the number of shares held by each of them;
- where applicable, any restrictions to which these shares may be subject.

SEB S.A. made such a request to know the identity of its shareholders on 31 December 2015.

Share capital as at 31 December 2015

On 31 December 2015, share capital stood at €50,169,049 and was made up of 50,169,049 fully paid-up shares, representing 72,447,222 total "theoretical" voting rights and 71,372,769 effective voting rights (excluding treasury shares).

There are no stricter conditions than the law to modify shareholder rights.

Factors which could affect a hypothetical takeover bid

Pursuant to Article L. 225-100-3 of the French Commercial Code, factors which could affect a hypothetical takeover bid are as follows:

CAPITAL STRUCTURE OF THE COMPANY

See following page: "Breakdown of share capital and voting rights as at 31/12/2015".

SHAREHOLDER AGREEMENTS OF WHICH THE COMPANY IS AWARE

See following page: "Shareholder agreements – concerted voting block".

POWERS OF THE BOARD OF DIRECTORS IN THE EVENT OF A TAKEOVER BID

The General Meeting of Shareholders of 12 May 2015 authorised the Board of Directors to implement a share buyback programme in the event of a takeover bid, subject to legal and regulatory provisions.

7.2. INFORMATION ON SHARE CAPITAL

Breakdown of share capital and voting rights as at 31 December 2015

	Share capital				OGM votes			EGM votes		
31/12/2015	OGM		AGE			Effective	Theoretical		Effective	Theoretical
FÉDÉRACTIVE	5,929,938	11.82%	3	0.00%	11,754,363	16.47%	16.22%	6	0.00%	0.00%
Associates	4,751,921	9.47%	10,736,856	21.40%	8,350,058	11.70%	11.53%	20,214,415	28.32%	27.90%
SUB-TOTAL	**10,681,859**	**21.29%**	**10,736,859**	**21.40%**	**20,104,421**	**28.17%**	**27.75%**	**20,214,421**	**28.32%**	**27.90%**
VENELLE INVESTISSE-MENT	17,902	0.04%	17,902	0.04%	35,804	0.05%	0.05%	35,804	0.05%	0.05%
Associates	9,215,372	18.37%	9,947,372	19.83%	18,255,787	25.58%	25.20%	19,719,787	27.63%	27.22%
SUB-TOTAL	**9,233,274**	**18.40%**	**9,965,274**	**19.86%**	**18,291,591**	**25.63%**	**25.25%**	**19,755,591**	**27.68%**	**27.27%**
FOUNDER GROUP	**19,915,133**	**39.70%**	**20,702,133**	**41.26%**	**38,396,012**	**53.80%**	**53.00%**	**39,970,012**	**56.00%**	**55.17%**
FSP	2,633,876	5.25%	2,633,876	5.25%	2,633,876	3.69%	3.64%	2,633,876	3.69%	3.64%
FFP Invest	2,521,522	5.03%	2,521,522	5.03%	2,521,522	3.53%	3.48%	2,521,522	3.53%	3.48%
Employees	1,652,695	3.29%	1,652,695	3.29%	2,730,128	3.83%	3.77%	2,730,128	3.83%	3.77%
French inves-tors	6,135,174	12.23%	5,348,174	10.66%	7,832,506	10.97%	10.81%	6,258,506	8.77%	8.64%
Foreign inves-tors	13,914,926	27.74%	13,915,855	27.74%	14,055,425	19.69%	19.40%	14,057,284	19.70%	19.40%
Individual shareholders	2,321,270	4.63%	2,320,341	4.63%	3,203,300	4.49%	4.42%	3,201,441	4.49%	4.42%
Treasury shares	1,074,453	2.14%	1,074,453	2.14%			1.48%			1.48%
TOTAL	**50,169,049**		**50,169,049**			**71,372,769**	**72,447,222**		**71,372,769**	**72,447,222**

As a reminder, voting rights attached to stripped shares belong to the bare holder for decisions covered by the Extraordinary General Meeting of Shareholders ("EGM") and to the usufruct holder for those covered by the Ordinary General Meeting of Shareholders ("OGM").

Registered nominal shares held by the same person for at least five years give entitlement to double voting rights.

The total number of "effective" voting rights or voting rights that are "exercisable at the General Meeting of Shareholders" total 71,372,769, not including non-voting shares, i.e. those held by SEB S.A. at 31/12/2015.

The total number of "theoretical" voting rights is 72,447,222. This number includes, under the terms of Article 223–11 of the AMF General Regulations, all shares with voting rights attached, as well as non-voting shares.

The term "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 natural persons who are partners in FÉDÉRACTIVE have temporarily granted the usufruct of their shares to FÉDÉRACTIVE, the controlling holding company, which principally represents the equity interests of the founding family.

Some natural persons who are partners in FÉDÉRACTIVE or VENELLE INVESTISSEMENT have granted the usufruct of their shares to foundations. These shares are included under "French investors" at the OGM and under "FÉDÉRACTIVE partners" or "VENELLE INVESTISSEMENT partners" at the EGM.

SHAREHOLDER AGREEMENTS – ACTION IN CONCERT

The FÉDÉRACTIVE and VENELLE INVESTISSEMENT family holding companies, representing together with their partners 56% of voting rights exercisable at the EGM, confirmed their intention to implement a sustainable management policy for Groupe SEB in writing to the AMF (French Markets Authority) in letters dated 11 and 12 May 2009, with a view to ensuring the longevity of their control and thus continuing with the action in concert in place between the members of the Founder Group since May 1989.

The non-renewal of the shareholders' agreement of 5 November 2005 which expired on 5 November 2009 thus did not bring an end to the action in concert between the parties to the agreement within the meaning of Article L. 233-10 of the French Commercial Code (D&I AMF no. 209C0644 of 12 May 2009).

Representatives of the two family holding companies also expressed their wish to the Board of Directors to exchange views prior to any significant decision and to maintain their previous agreement on the composition of the Board of Directors as determined in the 2005 agreement. In this respect, FÉDÉRACTIVE may propose the appointment of five directors and VENELLE INVESTISSEMENT may propose the appointment of four directors, with equivalent representation on Board Committees.

FÉDÉRACTIVE agreement

On 9 July 2008, SEB shareholders who were partners in FÉDÉRACTIVE signed a shareholder agreement reinforcing their commitment to the Group.

The provisions of this agreement set down preferential conditions between its signatories for the sale or acquisition of SEB shares held, as well as a joint exit clause. They also provide for the participation of other investors willing to support the long-term development of Groupe SEB and to take part in shareholder policies alongside the FÉDÉRACTIVE founding members (AMF D&I no. 208C1659 dated 11 September 2008).

VENELLE INVESTISSEMENT agreement

On 12 May 2009, VENELLE INVESTISSEMENT, its partners and shareholder members entered into a shareholder agreement to ensure that VENELLE INVESTISSEMENT, its partners and shareholder members mutually agreed as a matter of priority to a right of first refusal applicable to any transfer or sale of shares subject to first refusal (AMF D&I no. 209C0743 dated 27 May 2009).

COLLECTIVE UNDERTAKINGS TO HOLD SHARES

Existing agreements at 31/12/2015	2013		2014		
Regime	Dutreil Art 885 I bis of the French General Tax Code	Jacob Art 787 B of the French General Tax Code	Dutreil Art 885 I bis of the French General Tax Code	Jacob Art 787 B of the French General Tax Code	Jacob Art 787 B of the French General Tax Code
Date of signing	12/12/2013	12/12/2013	03/12/2014	03/12/2014	03/12/2014
Term of collective agreement	6 years	2 years	5 years	2.5 years	5 years
Expiry date of commitment	12/12/2019	12/12/2015	03/12/2019	03/06/2017	03/12/2019
Renewal procedures	1 year by tacit renewal	None	1 year by tacit renewal	None	None
Shares pledged upon signing the agreement, as a percentage of share capital	22.78	22.78	27.34	27.34	27.34
Shares pledged upon signing the agreement, as a percentage of the voting rights	29.06	29.06	36.15	36.15	36.15
Names of signatory directors	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
Names of signatories holding at least 5% of the share capital and/or voting rights	FSP	FSP	FSP	FSP	FSP

Changes in share capital breakdown and voting rights over the last three years

	Share capital				OGM votes			EGM votes		
31/12/2015	OGM		AGE			Effective	Theoretical		Effective	Theoretical
FÉDÉRACTIVE	5,929,938	11.82%	3	0.00%	11,754,363	16.47%	16.22%	6	0.00%	0.00%
Associates	4,751,921	9.47%	10,736,856	21.40%	8,350,058	11.70%	11.53%	20,214,415	28.32%	27.90%
SUB-TOTAL	**10,681,859**	**21.29%**	**10,736,859**	**21.40%**	**20,104,421**	**28.17%**	**27.75%**	**20,214,421**	**28.32%**	**27.90%**
VENELLE INVESTISSEMENT	17,902	0.04%	17,902	0.04%	35,804	0.05%	0.05%	35,804	0.05%	0.05%
Associates	9,215,372	18.37%	9,947,372	19.83%	18,255,787	25.58%	25.20%	19,719,787	27.63%	27.22%
SUB-TOTAL	**9,233,274**	**18.40%**	**9,965,274**	**19.86%**	**18,291,591**	**25.63%**	**25.25%**	**19,755,591**	**27.68%**	**27.27%**
FOUNDER GROUP	**19,915,133**	**39.70%**	**20,702,133**	**41.26%**	**38,396,012**	**53.80%**	**53.00%**	**39,970,012**	**56.00%**	**55.17%**
FSP	2,633,876	5.25%	2,633,876	5.25%	2,633,876	3.69%	3.64%	2,633,876	3.69%	3.64%
FFP Invest	2,521,522	5.03%	2,521,522	5.03%	2,521,522	3.53%	3.48%	2,521,522	3.53%	3.48%
Employees	1,652,695	3.29%	1,652,695	3.29%	2,730,128	3.83%	3.77%	2,730,128	3.83%	3.77%
French investors	6,135,174	12.23%	5,348,174	10.66%	7,832,506	10.97%	10.81%	6,258,506	8.77%	8.64%
Foreign investors	13,914,926	27.74%	13,915,855	27.74%	14,055,425	19.69%	19.40%	14,057,284	19.70%	19.40%
Individual shareholders	2,321,270	4.63%	2,320,341	4.63%	3,203,300	4.49%	4.42%	3,201,441	4.49%	4.42%
Treasury shares	1,074,453	2.14%	1,074,453	2.14%			1.48%			1.48%
TOTAL	**50,169,049**		**50,169,049**			**71,372,769**	**72,447,222**		**71,372,769**	**72,447,222**

	Share capital				OGM votes			EGM votes		
31/12/2014	OGM		AGE			Effective	Theoretical		Effective	Theoretical
FÉDÉRACTIVE	6,632,226	13.22%	3	0.00%	12,919,114	17.95%	17.63%	6	0.00%	0.00%
Associates	4,602,405	9.17%	11,289,628	22.50%	8,380,661	11.64%	11.44%	21,409,769	29.74%	29.22%
SUB-TOTAL	**11,234,631**	**22.39%**	**11,289,631**	**22.50%**	**21,299,775**	**29.59%**	**29.07%**	**21,409,775**	**29.74%**	**29.22%**
VENELLE INVESTISSE-MENT	17,902	0.04%	17,902	0.04%	35,804	0.05%	0.05%	35,804	0.05%	0.05%
Associates	9,329,788	18.60%	10,061,788	20.06%	18,415,486	25.58%	25.13%	19,879,486	27.62%	27.13%
SUB-TOTAL	**9,347,690**	**18.63%**	**10,079,690**	**20.09%**	**18,451,290**	**25.63%**	**25.18%**	**19,915,290**	**27.67%**	**27.18%**
FOUNDER GROUP	**20,582,321**	**41.03%**	**21,369,321**	**42.59%**	**39,751,065**	**55.22%**	**54.25%**	**41,325,065**	**57.41%**	**56.40%**
FSP	2,633,876	5.25%	2,633,876	5.25%	2,633,876	3.66%	3.59%	2,633,876	3.66%	3.59%
FFP Invest	2,521,522	5.03%	2,521,522	5.03%	2,521,522	3.50%	3.44%	2,521,522	3.50%	3.44%
Employees	1,734,506	3.46%	1,734,506	3.46%	2,917,617	4.05%	3.98%	2,917,617	4.05%	3.98%
French investors	6,176,256	12.31%	5,389,256	10.74%	7,896,644	10.97%	10.78%	6,322,644	8.78%	8.63%
Foreign investors	12,375,797	24.67%	12,376,726	24.67%	12,522,129	17.40%	17.09%	12,523,988	17.40%	17.09%
Individual shareholders	2,853,529	5.69%	2,852,600	5.69%	3,738,435	5.19%	5.10%	3,736,576	5.19%	5.10%
Treasury shares	1,291,242	2.57%	1,291,242	2.57%			1.76%			1.76%
TOTAL	**50,169,049**		**50,169,049**			**71,981,288**	**73,272,530**		**71,981,288**	**73,272,530**

	Share capital				OGM votes			EGM votes		
31/12/2013	OGM		AGE			Effective	Theoretical		Effective	Theoretical
FÉDÉRACTIVE	9,380,743	18.70%	3	0.00%	18,336,218	25.61%	25.11%	6	0.00%	0.00%
Associates	1,925,251	3.84%	11,305,991	22.54%	3,137,585	4.38%	4.30%	21,473,797	29.99%	29.41%
SUB-TOTAL	**11,305,994**	**22.54%**	**11,305,994**	**22.54%**	**21,473,803**	**29.99%**	**29.41%**	**21,473,803**	**29.99%**	**29.41%**
VENELLE INVESTISSE-MENT	17,902	0.03%	17,902	0.04%	22,405	0.03%	0.03%	22,405	0.03%	0.03%
Associates	9,330,492	18.60%	10,062,492	20.06%	18,373,144	25.66%	25.16%	19,837,144	27.70%	27.17%
SUB-TOTAL	**9,348,394**	**18.63%**	**10,080,394**	**20.09%**	**18,395,549**	**25.69%**	**25.19%**	**19,859,549**	**27.74%**	**27.20%**
FOUNDER GROUP	**20,654,388**	**41.17%**	**21,386,388**	**42.63%**	**39,869,352**	**55.68%**	**54.60%**	**41,333,352**	**57.73%**	**56.61%**
FSP	2,633,876	5.25%	2,633,876	5.25%	2,633,876	3.68%	3.61%	2,633,876	3.68%	3.61%
FFP Invest	2,521,522	5.03%	2,521,522	5.03%	2,521,522	3.52%	3.45%	2,521,522	3.52%	3.45%
Employees	1,680,072	3.35%	1,680,072	3.35%	2,891,186	4.04%	3.96%	2,891,186	4.04%	3.96%
French investors	6,957,019	13.87%	6,225,019	12.41%	8,377,407	11.70%	11.48%	6,913,407	9.66%	9.47%
Foreign investors	11,217,381	22.36%	11,217,489	22.36%	11,348,979	15.85%	15.55%	11,349,194	15.85%	15.55%
Individual shareholders	3,092,444	6.16%	3,092,336	6.16%	3,959,627	5.53%	5.42%	3,959,412	5.53%	5.42%
Treasury shares	1,412,347	2.81%	1,412,347	2.81%			1.93%			1.93%
TOTAL	**50,169,049**		**50,169,049**			**71,601,949**	**73,014,296**		**71,601,949**	**73,014,296**

As at 31 December 2015, nearly 6,300 shareholders owned registered SEB shares and 12,000 shareholders held SEB bearer shares (TPI inquiry dated 31 December 2015).

Not including the shareholders mentioned in the tables above, and to the best of the company's knowledge, only OppenheimerFunds, Inc, acting on behalf of the funds that it manages, holds more than 5% of the share capital: declaration of 19 January 2015 stating that the threshold had been exceeded by the company holding 2,518,825 shares, or 5.02% of the share capital and 3.48% of the theoretical voting rights on 31 December 2015.

SHARES IN THE SEB S.A. NOMINAL REGISTER USED AS COLLATERAL AS AT 31 DECEMBER 2015

During the year, 13 individual shareholders used SEB shares registered in the SEB S.A. nominal register as collateral for loans for the benefit of their financial intermediaries. This concerned a total of 112,021 shares, or 0.22% of the share capital.

Changes in share capital over the last five years

Year	Nature of the capital increase	Changes to shares	Par value *(in €)*	Issue premium *(in €)*	Subsequent capital amounts *(in €)*
2011	No change to share capital				49,951,826
2012	Employee rights issues	217,223	217,223	9,023,192	50,169,049
2013	No change to share capital				50,169,049
2014	No change to share capital				50,169,049
2015	No change to share capital				50,169,049

Potential share capital as at 31 December 2015

There are no stock options granted to employees and none that can be exercised, and no convertible bonds or equity notes outstanding or securities not representing capital.

Changes in share capital breakdown over the last three years

In 2013:

- the holding of FÉDÉRACTIVE partners was reduced by the sale of 420,000 shares with double voting rights in January, and a reclassification of 442,453 shares, including 442,128 with double voting rights in December;
- the temporary grant of the usufruct shares to VENELLE INVESTISSEMENT ended on 1 July and was not renewed. This had no effect on the overall holding of VENELLE INVESTISSEMENT and its partners;
- the FSP (Fonds Stratégique et Participations) Sicav acquired 5.25% of the share capital in July.

In 2014:

- part of the temporary grant of the usufruct of shares to FÉDÉRACTIVE ended on 1 July and was not renewed; FÉDÉRACTIVE also acquired and transferred the usufruct of shares of some of its partners. These transactions did not alter the overall stake of FÉDÉRACTIVE and its partners;
- in December, a reclassification of 314,600 shares with double voting rights impacted the holding of voting rights of FÉDÉRACTIVE partners.

In 2015:

- part of the temporary grant of the usufruct of shares to FÉDÉRACTIVE ended on 1 July and was not renewed; FÉDÉRACTIVE also acquired and transferred the usufruct of shares of some of its partners. These transactions did not alter the overall stake of FÉDÉRACTIVE and its partners;
- in September, a reclassification of 340,250 shares with double voting rights impacted the holding of voting rights of FÉDÉRACTIVE partners.

7.3. FINANCIAL AUTHORISATIONS

Existing authorisations in relation to share capital and share equivalents

Type of operation	Resolution No.	Authorisation date	End of authorisation	Maximum authorised	Used at 31/12/2015
Treasury share purchases in 2015 for no more than €100 per share				5,016,904 shares €501,690,400	
	14	15.05.2014	11.05.2015		45,000
	14	12.05.2015	18.05.2016		305,000
Cancellation of treasury shares	15	12.05.2015	12.07.2016	5,016,904 shares	None
Authorisation to award performance shares to Group corporate officers and employees	16	12.05.2015	12.07.2016	0.341% of share capital 171,075 shares	169,450
Issue of all shares or share equivalents with pre-emptive subscription rights(*)	17	12.05.2015	12.07.2016	Shares: 5 million aggregate par value Debt securities: €150 million	None
Issue of all shares or share equivalents without pre-emptive subscription rights(*)	18	12.05.2015	12.07.2016	Shares: 5 million aggregate par value Debt securities: €150 million	None
* Blanket ceiling of 2 authorisations to issue shares or share equivalents	20	12.05.2015	12.07.2016	€10 million aggregate par value of shares to be issued	
Capital increase by capitalisation of reserves, profit or premiums or additional paid-in capital	19	12.05.2015	12.07.2016	€10 million aggregate par value	None
Group employee rights issue	21	12.05.2015	12.07.2016	1% of share capital (501,690 shares)	None

Authorisation for the company to trade in its own shares

Further to the authorisations conferred upon it by the meetings of 2014 and 2015 and pursuant to Article 225-209 of the French Commercial Code, your company acquired 350,000 shares in 2015 at an average price of €80.18.

In accordance with Article 6.3 (b) of European Commission Regulation No. 2273/2003 of 22 December 2003, these 350,000 shares were acquired within the context of three contracts between the company and Natixis Corporate Broking to carry out the buyback programme. The first contract, signed for a period running from 1 November 2014 to 31 January 2015, resulted in the acquisition of 45,000 shares in 2015, while the second contract, signed for a period running from 1 June 2015 to 31 July 2015, resulted in the acquisition of 235,000 shares and the third contract, signed for a period running from 2 September 2015 to 9 October 2015, resulted in the acquisition of 70,000 shares.

Afterwards, your company sold 557,054 shares on exercise of stock options at an average price of €42.29.

In addition, your company signed a liquidity contract with Natixis Corporate Broking, with effect from 1 September 2013. The contract complies with the Code of Ethics issued by the French association of financial markets (Association française des marchés financiers), which was approved by the French securities regulator (Autorité des Marchés Financiers) on 8 March 2011.

A total of 667,174 shares were purchased at an average price of €79.16 and 673,909 shares were sold at an average price of €79.32 under the liquidity contract. Transaction costs amounted to €141,316 (this includes the annual fee for the liquidity contract, commissions and the Tax on Financial Transactions).

At 31 December 2015, the company held 1,074,453 treasury shares with a nominal value of €1, with a gross value of €101,643,253.80. These treasury shares represent 2.14% of the company's share capital, of which 1,066,076 under the buyback agreement and 8,377 under the liquidity contract.

The company will renew its request to the General Meeting of Shareholders of 19 May 2016 for authorisation to trade in its own shares.

7.4. EMPLOYEE SHAREHOLDING

Staff mutual investment fund and direct employee shareholding

As at 31 December 2015, employees of Groupe SEB companies held 1,042,970 shares, 852,100 of which were owned via an employee mutual investment fund and 285,416 were directly owned, i.e. 2.27% of the share capital and 2.92% of the voting rights. With the addition of SEB shares held by employees outside the savings scheme, employees held a total of 3.29% of the share capital and 3.83% of the voting rights.

Bonus and profit-sharing schemes

To attract competent and career-oriented employees at all levels and in addition to its dynamic remuneration and career management policies, Groupe SEB has always pursued an active policy of long-term employee shareholding and staff participation in profits, through:

- an exceptional Group profit-sharing agreement, which involves all employees of the French companies in shareholding and profit-sharing with significantly more attractive terms than legally required. Depending on the year, the exceptional share is between two and four times the legal amount of profit-sharing;
- a Group bonus scheme agreement, based on a statutory scheme, but which is discretionary. This Group-level agreement allows a fair distribution of the sums from the bonus scheme between the employees of the different French companies, regardless of their business sector and performance.

In 2015, charges recognised for profit sharing and bonus schemes amounted to €31.4 million.

Over the past five years, the sums assigned were as follows:

(in € millions)	2010	2011	2012	2013	2014	**2015**
Sum assigned	50.3	44.0	43.6	37.2	33.3	31.4
Of which employer's social tax contribution	2.9	3.3	7.1	6.2	5.3	5.2

Stock option and performance share allocation policy

Groupe SEB operates two types of stock option allocation schemes:

- periodically, an allocation of stock options to members of management, extended to the Group's different entities, according to their individual responsibilities, performance and potential;
- occasionally, a broader allocation with a view to mobilising employees around a specific project.

Furthermore, all recipients of stock options and/or performance shares receive an internal directive put out each year for the following annual reporting period, defining the blackout periods in accordance with the recommendations of the French Markets Authority in terms of the company's accounting calendar, particularly the announcement of earnings. The Stock Market Ethics Charter memo also reminds its recipients of the rules regarding the use of information deemed privileged by stock market regulations.

CHARACTERISTICS OF STOCK OPTIONS AWARDED

The Group awarded stock options until 2012.

The exercise price is equal to the average of the last twenty stock market prices preceding the date of award by the Board. No discount is proposed on this average price.

The stock options last for eight years. They can only be exercised four years from their award date.

The stock options awarded to the corporate officer and to the other members of the Executive Committee are subject to performance-based criteria related to targets for Sales and Operating Result From Activity. Some of these criteria are yearly, while others pertain to a four-year period.

CHARACTERISTICS OF THE PERFORMANCE-RELATED SHARES AWARDED

The Group started issuing performance shares in 2009.

The shares are awarded to recipients following a three-year vesting period (two years for plans before 2013), subject to performance and continued employment requirements. Recipients are required to retain the shares for an additional two years.

The performance-based criteria are related to the achievement of targets for Sales and Sales and Operating Result From Activity over the vesting period.

History of stock option awards for share subscription or purchase

At 31 December 2015	Purchase plan	Purchase plan	Purchase plan	Purchase plan	Purchase plan
Meeting date	11/05/2006	13/05/2008	13/05/2009	12/05/2010	10/05/2012
Number of options authorised by the Shareholders' Meeting	1,529,355	1,017,761	598,945	649,373	415,000
Duration of the authorisation	3	3	14 months	14 months	14 months
Date of Board of Directors' Meeting	20/04/2007	13/05/2008	12/06/2009	18/06/2010	15/06/2012
Number of options granted [(a)]	579,150	1,005,900	371,300	412,592	408,925
of which, to the Management Committee	346,350	261,600	254,250	259,442	175,500
of which, to corporate officers [(a)]	105,000	105,000	71,250	59,942	54,000
of which, to top employee recipients [(a)]	234,000	104,400	72,900	57,600	49,400
Number of initial recipients:	109	395	111	144	186
Stock option exercise start date	20/04/2011	13/05/2012	12/06/2013	18/06/2014	15/06/2016
Expiry date	20/04/2015	13/05/2016	12/06/2017	18/06/2018	15/06/2020
SUBSCRIPTION OR PURCHASE DATE *(IN €)* [(a)]	**44.00**	**38.35**	**28.05**	**53.86**	**54.12**
Average of last 20 prices prior to Board Meeting *(in €)* [(a)]	43.73	38.35	28.05	53.85	54.11
Number of options exercised [(a)]	571,050	822,513	294,722	211,427	0
Number of options cancelled [(a)]	8,100	47,400	15,266	17,863	1,500
BALANCE OF STOCK OPTIONS REMAINING TO BE EXERCISED	**0**	**135,987**	**61,312**	**183,302**	**407,425**

(a) Takes into account the allocation of free shares in March 2004 (one for ten) and the three-way split on 16 June 2008.

Performance shares awarded to staff

At 31 December 2015			
Meeting date	14/05/2013	15/05/2014	12/05/2015
Number of shares authorised by the Shareholders' Meeting	240,811	171,325	171,075
Duration of the authorisation	14 months	14 months	14 months
Date of Board of Directors' Meeting	23/07/2013	22/07/2014	12/05/2015
Number of shares allocated:	233,475	169,175	169,450
of which, to corporate officers	18,000	27,000	27,000
of which, to Management Committee/Executive Committee (1)	64,500	61,950	62,750
of which, to top employee recipients	24,625	22,515	37,750
Number of initial recipients:	357	183	189
of which, Management Committee/Executive Committee (1)	15	15	9
of which, top employee recipients	26	25	30
Allocation date	23/07/2013	22/07/2014	12/05/2015
Vesting date	23/07/2016	22/07/2017	12/05/2018
Expiry of lock-up period	23/07/2018	22/07/2019	12/05/2020
Number of shares cancelled	0	0	0
Number of shares allocated	0	0	0
BALANCE OF SHARES REMAINING TO BE GRANTED	**233,475**	**169,175**	**169,450**

(1) On 1 September 2015, to simplify operating procedures and speed up decision-making, the Management Committee was abolished and the Group's Management is now concentrated in one structure, the Executive Committee, which has 3 new members, making 9 members in total.

Stock options allocated in 2015

Ten highest allocations of stock options to non-executive officers

Total number of options allocated	Weighted average price	Plan in question
Not applicable	NA	NA

Stock options exercised in 2015

Ten highest stock options exercised by non-executive officers

Date of the plan	20/04/2007	13/05/2008	16/06/2009	18/06/2010	15/06/2012
Type of stock options	Purchase	Purchase	Purchase	Purchase	Purchase
Price of option	€44.00	€38.35	€28.05	€53.86	€54.12
Quantity of options exercised	45,140	146,014	58,721	56,333	0

Performance shares allocated in 2015

Ten highest allocations of performance shares to non-executive officers

Total number of shares allocated	44,000

Performance shares vested in 2015

Ten highest vestings of performance shares by non-executive officers

Date of the plan	No plan vested in 2015
Quantity	NA

7.5. STOCK MARKET AND DIVIDEND INFORMATION

Stock market

The company's shares are listed on the Paris Euronext Market, compartment A, under the code ISIN FR0000121709. They are included in the Euronext 3722 Durable Household Products index.

Stock market transactions over the last 18 months on NYSE Euronext

			Number of shares exchanged	Capital traded *(in € thousands)*
	Highest price *(in €)*	Lowest price *(in €)*	Daily averages	
2014	**63.14**	**62.16**	**56,210**	**3,496**
1	66.08	57.04	99,943	6,059
2	62.83	57.02	68,634	4,101
3	63.23	56.85	71,311	4,227
4	66.90	62.63	66,163	4,277
5	68.99	64.82	43,023	2,880
6	67.21	64.00	36,596	2,400
7	65.79	60.50	42,939	2,731
8	61.36	59.05	33,188	2,000
9	63.85	59.59	49,657	3,066
10	57.26	65.29	71,846	4,386
11	66.10	63.51	37,986	2,474
12	66.74	59.55	51,439	3,254
2015	**80.95**	**79.30**	**79,811**	**6,336**
1	63.54	58.01	90,294	5,427
2	67.66	59.76	70,037	4,531
3	68.43	64.96	69,888	4,647
4	87.66	66.05	139,591	10,735
5	86.40	79.86	96,447	7,920
6	86.33	76.97	104,557	8,473
7	92.49	84.00	94,643	8,445
8	93.95	77.55	59,308	5,172
9	84.70	78.93	77,640	6,321
10	96.42	82.53	67,655	5,976
11	97.04	89.02	46,739	4,331
12	97.45	90.26	44,354	4,152
2016				
1	94.45	86.30	64,989	5,830

Dividends – Dividend supplement

It is the Group's policy to ensure that its shareholders are given a fair return on the capital they invest in the Group. The Board of Directors aims to ensure regular and continuous growth in dividend payments.

A 10% dividend supplement, rounded down to the nearest even number of euro cents, will be paid in 2016 to long-term shareholders in respect of shares held by the same shareholder in the nominal register since at least 31 December 2013 and still held on the ex-dividend date of 24 May 2016. 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 term of dividend limitation is five years, as from the payment date. After this time, unclaimed dividends are paid over to the State.

Years	Number of remunerated shares	Ordinary dividend per share *(in €)*
2011		
Dividend	48,059,402	1.17
Supplementary dividend	18,634,446	0.117
2012		
Dividend	47,619,235	1.25
Supplementary dividend	18,714,482	0.125
2013		
Dividend	48,234,105	1.32
Supplementary dividend	18,759,948	0.132
2014		
Dividend	48,621,121	1.39
Supplementary dividend	17,434,675	0.139
2015		
Dividend	49,237,120	1.44
Supplementary dividend	18,902,996	0.144

Based on the 2015 results, a net dividend of €1.54 per share will be proposed at the General Meeting of Shareholders of 19 May 2016.

The ex-dividend date will be 24 May and the dividend will be paid on 26 May 2016.

8

GENERAL MEETING

8.1. AGENDA FOR THE COMBINED GENERAL MEETING OF 19 MAY 2016

Resolutions to be submitted to the Ordinary General Meeting:

1. approval of the separate financial statements for the year ended 31 December 2015;
2. approval of the consolidated financial statements for the year ended 31 December 2015;
3. allocation of the result for the year ended 31 December 2015 and setting of the dividend;
4. renewal of the directorship of Mr Thierry de La Tour d'Artaise;
5. renewal of the directorship of VENELLE INVESTISSEMENT, represented by Ms Damarys Braida;
6. renewal of the directorship of Fonds Stratégique de Participation, represented by Ms Catherine Pourre;
7. appointment of Mr Jérôme Lescure as a director;
8. renewal of the approval of the related party commitments referred to in Article L. 225-42-1 of the French Commercial Code relating to Mr Thierry de la Tour d'Artaise, Chairman and CEO;
9. setting of the amount of directors' fees allocated to members of the Board of Directors;
10. advisory vote on the components of remuneration due or granted for the 2015 financial year to Mr Thierry de la Tour d'Artaise, Chairman and CEO;
11. advisory vote on the components of remuneration due or granted for the 2015 financial year to Mr Bertrand Neuschwander, Chief Operating Officer;
12. authorisation to be granted to the Board of Directors for the company to repurchase in its own shares.

Resolutions to be submitted to the Extraordinary General Meeting:

13. authorisation to be granted to the Board of Directors enabling the company to cancel its own shares;
14. authorisation to be granted to the Board of Directors for the granting of performance shares;
15. delegation of authority to be granted to the Board of Directors to issue shares or share equivalents giving rights to the company's capital with pre-emptive subscription rights;
16. delegation of authority to be granted to the Board of Directors to issue shares or share equivalents giving rights to the company's capital without pre-emptive subscription rights;
17. blanket ceiling on financial authorisations;
18. delegation of authority to be granted to the Board of Directors to increase capital by capitalising retained earnings, profit or additional paid-in capital;
19. amendment of Article 4 of the company's articles of association relating to its registered office;
20. powers to carry out formalities.

8.2. DRAFT RESOLUTIONS AND BOARD OF DIRECTORS' REPORT TO THE COMBINED GENERAL MEETING OF 19 MAY 2016

This Chapter presents the Board of Directors' report on the draft resolutions as well as the complete text of the resolutions that will be submitted to the Combined General Meeting of SEB S.A. to be held in Paris on 19 May 2016.

Ordinary resolutions

RESOLUTIONS 1, 2 AND 3: APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS (SEPARATE AND CONSOLIDATED), ALLOCATION OF THE RESULT FOR 2015 AND SETTING OF DIVIDEND

Board of Directors' report

By voting on the **1st** and **2nd** resolutions, your Board of Directors invites you to approve:

- the separate financial statements for the year ended 31 December 2015 which show a net profit of €203,562,204.92, up from €82,712,219.07 for 2014;
- the consolidated financial statements for the year ended 31 December 2015 which show a net profit (group share) of €205,914,000, up from €169,950,000 for 2014.

Details of these financial statements appear in the 2015 Annual Financial Report, the main elements of which were contained in the meeting notice.

The aim of the **3rd** resolution is to invite you to allocate the net profit for 2015 and to set the dividend amount as follows:

- a net dividend per ordinary share of €1.54, up 6.9% on the 2014 dividend;
- a supplementary dividend of 10% or €0.154 per share.

The supplementary dividend will be paid on shares registered prior to 31 December 2013 and continuing to be registered in the name of the same holder until the ex-dividend date of 24 May 2016. These shares represent 57,80% 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 24 May 2016. The dividend will be paid as from 26 May 2016.

The dividend and the supplementary dividend qualify for the exemption referred to in Article 158-3 of the French General Tax Code.

FIRST RESOLUTION: APPROVAL OF THE SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the reports of the Board of Directors, the Chairman and the Statutory auditors on the company's operations and results for the year ended 31 December 2015, approves the annual financial statements as presented, which show net profit of €203,562,204.92.

SECOND RESOLUTION: APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the reports of the Board of Directors and the Statutory auditors, approves the consolidated financial statements for the year ended 31 December 2015, which show net profit attributable to owners of the parent of €205,914,000.

THIRD RESOLUTION: ALLOCATION OF THE RESULT FOR THE YEAR ENDED 31 DECEMBER 2015 AND SETTING OF THE DIVIDEND

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, on the proposal of the Board of Directors, resolves to appropriate the net profit for 2015 of €203,562,204.92, as follows:

Net profit	203,562,204.92
Retained earnings brought forward from prior year	693,326,299.28
Dividends on treasury shares credited to retained earnings	1,068,532.08
Profit available for distribution	897,957,036.28
Dividend	76,191,803.38
Supplementary dividend	2,968,952.76
Retained earnings	818,796,280.14

The dividend per share amounts to €1.54.

The ex-dividend date will be 24 May 2016 and the dividend will be paid as from 26 May 2016.

As provided for in Article 46 of the articles of association, a supplementary dividend of €0.154 per share, corresponding to 10% of the ordinary dividend, will be paid on shares registered in the name of the same holder throughout the period between 31 December 2013 and the ex-dividend date 24 May 2016.

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 dividend distributed qualifies for the 40% exemption for natural persons who are tax residents of France, per Article 158.3-2 of the French General Tax Code.

The Annual General Meeting formally declares that dividends distributed for the last three years were as follows:

Financial year	Dividend per share	Premium per share	Dividend qualifying for 40% abatement		Dividend not qualifying for 40% abatement
			Dividend	Premium	
2012	1.32	0.132	1.32	0.132	-
2013	1.39	0.139	1.39	0.139	-
2014	1.44	0.144	1.44	0.144	

RESOLUTIONS 4, 5, 6 AND 7: RENEWAL AND APPOINTMENT OF FOUR MEMBERS OF THE BOARD OF DIRECTORS

Board of Directors' report

The Board of Directors currently has 15 members. Please note that information on directors whose appointment or re-election is proposed appears in Chapter 2 of the Registration Document, "Corporate Governance".

For your information, your Board of Directors has noted that the directorships of Mr Thierry de La Tour d'Artaise, of VENELLE INVESTISSEMENT, represented by Ms Damarys Braida, of Fonds Stratégique de Participation, represented by Ms Catherine Pourre, and of Mr Jérôme Wittlin, are due to come to an end upon completion of this Annual General Meeting.

On the recommendations of the Nominations and Remuneration Committee, resolutions, **4th**, **5th** and **6th** aim to invite you to approve the re-election, for four years, of Mr Thierry de La Tour d'Artaise, of VENELLE INVESTISSEMENT, represented by Ms Damarys Braida, and of Fonds Stratégique de Participation, represented by Ms Catherine Pourre, as directors.

On the recommendation of the Nominations and Remuneration Committee, resolution **7th** invites you to approve the appointment, for 4 years, of Mr Jérôme Lescure to replace Mr Jérôme Wittlin. Mr Jérôme Lescure, 55 years old, was a Director of SEB S.A. from 1994 to 2005. He is an architecture graduate of the Paris Ecole Spéciale d'Architecture, with a Master's degree in industrialised construction from the Ecole Nationale des Ponts et Chaussées and an MBA from HEC. Jérôme Lescure had various management and oversight roles in Anglo-saxon groups prior to becoming partner at A.T. Kearney, a strategy consultancy company. He then joined Accenture as Chief Executive for France. Since 2013, Mr Jérôme Lescure has been an entrepreneur and investor. He is now President of APICAP, a fund management company devoted to investing in SMEs, and Chairman of CAMSEL, the softwood lumber producer. Its presentation is described under chapter 2.3 of the Registration Document "composition, organisation and operation of the Board of Directors".

At its meeting on 17 December 2015, your Board of Directors deemed Mr Jérôme Lescure able to assume the duties of a company's Director and to make an effective contribution to the work of the Board of Directors.

RESOLUTION FOUR: RENEWAL OF THE DIRECTORSHIP OF MR THIERRY DE LA TOUR D'ARTAISE

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the report of the Board of Directors, renews the directorship of Mr Thierry de La Tour d'Artaise for a period of four years expiring at the close of the Annual General Meeting to be held to approve the 2019 financial statements.

RESOLUTION FIVE: RENEWAL OF THE DIRECTORSHIP OF VENELLE INVESTISSEMENT, REPRESENTED BY MS DAMARYS BRAIDA

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the report of the Board of Directors, renews the directorship of VENELLE INVESTISSEMENT, represented by Ms Damarys Braida, for a period of four years expiring at the close of the Annual General Meeting to be held to approve the 2019 financial statements.

RESOLUTION SIX: RENEWAL OF THE DIRECTORSHIP OF FONDS STRATÉGIQUE DE PARTICIPATION, REPRESENTED BY MS CATHERINE POURRE

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the report of the Board of Directors, renews the directorship of Fonds Stratégique de Participation, represented by Ms Catherine Pourre, for a period of four years expiring at the close of the Annual General Meeting to be held to approve the 2019 financial statements.

RESOLUTION SEVEN: APPOINTMENT OF MR JÉRÔME LESCURE AS A DIRECTOR

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the report of the Board of Directors, appoints Mr Jérôme Lescure as a director for a period of four years expiring at the close of the Annual General Meeting to be held to approve the 2019 financial statements.

RESOLUTION EIGHT: RENEWAL OF THE APPROVAL OF THE RELATED PARTY COMMITMENTS REFERRED TO IN ARTICLE L. 225-42-1 OF THE FRENCH COMMERCIAL CODE RELATING TO MR THIERRY DE LA TOUR D'ARTAISE, CHAIRMAN AND CEO

Board of Directors' report

The purpose of resolution **8th**, in accordance with Article L. 225-42-1 of the French Commercial Code, is to resubmit for your approval the agreements made between the company and Mr Thierry de La Tour d'Artaise, Chairman and CEO, subject to the adoption of resolution four and the condition precedent of the renewal, by the Board of Directors' Meeting held after this Annual General Meeting, of his corporate mandate as Chairman and CEO.

These agreements, outlined in the Statutory auditors' special report, concern a retirement benefits, a severance payment in the event of termination of his employment contract subject to performance conditions, entitlement to stock options, Group supplementary pension scheme and individual life insurance.

They were previously approved and reviewed by the Board of Directors and subsequently submitted for your approval at the time of their conclusion and, where necessary, on the occasion of their amendment. They are described in Chapter 2 "Governance" of the Registration Document in the "Say on pay - Remuneration of executive officers" section.

RESOLUTION EIGHT: RENEWAL OF THE APPROVAL OF THE RELATED PARTY COMMITMENTS REFERRED TO IN ARTICLE L. 225-42-1 OF THE FRENCH COMMERCIAL CODE RELATING TO MR THIERRY DE LA TOUR D'ARTAISE, CHAIRMAN AND CEO

The General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the Statutory auditors' special report on related party agreements as well as the report of the Board of Directors, approves the commitments to Mr Thierry de La Tour d'Artaise, Chairman and CEO, listed therein, establishing retirement benefits, a severance payment in the event of termination of his employment contract subject to performance conditions, entitlement to stock options, Group supplementary pension scheme and individual life insurance.

This resolution is adopted subject to the adoption of resolution four and the condition precedent of the renewal, by the Board of Directors' Meeting held after this General Meeting, of the corporate mandate of Mr Thierry de La Tour d'Artaise as Chairman and CEO.

RESOLUTION 9: SETTING OF THE AMOUNT OF DIRECTORS' FEES ALLOCATED TO MEMBERS OF THE BOARD OF DIRECTORS

Board of Directors' report

At the end of your meeting on 17 May 2011, the directors' fees allocated to the Board of Directors was set at €450,000 and structured as follows:

Function	Fixed part	Variable part
Director	€12,000	€12,000
Committee Chairman	€7,500	€7,500
Committee member	€5,000	€5,000

At the end of the meeting on 23 February 2016, the Board of Directors, on the recommendation of the Nominations and Remuneration Committee, and after having noted that the directors' fees were less than the average paid by comparable companies, decided to submit for your approval, in resolution **9th**, a 20% increase in the basic directors' fee. The fixed part would, therefore, rise to €15,000, as would the variable part, bringing the overall amount to €540,000.

The directors' fees paid to Chairpersons and Committee members would, however, remain unchanged.

The overall amount of €540,000 would be allocated as follows:

Function	Fixed part	Variable part
Director	€15,000	€15,000
Committee Chairman	€7,500	€7,500
Committee member	€5,000	€5,000

RESOLUTION NINE: SETTING OF THE AMOUNT OF DIRECTORS' FEES ALLOCATED TO MEMBERS OF THE BOARD OF DIRECTORS

The General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the report of the Board of Directors, sets at €540,000 the maximum annual amount of directors' fees to be shared between members of the Board of Directors.

This decision is applicable to the current financial year and will remain in force until a new decision is made.

RESOLUTIONS 10 AND 11: ADVISORY VOTE ON THE COMPONENTS OF REMUNERATION DUE OR AWARDED TO MR THIERRY DE LA TOUR D'ARTAISE, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, AND MR BERTRAND NEUSCHWANDER, CHIEF OPERATING OFFICER FOR FINANCIAL YEAR 2015

RESOLUTION TEN: ADVISORY VOTE ON THE COMPONENTS OF REMUNERATION DUE OR GRANTED FOR THE 2015 FINANCIAL YEAR TO MR THIERRY DE LA TOUR D'ARTAISE, CHAIRMAN AND CEO

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, consulted in application of the recommendation of Article 24.3 of the AFEP-MEDEF Code, to which it refers, takes a positive view of the remuneration items due or allocated to Mr Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer, in respect of 2015, as set out in Chapter 2 of the 2015 Registration Document, "Governance", in the section "Say on pay - Remuneration of executive officers".

RESOLUTION ELEVEN: ADVISORY VOTE ON THE COMPONENTS OF REMUNERATION DUE OR GRANTED FOR THE 2015 FINANCIAL YEAR TO MR BERTRAND NEUSCHWANDER, CHIEF OPERATING OFFICER

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, consulted in application of the recommendation of Article 24.3 of the AFEP-MEDEF Code, to which it refers, takes a positive view of the remuneration items due or allocated to Mr Bertrand Neuschwander, Chief Operating Officer, in respect of 2015, as set out in Chapter 2 of the 2015 Registration Document, "Governance", in the section "Say on pay - Remuneration of executive officers".

Board of Directors' report

In accordance with AFEP-MEDEF Code recommendations as updated in November 2015 to which the company refers, the purpose of resolutions **10th** and **11th** is to submit for your consultation all the items of remuneration of the Chairman and CEO as well as of the Chief Operating Officer (details of these items are given in the Chapter 2 of the Registration Document, "Governance", in the "Say on pay - Remuneration of executive officers" section).

RESOLUTION 12: AUTHORISATION TO BE GRANTED TO THE BOARD OF DIRECTORS FOR THE COMPANY TO REPURCHASE IN ITS OWN SHARES

Board of Directors' report

The Annual General Meeting of 12 May 2015 authorised the Board of Directors to trade in the company's shares. In 2015, under its share buyback programme, the company bought 350,000 of its own shares at an average price of €80.18 and sold 557,054 shares on exercise of stock options at an average price of €42.29. In addition, a total of 664,174 shares were purchased at an average price of €79.16 and 673,909 shares sold at an average price of €79.32 under the liquidity contract.

At 31 December 2015, the company held 1,074,453 of its own shares with a par value of €1, with a gross value of €101,643,253.80. These treasury shares represent 2.14% of the company's share capital, of which 1,066,076 under the buyback agreement and 8,377 under the liquidity agreement.

These transactions are also described in Chapter 7 of the Registration Document "Information on the company and its share capital".

Since the existing authorisation is due to expire in July 2016, resolution **12th** proposes that you once again authorise your Board of Directors, for a period of 14 months, to trade in company shares at a price of no more than €130 per share, excluding trading fees.

The authorisation would represent a maximum of 10% of the share capital. The company may 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 officers of the company;
- cancelling 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 exercise of rights attached to securities.

In accordance with the law, these shares have been stripped of their voting rights.

RESOLUTION TWELVE: AUTHORISATION TO BE GRANTED TO THE BOARD OF DIRECTORS FOR THE COMPANY TO REPURCHASE IN ITS OWN SHARES

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the report of the Board of Directors, resolves:

- to terminate the share buyback programme authorised at the Combined General Meeting of 12 May 2015;
- to adopt the programme described below and accordingly:
  - to authorise the Board of Directors, or any representative of the Board empowered to act on the Board's behalf, in accordance with Articles L. 225-209 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 the company's shares through an independent investment service provider under a liquidity contract that complies with the AMAFI code of ethics recognised by the Autorité des Marchés Financiers;

ii) to purchase shares for allocation to eligible employees and officers of the company or the Group in the form of performance shares governed by Articles L. 225-197-1 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) to purchase shares for cancellation, in order to increase return on equity and earnings per share and/or to offset the dilutive impact of any capital increases on existing shareholders' interests, provided that such cancellation is authorised by the Extraordinary General Meeting;

iv) to purchase shares, representing up to 5% of the capital, for delivery or exchange in connection with any future external growth transactions;

v) to purchase shares for allocation on exercise of rights attached to securities that are convertible, exchangeable, redeemable or otherwise exercisable for company shares, in accordance with the applicable securities regulations;

- that shares may not be bought back under this authorisation at a price of more than €130 per share, excluding trading fees;
- that the Board of Directors may adjust the above price, in the case of any change in the shares' par value, by capitalising 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 programme may not exceed €652,197,637;

- that the shares may be bought back by any appropriate method and accordingly that all or part of the programme 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, other than written puts. 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 authorisation 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 any and all buy and sell orders, on or off-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) fulfil any and all reporting obligations with the Autorité des Marchés Financiers and any other organisations;

vi) carry out any and all formalities;

- that this authorisation is given for a period expiring at the Ordinary General Meeting to be called to approve the financial statements for the year ending 31 December 2016 or fourteen (14) months, whichever is shorter.

Extraordinary resolutions

RESOLUTION 13: AUTHORISATION 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 12 May 2015 authorised the Board of Directors to cancel all or some of the shares acquired under the share buyback programme, provided that the number of shares cancelled in any 24-month period does not exceed 10% of the share capital.

Since the existing authorisation is due to expire in July 2016, resolution **13th** proposes that you once again authorise your Board of Directors to cancel all or some of its shares, under the same terms and conditions.

This authorisation would be given for a period of 14 months from the date of the Annual General Meeting.

RESOLUTION THIRTEEN: AUTHORISATION 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 Meetings, having considered the report of the Board of Directors and the Statutory auditors' report:

- authorises the Board of Directors to cancel, through one or several transactions at its discretion, all or some 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. 225-209 of the French Commercial Code, provided that the number of shares cancelled in any 24-month period may not exceed 10% of the total shares outstanding. The difference between the purchase price of the cancelled shares and their par value will be deducted from additional paid-in capital and retained earnings, with an amount corresponding to 10% of the capital reduction being deducted from the legal reserve;
- authorises the Board of Directors to place on record the capital reduction(s), amend the articles of association to reflect the new capital and carry out any and all formalities, make all declarations to any organisations and generally undertake what is necessary;
- authorises 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 authorisation is used;
- sets this authorisation given to the Board of Directors at a period of fourteen (14) months and consequently decides that this authorisation cancels all authorisations given previously for the same purpose.

RESOLUTION 14: AUTHORISATION TO BE GRANTED TO THE BOARD OF DIRECTORS FOR THE GRANTING OF PERFORMANCE SHARES

Board of Directors' report

In order to provide an on-going incentive to key Group employees by offering them an opportunity to share in the Group's development and results, shareholders will also be asked, in resolution **14th**, to authorise the Board to grant free shares representing up to 0.3410% of the company's share capital or 171,075 shares, comprising existing shares bought back for this purpose by the company. The grants would be made to all or some employees of the company and its subsidiaries, to certain categories of those employees and/or to the senior executives 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 granted to the corporate officers will be capped at 18,000, or 0.0359% of the company's share capital for Mr Thierry de La Tour d'Artaise and 9,000 shares or 0.0179% of the share capital for Mr Bertrand Neuschwander.

We ask you to set the vesting period at three years of measured operating performance for beneficiaries, followed by a mandatory lock-up period of two years.

For grantees not residing in France, in accordance with the law, the Board will ask for an authorisation to set a minimum vesting period of between two and five years and to waive the lock-up period if the vesting period is set at five years.

We ask you to give the Board of Directors full powers to set the terms and conditions of the performance share grants, including in order to determine the identity of the beneficiaries of the free share grants.

This authorisation would be given for a period of 14 months from the date of the Annual General Meeting.

RESOLUTION FOURTEEN: AUTHORISATION TO BE GRANTED TO THE BOARD OF DIRECTORS FOR THE GRANTING OF PERFORMANCE SHARES

- The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Meetings, having considered the report of the Board of Directors and the Statutory auditors' special report:
  - authorises 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 performance shares in the company on one or more occasions, to employees of the company or certain categories of employee and/or to the top management referred to in Article L. 225-197-1 II of the French Commercial Code, and to employees and top management of companies or economic interest groupings related 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 shall not exceed 171,075 or 0.3410% of the company's share capital on the grant date, i.e. 18,000 shares or 0.0359% of the share capital in respect of Mr Thierry de La Tour d'Artaise and 9,000 shares or 0.0179% of the share capital for Mr Bertrand Neuschwander;
- The Annual General Meeting authorises the Board of Directors to make the stock grants, within the limits set out in the preceding paragraph, using shares bought back by the company in accordance with Articles L. 225-208 and L. 225-209 of the French Commercial Code.
- The Annual General Meeting resolves:

a) in respect of performance shares awarded to grantees residing in France:

- to set a vesting period of three years with effect from the date of grant by the Board of Directors during which the rights shall not be transferable and at the end of which, the rights shall vest to the grantee, provided that 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;
- to set a lock-up period of two years with effect from the vesting date, during which the vested shares may not be sold;

b) in respect of performance shares awarded to grantees not residing in France:

- to set a vesting period of two to five years with effect from the date of grant by the Board of Directors during which the rights shall not be transferable and at the end of which, the rights shall vest to the grantee, provided that 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;
- if the vesting period is set at five years, to waive the lock-up period such that the shares shall be freely transferable with effect from their vesting date in accordance with Article L. 225-197-1 paragraph 7 of the French Commercial Code;

However, for performance shares awarded pursuant to both paragraphs A and B above, in the event of the grantee's death, the shares shall vest immediately to the heirs should they so request no later than six months after the date of death. Furthermore, the shares shall vest immediately in the event of the grantee's second or third degree disability within the meaning of Article L. 341-4 of the French Social Security Code.

- The Annual General Meeting gives full powers to the Board of Directors, within the limits set out above, to:
  - draw up the list of grantees or decide the category/categories of grantees, provided that no performance shares may be awarded to employees or Executive Directors who individually hold over 3% of the capital and that the performance shares may not have the effect of raising the interest held by any employee or Executive Director to above the 3% ceiling;
  - determine, on one or more occasions, the amounts and timing of the performance share awards;
  - set the criteria and any other conditions of eligibility for performance share awards, including but not limited to years of service and continued employment by the company throughout the vesting period;
  - set the vesting period and lock-up period, within the limits specified above;
  - record the shares in a registered share account opened in the name of their holder, with a lock-up clause specifying the duration of the lock-up period;
  - if any corporate actions governed by Article L. 228-99, first paragraph, 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 recipients of stock grants, on the basis prescribed in the third paragraph 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 report to each Ordinary General Meeting on the transactions carried out under this authorisation.

The Annual General Meeting sets this authorisation given to the Board of Directors at a period of fourteen (14) months and consequently decides that this authorisation cancels all authorisations given previously for the same purpose.

RESOLUTIONS 15, 16 AND 17: DELEGATION OF AUTHORITY TO BE GRANTED TO THE BOARD OF DIRECTORS TO ISSUE SHARES OR SHARE EQUIVALENTS GIVING RIGHTS TO THE COMPANY'S CAPITAL WITH OR WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS

Board of Directors' report

At the Annual General Meeting, we will ask you to give the Board of Directors the necessary powers to issue shares and share equivalents, in order to enable us to raise financing to pursue the Group's growth as and when required, based on opportunities arising in the financial markets.

Shareholders will be asked, by voting on resolution **15th**, to give the Board of Directors the power to decide to increase the share capital, on one or more occasions, while maintaining shareholders' pre-emptive subscription rights. The maximum aggregate par value of shares to be issued under this delegation would be set at €5,000,000, or 10% of the share capital at 31 December 2015.

To allow us to rapidly take up any opportunities that may arise, we ask you, by voting on resolution **16th**, to grant an authorisation to issue shares or share equivalents giving rights to the company's capital, without pre-emptive subscription rights, given that the Board of Directors may give shareholders a priority right to subscribe all or part of each issue, for a period and on terms to be decided by the Board.

The maximum aggregate par value of shares to be issued under these two delegations of power would be set at €5,000,000, or 10% of the share capital. In addition, the aggregate par value of debt securities issued pursuant to this authorisation shall not exceed €150,000,000. All of these authorisations would thus be valid for a period of 14 months.

If and when the authorisations 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 of power, the Annual General Meeting of 12 May 2015 had given the Board of Directors the power to resolve to increase the share capital within the same limits as those stated above. These authorisations, given for 14 months, were not used.

In addition, in resolution **17th**, we ask you to set at €10,000,000 the maximum aggregate par value of shares to be issued by the Board of Directors pursuant solely to the delegations of power granted by resolutions 15th and 16th.

RESOLUTION FIFTEEN: DELEGATION OF AUTHORITY TO BE GRANTED TO THE BOARD OF DIRECTORS TO ISSUE SHARES OR SHARE EQUIVALENTS GIVING RIGHTS TO THE COMPANY'S CAPITAL WITH PRE-EMPTIVE SUBSCRIPTION RIGHTS

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Meetings, having considered the report of the Board of Directors and the Statutory auditors' special report and in accordance with Articles L. 225-129-2 and L. 228-91 of the French Commercial Code:

- gives the Board of Directors the necessary powers to decide by a qualified majority of 12 of the 15 members present or represented by proxy, to issue, on one or more occasions, shares and securities convertible, exchangeable, redeemable or otherwise exercisable for shares, 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 aggregate par value of the shares to be issued directly and/or on conversion, exchange, redemption or exercise of share equivalents pursuant to this authorisation may not exceed €5,000,000, not including the par value of any additional shares to be issued to protect the rights of holders of existing share equivalents pursuant to the law;
- resolves that the aggregate nominal value of debt securities issued pursuant to this authorisation shall not exceed €150,000,000 or the equivalent of this amount in the case of issues denominated in foreign currencies;
- resolves that shareholders will have a pre-emptive right to subscribe the shares and/or share equivalents issued under this authorisation, prorata to their existing interest in the company's capital. In addition, the Board of Directors may grant shareholders a pre-emptive right to subscribe any shares and/or share equivalents not taken up by other shareholders. If the issue is oversubscribed, such additional pre-emptive right shall also be exercisable prorata 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-emptive 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 that at least three-quarters of the issue is taken up;
  - freely allocate the remaining shares or share equivalents;
  - offer all or some of the remaining shares or share equivalents for subscription by the public;
- resolve that warrants to subscribe the company's shares may be offered for subscription on the above basis or allocated among holders of existing shares without consideration;
- establish that this authorisation will automatically entail the waiver of shareholders' pre-emptive right to subscribe (i) shares and share equivalents issued under the authorisation in favour of members of the employee stock ownership plan, and (ii) the shares to be issued on conversion, exchange, redemption or exercise of said share equivalents;
- resolve that the amount to be received by the company for each share issued directly or indirectly under this authorisation shall not represent less than the shares' par value. In the case of shares issued on exercise of stand-alone warrants or other primary securities, the amount received by the company shall be determined after taking into account the issue price of said warrants or other primary securities;
- resolve that, in particular, the Board of Directors shall have full powers to use this authorisation and to delegate such powers to the Chairman, subject to compliance with the law. In particular, the Board of Directors or the Chairman shall have full powers to set the date and terms of the issues, as well as the form and characteristics of the securities to be issued, 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 and, if appropriate, the conditions under which the securities may be bought back on the open market or the conversion, exchange, redemption or exercise rights attached to the share equivalents may be suspended, provided that said rights are not suspended for more than three months, and the method by which the rights of holders of share equivalents will be protected pursuant to the applicable laws and regulations. The Board of Directors or the Chairman shall also have full powers 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 capital increase(s) and to amend the articles of association to reflect the new capital.

  In the case of any issue of debt securities, the Board of Directors shall have full powers, including the right to delegate such powers to the Chairman, to decide whether to issue subordinated or unsubordinated debt, to set the interest rate, the life of the securities, the redemption price – which may be fixed or variable and may or may not include a call premium – the terms of early redemption depending on market conditions and the basis on which the debt securities are convertible, exchangeable, redeemable or otherwise exercisable for shares of the company;
- sets this authorisation given to the Board of Directors at a period of fourteen (14) months and consequently decides that this authorisation cancels all authorisations given previously for the same purpose.

RESOLUTION SIXTEEN: DELEGATION OF AUTHORITY TO BE GRANTED TO THE BOARD OF DIRECTORS TO ISSUE SHARES OR SHARE EQUIVALENTS GIVING RIGHTS TO THE COMPANY'S CAPITAL WITHOUT PRE-EMPTIVE SUBSCRIPTION RIGHTS

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Meetings, having considered the report of the Board of Directors and the Statutory auditors' special report and in accordance with Articles L. 225-129-2, L. 225-136 and L. 228-91 of the French Commercial Code:

- gives the Board of Directors the necessary powers to decide by a qualified majority of 12 of the 15 members present or represented by proxy, to issue, on one or more occasions, shares and securities convertible, exchangeable, redeemable or otherwise exercisable for shares, 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 aggregate par value of the shares to be issued directly or on conversion, exchange, redemption or exercise of share equivalents pursuant to this authorisation may not exceed €5,000,000, not including the par value of any additional shares to be issued to protect the rights of holders of existing share equivalents pursuant to the law;
- resolves that the aggregate nominal value of debt securities issued pursuant to this authorisation shall not exceed €150,000,000 or the equivalent of this amount in the case of issues denominated in foreign currencies;
- resolves that existing shareholders shall not have a pre-emptive right to subscribe the shares or share equivalents issued under this authorisation, but that the Board of Directors may grant shareholders a priority right to subscribe all or part of each issue, for a period and on terms to be decided by the Board, provided that the

right is exercisable during at least three trading days. 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 prorata to their existing shareholdings;

- resolves that if any issue of shares or share equivalents 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 that at least three-quarters of the issue is taken up;
- establishes that this authorisation will automatically entail the waiver of shareholders' pre-emptive right to subscribe (i) shares and share equivalents issued under the authorisation in favour of members of the employee stock ownership plan, and (ii) the shares to be issued on conversion, exchange, redemption or exercise of said share equivalents;
- resolves that the amount to be received by the company for each share issued directly or indirectly under this authorisation shall not represent less than the shares' par value. In the case of shares issued on exercise of stand-alone warrants or other primary securities, the amount received by the company shall be determined after taking into account the issue price of said warrants or other primary securities;
- resolves that, in particular, the Board of Directors shall have full powers to use this authorisation and to delegate such powers to the Chairman, subject to compliance with the law. In particular, the Board of Directors or the Chairman shall have full powers to set the date and terms of the issues, as well as the form and characteristics of the securities to be issued, 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 and, if appropriate, the conditions under which the securities may be bought back on the open market or the conversion, exchange, redemption or exercise rights attached to the share equivalents may be suspended, provided that said rights are not suspended for more than three months, and the method by which the rights of holders of share equivalents will be protected pursuant to the applicable laws and regulations.

  The Board of Directors or the Chairman shall also have full powers to charge 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 record the resulting capital increase(s) and to amend the articles of association to reflect the new capital.

  The Board of Directors shall have full powers, including the right to delegate such powers to the Chairman, to decide whether to issue subordinated or unsubordinated debt securities, to set the interest rate, the life of the securities, the redemption price – which may be fixed or variable and may or may not include a call premium – the terms of early redemption depending on market conditions and the basis on which the debt securities are convertible, exchangeable, redeemable or otherwise exercisable for shares of the company;
- sets this authorisation given to the Board of Directors at a period of fourteen (14) months and consequently decides that this authorisation cancels all authorisations given previously for the same purpose.

RESOLUTION SEVENTEEN: BLANKET CEILING ON FINANCIAL AUTHORISATIONS

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Meetings, having considered the report of the Board of Directors, resolves, pursuant to the adoption of resolution fifteen and sixteen, to set at €10,000,000 the maximum aggregate par value of shares to be issued directly and/or on conversion, exchange, redemption or exercise of share equivalents, given that this amount will not include the par value of any additional shares to be issued to protect the rights of existing holders of share equivalents as required by law.

Consequently, the value of each issue carried out under either of the abovementioned resolutions will be deducted from this ceiling.

RESOLUTION 18: DELEGATION OF AUTHORITY TO BE GRANTED TO THE BOARD OF DIRECTORS TO INCREASE CAPITAL BY CAPITALISING RETAINED EARNINGS, PROFIT, PREMIUMS OR ADDITIONAL PAID-IN CAPITAL

Board of Directors' report

We ask you, by voting on resolution **18th**, to enable the Board of Directors to increase the share capital by capitalising retained earnings, profit, premiums or additional paid-in capital with a view to granting performance shares.

This authorisation would enable your Board of Directors to resolve to increase the share capital by a maximum of €10,000,000 and would be valid for a period of fourteen months.

RESOLUTION EIGHTEEN: DELEGATION OF AUTHORITY TO BE GRANTED TO THE BOARD OF DIRECTORS TO INCREASE CAPITAL BY CAPITALISING RETAINED EARNINGS, PROFIT OR ADDITIONAL PAID-IN CAPITAL

The Annual General Meeting, meeting as an Extraordinary General Meeting but voting in accordance with the quorum and majority voting requirements for Ordinary General Meetings, having considered the report of the Board of Directors, gives the Board the necessary powers to increase the capital on one or several occasions by a maximum aggregate amount of €10,000,000 to be paid up by successively or simultaneously capitalising all or part of the company's retained earnings, net profit or additional paid-in capital, and to issue bonus shares and/or raise the par value of existing shares.

The meeting resolves that the Board of Directors shall have discretionary powers to decide that fractional shares will be non-transferable and that the corresponding shares will be sold, with proceeds of such sale attributed to holders of rights to fractional shares no later than thirty (30) days following the date on which the whole number of shares allocated to them are recorded in their securities account.

The meeting gives full powers to the Board of Directors, including the right to delegate such powers to the Chairman subject to compliance with the law, to determine the timing and terms of the capital increases, as well as the amounts thereof, to take the necessary action to protect the rights of existing shareholders of share equivalents, to deduct from the issue proceeds the amounts necessary to increase the legal reserve of the new capital, to take all appropriate measures to permit the execution of the operation, to carry out all actions and formalities required to effect the capital increase(s) and to amend the articles of association to reflect the new capital.

The Annual General Meeting sets this authorisation given to the Board of Directors at a period of fourteen (14) months and consequently decides that this authorisation cancels all authorisations given previously for the same purpose.

RESOLUTIONS 19: AMENDMENT OF ARTICLE 4 OF THE COMPANY'S ARTICLES OF ASSOCIATION RELATING TO ITS REGISTERED OFFICE

Board of Directors' report

Groupe SEB has finalised the construction of its new registered office at 112 Chemin du Moulin Carron, 69130 Ecully. Consequently, Article 4 of the articles of association requires amendment.

In accordance with Article 4 of the articles of association, this transfer was approved by your Board of Directors on the occasion of its meeting of 23 February 2016.

The aim of resolution **19th** is to invite you to ratify this amendment, in accordance with the provisions of the articles of association.

RESOLUTION NINETEEN: AMENDMENT OF ARTICLE 4 OF THE COMPANY'S ARTICLES OF ASSOCIATION RELATING TO ITS REGISTERED OFFICE

The Annual General Meeting, voting in accordance with the quorum and majority voting requirements for Extraordinary Meetings, having read the report of the Board of Directors, the Annual General Meeting resolves to amend Article 4 of the articles of association, which shall now read as follows:

Article 4 – Registered Office

The company's registered office is at 112, Chemin du Moulin Carron – 69130 Ecully.

It may be transferred to any other location in the region or in a neighbouring region simply by resolution of the Board of Directors ratified by the next Ordinary General Meeting and elsewhere by resolution of an Extraordinary General Meeting, subject to compliance with current legislation.

RESOLUTION 20: POWERS TO CARRY OUT FORMALITIES

Board of Directors' report

Resolution **20th** is a customary resolution whose purpose is to submit for your approval the powers given in order to carry out any public announcements and legal formalities that result from the decisions of the meeting.

RESOLUTION TWENTY: 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 AND COMMITMENTS

Shareholders' Meeting for the approval of the financial statements for the year ended December 31st, 2015

This is a free translation into English of the Statutory auditors' report on regulated agreements and commitments issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as your company's Statutory auditors, we hereby report to you on regulated agreements and commitments.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms, conditions and reasons underlying company's interest of agreements and commitments that have been disclosed to us or that we may have identified as part of our engagement, without commenting on their relevance or substance or identifying any undisclosed agreements or commitments. Under the provisions of Article R. 225-31 of the French Commercial Code, it is the responsibility of the shareholders to determine whether the agreements and commitments are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by Article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements and commitments already approved by the Shareholders' Meeting.

We performed the procedures that we deemed necessary in accordance with the guidance issued by the French Institute of Statutory auditors (*Compagnie nationale des commissaires aux comptes*) for this type of engagement. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

AGREEMENTS AND COMMITMENTS SUBMITTED TO THE APPROVAL OF THE SHAREHOLDERS' MEETING

Agreements and commitments authorized during the last year

We have been informed of no agreements and commitments authorized during the last year and requiring the approval of the Shareholders' Meeting by virtue of Article L. 225-38of the French Commercial Code.

AGREEMENTS AND COMMITMENTS PREVIOUSLY APPROVED BY THE SHAREHOLDERS' MEETING

In accordance with Article R. 225-30 of the French Commercial Code, we have been informed of the following agreements and commitments approved in prior years and which remained current during the last year.

With the company Zhejiang Supor Co Ltd

Nature and purpose: "Master Joint Research and Development Agreement" aimed at conducting joint research and development projects on products and technologies of interest to both SEB SA 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 and conditions: The "Master Joint Research and Development Agreement" covers reciprocal exclusivities in relation with projects jointly developed. Industrial property rights that may be registered will be jointly managed and registered by Zhejiang Supor Co Ltd and SEB SA in their respective territories. For its manufacturing needs, SEB SA will nevertheless be granted a free and permanent license for rights registered in Zhejiang Supor Co Ltd territories.

This agreement was authorised by the Board of Directors on 13 April 2012 and concerns Mr Thierry de La Tour d'Artaise, Chairman and Chief Executive Officer of your company and member of the Board of Directors of Zhejiang Supor Co Ltd.

In 2015, the cooperation agreement resulted only in the sharing of employees and resources, as in 2014, for five projects concerning developments on electrical cooking and food and drink preparation appliances, for one project concerning innovation on culinary appliances.

With Mr Bertrand Neuschwander

1. Nature: Termination benefits in the event of the revocation of the mandate.

   Terms and conditions: In the event the mandate is withdrawn, Mr Bertrand Neuschwander shall receive a severance payment equivalent to two years' compensation (fixed and variable) less any amounts due in respect of a non-competition clause and any termination benefits relating to his employment contract (it being said that this contract does not provide for any departure or non-compete compensation).

Payment of this indemnity is subject to the performance criteria described in the agreement below.

2. Nature: Determination of the performance criteria governing the payment of termination benefits to the Deputy CEO in the event of the revocation of his mandate.

   Terms and conditions: The termination benefit, equivalent to two years' earned compensation is adjusted for the percentage of objectives achieved over the four previous year-ends:

   - if the average percentage 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 the calculation

   If the revocation arises during the first four years of the appointment as Deputy CEO, the objectives to be taken into consideration are, for the duration of his appointment to date, those determined for this mandate and, for the remaining time, those determined in connection with the salaried activities performed prior to the appointment.

3. Nature: Non-compete compensation in the event of revocation or dismissal.

   Terms and conditions: In the event of the interruption of his mandate, by revocation or dismissal, Mr Bertrand Neuschwander, Deputy CEO, agrees to refrain from 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 by Groupe Seb in the future. In return for the fulfillment of this obligation, and for the period for which it is applicable (one year renewable once), Mr Neuschwander will receive a monthly amount of non-compete compensation from the company equivalent to 50% of the average monthly salary (fix and variable) paid to him over the last twelve months of his presence within the Group.

   The Board of Directors can release Mr Neuschwander from this obligation by waivering the non-competition clause.

4. Nature: Individual life insurance plan for Mr Bertrand Neuschwander, Deputy CEO of Groupe Seb.

   Terms and conditions: In addition to the Group death, disability and related benefit insurance plan, Mr Bertrand Neuschwander is the beneficiary of an individual death-in-service policy with a capital totalling € 942,581. The expense recorded for the year ended December 31st, 2015 totals € 2,798.

5. Nature: Supplementary and top-up retirement plan.

   Terms and conditions: As a corporate officer Mr Bertrand Neuschwander will continue to be entitled to the Group supplementary pension scheme on the basis of the seniority acquired prior to his nomination as Deputy CEO and in accordance with the same rules as those applicable for senior management and the provisions of the Group death, disability and related benefit insurance plan.

   This plan guarantees annuities equivalent to a 41% maximum compensation replacement rate, including the benefits of statutory retirement plans. 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 the calculation. Payment is 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.

With Mr Thierry de La Tour d'Artaise

1. Nature: Termination benefits and maintenance of stock options stipulated in the employment contract of Mr Thierry de La Tour d'Artaise, Chairman of SEB SA.

   Terms and conditions:

   - 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 Mr 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 Mr 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.

2. Nature: Determination of the performance criteria governing the payment of termination benefits to the Chairman, as stipulated in his employment contract.

   Terms and conditions: The Chairman's termination benefits, equivalent to two years' earned compensation plus bonuses, are adjusted for the percentage of objectives achieved over the four previous year-ends:

   - 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 and purpose: Individual life insurance plan for Mr Thierry de La Tour d'Artaise, Chairman of SEB SA.

   Terms and conditions: In addition to senior management's Group death, disability and related benefit insurance plan, Mr Thierry de La Tour d'Artaise is the beneficiary of an individual life insurance policy with a capital totalling €3,652,134. The expense recorded for the year ended December 31st, 2015 totals €56,667.

4. Nature and purpose: Supplementary and top-up retirement plan.

   Terms and conditions: As with all other members of the Executive and Management Committees, Mr Thierry de La Tour d'Artaise is entitled to a supplementary and top-up retirement plan guaranteeing annuities equivalent to a 41% maximum compensation replacement rate, including the benefits of statutory retirement plans. 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 is 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 is55, 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.

Courbevoie and Lyon, March 24 2016

The Statutory auditors

PricewaterhouseCoopers Audit	**Mazars**
Nicolas BRUNETAUD	Thierry COLIN

9

ADDITIONAL INFORMATION

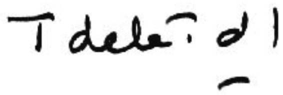
9.1. DECLARATION BY THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT CONTAINING THE ANNUAL REPORT

I hereby declare that, having taken all reasonable care to ensure that such is the case, the information contained in this 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 that the management report referenced in the cross-reference table in section 9.3 provides 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.

I obtained a statement from the Statutory auditors at the end of their engagement affirming that they have read the entire Registration Document and verified the information regarding the financial situation and the financial statements contained therein.

30 March 2016



Chairman and CEO

Thierry de La Tour d'Artaise

9.2. STATUTORY AUDITORS AND AUDIT FEES

Statutory auditors

- **PricewaterhouseCoopers Audit, represented by:**
  Nicolas Brunetaud
  63, rue de Villiers — 92200 Neuilly-sur-Seine, France,
  appointed by the Ordinary General Meeting of 19 May 2015.
  Term: Ordinary General Meeting of 2021.

- **Mazars, represented by:**
  Thierry Colin
  61, rue Henri Regnault — 92075 Paris La Défense Cedex, France,
  appointed by the Ordinary General Meeting of 19 May 2015.
  Term: Ordinary General Meeting of 2021.

Each of these Statutory auditors is a member of the Compagnie Régionale des Commissaires aux Comptes de Versailles.

Substitute Statutory auditors

- **For PricewaterhouseCoopers Audit:**
  Jean-Christophe Georghiou
  63, rue de Villiers — 92200 Neuilly-sur-Seine, France,
  appointed by the General Meeting of 19 May 2015.
  Term: Ordinary General Meeting of 2021.

- **For Mazars:**
  Gilles Rainaut
  131, boulevard de Stalingrad — 69624 Villeurbanne Cedex, France,
  appointed by the Ordinary General Meeting of 19 May 2015.
  Term: Ordinary General Meeting of 2021.

Fees paid to Statutory auditors

The breakdown of fees paid to Statutory auditors and members of their networks is as follows:

	PricewaterhouseCoopers Audit				Mazars			
	Amount (excluding tax)		In %		Amount (excluding tax)		In %	
(in € thousands)	2015	2014	2015	2014	2015	2014	2015	2014
Audit								
Statutory auditor, certification, review of individual and consolidated financial statements	1522	1 497			1425			
SEB S.A., issuer coordination and consolidation	180	157			161			
Fully consolidated subsidiaries	1342	1 340			1264			
Other procedures and services directly relating to audit assignment	87	89			4			
SEB S.A., issuer coordination and consolidation	83	69						
Fully consolidated subsidiaries	4	20			4			
SUB-TOTAL	**1609**	**1586**	**94%**	**96%**	**1429**			**100%**
Other services performed by the networks for fully integrated subsidiaries								
Legal, fiscal, corporate	105	23						
Information systems								
Other		52						
SUB-TOTAL	**105**	**75**	**6%**	**4%**				**0%**
TOTAL	**1714**	**1660**	**100%**	**100%**	**1429**			**100%**

9.3. CROSS-REFERENCE TABLE FOR THE ANNUAL FINANCIAL REPORT AND MANAGEMENT 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	123-134	X	X
Key non-financial performance indicators relevant to the company's specific business activity	77-121		X
Significant stakes acquired during the financial year in companies headquartered in France	-	-	-
Significant events that occurred between the financial year-end and the date on which the report was drawn up	-	-	-
Foreseeable developments regarding the position of the company and the Group	134	X	X
Dividends distributed over the three preceding financial years and amount of income distributed for these years	234		X
Presentation of the Group			
Description of the main risks and uncertainties faced by the company	15-20	X	X
The company's use of financial instruments: objectives and policy in relation to financial risk management	182-191	X	X
Company's exposure to price, credit, liquidity or cash flow risks	190-191	X	X
Social and environmental consequences of business (including "Seveso" facilities)	77-121		X
Research and development activities	9-10	X	X
Corporate governance			
List of all offices and positions held in any company by each of the executive officers during the financial year	26-37		X
Total compensation and benefits of any kind paid to each executive officer during the financial year	47-69		X
Commitments of any nature 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	50-56		X
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	57-60, 232		X
Conditions for the exercise and retention of stock options by executive officers	230-231		X
Conditions for the retention of performance shares awarded to executive officers	230-231		X
Transactions by senior executives and associated persons involving the company's shares	63		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	40-44		X
Powers of the Board of Directors or Management Board, in particular concerning the issue or buyback of shares	229	X	X
Purchases and sales of treasury stock during the financial year	229	X	X
Adjustments for share equivalents in the event of share buybacks or financial transactions	-	-	-
Table summarising the outstanding delegations granted by the General Shareholders' Meeting to the Board of Directors or Management Board in relation to issues of share capital	229	X	X
Structure of and changes to the company's share capital	225-228	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	224	X	X
Direct or indirect shareholdings in the company of which the company is aware	226-227	X	X

	Page numbers	Annual Financial Report	Management report
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	230-232		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	225-226	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 (except in the event of a legal obligation to disclose)	-		-
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	53, 55, 56		X
Injunctions or fines as a result of anti-competitive practices	-		-
Financial statements			
Changes in the presentation of the financial statements or in the valuation methods used	143	X	
Profit over the last five financial years	136	X	
Consolidated financial statements	135-201	X	
Separate financial statements	203-220	X	
Statutory auditors' reports on the separate and Consolidated Financial Statements	200-201, 219-220	X	
Fees paid to the Statutory auditors	254	X	
Chairman's report	70-75		X
Statutory auditors' report on the Chairman's report	76	X	X
Declaration by the person responsible for the Annual Financial Report	252	X	

9.4. CROSS-REFERENCE TABLE FOR THE REGISTRATION DOCUMENT

The following information is incorporated by reference in this Registration Document:

- the Registration Document for the 2014 financial year was filed with the French Financial Markets Authority on 26 March 2015, under number D. 15-0206. The Consolidated Financial Statements appear on pages 121 to 184 and the corresponding audit report appears on pages 185 and 186 of this document;
- the Registration Document for the 2013 financial year was filed with the French Financial Markets Authority on 27 March 2014, under number D. 14-0214. The Consolidated Financial Statements appear on pages 97 to 160 and the corresponding audit report appears on pages 161 and 162 of this document.

9.5. CROSS-REFERENCE TABLE, GRENELLE II, GRI AND GLOBAL COMPACT

Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	References: Registration Document	References: Website Sustainable development section
SOCIAL PERFORMANCE INDICATORS					
Employment					
Total employees	1.a-1	LA1		page 91	Key figures
Breakdown of employees by gender	1.a-1	LA1/LA13		page 96	
Breakdown of employees by age group	1.a-1	LA13		page 96	
Breakdown of employees by geographical region	1.a-1	LA1		page 91	
Breakdown of employees by type of work		LA1		page 96	
Breakdown of employees by employment contract type		LA1		page 94	
Hires	1.a-2	LA2		page 92	
Redundancies	1.a-2	LA2		page 92	
Compensation	1.a-3	LA3/LA14		page 101	Social, Diversity and fairness
Change in compensation over time	1.a-3	LA3		page 101	
Organisation of work					
Organisation of working hours	1.b-1			pages 94 and 104	
Absenteeism	1.b-2	LA7		page 103	
Labour relations					
Organisation of employee-management dialogue	1.c-1	LA4/LA5	3	page 97	Social, Dialogue
Collective bargaining agreements	1.c-2	LA4/LA5		page 97	Social, Dialogue
Health and safety					
Workplace health and safety conditions	1.d-1	LA6/LA8	4 -5	pages 98-100	Social, Health/ Safety
Agreements signed with trade unions in relation to workplace health and safety	1.d-2	LA9		page 97	
Frequency and severity of workplace accidents	1.d-3	LA7		page 99	
Work-related illness	1.d-3	LA7		page 100	Social, Health/ Safety
Training					
Policies in place with regard to training	1.e-1	LA11		pages 102-103	Social, Expertise
Total number of training hours	1.e-2	LA10		page 102	
Number of employees receiving regular performance and career development reviews		LA11		page 91 and 102	Social, Expertise
Equal opportunity					
Measures taken to promote gender equality	1.f-1	LA14		page 96	Social, Diversity and fairness
Measures taken to promote employment opportunities for and integration of disabled people	1.f-2	LA13		page 97	
Anti-discrimination policy	1.f-3	LA13		page 95-97	Social, Diversity and fairness
Governance					
Composition of corporate governance bodies		LA13		Section 2	Governance

Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	References Registration Document	References Website Sustainable development section
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 97	Social, Dialogue
Elimination of discrimination in employment and occupation	1.g-2	HR4/LA13/ LA14	6	pages 95-97	Social, Diversity and fairness
Elimination of forced or compulsory labour	1.g-3	HR6/HR7	4 -5	pages 87-89	Commitments and management
Effective abolition of child labour	1.g-4	HR6		pages 87-89	Commitments and management
Other actions taken to promote Human Rights	3.e				
Investment and procurement practices					
Percentage of major suppliers and contractors verified as compliant with Human Rights; measures taken		HR2		pages 88-90	Ethics, Responsible purchasing
Total number of training hours for employees on policies and procedures regarding Human Rights relevant to their job; percentage of employees trained		HR3		pages 87-88	
Evaluation					
Percentage or number of activities for which the organisation has conducted Human Rights reviews or impact assessments		HR10	1 and 2	page 88	Social, Respect
Corrective action					
Number of Human Rights grievances filed, handled and resolved according to a Human Rights grievance management procedure		HR11	1 and 2	page 87	
ENVIRONMENTAL PERFORMANCE INDICATORS					
General policy toward the environment					
Company organisation to address environmental issues. Environmental evaluation or certification procedures, where applicable	2.a-1		7 to 9	pages 111-118	Environment
Employee training and education initiatives taken with regard to safeguarding the environment	2.a-2			page 111	
Resources allocated to prevent environmental risks and pollution	2.a-3	EN30		pages 111-118	Eco-production
Provisions and guarantees for environmental risks (unless this information could be detrimental to the company)	2.a-4	EN28/EC2		page 192	
Pollution and waste management					
Measures to prevent, reduce or remedy emissions into the air, water or soil that seriously affect the environment	2.b-1	EN22/EN23/ EN24	7 to 9	pages 114 and 116	Eco-production
Measures to prevent, recycle and dispose of waste	2.b-2	EN27		page 115	Eco-production; Products end-of-life
Measures to prevent noise pollution and any other form of pollution stemming from operations	2.b-3	EN25		page 116	Eco-production
Total discharge into water		EN21		page 116	
Total waste produced		EN22/EN24		page 115	

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Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	References: 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	7 to 9	page 114	Eco-production
Consumption of raw materials	2.c-2	EN1		pages 113-114	Eco-production
Consumption of recycled materials		EN2		pages 111-112	Eco-design
Measures taken to improve the efficient use of raw materials	2.c-2	EN10		pages 113-114	Eco-design; Eco-production
Energy consumption	2.c-4	EN1/EN3/EN4		page 114	Eco-design; Eco-production
Measures taken to improve energy efficiency and use of renewable energy	2.c-4	EN5/EN6/EN7		page 113	Eco-design
Land use	2.c-3			page 114	
Climate change					
Greenhouse gas emissions	2.d-1	EN16/EN17/ EN19/EN20	7 to 9	pages 115-117	Eco-production; Eco-logistics
Adaptation to the consequences of climate change	2.d-2	EN18/EC2		page 115	
Biodiversity protection					
Measures taken to preserve or promote biodiversity	2.e-1	EN11 to EN15/ EN25	7 to 9	page 116	Eco-production
Products and services					
Initiatives to reduce the environmental impact of products and services; scope of these initiatives		EN26	7 to 9	pages 111-113	Eco-design; Products end-of-life
Transport					
Significant environmental impacts stemming from the transport of products, other goods and materials used by the organisation in the course of its operations and the transport of staff members		EN29	7 to 9	pages 116-117	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 105	Communities
On neighbouring or local populations	3.a-2	EC1/EC6/SO1/ SO9/SO10		page 105	Communities
Relations with individuals or organisations that have a stake in the company's operations					
Conditions for dialogue with these individuals or organisations	3.b-1			page 80	Communities
Corporate partnership or sponsorship actions	3.b-2	EC1		pages 105-107	Communities; Fonds Groupe SEB
Contractors and suppliers					
Inclusion of social and environmental criteria in the procurement policy	3.c-1	EC6/HR2/HR 5 to 7	1 and 2	pages 88-89	Ethics, Responsible purchasing
Extent of sub-contracting and consideration of CSR factors in relations with suppliers and contractors	3.c-2			pages 88-89	Ethics, Responsible purchasing

				References	
Indicators	Grenelle 2 – Article 225	GRI 3.1	Global Compact	Registration Document	Website Sustainable development section
Fair business practices					
Actions taken to prevent corruption	3.d-1	SO2 to SO4/ SO7/SO8	10	page 90	Commitments and management
Measures taken to promote consumer health and safety	3.d-2	PR1/PR2		page 108	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		-	

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