

2020
ACTIVITY
REPORT

INVENT
A NEW WAY OF
LIVING,
TOGETHER



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Open your front door remotely
Make sure your children are home from school
Adjust lighting to the intensity of natural light
Ventilate your home in just a click

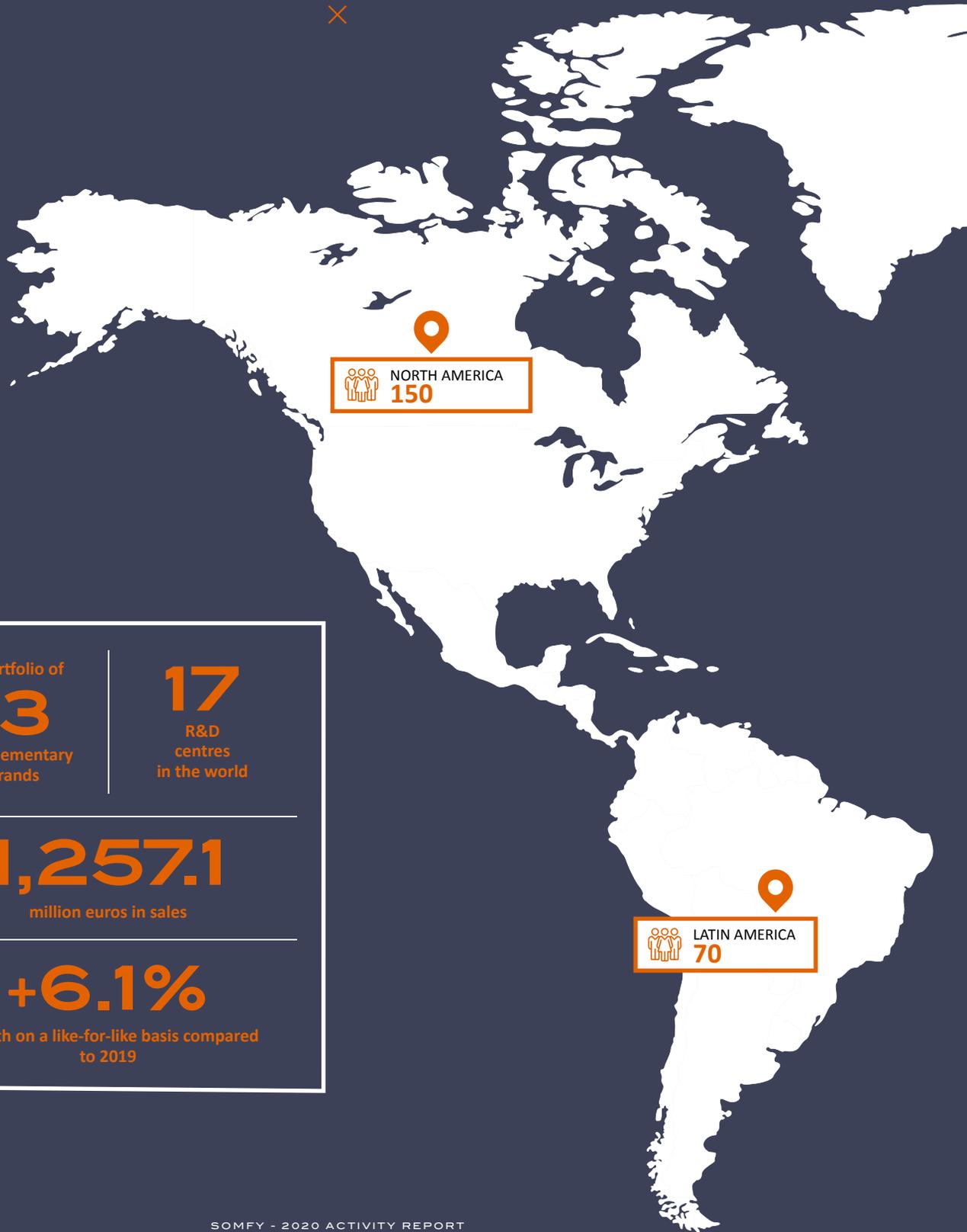
PROFILE

As a preferred partner for window and door automation, **Somfy** makes a new way of living possible, ensuring comfort, security, energy savings, and well-being.

By leading the world in its sector and pioneering home automation and motorisations for 50 years, the French Somfy Group is a benchmark in **Smart Living**. Somfy Smart Living is useful, simple, reliable, and accessible. The Group is a forerunner of new uses and the future of housing technologies. To achieve this ambition, Somfy is digitalising its offer and innovating and consolidating its world leadership. It is open to all technologies and all stakeholders in Smart Living by forging **value-creating partnerships**.

Today, the need to feel good at home is even stronger. **The home has become a refuge, a sound investment**. Somfy provides everyone with the best-suited solution for their home and equipment. It also develops efficient and sober solutions to consume less and increase energy efficiency. This is who it is and how it contributes to a sustainable world.

A WORLDWIDE PRESENCE



 NORTH AMERICA
150

 LATIN AMERICA
70

A portfolio of
13
complementary
brands

17
R&D
centres
in the world

1,257.1
million euros in sales

+6.1%
growth on a like-for-like basis compared
to 2019

114
subsidiaries

80
logistics
centres and warehouses

58
countries

8
manufacturing sites

200
NORTHERN EUROPE

810
EASTERN EUROPE

450
CENTRAL EUROPE

2,200
FRANCE

565
SOUTHERN EUROPE

1,490
AFRICA & THE MIDDLE EAST

565
ASIA-PACIFIC

6,500
employees





—
BEING A LEADER MEANS LISTENING TO THE MARKET AND BEING READY FOR CONSTANT CHANGE. THE CRISIS HAS SHOWN HOW VITAL IT IS TO BE CONSTANTLY ON THE MOVE AND FOCUSED.
WE ARE FOLLOWING THE COURSE WE HAVE SET IN OUR 2030 AMBITION.

- 06. Message from the Chairman
- 08. Strategy
- 10. Sustainable Development Strategy
- 12. Governance



NEW CHALLENGES, NEW GOVERNANCE



Somfy is continuing its transformation by adopting a new governance model. Objective: To be in the best position to meet future challenges in housing and construction.

Insights from Jean Guillaume Despature, Chairman of the Board of Directors and Pierre Ribeiro, CEO.



Jean Guillaume Despature,
Chairman of the Board of Directors

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Why is Somfy's governance changing?

J.G.D.: Because society is seeing more and more change, causing more and more crises, companies need to have a clear vision of the future. Our new governance structure with a Board of Directors, with separate Chairman of the Board and Chief Executive Officer roles, will allow us to better prepare for the future while excelling in our operations and transformation.

P.R.: Supported by the Executive Committee, this new distribution of roles will help us focus on not only defining our strategy but also executing it, rolling out our transformation and ensuring performance management. Somfy is now even better structured to achieve its 2030 Ambition and meet customer expectations regardless of the circumstances.

Why undertake this evolution today?

P.R.: Even though the crisis has confirmed the relevance of our economic model and the role homes play in our lives, it has also accelerated the digital and energy transition and permanently changed the way we live and work. This new governance will give us the necessary hindsight to better anticipate and face changes in our markets.

J.G.D.: This evolution falls naturally in line with the direction Somfy is taking in rolling out its strategic plan and new organisation. Everything is now in place for Somfy to be the preferred partner for window and door automation. We have only just begun our transformation and our new governance puts us in the best position to successfully complete the coming steps.

“SOMFY IS NOW EVEN BETTER STRUCTURED TO ACHIEVE ITS 2030 AMBITION AND MEET CUSTOMER EXPECTATIONS.”

Pierre Ribeiro,
Chief Executive Officer



“HOMES HAVE BECOME REFUGES AND TODAY, WE ARE FULLY TAKING ADVANTAGE OF THE DESIRE TO MAKE THEM EVEN MORE PLEASANT. **WE MUST LIVE UP TO THESE EXPECTATIONS REGARDING PRODUCT QUALITY, SPEED OF EXECUTION, AND EXCELLENCE IN CUSTOMER RELATIONS.**”

Beyond the change from a Supervisory Board to a Board of Directors, what are the main changes?

J.G.D.: In the future, the Board of Directors will work on having a more long-term vision. It will set the ambition, determine the company's major orientations of the company, and validate the strategy. There are also two new members, Vincent Léonard and Grégoire Ferré, and two new committees—Strategic Committee and Sustainable Development Committee—have been created. The latter will support us in defining an ambitious and innovative policy. Today, our environmental ambition is taking shape with the roll-out of our low-carbon energy strategy and the commitment to a quantified target for reducing CO₂ emissions by 2030.

P.R.: This is more than a simple change. It is an affirmation of how people are at the heart of our company project. This point is fundamental because our transformation is above all cultural, with our employees at the heart of the success of our 2030 Ambition. Appointing Valérie Dixmier as Deputy CEO in charge of People, Culture, and Organization illustrates the importance and attention we are giving to our people. All this shows our desire to ensure sustainable growth and to be recognized as an eco-friendly company.

2020 was an incredible year. How can we keep up the pace?

P.R.: Indeed, 2020 was an exceptional year, with revenues up 6.1% and it was also atypical in terms of seasonality with a 17.6% rebound in the second half of the year. Homes have become refuges and today, we are fully taking advantage of the desire to make them even more pleasant. We must live up to these expectations regarding product quality, speed of execution, and excellence in customer relations by placing our customers at the heart of our organisation.

J.G.D.: This is where our new governance makes total sense. The Executive Committee's mission remains unchanged, since, in addition to its strategic role, it will provide input to the Board's discussions on strategy. Enjoying a helicopter view of the organisation and as Chairman of the Board of Directors, I will focus on the strategic and long-term vision by chairing the Strategic Committee. Building on a more agile organization, supported by the company project, and run by both the Chairman of the Board and the CEO, Somfy has everything it needs to be that preferred partner.

What challenges is Somfy facing today?

P.R.: We strive to build our relationships with our clients and the professionals with whom we work to become their preferred partner. Our response will include more digitalisation and products that are service-oriented. We are also facing operational challenges due to crises like Covid-19 and shortages in electronic components. These crises put our supply chains to the test over a long period. We will meet these challenges by increasing our agility and strengthening our business expertise and tools, such as our new ERP.

J.G.D.: One of our biggest challenges is strengthening our customer focus. This means we need to be more empathic, we need to listen better, and understand our customer's journey better. This crisis was an accelerator for digitalising our customer relationship and highlights the importance of proximity and reliability. The Somfy brand will make the difference by offering the consumer a unique experience.

ACCELERATE THE ROLL-OUT OF 2030 AMBITION



In 2020, Somfy faced the crisis while seeing where it wanted to be in the future by rolling out transformative projects. Confident in its strategic choices, the Group has accelerated the roll-out of its 2030 Ambition plan. A guide that serves trust and performance.

PIONEER FOR 50 YEARS

As a major stakeholder in the Smart Home sector, Somfy is the preferred partner for window and door automation for homes and buildings. Its pioneering spirit is at the heart of the Group's DNA; a Group that has shown boldness since its creation. Creator of the first motor for blinds, Somfy has rapidly expanded internationally. By occupying time slots on television, it has benefited from strong brand awareness that has rolled over to the entire roller shutter industry. After integrating radio technologies into its solutions to make installing and using motorisations easier, Somfy launched the first home automation box, making it a pioneer in this market and giving the connected world access to automation.



tion and digitalisation impacting lifestyles, Somfy is constantly reinventing itself. Increasing agility is key to staying ahead of the game. This observation led to the development of its 2030 Ambition project and the roll-out of a new organisation in early 2020. Somfy supports manufacturers and installers in this acceleration and digital transformation, while seizing opportunities linked to e-commerce. The year 2020 largely highlighted these developments and reinforced the role of the home as a "refuge" and place of investment. As such, it revealed fundamental trends and the full potential of Somfy's core business. Perfectly positioned in home renovation, anticipating new challenges contributes fully to its current and future performance.

A SOLID ROADMAP

Working on the 2030 ambition has made it possible to revisit these fundamentals while adapting to very changing markets. Faced with significant transformations in the construction industry, intensifying competi-



THE FOUR STRATEGIC PILLARS



RAISING VALUE FOR CUSTOMERS

Somfy has made creating partnerships one of the pillars of its strategy, by forging alliances with leading manufacturers in the home—lighting, electricity, and more—and with key stakeholders in new technologies. This is the essence of the partnership between Orange and Somfy. Through this alliance, Livebox users equipped with a Somfy home automation box, control their roller shutters and motorised blinds from the Orange “Connected Home” application.



FORWARD-LOOKING IN SMART LIVING

Remote working, deliveries, and home support services...New needs are emerging on how people experience their home. The health crisis has reinforced these needs as well as the importance of feeling good at home and making sure home environments are healthy. The Group is meeting these expectations with the Somfy air programme, a range of solutions that improve indoor air quality. This is a genuine public health issue. At the same time, and when sustainable development is at the heart of consumer concerns, Somfy’s solutions play a key role in the home energy performance.



DELIVERING PERFORMANCE

Well-orchestrated actions, strong brands, and operational excellence at all levels are drivers of performance. The So! One project, a new ERP shared by the entire Group, illustrates how Somfy is harmonising its operational management practices. Despite the context, So! One has reached a key milestone with the successful roll-out of a pilot run in Italy.



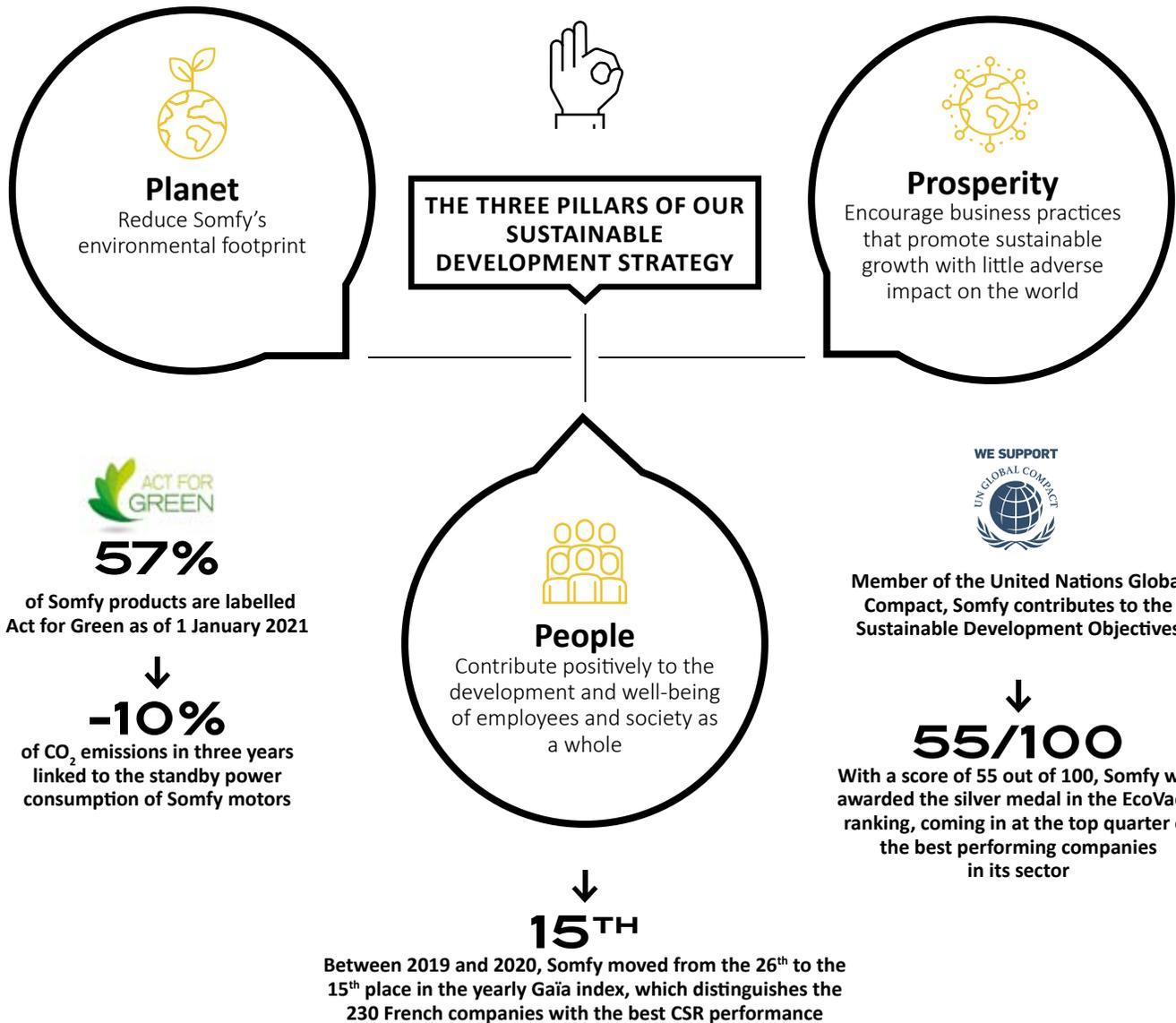
INSPIRING & ENGAGING

To integrate these changes, Somfy is adapting its organisation to become more agile and efficient. Increasing competencies is a main axis of this evolution and is accompanied by a global vision with a customer-centric approach. Faced with an increasingly complex environment, Somfy favours simplicity in its operational methods and empowerment in its decision-making processes. This is to ensure efficient execution that responds to the acceleration in time-to-market processes.

BUILD A USEFUL AND SUSTAINABLE COMPANY



Developed upstream of the company's strategy, sustainable development is integrated throughout all Somfy entities and business lines. Faced with the urgency of climate change and the health crisis, the Group is stepping up its commitment to move from being a sustainable company to being one that contributes.





Planet

INNOVATION, AT THE HEART OF OUR OPTIMISATION PROCESS

Somfy's Carbon Report®, carried out in 2020, shows that 93% of its CO₂ emissions are linked to its products and their use. Committed to an eco-design approach since 2015, Somfy has produced more than 50% of its products with the "Act for Green" label for their positive contribution to customer efficiency.

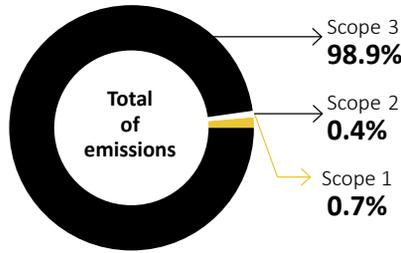


In addition, the Group is involved in programs that propose innovative offers for smart windows. Two technologies are

labelled Solar Impulse by the Bertrand Piccard Foundation: Somfy Air uses window automation to improve ventilation and indoor air quality and Animeo connect automates solar protection using sensors that results in energy savings of between 30 and 70%.

Through its innovation policy, Somfy acts on its customers' energy consumption by optimising building thermal regulation in both summer and winter.

Rolling out a low-carbon strategy is at the heart of the Group's sustainable development policy.



- **Scope 1:** direct greenhouse gas emissions (gas, fuel, etc.)
- **Scope 2:** indirect emissions related to energy consumption (electricity, etc.)
- **Scope 3:** other indirect emissions from the entire value chain (purchases, product usage, transport, etc.)

Three levers are operated simultaneously:



1

Reducing Somfy's emissions through eco-design product development and sustainable, energy-saving practices



2

Reduce customer carbon footprint through energy-efficient solutions



3

Contribute to CO₂ absorption through carbon sinks

A GUARANTEE OF ENDURANCE AND DIFFERENTIATION

The Paris Climate Accord had identified companies as the main actors for change. Today, the health and economic crisis reinforces and broadens their role as pivotal players. Somfy has been committed to sustainable development for 10 years, and took a major step forward in 2020 by making the Sustainable Development Strategy the key lever of its transformation and performance. Objective: To move from a sustainable company to a useful, contributory, resilient, and therefore prosperous company. Its endurance and differentiation depends on it. This contribution is a source of value when the building sector accounts for 40%

Sustainable Development Week in Sweden



Sustainable Development Week in Italy

FIRST EDITION OF THE SUSTAINABLE DEVELOPMENT WEEK

18 webinars, 42 local actions, 15 challenges met, hundreds of trees planted and testimonials on Yammer. This first week was inspiring and engaging. Some twenty entities around the world joined in on the fun which brought a wind of optimism to the Group.

of energy consumption in Europe and 36% of greenhouse gas emissions. As for the health and economic crisis, it is a call for in-depth action as housing is once again becoming a core value. For Somfy, it is also an opportunity to intensify integrating its Sustainable Development strategy at all levels of the company.

MINIMIZE THE FOOTPRINT, MAXIMIZE THE CONTRIBUTION

Sustainable Development is a common objective for the Group's entities and acts as a compass in building their three-year strategic plans as well as in their operational performance. Because they are priorities for Somfy, these issues are directly monitored by the Executive Committee and the Sustainable Development Operational Committee, where each entity defines and shares its roadmap. 2020 was a pivotal year where the Group accelerated the roll-out of its Sustainable Development strategy by focusing efforts on its carbon footprint as well as that of its customers.

A NEW GOVERNANCE TO MEET THE CHALLENGES IN HOMES AND BUILDINGS



THE BOARD

JEAN GUILLAUME DESPATURE
Chairman of the Board of Directors

• **MICHEL ROLLIER***
Vice-Chairman

Administrators:

- **MARIE BAVAREL-DESPATURE**
- **PAULE CELLARD***
- **SOPHIE DESORMIÈRE***

- **FLORENCE NOBLOT***
- **BERTRAND PARMENTIER***
- **ANTHONY STAHL**

* Independent members.

Controllers:

- **GRÉGOIRE FERRÉ**
- **VINCENT LÉONARD**

PURPOSE:

Set the ambition, determine the company's major orientations and validate the strategy.
It supports Executive Management and the Executive Committee in rolling out the Group's project while anticipating the challenges that lie ahead.

SUSTAINABLE DEVELOPMENT COMMITTEE



PURPOSE:
Examine Sustainable Development and CSR topics, in terms of strategic orientations, risks, action plans and objectives, results, and communication.

STRATEGIC COMMITTEE



PURPOSE:
Determine the Group's major strategic orientations, particularly in terms of digitalization.
Examine major technological choices, the annual budget proposal, and any significant investments, partnerships, acquisitions, or transfers.

NOMINATIONS AND COMPENSATION COMMITTEE



PURPOSE:
Make recommendations on the composition of the Board and its specialised committees, as well as on the execution procedures and composition of the company's Executive Management. Manage the compensation of corporate officers and ensure that compensation is transparent.

AUDIT AND RISK COMMITTEE



PURPOSE:
Contribute to closing the annual accounts and preparing the information provided to shareholders and the market as a whole.
Ensure the effectiveness of internal auditing and risk management systems. Monitor issues related to preparing and controlling accounting and financial information.

In order to strengthen its ability to anticipate, while ensuring excellence in executing its company project, Somfy changed its governance to become a company with a Board of Directors, with separate Chairman of the Board of Directors and Chief Executive Officer roles.

OF DIRECTORS

PIERRE RIBEIRO
Chief Executive Officer

PURPOSE:

Submit and implement the strategy, roll out the transformation program, and define and roll out the corporate culture supported by the Executive Committee.



Pierre Ribeiro
Chief Executive Officer



Valérie Dixmier
Deputy CEO in charge of People, Culture and Organization



Marie Ziegler
Head of Strategy & Insights



Jean Pascal Rey
Head of Sales North & West



Bruno Barlet
Head of Sales South & East



Marc Westermann
Head of Products & Services



Jean-Claude Rivier
Head of Engineering & Customer Satisfaction



Bruno Stragliati
Head of Operations & Supply Chain

→ **Under the new governance, the Executive Committee defines the strategy**, and rolls out the transformation, ensuring quality of execution and performance management. These areas are where the Group must aim for excellence to achieve

its 2030 Ambition and to ensure sustainable growth. The Board will be a genuine partner for the Executive Committee and will support it while anticipating the challenges that lie ahead.

—
**BEING THE PREFERRED PARTNER MEANS
CREATING VALUE IN ALL AREAS, FOR
EVERYONE. INDEED, PERFORMANCE IS ONLY
WORTHWHILE IF IT IS SHARED WITH ALL OF
OUR STAKEHOLDERS—OUR CUSTOMERS,
PARTNERS, SUPPLIERS, EMPLOYEES, AND
TERRITORIES AND COMMUNITIES.**

**IT IS THIS APPROACH THAT GUIDES
OUR DAY-TO-DAY ACTIONS
AND MAKES US UNIQUE.**

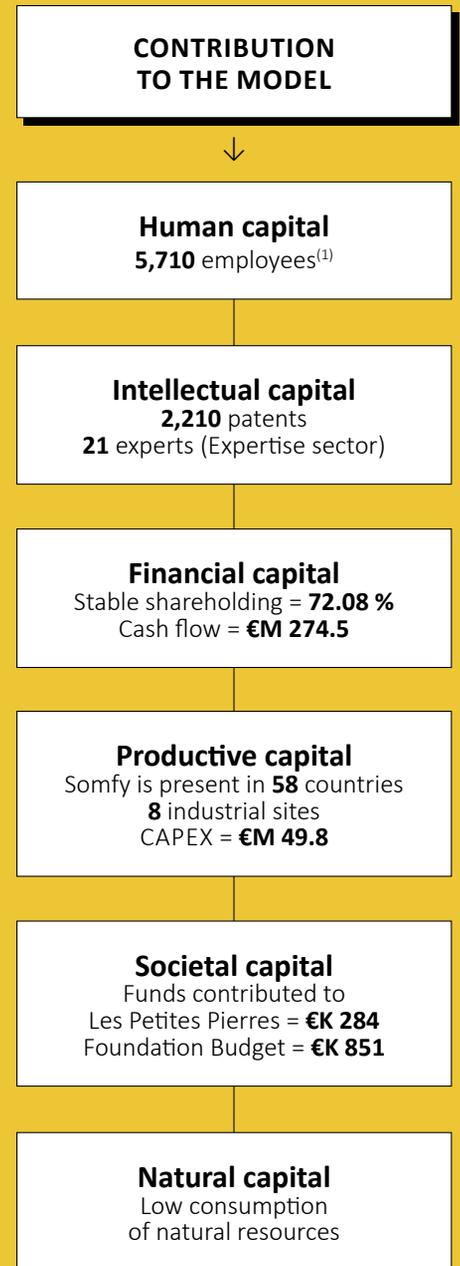
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A BUSINESS MODEL THAT CREATES VALUE FOR ALL STAKEHOLDERS



Driven by its vision, Somfy strives to create innovative solutions for homes and commercial buildings. Its ambition: Be the preferred partner for window and door automation.



(1) Excluding temporary staff.
 (2) Scope of social reporting.
 (3) "Intrinsic engagement rate" up 0.5 points.
 (4) Net Promoter Score (customer satisfaction indicator) = % of promoters - % of detractors.
 (5) Motors manufactured by the Group since the beginning, excluding Dooya.
 (6) Number of objects connected by the Somfy cloud.
 (7) According to the PEP ecopassport® standard.

PROFITABLE GROWTH MODEL



VISION

Inspiring a better living environment, accessible to all.

Everyone around the world aspires to a safe, healthy, and sustainable living environment for themselves as well as for their loved ones. To meet these essential needs for improving living environments, Somfy creates innovative solutions for homes and buildings in three areas:

↓
Comfort and well-being for all and at all ages

↓
Safety of people and property

↓
Preservation of the environment.

AMBITION

Be the preferred partner for window and door automation for homes and buildings.

4 strategic pillars serving our ambition for 2030:

Forward-looking in Smart Living

Raising value for customers

Delivering performance

Inspiring & Engaging

KEY ACTIVITIES

Research & Development | Marketing | Prescription | Assembly | Distribution | Sales

VALUE CREATED FOR STAKEHOLDERS



Our Staff

Employee expenses = **€M 367.3**
Training = **47,525** hours⁽²⁾
Engagement = **7.6**⁽³⁾

Customers and users

NPS⁽⁴⁾ = **68**
Motors manufactured⁽⁵⁾ = **192 million**
Connected devices⁽⁶⁾ = **7,800,947**

Investors

Sales = **€M 1,257.1**
COR = **€M 260.7**
ROCE = **29.6%**

Suppliers

Volume of local purchases (< 500 km) = **40%**

Environment

57% of Act for Green products⁽⁷⁾
Annual power consumption per motor = **10.7 kWh/year**

Citizens

223 participations in solidarity days

PROFESSIONALISING AND SYSTEMATISING RISK MANAGEMENT

The year 2020 has provided an opportunity to further structure the risk management and quality processes.

What are the objectives? Assess and strengthen Somfy's resilience to guarantee its performance and the successful execution of its strategy.

This process resulted in the creation of a Risks, Ethics, and Compliance Department. A risk reference framework that will be reassessed annually has been defined based on the Group's major processes and activities. Every month, the Executive Committee reviews action

plans defined as priorities during each function's performance review. In 2020, these reviews focused on digitalisation and IT systems, supply chain, product offering, crisis management, and business continuity.

OUR CUSTOMERS

MAXIMIZE VALUE BROUGHT TO CUSTOMERS



Holding a solid position in future technologies, Somfy develops simple, useful, and sustainable products. These solutions are adopted and installed by professionals with whom Somfy maintains a constant relationship.

SIMPLE, UNIVERSAL AND SUSTAINABLE SOLUTIONS

Today, homes have become a cocoon where the family meets and where many work remotely. To make homes safe and secure for everyone, Somfy is innovating by focusing on three areas: Ease of installation and use, universality by covering all common use cases, and interaction with all home equipment. The final key component is product sustainability. Since buildings are built for the long term, the Group has extended its warranty period to five years for almost all its products. For 50 years, Somfy's strength has been to create markets before they exist with useful products that create value for everyone. This is the case with the Door Keeper connected and communicating lock designed to allow home interventions without the presence of the occupants. Another area of innovation is building energy performance and protection against the effects of global warming with a complete range of solar protection products.

AIM FOR RELATIONAL AND OPERATIONAL EXCELLENCE

Every day, Somfy invests to develop a close and lasting relationship with professionals. The Group invests in creating a digital relationship while cultivating a direct physical connection. Trained in Somfy innovations, the 3,000 professionals in the European "Somfy Experts" network are true ambassadors of the brand for the general public. Together with the manufacturers, they form a chain that serves our users. These actions are all an integral part of 2030 Ambition, placing service, digitalisation, and the needs of professionals and consumers at the core of our offer. Somfy is strengthening operational excellence by working on several areas: Business expertise to increase skills, logistics with the roll-out of a more integrated ERP system, and product development to reduce costs and accelerate time-to-market. Of course, more agility will better absorb sudden increases in demand, while the health crisis has put a strain on the supply chain.

3,000
members of the Somfy
Experts network

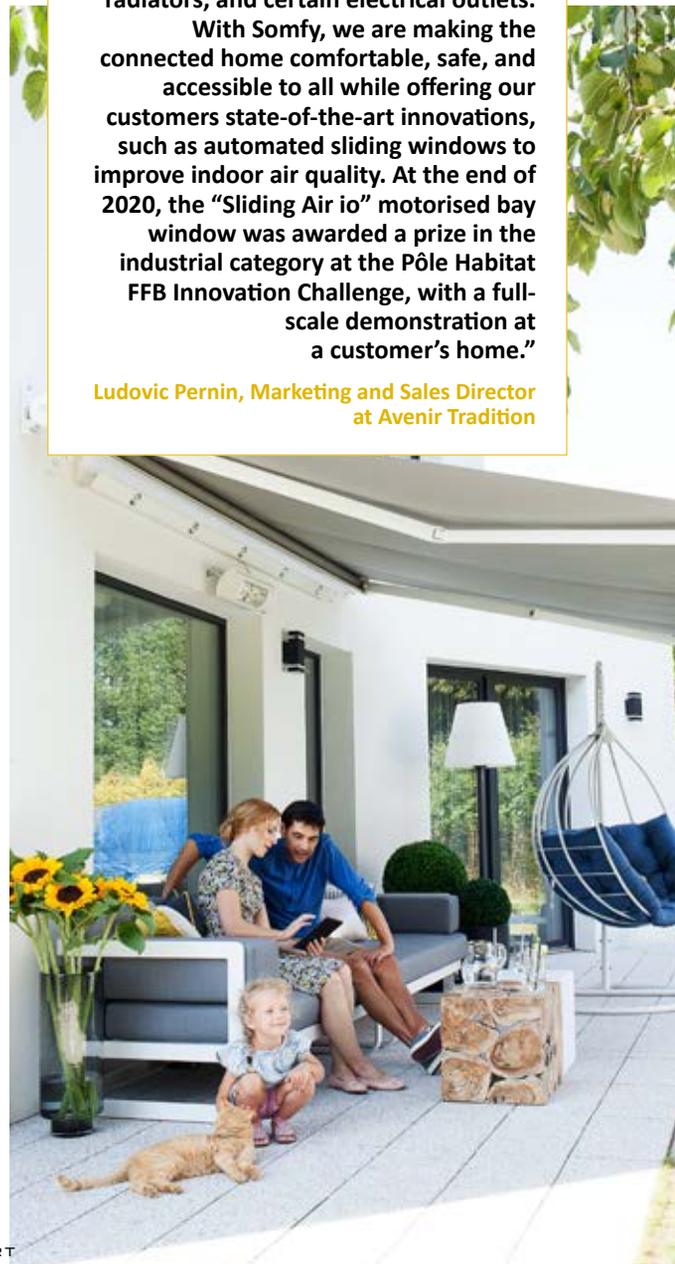
A PARTNERSHIP THAT MAKES THE SMART HOME ACCESSIBLE TO ALL

Avenir Tradition and Somfy have joined forces to offer ready-to-live, standardised connected homes.

"Avenir Tradition is a regional company that builds individual houses in the south of France. The "ready-to-live" home is a concept of serially equipped, personalised, and connected homes in partnership with Somfy. Because we deliver more than 400 homes per year, budgets are controlled. The TaHoma box is integrated from the outset to enable remote controlled rolling shutters, light sensors, connected smoke detectors, energy consumption sensors, connected radiators, and certain electrical outlets.

With Somfy, we are making the connected home comfortable, safe, and accessible to all while offering our customers state-of-the-art innovations, such as automated sliding windows to improve indoor air quality. At the end of 2020, the "Sliding Air io" motorised bay window was awarded a prize in the industrial category at the Pôle Habitat FFB Innovation Challenge, with a full-scale demonstration at a customer's home."

Ludovic Pernin, Marketing and Sales Director at Avenir Tradition





A DEDICATED SOMFY EXPERT

“Created 75 years ago, our company specializes in exterior and interior solar protection blinds, which we design and sell to private individuals (80% of our business) and the building industry. Our partnership with Somfy dates back to the early 1990s. I particularly appreciate how easy the products are to install and how seamless it is to integrate them with connected solutions, at a time when the Smart Home is attracting a growing number of customers. We maintain close contact with Somfy’s sales force, participate regularly in training courses, and have many product previews that we exhibit in a dedicated area. This makes us a genuinely local expert. Innovation, especially digital innovation, remains crucial. With Somfy, we are in a prime position to be the pioneers.”

Andreas Schmidt, Managing Director of Alfred Brasse Solar Protection, Leisnig (Germany)

INTERVIEW



Jonathan Yehuda
Vice-President of Glamour Decorating

“MORE THAN HIGH-END PRODUCTS: A HIGH QUALITY RELATIONSHIP”

Somfy and Glamour Decorating, an American company specializing in the world of windows, cultivate the same demand for customer satisfaction.

WHICH MARKETS ARE YOU TARGETING?

Jonathan Yehuda: Glamour Decorating is an expert in windows, both interior and exterior: Curtains, drapes, classic or motorized blinds and solar protection, security shutters, and upholstery. We are a recognized player in New York and New Jersey with a variety of clients who are residents, renters, architects, decorators, contractors, management companies, and more.

HOW DO YOU WORK WITH SOMFY?

J.Y.: Glamour Decorating has been distributing Somfy products for 10 years. Their most successful product is the Sonesse motor which covers a wide range of needs for interior blinds, solar protection, and curtains thanks to its performance and especially its silence. It really is highly appreciated by our customers.

WHAT IS THE ADDED VALUE OF YOUR PARTNERSHIP WITH SOMFY?

J.Y.: The technical-sales service, information, training and, of course, the products: Everything is top-of-the-range. Somfy regularly puts us in contact with prospective customers via an intuitive and easy-to-use application available on Smartphone. It has been a very big game changer for us as we have seen a boost in sales and great conversion rates.

It allows us a connection with high-end consumers who are well-informed.

OUR PARTNERS

PARTNERSHIPS: VALUE AMPLIFIERS



Somfy is at the centre of an ecosystem of partners to make Smart Living accessible to all. At the heart of these partnerships is interoperability and value creation.

ENRICH THE CUSTOMER EXPERIENCE

Somfy implements a selective partnership policy to improve its value proposition and customer experience. This open strategy is essential in developing new use cases for Smart Living. Customers see the benefits in a strengthened service offer that provides increased value in terms of comfort, ease of use, and energy consumption. This is the case for VELUX-Somfy natural ventilation solutions, guaranteeing optimal home ventilation. Partnerships are also accelerators of technological development—synonymous, for the customer, with progress—as seen with the “Sliding Air io” solution, a motorised sliding door designed in partnership with the LIEB-OT Group. Somfy also partners with its installer customers to support them in their role as ambassadors of the Somfy brand to consumers.

BOOST BUSINESS

Partnerships are levers for business by giving Somfy access to new distribution channels and making entering into new markets easier. At the heart of all these alliances is interoperability performed between communication protocols, home equipment thanks to the TaHoma box, and with the major IoT platforms such as Amazon Alexa, Google Assistant, and Apple HomeKit. Somfy has identified three types of major partners: Leading brands contributing to Smart Living such as Danfoss, Schneider Electric and ASSA ABLOY who have joined forces with Somfy within the Connectivity Ecosystem alliance, VELUX, PHILIPS Hue, Atlantic and LEGRAND; and lead-

ing IoT players such as Amazon, Apple, and Google with whom its solutions are interoperable and compatible. Finally, Somfy is working with Internet service providers, such as Free and Orange, to develop the connected home experience. With real estate developers, the Group is creating partnerships based on the attractiveness of its Smart Home solutions and its Overkiz platform, which offers numerous customisation possibilities.

+50
partners

LACROIX Electronics is a major player in the design and production of embedded electronic systems and industrial connected objects. For 20 years, they have been Somfy's partner.

“We support Somfy in their product development and geographical expansion, particularly in Tunisia and Poland. Our design offices work hand-in-hand in developing, for example, the TaHoma and Connexoon home automation boxes. With Somfy, we cultivate the same sense of innovation-driven operational excellence. Our collaboration highlights the potential of digital technologies: a real competitive lever for Somfy and a formidable growth catalyst for LACROIX. We work in close proximity and in total transparency and share industrial and R&D roadmaps. This partnership is reciprocal, as illustrated when Somfy helped us restart production in optimal conditions after a fire broke out in a section of our Zriba site in Tunisia.”

Vincent Bedouin, CEO of LACROIX Group



Danfoss develops essential technologies for a sustainable energy transition: refrigeration, heating, air conditioning. Their goal is to make life simpler.

“Over the past five years, our partnership with Somfy has grown in strength with applications that allow seamless, simple integration into an open ecosystem. We develop complementary products that correspond to real needs and create value for the user. Thanks to our fruitful cooperation with Schneider Electric and Somfy, we have developed a connected ecosystem that controls lighting, heating, and shutters. We have also completed integrating the Zigbee 3.0 protocol, which

offers centralized control of underfloor heating, windows, blinds, and shutters. In 2020, Smart Home building continued to grow thanks to the integration of our Danfoss underfloor heating system Icon™ into the Somfy TaHoma gateway for optimal temperature control. Our partnership is therefore a genuine lever to increase business particularly in the hotel and residential—both individual and collective—construction and renovation markets.”

Lars Tveen, Member of the Danfoss Executive Committee



INTERVIEW



“TWO LEADERS COMMITTED TO WELLNESS AT HOME”

**David Briggs,
CEO of VELUX**

As a family business, Velux shares strong values with Somfy and the same credo: Offer everyone better living environments.

WHICH MARKETS ARE YOU TARGETING?

David Briggs: We design roof windows for the residential market and, increasingly, for the tertiary and commercial markets. Since these openings are often out of reach, motorization and automation are needed to manage the blinds according to light and the openings according to air quality. Just like Somfy solutions, ours also improve living conditions in the home.

WHAT IS THE ADDED VALUE OF YOUR PARTNERSHIP WITH SOMFY?

D.B.: We make communication between products easier regardless of the system used. We have developed

natural ventilation solutions through smart window opening scenarios. Positioned in the residential air quality market, our brands are gaining notoriety.

WHAT GOALS ARE YOU PURSUING TOGETHER?

D.B.: We are looking for synergies across the entire value chain. This is true at the technological level, to develop more resistant and silent motors, but also in terms of purchasing to identify the best components. Of course marketing cannot be ignored as we rely on a strong and clearly identified image: We are two leaders committed to well-being at home.

ENRICH THE EMPLOYEE EXPERIENCE



Fully dedicated to supporting teams forced to work differently, Human Resources has laid the foundations for their transformation to strive for excellence, contribute to the success of 2030 Ambition.

STRATEGIC GROUP PARTNER

With the roll-out of the “One Somfy, One Team!” strategy, Somfy is globalising all functions, rolling out excellence plans to unify standards within all Group entities and foster employee development. Human Resources has a key role to play in supporting each of the functions and is also working on their excellence plan. This plan consists in adopting policies and tools that unify the Group: An HR information system employed by every subsidiary, a job and skills repository to build career paths and optimise talent management at the Group level, common compensation practices, and the creation of a Learning & Development department to drive professional development for employees and their mobility within the Group.

MAINTAINING ENGAGEMENT

As a family-owned company with a strong identity, Somfy places employee empowerment and entrepreneurship at the heart of its management model. It is an ambitious skills development programme aiming to make an employee’s experience at Somfy a qualifying stage in their career path. At Somfy, each employee is responsible for their own career development, and each manager is responsible for the future employability of their employees.

This commitment goes beyond borders and is embodied in how we identify international talent and manage our

“INSPIRING & ENGAGING” IN A NUTSHELL

For Somfy to be recognised for its business excellence, agility and culture, four strategic priorities have been defined in terms of human resources:

1. One Somfy, One Team!
2. Developing inclusive diversity
3. Making Somfy “a great place to grow”
4. Securing team success

community of high-potential Group managers. Through all these actions, Somfy strives to offer a rich, meaningful, fulfilling, and consistent employee experience for all. This ambitious People Project explains our very strong employee engagement, a particularly valuable asset in the current health crisis.

INVENTING SUSTAINABLE SMART WORKING

The Covid crisis was an opportunity to take a fresh look at how work is organised: remote work opens up opportunities to accelerate our teams’ internationalisation.

Human Resources teams consulted 250 employees to lay the foundations for a sustainable remote working policy. Remote working is certainly a tool that brings peace of mind and improves efficiency and work-life balance. However, at Somfy, the company is considered as a genuine living space encouraging social interaction, serendipity, and agile and collaborative operating methods which are key to ensure performance.

300
recruitments per year



INTERVIEW

A MOBILE LIFE!

“I’ve been with Somfy for 18 years now, and yet I haven’t seen the time pass. That may be explained by one simple word: Mobility. For 16 years I covered several different islands in the factory. I honed my skills in flow management, quality, and even safety. Then I had the opportunity to change atmospheres by taking a position at Somfy’s head office switchboard. This experience was invaluable in developing my service culture. In 2020, I joined the “key accounts” customer service department of the French subsidiary where I continue to perfect my customer relations skills. This varied career path has given me the opportunity to reinvent who I am, improve my skills, and, above all, maintain my desire to learn while working.”

Cindy Meurice
Customer Service/Logistics Coordinator
for Key Manufacturer Accounts



Angélique Longera
Managing Director of Somfy France

“EVERYTHING IS POSSIBLE PROVIDED THAT YOU STAY POSITIVE AND ADOPT A 360° APPROACH TO LISTENING”

Since 2000 at Somfy, Angélique Longera is an accomplished manager for whom words and deeds must always be harmonious.

WHAT IS YOUR JOB TODAY?

Angélique Longera: In 2020, I became the Managing Director for Somfy France, an entity that employs 300 people and generates around €320 million. It is a multi-faceted position that encompasses sales, marketing, finance, human resources, and customer service functions. It’s the beginning of an incredible adventure.

WHAT ARE YOUR CHALLENGES TODAY?

A.L.: I still have many things to learn and implement: Among others, there’s the digitalisation of our professions, bringing service to the heart of the user experience, and of course, continuing to improve as a manager

to help my teams grow by focusing on high standards, openness to others, and kindness.

WHAT WOULD YOU SAY TO A YOUNG CANDIDATE TEMPTED TO JOIN IN ON THE SOMFY ADVENTURE?

A.L.: Everything is possible here! Provided that you are positive and adopt a 360° approach to listening. I am living proof. I was hired when I was 23 and have climbed the ladder with my successive positions. Somfy is a company with a clear and shared long-term vision. I mean, in particular, its environmental and social responsibility. This vision is unifying and inspiring; it encourages individual and collective initiatives.

SHARE OUR SUCCESS AND GET INVOLVED LOCALLY



Because success is only worthwhile if it is shared, Somfy is making sustainable and long-term growth within its communities a goal. Societal actions are a source of pride, commitment, and enrichment for all.



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ACT LOCALLY

Give back a little of what our local regions have given us. Somfy's local action is an integral part of the region and contributes to its economic dynamism. This is particularly true of the Arve Valley in the French Alps, the company's roots. It gave Somfy its entrepreneurial spirit, its search for cooperation, and its international outlook. The Group has been forging long-term connections with local authorities, regional universities, colleges, and associations working to promote jobs and integration. Somfy acts by giving donations, sponsoring skills transfer and contribution programmes to promote open innovation. In 2020, Somfy participated in creating the ID Center, an association based in Cluses, France, designed to promote mechanical engineering professions and to enhance the value of the *CETIM Cluses Technocentre* as a European centre of expertise. The Group is also a founding member of the new CIMES (intelligent mechanical systems) competitiveness cluster.

€851 K
The Foundation's budget was doubled at the end of 2020

ACT WITH EMPLOYEES

Whether it's participating in local associations focusing on sports and culture or being a board member of associations serving the region's economic development, employee engagement is the cornerstone of local involvement. Somfy is using its reputation to unite local players to share best practices on cross-functional topics such as inclusion and remote working in 2020. The Somfy Foundation uses two levers in France and all over the world: Financial sponsorship—through international grants and Les Petites Pierres, a French crowdfunding platform—and social sponsorship through an employee volunteer programme during working hours providing time or skills to associations.





EXCEPTIONAL SUPPORT

To help associations weakened by the crisis and because Somfy illustrated good performance in 2020, the Foundation's budget was doubled to €851,000.

The Les Petites Pierres crowdfunding platform endowment fund and the NGO Habitat for Humanity—one of the Somfy Foundation's major partners—each received an endowment of €50,000. Three other struggling associations were supported:

- **Emmaüs**, fights poverty by enabling people to take charge of their own lives
- **Ikambéré**, provides sanctuary to women in need
- **Simon de Cyrène**, develops "Shared Homes" where people with disabilities share space with other abled or disabled residents.



IMAGINING THE HABITAT OF TOMORROW

As a partner of the EDHEC Foresight, Innovation & Transformation chair since 2018, Somfy has decided to launch a "Future of Building and Sustainability" programme in 2021. The aim of this forward-looking study on the construction industry is to provide a common perspective on the sector in 2035. It will be carried out in collaboration with a wide range of stakeholders in the sector—developers, design offices, industrialists, architects, etc.—to develop a shared approach to buildings and their uses. This common vision will be built around several themes and will focus on the environmental impact of green buildings, energy efficiency, and global warming. It will be based on innovative approaches in connected solutions, artificial intelligence, open innovation, etc.

INTERVIEW



Tomas Kelley
Director of Partnerships,
Habitat for Humanity

"THE SOMFY FOUNDATION PROVIDES US WITH VOLUNTEERS AND FINANCIAL SUPPORT"

Internationally, the Somfy Foundation cooperates with the NGO Habitat for Humanity by supporting projects for access to water and housing renovation to ensure stability and trust.

WHAT IS THE MISSION OF THE NGO HABITAT FOR HUMANITY?

Tomas Kelley: Since the founding in 1976, our NGO is dedicated to improving lives of families and individuals by eliminating poverty housing. Over 35 million people in 90 countries have received support in construction, sanitation, and hygiene projects, making their lives better.

HOW DO YOU WORK WITH THE SOMFY FOUNDATION?

T.K.: In 2015, Somfy Foundation and Habitat for Humanity started a pilot project in the Heliopolis community in Brazil with the objective to improve the living conditions and quality of life of single mothers. Our partnership has gradually expanded to nine countries and continues to support new constructions, renovations, and repairs. The Somfy Foundation's support is provided both in financial contributions but also in terms of volunteering thanks to employees volunteering to work on Habitat sites and others sharing their skills.

WHAT PROJECTS DID THE FOUNDATION SUPPORT IN 2020?

T.K.: The Foundation provided support during the health crisis in Sao Paulo, Brazil and in Lebanon after the explosion at the port of Beirut. In total, the Somfy Foundation and the local subsidiaries have already helped nearly 250 people to live in healthier and safer homes and an additional 750 people with community projects. In 2021, new projects will take place in Bulgaria and Romania and an exceptional € 50,000 grant will also be used to support a programme in Côte d'Ivoire.



—
**BEING SUCCESSFUL
MAKES IT EASIER TO
VIEW THE FUTURE AND
INVEST FOR TOMORROW.
USING ITS IDEAL
POSITION IN AN ACTIVE
MARKET AND ITS
RESPONSIVENESS AT THE
HEIGHT OF THE CRISIS,
SOMFY SHOWED GOOD
FINANCIAL
PERFORMANCE THANKS
TO THE UPTURN IN
BUSINESS AND
EXCEPTIONAL COST
SAVINGS.**

**IT IS THROUGH OUR
PRODUCT UTILITY AND
ENVIRONMENTAL
CONTRIBUTION THAT WE
ENSURE PERFORMANCE
NOW AND IN THE
FUTURE.**

- 28. Somfy During the Health Crisis
- 30. Our Results



SHOWING SOLIDARITY AND OPTIMISM



The year 2020 was also the year of a global pandemic and a sudden and unexpected economic crisis. In this unprecedented context, Somfy took advantage of its markets' resilience, notably the home market. In sticking to its fundamentals, the company showed responsibility and solidarity.

MOVE FORWARD

2020 was a trying year for everyone: Individuals, local governments, and businesses. For Somfy's operations, it paradoxically created a boost for all our product lines, with a particularly good performance for solar protection. Homes have become a place of refuge and have been given extra attention and benefited from deferred spending. As a result, the Group's order book is very robust. Bolstered by increased demand, Somfy took positive and constructive action to support its employees and the authorities. The Group embraced its role as a responsible economic player by restarting operations wherever and whenever it was allowed to starting mid-May 2020. Without compromising health and safety, operations started out gradually at all industrial and logistics sites. To make sure health and safety were ensured, it worked with the company's social partners and implemented a safety protocol adapted to its processes and to local recommendations. Remote working was generalised in record time and significant progress was made throughout the year in terms of Smart Working.

ACT RESPONSIBLY

As business continuity was ensured, Somfy did not apply for French government assistance, whether it be to defer social security contributions or taxes or obtain guaranteed loans. For employees unable to work because of the lockdowns, the Group maintained their full salary. Because the crisis was harsh and sometimes violent for many citizens, the Group came together to deal with the emergency. At the height of the epidemic, it donated 100,000 masks, 10,000 of which were distributed to the Foundation's

100,000

At the height of the pandemic, the Group donated 100,000 masks

partner associations. It doubled the Foundation's budget which resulted in an increase in the Les Petites Pierres endowment fund (see box). Through these actions, the Group helped associations strengthen their programs for vulnerable populations that were particularly exposed and isolated by the lockdowns.



KEEPING IN TOUCH

Somfy continued to kept in touch with both employees and customers, particularly during lockdowns.

The sales teams, some of whom performed well despite the context, showed ingenuity in maintaining proximity to their customers. As for consumers, Somfy addressed them directly with content on social networks. A method of communication that was far from using only promotional codes, which made lockdown easier and more useful.

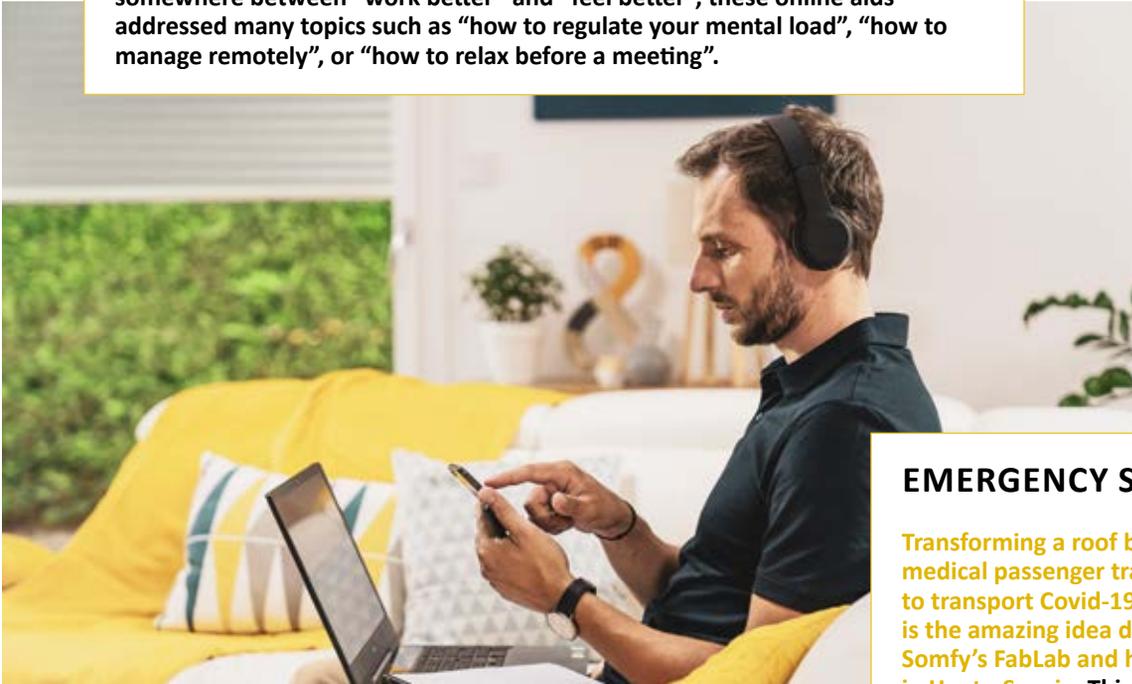


SWITCH TO REMOTE WORKING

Increase the number of remote workers by a factor of five in just two weeks.

That's what the IT teams were faced with early on in 2020.

How did they face that challenge? Reinforcing the platform, increasing the number of remote access licenses, rolling out the Teams collaborative application, and loaning laptops. Because for some, remote working was a new, confusing experience, the Learning & Development team put together webinars, micro-learnings, podcasts, and smart kits. What are the objectives? Give simple recipes for a better remote working experience. Located somewhere between "work better" and "feel better", these online aids addressed many topics such as "how to regulate your mental load", "how to manage remotely", or "how to relax before a meeting".



EMERGENCY SOLIDARITY

Transforming a roof box into a mobile medical passenger transport capsule to transport Covid-19 patients. This is the amazing idea developed by Somfy's FabLab and healthworkers in Haute-Savoie. This "MobiCapsule" can safely transport a sedated and ventilated patient. Safety for the patient and for the medical team.

At the height of the crisis, Les Petites Pierres, an endowment fund created by the Somfy Foundation, launched a call for projects. The objective: Help associations that respond to emergency situations caused by the lockdown.



OUR FINANCIAL PERFORMANCE



SALES

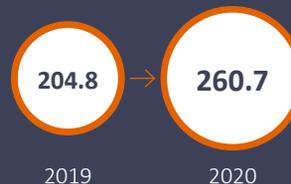
In € millions



Sales reached €1,257.1 million for the 2020 financial year, up 4.7% in real terms and 6.1% on a like-for-like basis, with -7.2% in the first half and 20.1% in the second half.

CURRENT OPERATING RESULT

In € millions



Current operating result reached € 260.7 million over the financial year. It represented 20.7% of sales and was up 27.3% in real terms, reflecting a favourable product mix and non-structuring cost savings related to the health crisis. On a like-for-like basis, COR came to €269 million, i.e. 21.1% of sales.

NET INVESTMENTS IN INTANGIBLE ASSETS AND PROPERTY, PLANT, AND EQUIPMENT

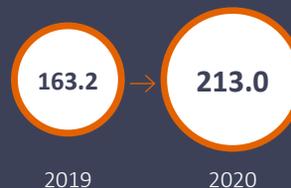
(Excl. IFRS 16) in € millions



At €49.8 million (compared with €53.3 million in 2019), net investments in intangible assets and property, plant, and equipment are decreasing but main projects were maintained—notably with the implementation of the ERP in line with the Group's strategy.

NET PROFIT

In € millions



Net profit came to €213 million, up 30.5%.

CASHFLOW

In € millions



Cash flow was up sharply by 24.7% to €274.5 million, given the good results for the year.

NET FINANCIAL SURPLUS

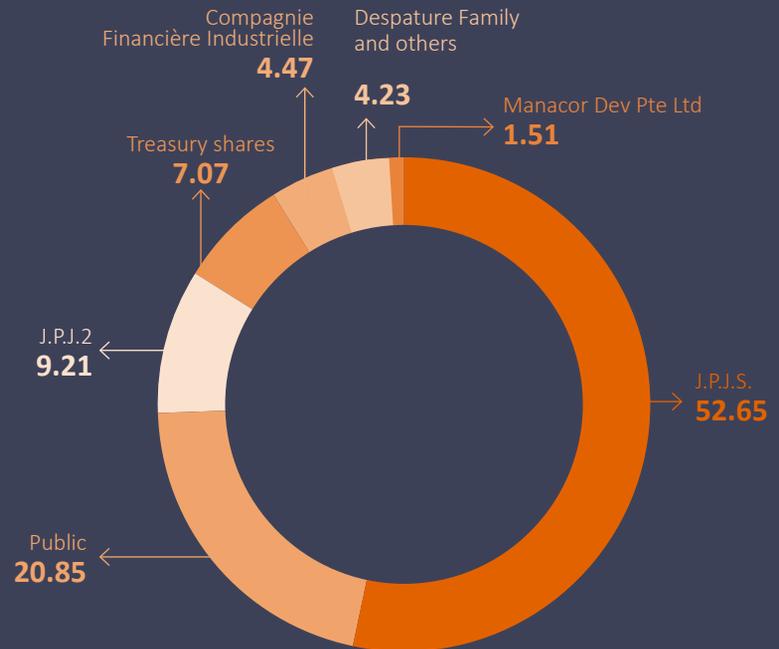
In € millions



The net financial balance rose sharply and has remained in surplus at €517.7 million at the end of December.

BREAKDOWN OF SHARE CAPITAL IN %

AT 31/12/2020

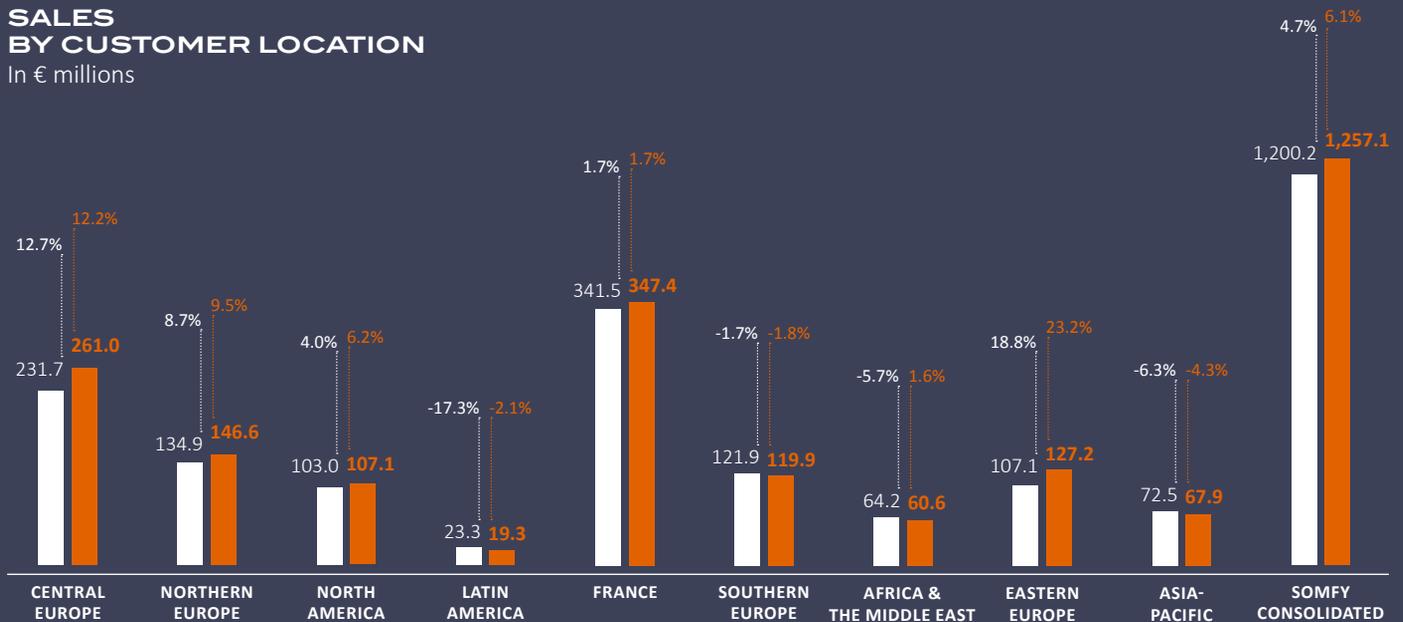


At 31 December 2020, capital amounted to €7.4 million, divided into 37 million shares with a nominal value of €0.20 each, fully paid up and all in the same class.

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SALES BY CUSTOMER LOCATION

In € millions



31.12.19



31.12.20

..... Change N/N-1

..... Change N/N-1 on a like-for-like basis



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somfy® heart beats
for the biathlon.

