

SOMFY LIVING

CLOSER TO OUR END USERS
BOLDER ON THE INTERIOR MARKET
STRONGER ON OPERATIONAL EXCELLENCE
BETTER TOGETHER

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€1,126.7 M

SALES¹

€177.8 M

CURRENT OPERATING RESULT¹

57

COUNTRIES

6,120

EMPLOYEES² 2018 figures

3 ACTIVITIES



5 TYPES OF APPLICATION

SHUTTERS AND
AWNINGS

INTERIOR
SOLUTIONS

ACCESS
MANAGEMENT

SECURITY

CONNECTED
HOME

¹ Following Dooya's exit from the Group's scope of full consolidation on 30 June 2018, all figures for the 2017 financial year (except these of the balance sheet) were restated in accordance with IFRS 5 for comparison purposes.

² The subsidiary Dooya is no longer included in the Group's workforce.

BLAZING A TRAIL TO SMART LIVING FOR ALL

All over the world, residents are appropriating the new technologies and complementary intelligence of players in the construction industry to improve their quality of life in the home – to see and act remotely from their smartphones, to stay connected to their families, and to feel completely comfortable allowing devices to interact on their behalf.

SMART LIVING OFFERS US A NEW WAY OF INHABITING OUR HOMES, COLLECTIVE HOUSING AND OFFICES

Somfy is therefore leading the way in improving living environments, by innovating through modes of use – for comfort, safety and energy savings. And thanks to its strategy of openness, it is accelerating interoperability between all home devices and with new modes of control such as voice and robotics.

50 YEARS

IN 2019

Somfy represents 50 years of human adventure and innovation to internationalise the Group and spearhead the development of the market for openings and closures in buildings. Today, our vision of “Inspiring a better way of living accessible to all”, and digitalisation, have given rise to a new ambition for us: **enabling every resident to enjoy the benefits of smart living.**

+30.4%

SALES GROWTH

Somfy's sales of connected motors and devices continued their strong growth trajectory in 2018, driven by demand for comfort, safety and energy savings in homes, collective housing and offices. Our connected thermostat and outdoor camera **won an Innovation Award at CES 2018.**

1 MILLION

S&SO RS 100 CONNECTED MOTORS

The Smart & Smooth Operator RS 100 motors for rolling shutters have now passed the one million sales mark. Three years after launching, this innovation – which is unparalleled on the market – is acclaimed for its reliability, smooth motion and acoustic comfort. It symbolises **Somfy's technological edge in motorising the Connected Home.**

28%

**OF PRODUCTS
ECO-DESIGNED**

Our commitment to improving comfort, safety and energy savings in buildings is also reflected in our CSR commitments. As of 2018, our voluntary eco-design initiative, Act for Green®, now covers 28% of Somfy brand products sold worldwide.

We aim to achieve coverage of 80% of our offer by the end of 2020.



INTERVIEW WITH JEAN GUILLAUME DESPATURE, **CHAIRMAN OF THE SOMFY MANAGEMENT BOARD**

HOW DO YOU VIEW SOMFY'S DEVELOPMENT IN THE CONNECTED HOME MARKET?

I am satisfied with the growth trajectory of our connected motors and devices, which registered another increase in sales growth of 30% in 2018. We have always said that we do not anticipate a rapid switch to an “all-connected” home, due to relatively long home equipment replacement cycles. The main obstacle today to more rapid acceleration of this market is the perception of complexity that users have of it, especially in older homes. And users are right to have high standards, because the main reason why the Connected Home exists is to make daily life easier. I am thrilled with the momentum that real estate developers have been building over the past two years to connect new apartments as standard, because this will make it possible to democratise the Connected Home. In France alone, we are talking about equipping 35,000 new apartments with Somfy solutions every year from 2021 onwards. Somfy's compatibility with home assistants will also amplify this trend, as will our partnership with the operator Free, which was announced in December 2018. By April 2019, 100,000 of its new boxes, which can directly control our devices, had already been sold.

HOW ARE YOU RESPONDING TO THE CHALLENGE OF SIMPLICITY?

First of all, it guides our teams on a daily basis in all our businesses, whether we are talking about product design, intuitive user interfaces, apps that facilitate installation, or solutions adapted to the collective and individual residential markets, for both new-build and renovation projects. A Connected Home also implies that all devices work together, regardless of the manufacturer brand and the communication technology used. In this area, Somfy took a major step forward in 2018 with its strategy of openness; most of the connected products and voice assistants on the market are compatible with our ecosystem, and our own motors and devices can be controlled by other Connected Home players. In one year, Somfy has changed from a brand perceived as running mainly “proprietary” protocols to a very open solution.

IS YOUR OWN ECOSYSTEM OF CONNECTED DEVICES NOW COMPLETE?

In the space of eight years, Somfy has built the most complete connected ecosystem on the market around the various ways home openings and closures are used, including control boxes, motors, alarms, locks, thermostats and electrical outlets. All our new products are now either connected or connectable. But one of the features of an ecosystem is that it is not closed, and we are innovating in this direction. Furthermore, in line with our strategic plan, Somfy is accelerating in the solar protection segment, with more than 50 motors for blinds and curtains launched between 2018 and 2019.

IN 2017, YOU ALSO MENTIONED THE CHALLENGE OF EACH USER’S APPROPRIATION OF NEW MODES OF USE FOR SMART LIVING. WHERE DO WE STAND NOW?

This happens naturally, as long as the modes of use for comfort, safety and energy savings that we create in housing meet the needs of residents. We test new uses of our products with partners. We are also increasingly innovating in direct contact with end-users, particularly through the collaborative platform My Somfy Lab. In recent years, we have adopted an exploratory type of innovation based on an analysis of the major trends that will drive our markets forward over a ten-year period. In places such as the FabLab in Cluses, France, all our employees can contribute to this. As the Connected Home market develops, we also see a need for specific uses for the various players in its value chain. Whether they are real estate developers, office building managers, energy companies, Internet providers, or insurers, each must be able to provide services tied to their core business, and Somfy supports them.



IN ONE YEAR, SOMFY HAS CHANGED FROM A BRAND PERCEIVED AS RUNNING MAINLY “PROPRIETARY” PROTOCOLS TO A VERY OPEN SOLUTION.



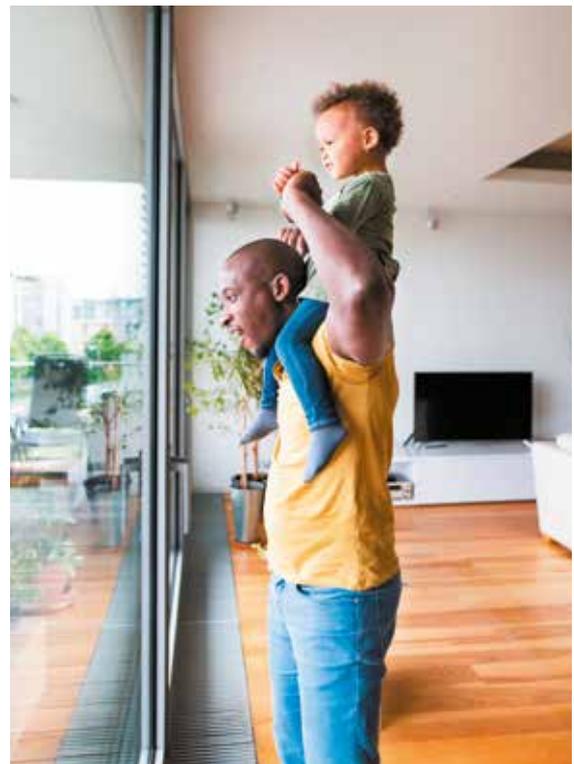
BY DIGITALISING ITS OFFER, SOMFY HAS MOVED MUCH CLOSER TO CONSUMERS. HOW DO YOUR PROFESSIONAL CUSTOMERS SEE IT?

Somfy is a manufacturing company that has been communicating with consumers for more than 30 years. Why? Because our products have never been basic necessities. Our raison d'être, through motorisation, automation and now digitalisation, is to provide this additional service that allows occupants to live better in their homes and offices, to feel safe, and to play an active role in their energy consumption. It is our task to prove this directly to users. Secondly, with regard to this convergence, which has been even more pronounced in recent years, it addresses two issues. When, like Somfy, you are in a market that is evolving towards uses and service, you can only innovate effectively if you listen to the needs of consumers and observe the way they live. And we have a duty to provide our professional customers – whether they are manufacturers or installers of rolling shutters, gates, garage doors or solar protection – with products that are increasingly relevant to consumers. Digitalisation has also led to the emergence of a consumer electronics offer in the home, on which Somfy has positioned itself because it enriches our ecosystem. This is the case, for example, with our all-in-one alarm, a very simple, self-installed product which can be purchased separately from a more all-encompassing Connected Home solution. Our direct sales and professional channels are two highly distinctive markets that we have cohabiting and growing intelligently in order to create value for all.

SOMFY HAS AN INNOVATIVE CORPORATE IMAGE THAT DRIVES THE DEVELOPMENT OF ITS SECTOR. WHAT DIRECTION IS THIS LEADERSHIP TAKING VIS-À-VIS YOUR PROFESSIONAL CLIENTS?

Now that the installed base of connected motors and devices in homes and offices is beginning to be substantial, Somfy will help its professional customers to exploit the full potential of digital technology for their activities, in terms of both performance gains and additional business through new services that they can offer to consumers. The Serve-go remote maintenance offer we are launching at the end of 2019 is a good example of this evolution. Thanks to digital tools, understanding of uses and artificial intelligence, Somfy will strengthen its role as a “business maker” for its professional customers and open up new benefits to them in terms of time savings, reliability and traceability. This is a major project for Somfy, which will specifically require support for our key accounts and the integration of all our computer interfaces already available to them, to help them with programming and installation. Starting in 2019, developing the tools and services that will strengthen the role of professionals as the first specifiers of our solutions will be one of the Group's priorities. ●

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HELPING OUR PROFESSIONAL CUSTOMERS TO EXPLOIT THE FULL POTENTIAL OF DIGITAL TECHNOLOGY FOR THEIR ACTIVITIES IS ONE OF OUR PRIORITIES.
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MEMBERS OF THE EXECUTIVE COMMITTEE

1 Jean-Pascal Rey
Home & Building
Activity Director

2 Frank Schädlich
Business & Marketing Area
Director Europe, Middle-East
& Africa

3 Pierre Ribeiro
Chief Financial Officer,
member of the
Management Board

4 Olivier Piccolin
Business & Marketing Area
Director Asia-Americas

5 Valérie Dixmier
Human Resources
& Organisation Director

**6 Jean Guillaume
Despature**
Chairman of the
Management Board

7 Denis Maugain
Strategic Marketing
Director

8 Jean-Claude Rivier
Industry & Information
Systems Director

9 Marc Westermann
Connected Solutions
Activity Director

2018 RESULTS



// **STRATEGIC INVESTMENTS – IN R&D, INFORMATION SYSTEMS, AND MARKETING – REMAIN STRONG BUT ARE NOW REACHING A NOMINAL PACE.**

Pierre Ribeiro, Chief Financial Officer

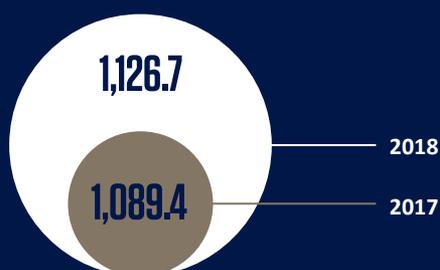


The 2017 income statement and cash flow statement data have been restated following the reclassification of Dooya in accordance with IFRS 5.

SALES

IN € MILLION

Sales totalled €1,126.7 million in 2018, up 3.4% in real terms and 5.2% on a like-for-like basis, made up of 5.2% for the first half and the same for the second half.

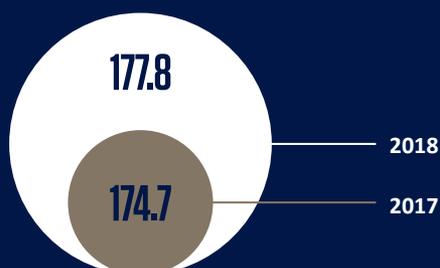


CURRENT OPERATING RESULT

IN € MILLION

Current operating income for the year was €177.8 million. It represented 15.8% of sales and increased by 1.8% in real terms.

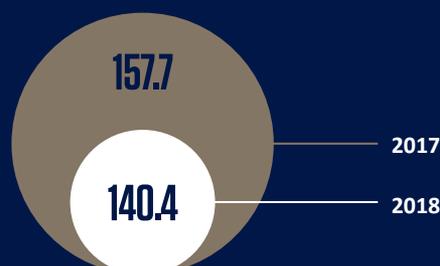
At constant exchange rates and scope, current operating income amounted to €189.1 million, or 16.5% of sales.



NET PROFIT

IN € MILLION

Net profit amounted to €140.4 million, down 11.0%. Restated for non-recurring operating income and expenses and tax rebates recorded in the previous financial year, it would have amounted to €148.1 million, an increase of 9.2%



INTANGIBLE AND TANGIBLE NET INVESTMENTS

IN € MILLION



At €57.3 million (compared with €56.0 million in 2017), intangible and tangible investments were maintained at a normative level, in line with the implementation of the Group's strategy.

CASH FLOW

IN € MILLION



Cash flow remained at the high level of €178.6 million.

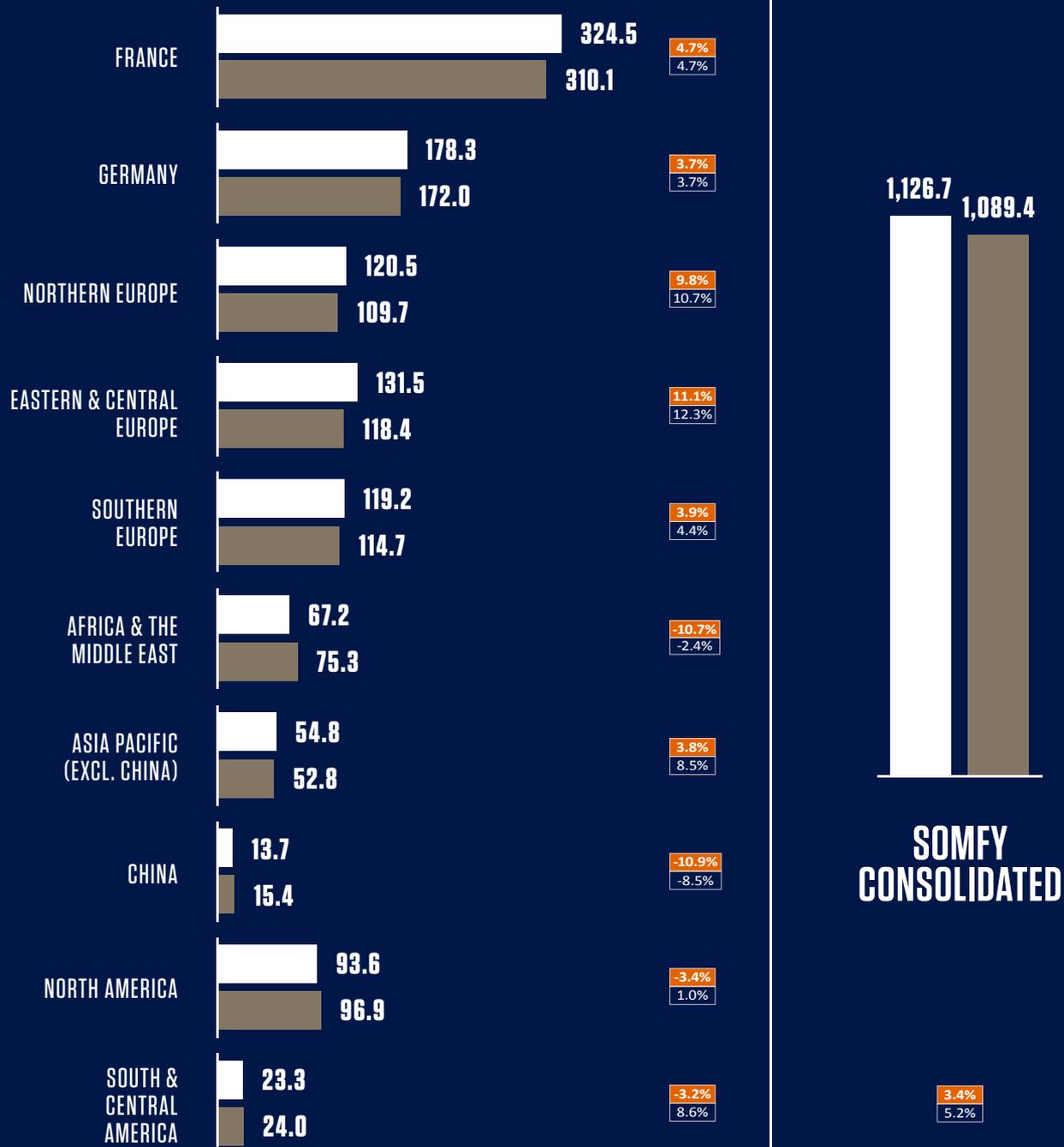
NET FINANCIAL SURPLUS

IN € MILLION



The net financial balance increased sharply and remained in surplus, at €222.4m, at the end of December.

SALES BY CUSTOMER LOCATION IN € MILLION



31/12/18

31/12/17

N/N-1 change

N/N-1 change on a like-for-like basis

DOOYA NO LONGER FULLY CONSOLIDATED

Since 30 June 2018, the Chinese company Dooya – of which Somfy holds 70% of the capital – has been exited of the Group's full consolidation scope and consolidated using the equity method. This decision aims to give Dooya's minority shareholder managers more autonomy, so that the company can develop separately from Somfy, particularly internationally, and adapt more effectively to its own competitive environment. In 2018, Dooya is back on a good profitability trend – after the impact of major investments in 2017 – and its business has grown by 12% on a like-for-like basis. In five years, Dooya's activity has doubled.

CONNECTED HOME

Thanks to innovation and the development of sales in motorised systems and connected devices, Somfy continues to digitalise its offer and activities.

IN 2018, SOMFY'S BUSINESS CONFIRMED ITS POSITIVE TRAJECTORY DESPITE A HIGH COMPARISON BASE.

+5.2%

sales growth on a like-for-like basis

This reflects not only the strong performance of historical markets – such as Benelux, France, the United Kingdom and Scandinavia – but also the dynamism of new markets – such as India, Indonesia, Poland, the Czech Republic, Hungary, and Russia. In North America, growth remained moderate, due in particular to the logistical reorganisation of Somfy's main local commercial partner. China and Africa & the Middle East had a more difficult year, due to tensions in the high-end segment and economic and political instability, respectively.

2018 HIGHLIGHTS

320,000
houses and apartments connected by Somfy solutions.

+120,000
houses connected in 2018

€1.8M
million devices connected via TaHoma®.



SECURITY MARKET

The Connected Solutions Activity now brings together in a single Security Business Group the teams and activities of MyFox – acquired in 2016 – and those of Somfy's pre-existing business. This merger enables them to share their respective expertise to develop product ranges that are differentially targeted at professional channels and the general public, and thus meet all the needs of the connected security market.



COLLECTIVE RESIDENTIAL HOUSING

Connected solutions offer Somfy rapid and new development potential in new-build collective housing, thanks to partnerships with real estate developers. In France, the Group has entered into agreements with Bouygues Immobilier, Nexity and Promogim. This market is gradually gaining momentum: from 500 pilot apartments delivered in 2018 (1,000 in 2019), annual flow should reach 35,000 connected apartments by 2021. The Group also collaborates with key players worldwide: Echo Investment in Poland (4,500 apartments over three years from 2019) and Sansiri in Thailand (4,500 apartments in Bangkok by 2020).

38

patent applications
published in 2018.

23

new motors for blinds
and curtains launched
on the market.



FABLAB

Located in the R&D centre in Cluses, a new FabLab enables teams to create a first prototype as well as a short film presenting the concept in just two days. This is done using equipment (3D printers, laser cutting, etc.) and a dedicated methodology. By fostering an agile, open and participatory culture of innovation, this FabLab is supporting the permanent transformation of Somfy's offer.



CUSTOMER RELATIONSHIPS

The new CRM platform has now been rolled out in the 57 countries where the Group has commercial operations. Since 2018, France, North America and Asia-Pacific have benefited from it. This tool makes it possible to offer customers a fluid and personalised experience at all stages and points of contact in their relationship with Somfy.

CUSTOMER SATISFACTION

For the launch of the So Customer programme (see p. 36), Somfy employees met with three customers to talk about their expectations, and to discuss innovation and market digitalisation.





FOCUS ON SO!ONE

This major IT and human project has seen unprecedented internal involvement! The future ERP¹, which will be gradually rolled out across the Group from 2021 as a single working platform, aims to harmonise and standardise practices and processes throughout the company. 2018 made it possible to define the main functions to be rolled out – more than 400 – and to pre-select potential providers. Twenty full-time seconded business experts will work for three years to successfully complete this project, which is called So!One.

¹ Enterprise Resource Planning (ERP) software

**THROUGH ITS
SUBSIDIARIES,
SOMFY
PARTICIPATES IN
MORE THAN 76
PROFESSIONAL
ASSOCIATIONS,
TRADE UNIONS
AND CONSULAR
CHAMBERS.**



11,000 hours

of human sponsorship
dedicated since 2012 to
projects supported by the
foundation.

2.4 M€

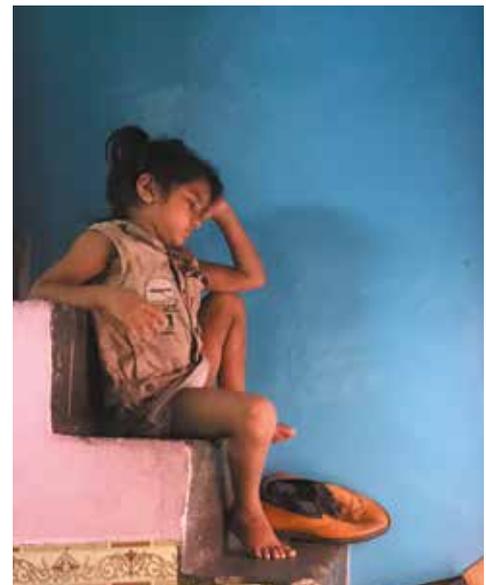
raised on the *Les Petites
Pierres* platform in five years,

Benefiting
215

charity projects (emergency
accommodation, welcome
centres, etc.).

SOMFY FOUNDATION

The Somfy Foundation, which has been working since 2011 to combat substandard housing, has launched a third mutual aid programme for emerging countries. ***Bright Ideas, Better Home***, which is currently being tested in India, aims to create social and solidarity enterprises that will enable beneficiary populations to develop solutions to improve their housing. This programme will complement the foundation's international capacity – ***A House is a Home*** – and in France, the crowdfunding platform ***Les Petites Pierres***.



CLOSER TO OUR END USERS

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**BRINGING THE SOMFY
EXPERIENCE TO LIFE**
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TRADE SHOWS
**A USEFUL BRAND AT THE
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**AN ADAPTED
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BOLDER ON THE INTERIOR MARKET

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WINNING OVER CONSUMERS

STRONGER ON OPERATIONAL EXCELLENCE

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**GETTING CLOSE
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**FROM GOOD
TO EXCELLENT**

BETTER TOGETHER

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**MORE RESOURCES TO
COMBAT SUBSTANDARD
HOUSING**
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**AN EXCEPTIONAL
OLYMPIC YEAR**

CLOSER TO OUR END USERS

The uses of smart living are naturally appropriated when they meet the specific needs of each resident. Somfy strives to offer users a carefully thought out, end-to-end experience and solutions adapted to the reality of their homes and lifestyles. Somfy took a major step forward in this area in 2018 by moving – thanks to its strategy of openness – from an ecosystem of products, which until now has been largely proprietary, to an open ecosystem.

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**OUR STRATEGY OF
OPENNESS BROADENS
THE USES OF THE
CONNECTED HOME AND
POSITIONS SOMFY AS
A PARTNER FOR ALL ITS
STAKEHOLDERS.**

INTERVIEW
WITH MARC WESTERMANN,
CONNECTED SOLUTIONS
ACTIVITY DIRECTOR



SOMFY HAS LAUNCHED AN OPEN APPROACH TO BROADEN ITS OFFER. WHY?

▶ **MARC WESTERMANN** : This trajectory of openness, called “So Open with Somfy”, is part of our ongoing efforts to make housing ever safer, more practical, more comfortable and more energy-efficient. It is made possible by technological development and meets the needs of consumers who want to be able to manage an ever-increasing number of home appliances from a single control point, i.e. a Box or a connected electrical panel, without having to worry about interoperability issues between products from different brands or compatibility between their communication systems. Thanks to this strategy of openness, we have consolidated Somfy as the most complete platform in the Connected Home market, with ecosystems adapted to each part of the world. We have also enabled other players to control our connected devices from their own apps and control solutions.

WHAT ARE THE BENEFITS FOR USERS?

▶ **M. W.** : First, an expanded ecosystem of devices, particularly in terms of lighting and electrical appliances, which is, along with safety and boilers, one of the fastest growing areas of connected devices in the home. This is particularly useful for automating light based on natural light levels or creating remote presence scenarios. Somfy customers can also manage their applications directly from the main voice assistants and service platforms on the market. Finally, our motors for rolling shutters¹ and all our natively connected products (Somfy Protect, thermostats, locks) can be operated from any control solution from other brands that express that need.



THIS STRATEGY ALSO OPENS UP NEW DISTRIBUTION CHANNELS FOR YOU. HOW DOES IT DO THIS?

▶ **M. W.** : The openness of our APIs², which enables our devices to be managed by third parties, combined with the richness of our connected ecosystem, now makes Somfy a partner or supplier for professionals in business segments historically outside our prospecting area. This is the case for the French and foreign real estate developers that we support in their strategy of development for connected apartments and houses. In the Internet service provider market, in late 2018 we entered into a partnership with Free – one of France’s leading providers, with 6.5 million subscribers – that enables our devices to be controlled directly from the new Freebox Delta. We help all these players to enrich their offer while opening up new sales opportunities for our products. For example, under the agreement with Nexity, the leading player in French residential real estate, the basic service includes a box and three rolling shutters. Future owners are offered various optional packages (alarms, thermostats, locks, etc.) and can add to their set-up later.

THE CONNECTED HOME ENCOURAGES NEW MODES OF USE. WHAT WERE THE INNOVATIONS IN 2018?

▶ **M. W.** : Innovative uses include our new outdoor camera, equipped with an alarm that can detect and deter intrusion attempts. Fitted with advanced features such as night vision and image analysis, it received an Innovation Award at CES³ 2018. In partnership with Cdiscount and Chronopost, we are also testing a connected lock solution in France to simplify parcel delivery (see p. 25). We are also working to make it easier to use our existing comfort, security and energy-saving features. Smart living habits will be widely adopted if they bring a truly new usefulness to the lives of occupants. This is why most uses have yet to be invented with consumers. We mainly do this through our collaborative platform, My Somfy Lab.

¹ Provided they are associated with the TaHoma® or Connexion® platforms.

² Application programming interfaces.

³ Consumer Electronics Show in Las Vegas.

2018

SO OPEN WITH SOMFY

MULTI-DEVICE

1,000+

DEVICES NATIVELY COMPATIBLE WITH THE SOMFY TECHNOLOGY PLATFORM, FROM MORE THAN 30 LEADING MANUFACTURERS.

8

MAJORS AREAS : OPENINGS (ROLLING SHUTTERS, BLINDS, ROOF WINDOWS, ETC.), ACCESS (GATES, GARAGE DOORS, LOCKS), SECURITY (ALARMS, CAMERAS, REMOTE MONITORING, ETC.), PATIOS (AWNINGS, PERGOLAS), ENERGY MANAGEMENT, LIGHTING, HEATING AND AIR CONDITIONING, AND MUSIC.

MULTI-BRAND

20

PARTNER BRANDS OF TAHOMA®, SOMFY'S SMART LIVING PLATFORM FOR THE HOME.

MULTI-PROTOCOL

5

SYSTEMS INTEGRATED INTO TAHOMA® INCLUDING, FROM 2019, ZIGBEE 3.0, A GLOBAL RADIO STANDARD THAT SOMFY IS CONTRIBUTING TO DEVELOP WITHIN THE ZIGBEE ALLIANCE.

MULTI-CONTROL

THE MAJORITY OF THE WORLD'S ECOSYSTEMS OF VOICE ASSISTANTS AND/OR SERVICES ARE USED TO CONTROL SOMFY'S CONNECTED SOLUTIONS, INCLUDING AMAZON ALEXA, GOOGLE ASSISTANT AND IFTTT.

30+

CONNECTED HOME PLAYERS TO WHICH SOMFY HAS OPENED ITS APIS² SINCE 2018.

SOMFY LIGHTHOUSE BRINGING THE SOMFY EXPERIENCE TO LIFE

In Cluses, France, the showcase building for Somfy's connected solutions has been in place for the past year: Somfy Lighthouse. Stemming from the desire to showcase Somfy's smart living offer and its utility in homes and offices, this technology-rich building is also an Experience Centre, a place for joint innovation, both in-house and with customers, and an exhibition space. The aim is to bring the brand universe closer to customers, and to have it firmly anchored in digital innovation.

ALL SMART LIVING IN ONE PLACE

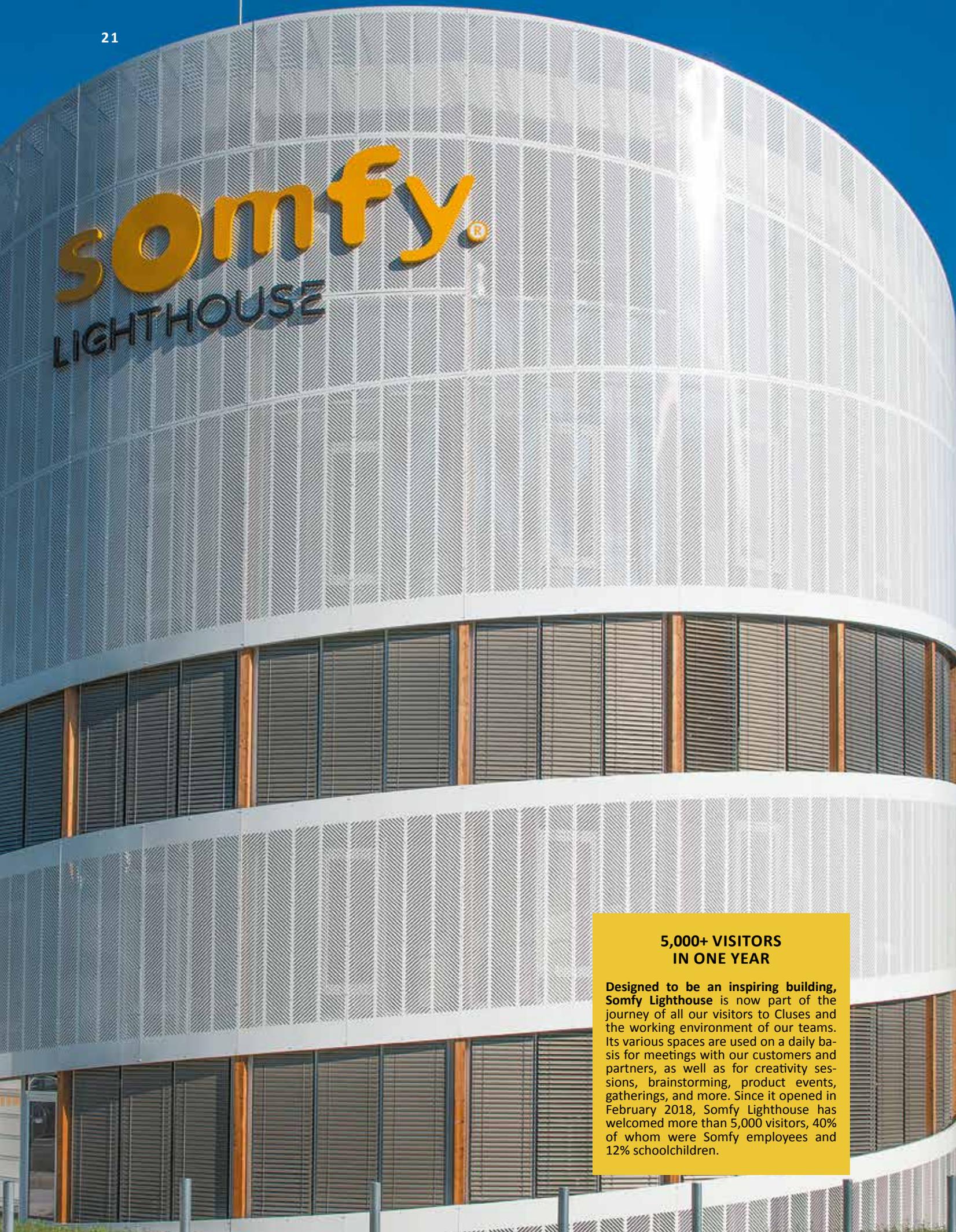
Climbing the circular staircase of Somfy Lighthouse – a four-storey building made entirely of glass, with a wooden and steel structure – is like diving into the heart of the brand, starting with its expertise in energy performance and visual and thermal comfort in commercial buildings, through automated management of light, natural ventilation and solar protection. As they climb, visitors travel through 50 years of innovation – motorisation, then automation and, today, digitalisation. When they reach the top, they enter the lounge area, a pleasant space bathed in natural light that encourages exchange and collaboration with customers, partners and suppliers. On the way down, in a panoramic projection room, visitors discover residents from all over the world who talk about the usefulness of Somfy solutions and the concrete benefits they gain from them. On the lower level, in an interactive and immersive room, there is space for experimenting with smart living. With a focus on five key moments of everyday life, the visitor becomes a user, from waking up in the morning to returning home in the evening, and even a weekend trip, with complete peace of mind. Finally, the ground floor consists of an exhibition area, a co-working space, a meeting and exchange area, and a usability testing laboratory to design and validate our new solutions with users, and to invent the housing and offices of tomorrow.

776 M²
over 4 levels

400

connected devices for
visual comfort, thermal
comfort and
energy savings.



The image shows the exterior of the Somfy Lighthouse building. The facade is a curved, cylindrical structure covered in a white, perforated metal mesh. The word "somfy" is written in large, bold, yellow lowercase letters, and "LIGHTHOUSE" is written in smaller, dark grey uppercase letters below it. The building has a modern, industrial aesthetic. The sky is a clear, bright blue.

somfy[®]
LIGHTHOUSE

**5,000+ VISITORS
IN ONE YEAR**

Designed to be an inspiring building, **Somfy Lighthouse** is now part of the journey of all our visitors to Cluses and the working environment of our teams. Its various spaces are used on a daily basis for meetings with our customers and partners, as well as for creativity sessions, brainstorming, product events, gatherings, and more. Since it opened in February 2018, Somfy Lighthouse has welcomed more than 5,000 visitors, 40% of whom were Somfy employees and 12% schoolchildren.

CES AND IFA TRADE SHOWS A USEFUL BRAND AT THE HEART OF PEOPLE'S LIVES

In a rapidly evolving and competitive Connected Home market, the Somfy brand is one of the Group's most important assets due to its strong consumer reputation. It promises quality and durability, but also simplicity: it is a brand close to everyday concerns and useful to people's lives. It was with this concrete brand message – Somfy Easy, Cosy, Safe – illustrated by uses that speak to everyone – “I'm leaving home”, “I'm coming home”, “I'm far away”, etc. – that the brand exhibited its offer at the two biggest consumer electronics trade shows in the world: CES in Las Vegas in January and IFA in Berlin in September. The challenge is to show that digitalisation greatly enhances the benefits of Somfy products. Somfy has one ambition: to become the preferred smart living brand in homes and offices.

SOMFY SAFE

As the Connected Home's primary market, home security is a daily concern to which Somfy responds with a diverse and interoperable ecosystem that includes alarms, cameras (including a new CES award-winning outdoor camera), locks and connected videophones that can be linked to gates, garage doors and even a remote monitoring service.

SOMFY & ME

The brand supports consumers with all their needs: getting information, receiving assistance, and having devices installed, repaired or upgraded. In addition to intuitive apps that facilitate product implementation, Somfy provides users with support forums, remote advisers and, in some countries, a home intervention service provided by a network of professional partners. In terms of devices, users benefit from an even more comprehensive experience thanks to partner products.

SOMFY COSY

In the home – as in commercial buildings – visual and thermal comfort are Somfy's key areas of expertise. Combining automated rolling shutters or solar protection with lighting allows for the coordinated management of natural and artificial light. By connecting heating to a thermostat, the home is always at the right temperature and benefits from dynamic insulation in both summer and winter.

SOMFY EASY

The most complete connected ecosystem on the market, TaHoma® – Somfy's smart living platform for the home – promises a house or apartment that is easy to live in. It enables users to control and supervise more than 200 devices from home or remotely, and to choose between nearly 40 pre-programmed use scenarios for increased comfort, safety or energy savings.

“ TODAY, WE NO LONGER BUY A PRODUCT, BUT AN EXPERIENCE, A PROMISE, A STORY... AND THE BRAND CONVEYS THESE ELEMENTS, IT IS A REFERENCE POINT, IT GIVES MEANING, IT EXPRESSES A VISION, AND VALUES... OUR BRAND IS OUR MAIN STRATEGIC ASSET. ”



*Denis Maugain,
Strategic Marketing
Director*

**27
COUNTRIES**

Through TV and digital-media advertising campaigns, the brand communicates directly to consumers in 27 countries, including Australia, the United States, Turkey, Brazil, and across the Arabian Peninsula and Europe.

E-COMMERCE AN ADAPTED COMMERCIAL POLICY

Most Somfy products require the services of professionals, i.e. window, gate, alarm and electrical installers. For the past 20 years or so, the brand has also been developing self-installation offers that are sold in DIY stores in some countries. In this age of e-commerce, Somfy has to keep abreast of customer habits by enabling its subsidiaries to launch their own e-stores if they wish, but also by structuring a commercial policy at Group level that is adapted to online sales players and preserves the added value of its professional distribution channels.

NEW- GENERATION E-STORES

In 2008, Somfy France was the first subsidiary to launch an e-store for end-users, mainly to sell spare parts for motorised gate controls as part of its after-sales service. Since then, the offer has expanded and 13 other European countries have taken the plunge, including Poland in 2018. The United States and Canada are currently developing their next-generation online sales sites.

This year, Somfy has begun to migrate all its e-stores to a latest-generation platform. Faster, more secure, and more easily customisable to the needs of each Somfy subsidiary, these e-commerce sites also offer a better shopping experience to users. Natively designed for tablet and smartphone display, this platform also reduces the number of steps required to complete a purchase to just two. By 2020, all existing Somfy e-stores will have migrated to this new version.

AN OFFER THAT VARIES BY COUNTRY

Reflecting the diversity of products marketed by Somfy in 57 countries, each e-store provides a tailor-made and distinctive offer that includes not only accessories (remote controls, sensors, electrical outlets, etc.) for easy installation, but also connected products. Good examples of this are the consumer version of the TaHoma® box, and offers of connected alarms, cameras and thermostats. In addition to practical information (manuals, support videos), some countries include commissioning support services. The French e-store, for example, allows customers to make an appointment with a Somfy remote adviser to set up their alarm or box.

//
**INSTALLERS, MANUFACTURERS, DIRECT SALES: EACH
PLAYER IN OUR DISTRIBUTION IS REMUNERATED
ACCORDING TO THE VALUE BROUGHT TO THE SECTOR.**
//



Frank Schädlich,
Business & Marketing
Area Director Europe,
Middle-East & Africa



14
e-stores
in Europe

4.4
million
visits in France

97%
satisfaction level of
customers using French
e-store chat services



REGIONAL CONTRACTS WITH ONLINE RESELLERS

Somfy products have been sold on the e-commerce giant Amazon for some time, but until now by third-party professional intermediaries. In order to control the impact of this practice, which could distort competition with its other distribution channels, Somfy entered into a Europe-wide commercial agreement with Amazon in 2018.

Its offers, which encompass over 100 items, are now sold in the same way throughout Europe, regardless of the buyer's country of origin and the Group subsidiary that delivers them to the online reseller's warehouses. Similar agreements will soon be implemented in Asia and the United States, as well as with the biggest global e-commerce players.

In France, Somfy is also conducting an experiment in partnership with Cdiscount and Chronopost to facilitate home delivery of parcels when occupants are out. Somfy connected locks were installed for around 50 of Cdiscount's regular customers. Chronopost couriers are assigned a unique access code that enables them to drop off packages during a predetermined time slot before relocking the front door behind them. The customer can check in real time via a camera that the delivery is going according to plan.



BOLDER ON THE INTERIOR MARKET

Solutions for interior solar protection represent our main source of potential growth, as their motorisation level is less than 3% worldwide. In order to make this a mass market, Somfy launched a major wave of innovations in 2018, with autonomous, silent and connected motorised systems that are easy to install and live with. Meanwhile, the Group is consolidating its global leadership in the commercial building segment.

// **THE SOLAR
PROTECTION MARKET
IS VERY COMPETITIVE
AND CONDUCTIVE TO
INNOVATION, AND IS
STIMULATING FOR OUR
TEAMS.** //

INTERVIEW
WITH JEAN-PASCAL REY,
HOME & BUILDING
ACTIVITY DIRECTOR



THE MOTORISATION OF BLINDS AND CURTAINS IN THE HOME IS A MAJOR POTENTIAL GROWTH SOURCE. WHAT CHALLENGES DOES SOMFY FACE IN TERMS OF ITS DEVELOPMENT?

▶ **JEAN-PASCAL REY** : These applications, which are widely used in homes in Asia, North America, the Middle East and northern Europe, are still not highly motorised. But with the growth of the Connected Home, and in particular the success of voice assistants in some countries, this market is now growing rapidly, at an annual rate of 13% worldwide. Somfy stands out from its competitors due to its innovative approach, with motorised systems that are silent (an essential quality inside the home), autonomous (i.e. without electrical wires, which facilitates installation and prevents damage to interior decoration) and connected. The motorisation of blinds and curtains is destined to become a mass market, and we also need to create strong impetus with attractive offers.

HOW FAR HAS THIS STRATEGY BEEN ROLLED OUT?

▶ **J-P. R.** : In late 2018, we launched our major innovation offensive on the market. This will continue until early 2020. In just over a year, we will have launched more than 50 new motors to cover all diameters and types of blinds and curtains worldwide. In 2018, our priority markets were North America and northern Europe. Jointly developed by our teams in Cluses and Nanxun in China, where one of the two R&D centres for interior products is based, our battery-powered motors last for more than a year and are easy to recharge. The launch in the United States in late 2019 of TaHoma® Beecon, our first Zigbee 3.0 certified box, will mark an important second step:

for the first time, residents of North America – and later Asia – will benefit from all the modes of use of Somfy's Connected Home ecosystem and our strategy of openness (see p. 19). We have created specific modes of use around solar protection, combined in particular with lighting and music, to manage the amount of natural light, preserve privacy when the sun sets or simulate a home-owner presence.

HOW HAVE YOUR NEW PRODUCTS BEEN RECEIVED?

▶ **J-P. R.** : The feedback has been very positive and encouraging, which was reflected in our first results in early 2019. In the UK, for example, we have won back market share with our manufacturers and assemblers, for which Somfy's quality and the richness of our connected ecosystem have been decisive factors.

YOU'RE ALSO INNOVATING TO MAKE IT EASIER TO UPGRADE EXISTING BLINDS...

▶ **J-P. R.** : Yes, this is a key aspect of the utility that Somfy intends to bring to this market. In particular, we have launched a battery-powered, self-installed motor – Mornin'+ – that adapts to existing curtain rails. This offer, which is being tested in Singapore, India and northern Europe, could be rolled out worldwide if it proves its worth.

IN COMMERCIAL REAL ESTATE, SOMFY HAS A STRONG PRESENCE IN THE AUTOMATION OF SOLAR PROTECTION SYSTEMS. HOW ARE YOU CONSOLIDATING THIS POSITION?

▶ **J-P. R.** : We continue to develop connected products that support the general shift towards smart building. We have enhanced our offer with ultra-quiet motors that incorporate the Somfy Digital Network (SDN) system to provide feedback. In terms of control systems, Animeo Connect, which was introduced to the market in early 2018, is starting to be used in buildings in France and the Netherlands. It brings a number of innovations to the market, including remote location and malfunction analysis, giving building managers time and efficiency gains. By allowing motors to interact with light, ventilation and air conditioning, Animeo Connect opens up the possibility of coordinated management of energy savings to make buildings more environmentally efficient.



INNOVATION

SOMFY TAKES UP THE CHALLENGE AND ACCELERATES

+13%

ANNUAL GROWTH OF THE INTERIOR
PRODUCTS MARKET WORLDWIDE

23

**MOTORS
LAUNCHED IN 2018,
INCLUDING THE 1ST IO MOTOR**
BI-DIRECTIONAL COMMUNICATION
FOR BLINDS IN EUROPE,
THE MIDDLE EAST AND AFRICA.
THE SONESSE 40 IO IS
COMPATIBLE WITH THE ENTIRE
SOMFY CONNECTED ECOSYSTEM.

30

**MOTORS PLANNED
FOR 2019, 18 OF
WHICH WILL RUN ON
BATTERIES LASTING
MORE THAN ONE YEAR.**

1ST

**TAHOMA[®] BOX DESIGNED FOR NEW BUILD
PROFESSIONALS** – ELECTRICIANS AND REAL
ESTATE DEVELOPERS. TAHOMA[®] RAIL-DIN IS
INSTALLED DIRECTLY IN THE ELECTRICAL PANEL
AND IS PARTICULARLY SUITABLE FOR THE VERTICAL
RESIDENTIAL AND COMMERCIAL MARKETS.

IN INDIA WINNING OVER CONSUMERS

In India, which was one of the most dynamic Asia-Pacific regions in 2018 (+ 26% growth), Somfy's development will depend on its ability to encourage consumers to motorise their curtains.

Hence we face the dual challenge of building brand awareness and making products easily available in all the major cities of this huge country. For this reason, since 2014, the Group's Indian subsidiary has been building a network of partner sales outlets consisting of interior decoration stores with a presence in India. With more than 850 resellers in some 20 Indian states (out of 29), Somfy is now close to nearly 80% of its core target audience: the middle and upper-middle class. In 2018, the brand first communicated directly to consumers through a five-month digital campaign on Facebook, YouTube and Instagram. The aim was to promote the motorisation of curtains and blinds by positioning the brand – and its users – as the “trend makers” of a new lifestyle, while promoting French product design, which in India is perceived as a guarantee of quality and refinement. Above all, this campaign made it possible to direct interested consumers right to the retailers closest to their homes using clickable advertising banners. This yielded good results, generating 4,300 contacts and more than 1,500 requests for quotes. The campaign, which will be repeated this year, will make it possible to accelerate the growth of the activity of this network of partners. From 2019, they will have access to a broader offer, and Somfy also plans to set up a network of premium sales outlets, with which the brand will develop a range of services for consumers.

850 partners

resellers in major
cities across India.

+ 32%

sales growth generated
by this network in 2018.

5 months

of digital advertising
to the general public.

// OUR PUSH/PULL STRATEGY, WHICH COMBINES PHYSICAL SALES OUTLETS, E-RETAIL AND DIGITAL MARKETING, SHOULD HELP TO INCREASE THE MOTORISATION RATE.



*Olivier Piccolin,
Business &
Marketing Area
Director
Asia-Americas*



The image shows a trade show booth for Somfy. At the top, a white curved banner displays the Somfy logo in orange. Below this is a large digital display with a light blue background. The display features the Somfy logo in the top left, the headline "Start a Trend" in large blue letters, and the sub-headline "with Motorized Curtains & Blinds, Designed in France." Below the text is a photograph of a man and a woman sitting on a white sofa, looking at a tablet together. At the bottom of the display, there are icons for a smartphone, a laptop, and a mail icon, along with the Somfy logo and contact information. To the left of the digital display is a white kiosk with a product brochure titled "Energie" and a small Somfy logo.

STRONGER ON OPERATIONAL EXCELLENCE

Maintaining the quality of our products and sustaining our activities in a more competitive environment depend on our operational excellence. Consolidating this requires constant attention to customer satisfaction, with a high degree of agility, so that we can innovate while controlling our spending, as well as new business models that can be rapidly incorporated into Somfy's profitable growth momentum. This is the aim of the remote maintenance offer unveiled to the market in 2018.



// WITH ITS REMOTE
MAINTENANCE OFFER,
SOMFY BRINGS
CONSIDERABLE TIME
AND EFFICIENCY SAVINGS
TO OUR INSTALLATION
CUSTOMERS. //

INTERVIEW
WITH BRUNO BARLET,
SOMFY FRANCE
GENERAL MANAGER

IN 2019, SOMFY IS LAUNCHING A REMOTE MAINTENANCE OFFER FOR ITS INSTALLATION CUSTOMERS. WHY? WHAT DOES IT INVOLVE?

▶ **BRUNO BARLET** : Installers are the primary specifiers of our connected solutions, representing nearly 80% of sales in France, and we want to strengthen their role. To further increase interest in these products, we are innovating so that they can reap new benefits in their business, particularly in terms of performance. Unveiled in March 2018 at the R+T trade show in Stuttgart, and marketed from the end of 2019, Serv-e-go is a service that enables them to carry out remote interventions including configuration, fault diagnosis and preventive maintenance. This applies to all the motorisation systems designed for the Connected Home: those fitted with the io two-way communication system, which today represent two-thirds of our sales to professionals; and of course, Smart & Smooth Operator RS100, our natively connected motor for rolling shutters with an installed base of around 800,000 units in France.



HOW IS THIS A NEW BUSINESS MODEL FOR SOMFY?

▶ **B. B.** : Serv-e-go is a paid service that installers can monetise by offering a maintenance contract to customers. In concrete terms, the professionals who subscribe to it will have access, from their account on somfypro.fr, to the entire base of motors they have installed, provided that their customers have given their consent. There are many Serv-e-go features but, generally speaking, installers will be able to perform two main types of remote maintenance: intervention at the customer's request (for example, to adjust the speed of a motor or to diagnose malfunctions); and preventive maintenance on their own initiative using an alert system. For example, installers will be informed that a gate operator has been used 5,000 times and that a maintenance check is needed.

WHAT ARE THE BENEFITS FOR PROFESSIONALS?

▶ **B. B.** : This is both a new service for their customers, and therefore represents additional revenue, and considerably saves time and boosts efficiency, as installers will no longer need to travel to perform pre-diagnostic testing, for example.

WHAT IS THE GROWTH POTENTIAL OF THIS REMOTE MAINTENANCE SERVICE?

▶ **B. B.** : It is linked to the development of the connected motor base, which is now substantial in France. Somfy France naturally targets its network of more than 400 Somfy Experts and the 200 partners of the Somfy Assistance department. But, in the long term, all installers who manage a base of at least a hundred Connected Homes will be potential customers because the cost-benefit ratio is so favourable.

DO CONNECTED DEVICES REQUIRE MORE MAINTENANCE THAN OLDER GENERATION OFFERS?

▶ **B. B.** : No, our three years of experience since the launch of Smart & Smooth technology have shown that they are even more durable. And Somfy clearly aims to extend the obsolescence limits of its products. The need for maintenance is in fact linked to the very nature of the business of our installation customers. In mature markets such as France, where new builds represent only 1% of the real estate stock each year, 99% of their work consists of maintaining, repairing and renovating. Remote maintenance is an effective tool that will revolutionise their daily lives.

WHAT ARE SOMFY'S OTHER LEVERS TO HELP INSTALLERS IMPROVE PERFORMANCE?

▶ **B. B.** : The first challenge is about saving time. Installers now carry out 50% of their orders via our e-store, and benefit from mobile advice, directly on their sites, via our remote advisers or online chat service. The second challenge is the ease of use of our new products, thanks to training, but also to software that makes configuration and installation easier. The new Home Keeper alarm, for example, comes with a dedicated smartphone app. Digital tools are crucial productivity drivers and we will develop them substantially in 2019.



PRIORITISING CUSTOMER SATISFACTION

QUALITY

-16%

CUSTOMER RETURNS ON PRODUCTS SOLD OVER THE PAST FIVE YEARS.

SIMPLICITY

4*+

USERS OF SOMFY'S CONNECTED SOLUTIONS HAVE CONSISTENTLY ASSIGNED A MINIMUM RATING OF 4 OUT OF 5 STARS TO THE ASSOCIATED APPS.

LOYALTY

57

THIS INDICATOR MEASURES THE LEVEL OF CUSTOMER SATISFACTION AND SPECIALLY VERY SATISFIED CUSTOMERS WHO "WOULD RECOMMEND SOMFY OFFERS TO THEIR FRIENDS AND FAMILY". BASED ON *CUSTOMER NET PROMOTER SCORE RESULTS* IN 21 COUNTRIES, INCLUDING ACROSS EUROPE, THE UNITED STATES, THE ARABIAN PENINSULA, CHINA AND SOUTH KOREA.

UTILITY

65%

OF USERS OF TAHOMA®, SOMFY'S SMART LIVING PLATFORM FOR THE HOME, USE IT SEVERAL TIMES A WEEK.

12.8

DEVICES ARE CONNECTED ON AVERAGE TO EACH TAHOMA® BOX, INCLUDING MOTORS, LIGHTING PRODUCTS, SECURITY SENSORS, CAMERAS AND ALARMS.

CUSTOMER SATISFACTION GETTING CLOSE TO CUSTOMERS

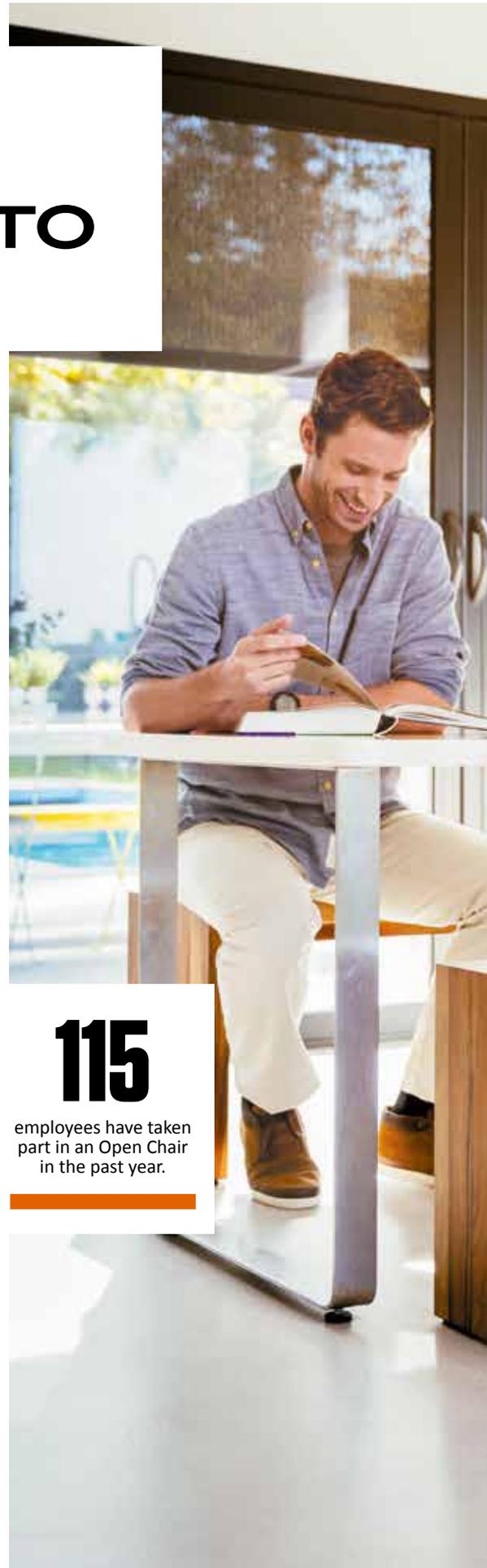
Knowing the expectations of professional customers and users is essential to make the right decisions, to ensure full customer satisfaction. This commitment is one of the Somfy Spirit management principles. In 2018, the Group launched the So Customer programme to give customers a central place in its structure through a series of very practical daily initiatives.

“LISTENING” TO THEM MORE, UNDERSTANDING THEM BETTER

With the So Customer programme, Somfy puts the customer at the centre of everything it does. Managers communicate about customers during team meetings. The working environment has also been adapted to pass on customer feedback to all employees. Within the common areas of the Access Activity premises, for example, connected screens broadcast daily news relating to customer visits, new budgets won and positive and negative reviews posted online. Each meeting starts by sharing a consumer or professional customer review. This continuous exposure to customer expectations stimulates the desire to make progress and innovate. Thanks to this approach, in 2018 Access Activity employees proposed and implemented 42 initiatives to enhance customer satisfaction.

EVERYBODY’S LISTENING

Thanks to the Open Chair initiative, all employees who want to, can come and hear from customers who interact with Somfy, either by taking part in active listening mode in meetings organised by other Somfy teams with their customers, or by spending a day at the Customer Relations department, listening in on phone calls and answering questions asked by users on the Somfy Forum, or via the e-store chat service. Addressing what consumers really want is particularly enriching for employees who, because of their jobs, are not in direct contact with customers.



115

employees have taken part in an Open Chair in the past year.





“ In the context of our partnership, somfy and rexel have to move forward together to prioritise commercial projects that will create value not only for our two groups, but above all for our market and our professional customers. ”

Patrick Bérard,
CEO of Rexel

“ Somfy’s sales and after-sales teams are very attentive to our needs. Although Somfy has already done a lot to simplify product installation and programming, there is still room for improvement. ”

Bruno Berthet,
Director of BB Stores, member of the Somfy Expert network of professional installers

INDUSTRY AND LOGISTICS FROM GOOD TO EXCELLENT

Somfy's industrial and logistics network is an essential asset that brings value to its customers. Since 2017, it has been subject to in-depth optimisation and modernisation, in order to move from good to excellent in all its businesses: from supplier relations to delivery, including production, storage, order management and features for customers. In 2018, the significant improvement in productivity and logistics service rates is encouraging, in line with the ongoing long-term action plans. With the preparation of the launch of the future ERP¹ (see p. 14), which will be rolled out across the Group within a two-year period, the digitalisation of factories will be Somfy's next major industrial project over the 2019–2021 period.

¹ A software package that manages all corporate processes in a unified and cross-cutting way (production, invoicing, distribution, accounting, etc.).

DIGITALISATION OF FACTORIES

The digitalisation of the Group's major production sites (five sites targeted at this stage) will begin in operational terms at the end of 2019 with the Tunisian site, and will then continue at a rate of one to two sites per year. This programme involves exploiting the full potential of the production operations management software – General Electric's Plant Apps – with which the factories are already partially equipped. For this to happen, the necessary hardware and application suites also have to be installed. The interface of this software with the assembly line machines will enable real-time traceability of components and quality. Operators will also gain in efficiency, as a number of actions will be dematerialised. For example, they will no longer have to manually enter quality results (which will be automated) or manipulate product assembly paper files (which will be visible from screens). The dynamic scheduling of production orders will be greatly facilitated by the digital system, enabling optimised and responsive control of all production. The results (quality, deadlines, costs) thus obtained for each planning scenario will constitute a database that can be used later on, in particular thanks to new mass data processing technologies using artificial intelligence if necessary.

//
**WE HAVE SET UP
A COORDINATION,
GOVERNANCE AND
REPORTING SYSTEM
THAT GUIDES
OUR MULTI-YEAR
OPTIMISATION
PROCESS.**



*Jean-Claude Rivier,
Industry & Information
Systems Director*



PRODUCTIVITY GAINS

In 2017, Somfy initiated a long-term productivity plan to offset the rise in raw material costs. The 2018 results are in line with our targets, and have made it possible, among other things, to neutralise the increase in raw material prices. The Group has set up a multidisciplinary team to manage this plan over the long term in all the businesses concerned, ranging from industry and logistics to purchasing and R&D.

OPTIMISATION OF THE LOGISTICS NETWORK

Somfy has more than 80 logistics centres of various sizes around the world, which are undergoing a four-year optimisation process based on four main areas: the geographical location of the network, processes and tools, customer service levels, and governance and overall organisation. This plan, which includes some 40 actions, has been finalised and some projects have already begun, including the adoption of common performance indicators associated with short interval management and the clarification of the missions of the distribution platforms.

BETTER TOGETHER

Somfy Group is based on a development model that has enabled it to grow over the past 50 years by placing men and women who act responsibly at the heart of the company. Employee commitment, the quality of working relationships, the way in which our values are embodied (Boldness, Respect, Openness, and Proximity), the achievement by employees of their professional potential and their well-being at work (the Somfy Spirit) are seen as decisive criteria for the Group's long-term performance.

//
**OUR DEVELOPMENT
MODEL IS BASED ON
THE COMMITMENT
OF SOMFY'S MEN
AND WOMEN, AND
THEREFORE ON OUR
AGILITY IN WORKING
TOGETHER AND GIVING
FREE REIN TO OUR
ENERGY.** //

**VALÉRIE DIXMIER
HUMAN RESOURCES
& ORGANISATION DIRECTOR**



PROFESSIONAL GENDER EQUALITY

In France, in the context of the agreement on professional gender equality, which came into force on 1 January 2019, Somfy decided to adopt a proactive approach through an action plan covering five main themes. In terms of hiring, Somfy is renewing its objective of 30% of women in management positions. With regard to compensation, the Group aims to neutralise the impact of maternity and parental leave. To preserve the work-life balance, the options for taking leave due to family commitments have been strengthened. Finally, the annual budget devoted to the prevention of MSDs (musculoskeletal disorders) amongst production workers and to vocational training for women wanting certification or qualification training in order to progress to a managerial position has been increased.

A GROUP REFERENCE FRAMEWORK FOR OUR SKILLS

To strengthen the businesses that will be strategic in the future, Somfy has carried out a complete mapping of all the Group's jobs and skills. This reference framework, which will be shared by all the subsidiaries, will also enhance our Employee Journey, making us better able to recruit employees, assess skills, develop them through training and management, build dynamic career paths, and increase internal mobility.

A STRATEGIC NETWORK OF TECHNICAL EXPERTS

One of the first practical results of this reference framework is the creation of a network of experts from technical professions that are key for the Group's future growth. The "experts" promoted in 2018 benefit from a dedicated development programme and time to work on priority projects and disseminate their expertise internally. The objectives of this programme are multiple: to identify and secure strategic skills, accelerate innovation and consolidate Somfy's technological leadership over time.

BECOMING BETTER IN PROJECT MODE

Somfy's teams are increasingly working in project mode in multicultural environments. In 2018, the HR community in the regions of Europe, the Middle East and Africa designed a training programme to help managers deal with these complex situations. The aims of the programme include: learning how to develop and formulate the "contractual terms" that will connect employees to each other and to their manager(s) during time-limited projects, not only in terms of objectives and responsibilities, but also in clarifying roles and operating methods. The training programme also emphasises the crucial contribution of cooperation in a context of tension, and also diversity.



In 2018, the focus was on two specific areas: the Employee Journey, which aims to provide the best possible support for our employees at every stage of their careers and which has involved the HR community in France and abroad; and the strengthening of the quality of life at work policy, which is being implemented in France for the time being.

ENVIRONMENTAL RESPONSIBILITY

« WE ACT FOR GREEN »

Somfy has incorporated into a single approach (“We Act for Green”) the three pillars of its environmental commitment: the eco-design of its products, their energy benefits in buildings, and the company’s eco-responsible practices. It aims to get the teams more involved and help its external stakeholders understand its levers of action.

GREEN PRODUCTS

Somfy is gradually rolling out its voluntary eco-design approach, Act for Green®, to all its products. As of the end of 2018, the approach covers 28% of Somfy brand products sold worldwide (compared with 22% in 2017) with the aim of reaching 80% by the end of 2020. The electricity consumption of products and their raw materials are Somfy’s two main levers of action¹ to reduce its environmental footprint. To manage its greenhouse gas emissions, the Group has adopted an indicator that it monitors over time: the average standby consumption of its motors. In 2018, consumption was 39.38 kg of CO₂ per year, down 2.3% thanks to eco-design initiatives (40.3 kg of CO₂ in 2017).

¹ According to the Bilan Carbone® (Carbon Footprint) assessment carried out in 2012.

GREEN BUILDINGS

Somfy’s solutions for the automation of solar protection help reduce building energy consumption. For example, the comparative study on the Onix² office building in France showed an overall decrease of 29% in energy requirements, including -54% on lighting and -10% on air conditioning, ventilation and heating. In 2018, the new Animeo Connect connected control system, which enables coordinated action by all these devices, was awarded the Solar Impulse Efficient Solution label.

² 2016 results of a one-year pilot study conducted by Somfy and Philips Lighting.

GREEN TEAMS

For development, production and distribution, the Group’s 6,120 employees implement environmentally responsible practices. The creation in 2018 of an international network of eco-ambassadors will speed up their dissemination. In France, for example, 30% of Somfy Activities employees took part in the “Mobility Challenge” day, designed to change people’s commuting habits. Somfy has also diversified its activities within the G.R.E.EN³ association, which brings together 80 companies (8,000 employees) in the Arve Valley, where most of the Group’s French sites are located. In addition to car-pooling initiatives, members are testing a circular economy project on waste for reuse as raw materials.

³ Groupement pour la Responsabilité Environnementale des Entreprises (Group for Corporate Environmental Responsibility).

SOMFY FOUNDATION MORE RESOURCES TO COMBAT SUBSTANDARD HOUSING

Since 2011, the Somfy Foundation's actions to combat substandard housing have been a source of pride for the Group's employees. More and more of them, in seven different countries, are getting involved alongside the charities they support. In India, an innovative social and solidarity enterprise format has just been launched with the underprivileged populations of New Delhi. In France, the Les Petites Pierres crowdfunding platform has significantly increased its financial capacity with the arrival of two new partners: the Schneider Electric Foundation and the BTP Plus Foundation. They have joined the Somfy Foundation in running the platform and have played a part in a doubling of donations by individuals.

530 SOLIDARITY DAYS IN SEVEN COUNTRIES

Mutual aid for housing rehabilitation projects and reception centres, skills sponsorship, brainstorming ideas for several hours, training days for charity volunteers: in 2017, the Somfy Foundation broadened the range of options for the Group's employees to get involved, enabling a growing number of them to give their time to help combat substandard housing. In one year, this openness has significantly strengthened involvement: in France, 430 solidarity days were organised for 25 charities, and abroad, in the six Somfy subsidiaries that participate in the international A House is a Home programme, 100 solidarity days took place. Active in the United States, Spain, Poland, Germany, Brazil and India, this programme has also provided financial support to eight charity projects.

INNOVATION IN EMERGING COUNTRIES

In India, the Somfy Foundation inaugurated a new pilot mutual aid programme for emerging countries – Bright Ideas, Better Home – in partnership with the Group's Innovation department. The design thinking method, which makes beneficiaries active participants in the reflection process, identifies their priority needs for improving their housing, in order to create new solutions that will eventually be manufactured and distributed by the population itself within the framework of a social and solidarity enterprise whose development

will be supported by the Somfy Foundation. In New Delhi, creativity workshops have started in association with about 40 families living in their slums – like 10% of the Indian population. The first improvement projects involve providing better areas for washing and cooking.

LES PETITES PIERRES OPENS UP TO TWO FOUNDATIONS

Intended to support French associations with projects for emergency accommodation, reception facilities and access to sanitation, the Les Petites Pierres crowdfunding platform has been a success: in five years, the €2.4 million in donations collected have made it possible to finance 209 projects. Given the scale of the need, the Somfy Foundation wanted to open its platform to other partners which, like itself, contribute a large amount of donations from individuals; the Schneider Electric Foundation joined its governance structure in early 2018, followed by the BTP Plus Foundation in late 2018, both for a period of three years.



€751,194

(+ 33% compared with 2017) collected on the Les Petites Pierres platform, benefiting 65 charity projects in France.

9

Somfy subsidiaries and their employees involved in Somfy Foundation actions.



SPORTS SPONSORSHIP AN EXCEPTIONAL OLYMPIC YEAR

Somfy had an exceptional year of sports sponsorship with the French biathlon team winning five medals, three of them gold, at the PyeongChang Winter Olympics in South Korea.

On this occasion, the brand – which has sponsored the French biathlon since 2005 and Nordic skiing since 2014 – appeared for the first time in an advertisement supporting Martin Fourcade. Above all, this event prompted unprecedented involvement by Somfy's employees, who were able to experience the competitions almost at first hand, from Cluses.

AN OLYMPIC ATMOSPHERE IN CLUSES

Giant screens for the live broadcasting of events, entertainment and interviews with former biathlon champions such as Alexis Bœuf and Marie-Laure Brunet – for two weeks in February, Somfy's company restaurant in Cluses (renamed "Club France" for the occasion) lived the Olympic schedule. The 800 employees having lunch there every day followed the athletes with real enthusiasm. The event generated an unexpected level of passion, well beyond the pride of seeing the French team wearing Somfy's colours, and created moments of sharing and emotion that seldom happen in a corporate environment: particularly since the biathlon gold medallists kept in almost daily contact with Cluses from PyeongChang, sharing their thoughts both before and after competing. This very close relationship between Somfy and "its" champions reflects the strength of the bond that unites them beyond sponsorship, and the interest they have in each other.

UP TO 800

Cluses employees gathered every lunchtime for 15 days to follow the biathlon team at the 2018 Olympic Games.

BACKING THE BIATHLON IN THE MEDIA

To support the French biathlon during the Olympic Games, Somfy renewed its partnership with the L'Équipe sports media company. In particular, the brand was the instigating force behind the creation, over nearly one year, of a 52-minute report on the athletes' preparation for the games. The channel also broadcast short clips with the Somfy logo before each biathlon event. For the first time, Somfy also called on Martin Fourcade to promote their shared values – a sense of effort and striving for performance – in an advertisement.

As they do every year, Somfy's distribution subsidiaries used the annual competitions (biathlon world cup, world championship) to share their passion for this sport with their customers.

During the 2018/2019 season, more than 300 professionals were able to attend events in Germany, Norway, Italy, Russia and Austria.



*The
Somfy Champions
2017-2018*

SOMFY CELEBRATES ITS ATHLETES



At the end of the 2018 sports season, more than 1,000 Somfy employees and their families gathered in Cluses at an event attended by the athletes to celebrate the success of the French Nordic ski teams at the Olympic and Paralympic Games.

INVOLVEMENT OF THE CLUSES R&D CENTRE



Before the Olympics, its engineers helped mechanical design students at the Ancey University of Technology to manufacture custom-made rifle grips.



SOMFY SPONSORS THREE CHAMPIONS

Martin Fourcade
(biathlon)

Marie Dorin-Habert
(biathlon),

Simon Fourcade
(biathlon)

SOMFY SPONSORS TALENT THROUGH THE SOMFY SKI TALENTS PROGRAMME

Clément Parisse
(cross-country skiing)

Enora Latuillière
(biathlon)

Thomas Clarion
(biathlon for athletes
with a disability)

Jonas Devouassoux
(ski cross)

Layout/production: \bar{w}

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