



RESPONSIBLE PURCHASING POLICY



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Introduction

In relation to Groupe SEB RESPONSIBLE PURCHASING CHARTER, we require our suppliers to respect the principles in the UN Global Compact, the CECED Code of Conduct, the International Bill of Human Rights and the fundamental conventions of the International Labor Organization (ILO). To ensure Responsible Purchasing Charter is being respected, we carry out regular Ethical, Social and Environmental Audits in facilities of our suppliers to evaluate their conformity to our standards. Suppliers are responsible to continuously improve all non-compliances identified during the audit.



A handwritten signature in black ink, appearing to read 'Gasiglia'.

GASIGLIA Emeline
Vice President, Purchasing



A handwritten signature in black ink, appearing to read 'Lejard'.

LEJARD Sophie
Vice President, Sourcing



A handwritten signature in black ink, appearing to read 'Tronchon'.

TRONCHON Joel
VP Sustainable Development



Supplier social compliance commitment

- a. Before starting a new business, supplier's signature on Groupe SEB Responsible Purchasing Charter must required by Purchasing team.
- b. In accordance with point a. above, each Groupe SEB suppliers agree and allow regular on-site assessments or audit by Groupe SEB/ Third party appointed by Groupe SEB, at any time in terms of ethical, social and environmental aspects.
- c. Therefore, any supplier refuses Ethical, Social and Environmental Audit arrangement including initial audit Follow up or Re-audit, in any of their facilities, cannot become Groupe SEB supplier or will be excluded from Groupe SEB supplier base.
- d. Ethical, Social and Environmental Audit will be performed at least every 4 years mainly for finished goods and direct panel suppliers in risk countries.
- e. All new suppliers in risk countries must perform Ethical, Social, Environmental Audit and achieve acceptable result to become Groupe SEB panel suppliers.
- f. Each supplier must take all needed actions to be prepared and comply with Groupe SEB requests.



Social Audit program

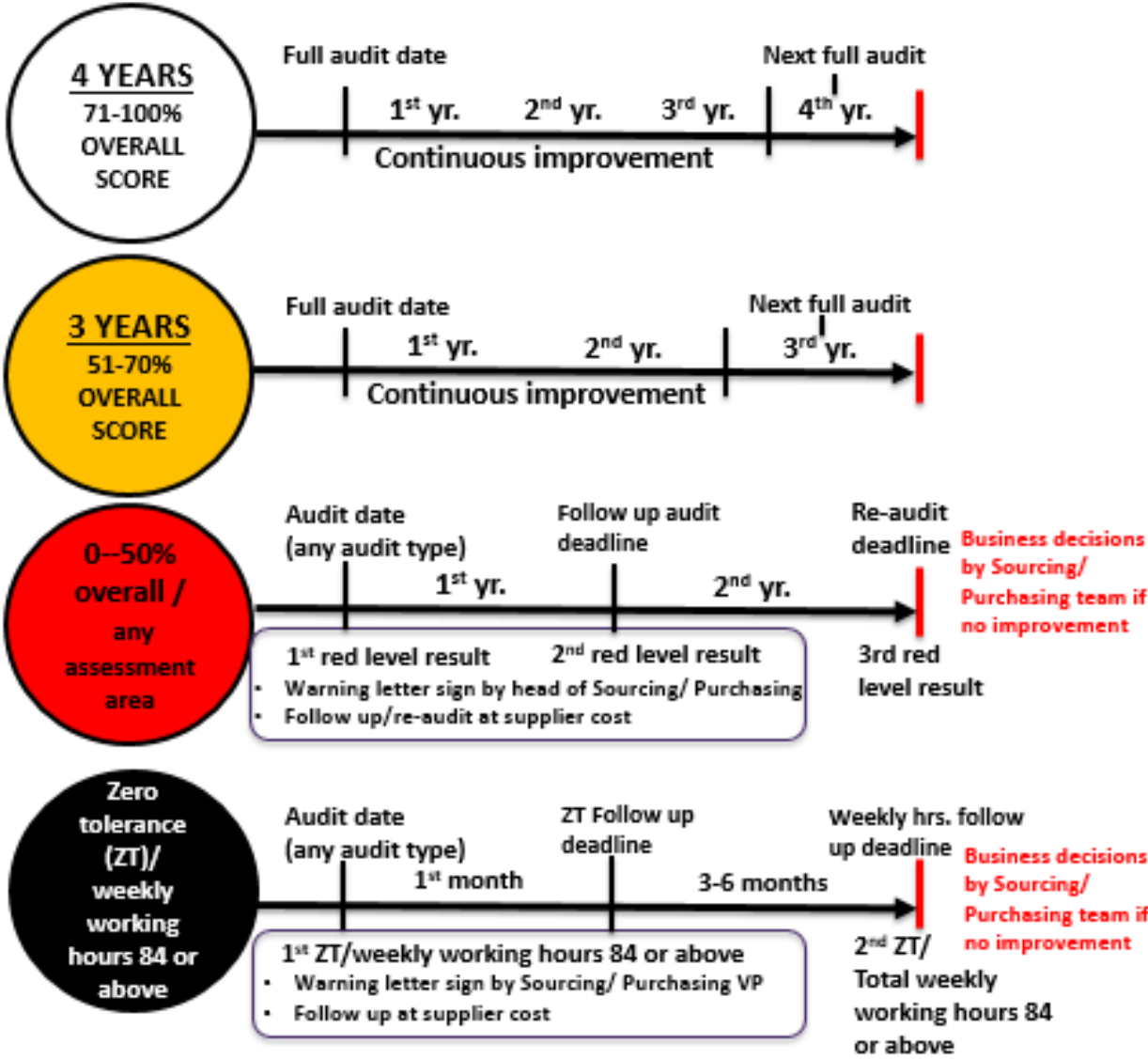
- a. Groupe SEB evaluate supplier's Ethical, Social and Environment compliance status by using Workplace Conditions Assessment (WCA) program. There are 6 assessment area under WCA program including Labour, Health & safety, Wages & hours, Management system, Environment and Business Integrity.
- b. Assessment criteria is available for suppliers, for details please contact honsocialcompliance@groupeseb.com
- c. Audit must be conducted by Groupe SEB internal team or by Third Party designated by Groupe SEB.
- d. The following are Groupe SEB approved social audit program:
 - Workplace Conditions Assessment (WCA)
 - Business Social Compliance Initiative (BSCI)
 - Sedex Members Ethical Trade Audit (SMETA) for exceptional case only*

If supplier already performed WCA/ BSCI by international and independent third party, please share related report to honsocialcompliance@groupeseb.com, it can be considered as equivalence waiver depends on audit result and follow up plan (final decision by Groupe SEB).

* For suppliers under SEB annual audit plan without WCA/ BSCI report but able to provide SMETA 4 pillar audit report, please send to honsocialcompliance@groupeseb.com to arrange conversion from SMETA into WCA score through independent third party appointed by SEB. Acceptance level follow Rating Guidance (WCA) in page 6-7, conversion from SMETA to WCA score will be at supplier cost if follow up/ re-audit required.

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Rating guidance (WCA)



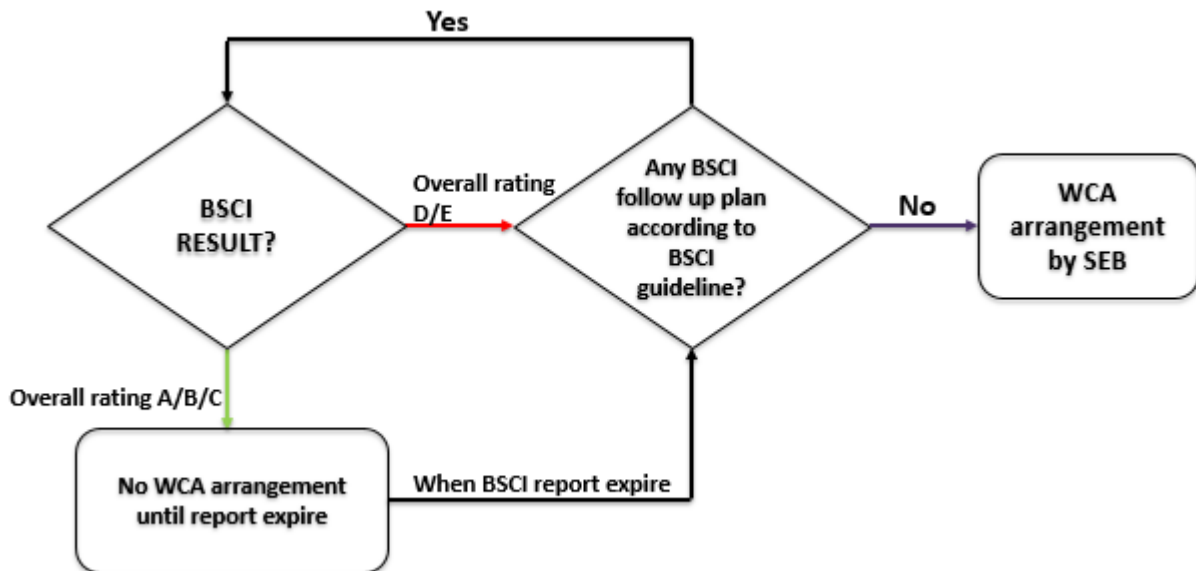
- a. Immediate improvement (within 2 weeks excluding working hours*) is required for “Zero Tolerance” findings including child labour, forced labour, abuse or harassment, emergency exits were locked during business hours and total weekly working hours 84 or above. Groupe SEB will stop immediately all RFQ and new business allocation and possibly current business, warning letters to be signed by Sourcing/ Purchasing VP. Follow up audit within 1 month (excluding working hours*) is mandatory to verify improvement and will be arranged on Groupe SEB initiative, **but at Supplier’s cost.**

* Total weekly working hours 84 or above – suppliers should improve as soon as possible, ZT follow up audit deadline 3-6 months case by case decision by Groupe SEB.

- b. **For 'Red level' (0-50%) overall score or in any assessment area**, it must be solved within a short period of time (follow up audit deadline within 1 year). Warning letters to be signed by head of Sourcing/ Purchasing department. Follow up audit will be arranged on Groupe SEB initiative, **but at Supplier's cost.**
- c. Initial/full audit arranged on Groupe SEB initiative (WCA) to be paid by Groupe SEB
- d. Audit Grades/ score can only be modified by another Ethical, Social and Environmental Audit.
- e. All corrective action plan / continuous improvement plan should be completed and signed during closing meeting of the audit day. All improvement plan should in line with audit deadline in section 4.
- f. **Initial audit or full audit** involves checking all required checkpoint including payroll and attendance records of past 12 months.
- g. **Follow up audit** will mainly focus on the improvement work for the violations identified during last audit, to be arranged at supplier cost if needed.
- h. **Re-audit** involves checking all required checkpoint including payroll and attendance records since last audit, to be arranged at supplier cost if needed.

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Rating guidance (BSCI)



- a. Groupe SEB will request supplier perform BSCI only for customer request.
- b. BSCI report with overall rating at A/B/C is an equivalence waiver to WCA arrangement by Groupe SEB, until BSCI report expire.
- c. Please send BSCI report to honsocialcompliance@groupeseb.com

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Audit integrity

All Groupe SEB supply partners signed « Responsible Purchasing Charter » with the commitment to work against corruption in all forms. Failure to comply may be considered as breach of our obligations, which may lead to the termination of our contract.

Any action below (but not limited to) to be considered as attempted bribery:

- Offer gift, money, entertainment or **any forms of advantage/reward**
- Provide any forms of cost payment directly to SEB appointed auditors including audit cost, travelling cost, hotel cost etc. **(All payment should be settled officially before audit day)**
- Offer 'RED PACKET 'or gift any time including occasions such as Chinese New Year/ festival to appointed audit firm/ auditor/ SEB representative
- Offer any service, favor to appointed audit firm/ auditor/ SEB representative (reasonable transportation is excluded)

According to the agreement between Groupe SEB and appointed audit firm, any attempted bribery action will be reported directly to Groupe SEB top management after the audit. The consequences of any attempted bribery action will affect the business, final decision by Groupe SEB Sourcing/ Purchasing team.

For any attempted bribery case reported by appointed audit firm/ SEB internal team:

1st violation

- Facility should set up Anti-bribery program, provide action plan and submit to honsocialcompliance@groupeseb.com within two weeks after received the official report.
- Validate Anti-bribery program onsite or by document, related evidence please send to honsocialcompliance@groupeseb.com according to approved action plan.
- For suppliers unable to provide related document according to above 1&2 points, all RFQ (request for quotation) and new business allocation will be stopped.
- Decision in terms of business case by case final decision by Sourcing/ Purchasing VP

2nd violation

- Termination of business (final decision by Sourcing/ Purchasing VP)