
BETTER LIVING





**INSPIRING A BETTER
WAY OF LIVING
ACCESSIBLE TO ALL**

EVERYONE AROUND THE WORLD ASPIRES FOR THEMSELVES AND THEIR LOVED ONES TO ENJOY A SAFE, HEALTHY AND ENVIRONMENTALLY- FRIENDLY LIVING ENVIRONMENT



To meet the essential need of improving living environments, Somfy Group creates innovative solutions for homes and buildings, in three key areas:

- comfort and wellbeing for everyone at all ages,
- the security of people and property,
- protection of the environment.

Somfy Group, through each of its subsidiaries and brands, is committed to making these innovations accessible to as many people as possible. As a genuine local player on five continents, we adapt our products to the needs and characteristics of each of our markets.

Somfy wants to contribute to the development of our customers and our partners by constantly striving for excellence in our products and services.

THE GROUP'S BRANDS

somfy.



DOOYA®



OUR HISTORY

SINCE IT WAS FOUNDED AT THE END OF THE 1960s, SOMFY GROUP HAS PLAYED A PIONEERING ROLE IN AUTOMATIC SYSTEMS FOR OPENINGS AND CLOSURES IN BUILDINGS.

THE GROUP'S GROWTH IS BASED ON ITS PEOPLE'S PASSION FOR ENTREPRENEURSHIP, THE SOMFY SPIRIT THAT DRIVES A VISION: TO IMPROVE LIVING ENVIRONMENTS AND MAKE THEM ACCESSIBLE TO AS MANY USERS AS POSSIBLE.



1969

Somfy founded in Cluses.

1984

Becomes part of the Damart group in Roubaix (France).

1986

Creation of the network of customer installers: Somfy Experts.

1987

First television advertising campaigns on the French market.

1990

Somfy acquires Simu, its main competitor.
The interior blind activity is launched.

2000

First Somfy products sold in DIY stores in France.

2002

Damart SA splits into Damartex SA and Somfy SA, majority owned by the Despature family.
Damartex and Somfy listed on the Paris Bourse.

2004

Acquisition of BFT (Italy), a specialist in automatic access systems.
The proportion of radio motors exceeds that of traditional motors.

2005

Joint venture with LianDa, manufacturer of tubular motors, to access the Chinese market.

2006

New Logistics Center opens in Bonneville (France).
SITEM plant constructed in Tunisia.



2007

Somfy launches its Bioclimatic Facades program meeting the threefold demand for energy performance, reduced environmental impact and comfort for building occupants.

2008

Creation of Somfy Activities and Somfy Participations.

2011

The Group launches its quality plan: Customer 1st.

Somfy Foundation is set up to fight poor housing.

2012

Creation of the Home & Building Activity.

Somfy acquires a stake in Neocontrol, a Brazilian home automation manufacturer.

2013

Somfy Foundation launches Les Petites Pierres, the first crowdfunding platform to support decent housing conditions.

2014

Separation of the two branches of activity. Somfy Participations becomes Edify.

Two new plants are opened: SOPEM in Poland, Dooya in China.

2015

Creation of the Connected Solutions Activity.

Launch of the Act for Green® label, a voluntary eco-design process for Somfy products.

2016

Somfy Spirit is formally defined and announced as the foundation of Somfy's identity, setting out the group's development model, organisation structure and management principles.

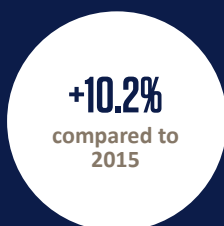
2016 KEY FIGURES

SALES IN € MILLIONS

In 2016, Somfy's sales progressed in all regions.



GROWTH ON A LIKE-FOR-LIKE BASIS



CURRENT OPERATING RESULT



SALES OUTSIDE FRANCE



MOTORS PRODUCED SINCE THE BEGINNING

166,000,000

PATENTS FILED IN 2016

41

PATENTS IN OUR PORTFOLIO

2,007

NUMBER OF CONNECTED DEVICES

750,000

EMPLOYEES

8,000

COUNTRIES WHERE THE SOMFY BRAND ADVERTISES ON TV

20

MANAGEMENT BODIES

MANAGEMENT BOARD

Jean Guillaume Despature

Chairman of the Management Board

Pierre Ribeiro

Chief Financial Officer,
member of the Management Board

MANAGEMENT

Jean Guillaume Despature, CEO

General Management

Pierre Ribeiro

Chief Financial Officer

Jean-Claude Rivier

Industry & Logistics

Guy Broutechoux

Organisation & Management

Denis Maugain

Strategic Marketing

Frank Schädlich

Europe, Middle East & Africa
Business & Marketing Area

Olivier Piccolin

Asia & Americas
Business & Marketing Area

Jean Pascal Rey

Home & Building Activity

Marc Westermann

Connected Solutions Activity

SHAREHOLDER RELATIONS

LISTING

Somfy SA has a Management Board and a Supervisory Board and is listed on the Eurolist at Euronext Paris in Compartment A (ISIN code FR 0000120495).

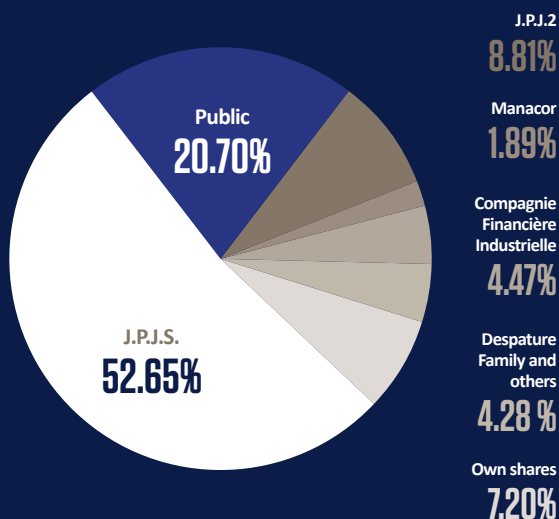
CAPITAL

On December 31st, 2016, Somfy's capital amounted to €7,400,000, divided into 7,400,000 shares with a nominal value of €1, fully paid up and all in the same class.

www.somfyfinance.com

BREAKDOWN OF CAPITAL

IN % ON DECEMBER 31ST, 2016



OUR PRESENCE WORLDWIDE

58

COUNTRIES

125

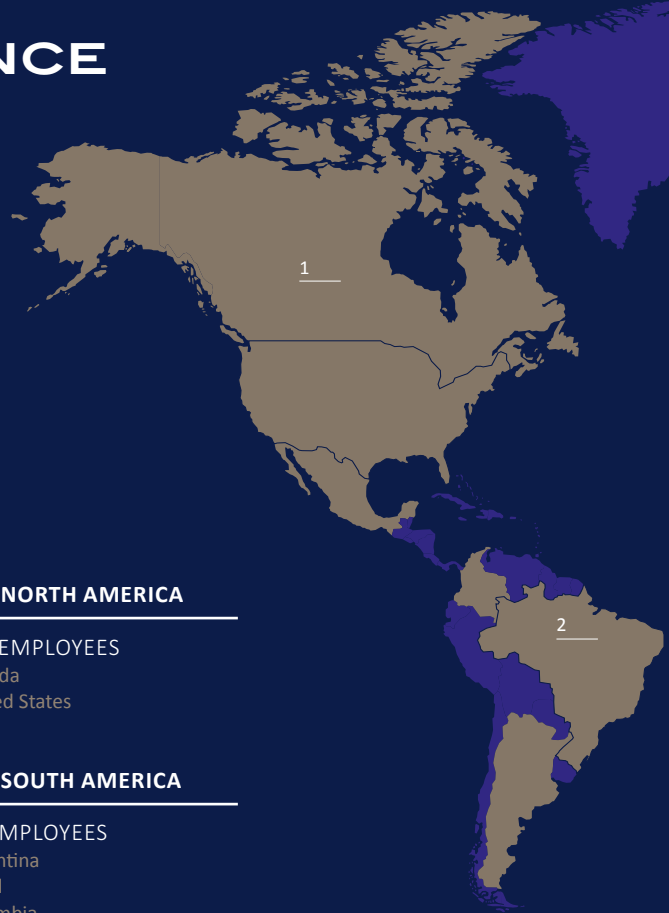
SUBSIDIARIES

47

OFFICES & AGENCIES

8,000

EMPLOYEES



1 — NORTH AMERICA

140 EMPLOYEES

Canada

United States

2 — SOUTH AMERICA

80 EMPLOYEES

Argentina

Brazil

Colombia

Mexico

3 — NORTHERN EUROPE

190 EMPLOYEES

Belgium

Denmark

Finland

Ireland

Netherlands

Norway

Sweden

United Kingdom

4 — FRANCE

2,130 EMPLOYEES

France

5 — SOUTHERN EUROPE

510 EMPLOYEES

Bulgaria

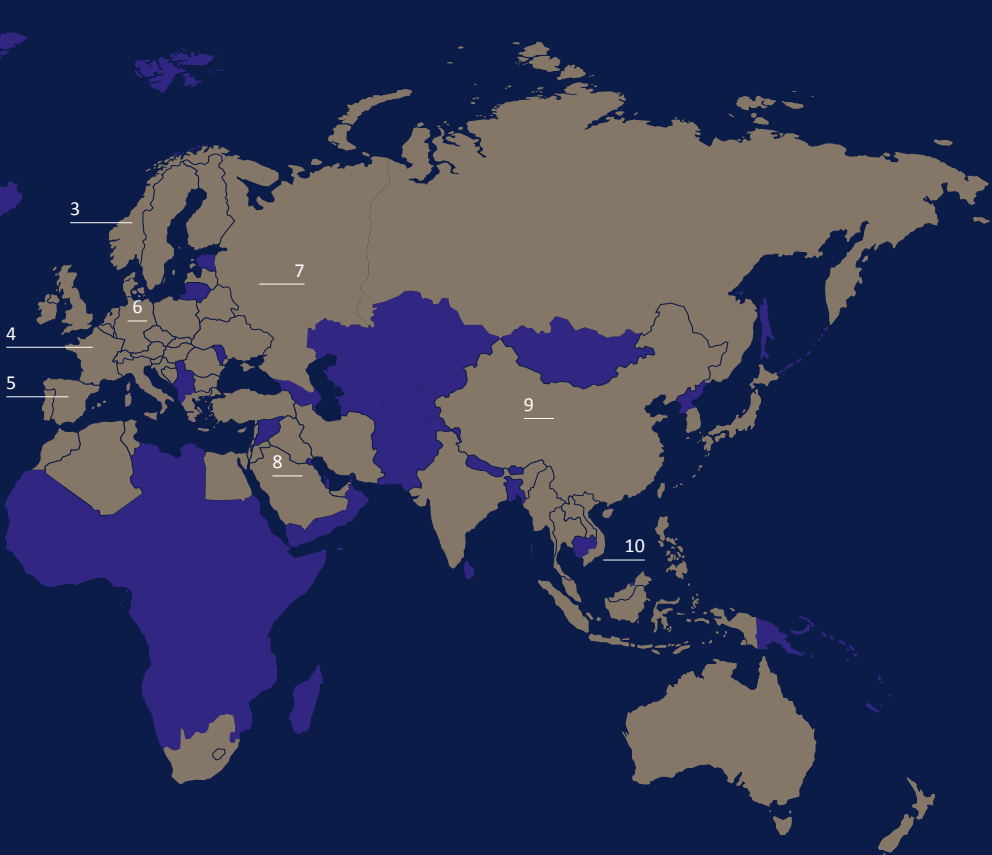
Greece

Israel

Italy

Portugal

Spain



6 — CENTRAL EUROPE

350 EMPLOYEES

Austria
Germany
Switzerland

7 — EASTERN EUROPE

500 EMPLOYEES

Croatia
Czech Republic
Hungary
Latvia
Poland
Romania
Russia
Slovakia
Ukraine

8 — MIDDLE EAST & AFRICA

1,100 EMPLOYEES

Algeria
Cyprus
Egypt
Iran
Jordan
Lebanon
Morocco
South Africa
Tunisia
Turkey
United Arab Emirates

9 — CHINA

2,800 EMPLOYEES

China

10 — ASIA-PACIFIC

200 EMPLOYEES

Australia
Hong Kong
India
Indonesia
Japan
Korea
Malaysia
New Zealand
Philippines
Singapore
Taiwan
Thailand
Vietnam



**SMART PRODUCTS,
INNOVATION,
USER EXPERIENCE**



**LEADING
CHANGE IN
OUR MARKETS**

2016 HIGHLIGHTS

INNOVATION

With the launch of many innovative new products in 2016, Somfy is helping to make the **smart home** a reality on the market, for users and professionals alike.

TaHoma 2.0 incorporates new systems and new services. It also provides a technological framework for creating new products to suit the needs of different markets: Connexoon for installers and consumers who only want to control one type of application, Raye Din for electricians, and so on.

In terms of **security**, Somfy has developed several new products that expand its range to meet consumers' demand for peace of mind: Somfy One, an all-in-one solution combining a camera, movement sensor and alarm; Opendoors, a smart lock; and Visidom, a smart camera.

END-USER EXPERIENCE

► Rolling out a new CRM system

As part of its strategy to strengthen its relationship with consumers, Somfy has started to roll out a new customer relations management system.

With Salesforce, the leader on the CRM market, Somfy is keeping its promise to provide the best possible customer experience. The launch was prepared internally through a collaboration between some 50 sales and marketing employees. The system will be rolled out to 70% of EMEA territories in 2017.

► Consumers contribute to innovation

With My Somfy Lab, Somfy has introduced a new co-design web platform, to take inspiration from end-users when designing its future products and services. The aim of this platform is to use the consumer as a starting point to find solutions, test new ideas in the real world, and identify new territories for the brand to explore.

DISTRIBUTION

► Somfy brand: Central Europe exceeds €200 million in sales

This excellent result is particularly due to the solid growth of the German market. The strategy to seek closer involvement with end-users has been a success, particularly with the launch of online sales.

BUSINESS

► The Connected Solutions

Activity continued to take shape with the incorporation of the Access Security entity, the companies MyFox, which specialises in smart solutions for home security, and Opendoors, which designs smart locks.

Somfy acquired a majority holding in iHome, a smart solutions integrator dedicated to automatic systems in the vertical residential market. Established in 2007 and operating in Thailand, Malaysia and Singapore, iHome benefits from a strong presence in South-East Asia, and has developed a solid customer portfolio and specifier network.

MANAGEMENT

Within a context of strong growth and a complex environment, Somfy decided to strengthen the unifying foundations of its identity and the way it works with its teams, partners and customers. The entrepreneurial approach and quest for personal fulfilment embodied by every employee defines the **Somfy Spirit** on which Somfy has built its growth and success, right from the start.

The groups' employees shared these values on September 28, 2016, at the Somfy Spirit Day attended by 30 distribution subsidiaries and the teams from Cluses.

DISTRIBUTION

IN 2016, SOMFY GROUP REGISTERED GROWTH IN ALL REGIONS. THESE RESULTS REFLECT THE VITALITY OF NEW TERRITORIES (POLAND, CZECH REPUBLIC, CHINA, TURKEY, MIDDLE EAST) AND THE RESILIENCE OF TRADITIONAL MARKETS (UNITED STATES, ITALY, IBERIAN PENINSULA).

FRANCE

+6.9%

Thanks to low interest rates and government policies to encourage home renovation and new-builds, the construction market regained health in 2016. In this more favourable context, the Group's stretching strategy continued to bear fruit with the expansion of the range, stronger distribution channels and growth of online sales, which offset the slight downturn in DIY stores. Growth in France is led most prominently by exterior applications. Sales of connected solutions grew by more than 50%.

EASTERN EUROPE

+19.7%

The level of activity was sustained in all countries and for all brands. Strong growth was led mainly by exterior applications. Smart solutions also progressed. Poland and the Czech

Republic benefited from good performances from manufacturing customers as well as the plan implemented to accelerate Access sales. In Russia, efforts to acquire new customers and focus on volumes bore fruit, despite an unfavourable exchange rate.

NORTHERN EUROPE

+5.2%

The motorisation rate continued to rise. Interior products posted a good performance thanks to the support of the online sales channel. Results were contrasting among countries. The United Kingdom was hit by consumer uncertainty over Brexit. Sales grew in Benelux and Sweden, unlike in Norway, which saw a downturn, reflecting its market, which is very dependent on oil.

SOUTHERN EUROPE

+7.9%

Sales rose in all countries and for all applications. Somfy strengthened its position on the short channels of online sales, with several new sites, and in DIY stores. Sales of Access and Security products, which are key components in smart solutions, are increasingly contributing to growth. A solid customer base and the extension of ranges towards value with io boosted growth in Spain and in Italy, which achieved its highest ever sales figure.



CENTRAL EUROPE

+7.6%

In 2016, Somfy brand exceeded sales of €200 million in Central Europe. This excellent result was down to stronger customer relations and the solid growth of the German market. The strategy of greater involvement with end-users has been a success, particularly with the launch of online sales. Growth in the region was based on a balanced strategy of volume and value, coupled with good growth in Home Automation.

MIDDLE EAST & AFRICA

+15.7%

Despite complex economic and political environments, Somfy achieved good performances thanks to its proactive strategy. Tactical brands provided excellent support for growth. Among the main contributors, the Gulf countries promoted the sale of exterior products on the residential market, and customer loyalty programmes. Turkey pursued its growth, and the Middle East strengthened its consumer relations with the launch of direct sales from the new showroom.



NORTH AMERICA

+19.3%

Growth was driven by the interior blinds market, which registered a good performance (+21.1% for Somfy brand) thanks to a mass-market development model. For the first time, the group implemented an extensive digital campaign to develop this priority market. The aim was to build up brand awareness for Somfy, promote the benefits of motorisation and generate traffic towards key partners, particularly Springs.

SOUTH AMERICA

+9.9%

Despite a difficult economic context in Brazil, the development of the entry-level segment allowed Somfy to remain compe-

titive. A range of smart solutions was launched with the support of the local Design Center. In Mexico, after a difficult start to the year, Somfy registered better results at the end of the period.

CHINA

+18.6%

The economic slowdown impacted Somfy brand's activity (-12.2%), particularly in the projects and upmarket residential segments. On the other hand, Dooya benefited from the domestic context to achieve a very good performance (+26.5%) by attracting customers looking for more competitive solutions in the projects market. LianDa had an excellent year and is now structurally profitable, complementing the group's product offer and boosting multibrand and multi-application strategy.

ASIA-PACIFIC

+7.2%

The group posted contrasting results in this region. Emerging countries registered weak growth, while mature countries continued to develop more rapidly. Australia had an excellent year (+12.2%), boosted by interior applications, as did Japan, with a strong market for exterior applications.

← Growth rates are stated on a like-for-like basis, based on sales by customers' location.

HOME & BUILDING

The Home & Building Activity achieved sustained growth in 2016, thanks to the development of the io range and the impact of product innovations.



GROWTH IN ALL SEGMENTS

+10.3%

Growth in the Home
& Building Activity

+9.7%

Exterior
applications

+14.7%

Interior
applications

CONNECTIVITY PROGRESSES

► **In the EMEA region**, more than 90% of the Home & Building range is now available in RTS, Wirefree and smart (io) versions. In 2016, io solutions registered a strong acceleration in sales for this region.

► **In Asia-Pacific**, where the interior blind market dominates, Connectivity is becoming a key requirement to increase the motorization rate for interior applications, with simple and accessible solutions.

► **In the United States**, a partnership with the manufacturer Springs has led to the launch of MyLink, a



Growth rates are stated
on a like-for-like basis.

plug & play motorization access solution that has been a great success.

SUCCESSFUL INNOVATIONS

Perceived as a major innovation by both professional customers and end-users, **Smart & Smooth**, the first 100% connected tubular motor, is achieving growing success on the European market. The **Nina** remote control continued its successful roll-out in a growing number of European countries. On the market for the motorization of interior products, in both residential and commercial sectors, Somfy strengthened its position as the leader on the silent motors segment, adding to its range of **Ultra Quiet** motors, the quietest and most powerful on the market. **The Irismo Wirefree** curtain motor, co-developed with the manufacturer Sedar (Dubai), was launched worldwide.

CONSUMERS AT THE HEART OF THE STRATEGY

Since 2015, Somfy has refocused its strategy around the user experience and closer links with consumers, through either direct contact or its network of customers and partners. The introduction of a new Customer Relations Management system has strengthened cooperation among Somfy teams and improved customer satisfaction.



FOR THE HOME

HOME & BUILDING DESIGNS AND DEVELOPS MOTORS, REMOTE CONTROLS, CONTROL POINTS, SENSORS AND HOME AUTOMATION SOLUTIONS AND TECHNOLOGIES FOR A WIDE RANGE OF BLINDS, AWNINGS AND ROLLING AND SWINGING SHUTTERS IN HOMES.

FOR COMMERCIAL BUILDINGS

THE ACTIVITY ALSO DEVELOPS HIGH-PERFORMANCE FAÇADE SOLUTIONS USING OPEN AND CLOSED TECHNOLOGIES.

ACCESS

The ongoing implementation of the multibrand strategy had positive results, and the Access Activity achieved growth of 8.9%.



PERFORMANCE

+8.9%

Growth in the Access Activity, on a like-for-like basis.

A PORTFOLIO OF COMPLEMENTARY BRANDS

The brand network comprises two leaders, Somfy and BFT, as well as brands focused on application sectors or regions: Automatismos Pujol, Simu, O&O and Sacs.

► Somfy

With growth achieved in all regions, particularly France, in 2016 Somfy outperformed the market and boosted its presence in trade and direct channels alike. In countries with high growth potential, in Eastern Europe and the Middle East, Somfy strongly accelerated its development.

Several new videophone and camera products were launched:

- **Visidom surveillance cameras** (3 IC100 / ICM100 / OC100 cameras),
- **Visiophone V100**, the new entry-level product in the plug & play Visiophone range,
- **VsystemPRO range**, videophone products for installers.

► **BFT**

In 2016, BFT's sales registered a growth of 5.8% on a like-for-like basis. After several difficult years, the French market is giving particularly encouraging signs following the company's restructuring. The situation is the same in Italy, with an increase in sales through electrical equipment wholesalers. In 2016, BFT launched Giuno, an automatic hydraulic swing gate system, the popular Deimos product 230's version and the second version of the U-Base software to program and manage installations with wifi and offline. BFT has raised its profile by taking part in Intertraffic Amsterdam 2016 and its "Innovation in tour" events, where installers could try out BFT products using the interconnectivity systems developed by the company.

► **Pujol**

Pujol continued to register growth thanks to strong performances on the export markets, particularly in North African countries, and to good development in domestic markets, notably Italy. This growth is due mainly to sales of central operators for commercial curtains, as well as electronics and complementary accessories.

► **Simu**

With a bigger presence in the field, the ICC Business Unit (industrial and commercial closures) has sustained strong links with its subsidiaries and customers. The various visits and training sessions it provided have borne fruit, particularly for central motors and in the Middle East, Central Europe and Southern Europe Business Areas.

CONNECTIVITY PROGRESSES

The two global brands, BFT and Somfy, continued to focus on connected solutions to offer even greater benefits for users.

► **BFT**, with its U-link technology, allows users to connect all their products to any protocol and interface with products and systems by other manufacturers. These products can "talk and work" together, making it easier to manage systems.

FOR THE RESIDENTIAL SECTOR,

ACCESS ACTIVITY DESIGNS AND DEVELOPS MOTORS, AUTOMATIC SOLUTIONS AND CONTROL POINTS FOR GATES AND GARAGE DOORS AND SECURITY SYSTEMS.

FOR THE COMMERCIAL, INDUSTRIAL AND URBAN SECTOR,

ACCESS DEVELOPS A RANGE OF AUTOMATIC CONTROLS FOR SHOP SECURITY GRILLES AND CURTAINS AND INDUSTRIAL BUILDING DOORS, AS WELL AS COMPLETE CONTROL SOLUTIONS FOR URBAN ACCESS.



► **Somfy** accelerated the development of its residential access products with the io protocol, adding to its ecosystem and boosting the potential of the connected home. The brand also offered new benefits to consumers and installers with the Connexoon Access app.

CONNECTED SOLUTIONS

Providing essential, real benefits in terms of comfort and security, smart solutions are strengthening Somfy's relations with consumers while boosting growth in all of the group's entities.



ACCELERATING CONNECTIVITY

+17.3%

Growth in the Connected Solutions Activity (excluding motors), on a like-for-like basis

62,000

smart boxes, 30,000 more than in 2016

750,000

nearly 750,000 smart systems including 320,000 in 2016

DIGITAL IS TRANSFORMING THE RESIDENTIAL INDUSTRY

► **Digital transformation** is impacting the construction and residential industry: players are increasingly focusing on the end-user and are thinking about services rather than projects or products. In this context of change, the smart home market is becoming significant, as it offers concrete benefits for consumers in terms of comfort, security and energy savings. Demand for smart solutions is maturing in many regions. 320,000 new systems were connected in 2016, and 30,000 smart boxes were installed. Somfy's smart products are now available in 25 countries. Somfy is harnessing the growth of smart solutions to reinforce its direct links

TAHOMA

91% User satisfaction rate

70% of users use it every day

with users. It is reinventing its traditional push/pull strategy consisting of creating consumer demand for new systems from professional providers.

CONNECTIVITY SOLUTIONS FOR ALL OF THE GROUP'S ACTIVITIES

► In 2016, the Connected Solutions activity continued to take shape with the incorporation of the companies MyFox, which specialises in smart solutions for home security, and Opendoors, which designs smart locks. The Access Security entity (alarms, cameras, video entry systems), which covers similar ground, joined the Activity at the end of the year, bringing the number of new employees to 110 in 2016. Loosely structured as Business Units, the teams operate with a start-up mentality to supply connectivity tools to all of the group's entities and develop new business in the fields of security, comfort and energy savings for home users. In 2016 they actively contributed to the group's innovation policy.



THE START-UP SPIRIT

THE CONNECTED SOLUTIONS ACTIVITY SUPPLIES CONNECTIVITY SYSTEMS TO ALL OF THE GROUP'S ENTITIES (ACTIVITIES, TERRITORIES, ETC.). IT IS ALSO DEVELOPING A NEW BUSINESS BASED ON THE BENEFITS OF SECURITY, COMFORT AND ENERGY SAVINGS, LINKING TO SOMFY'S CORE ACTIVITY.

► **Somfy** also continued to boost its membership of technology and industrial alliances (Thread, Zig-Bee, Open Connectivity Foundation) which define the smart home protocols of the future. This allows Somfy to defend the specific needs of its applications within these standards.

2016, A YEAR OF INNOVATION

► **TaHoma** brought out a new box design (V2), a new affordable security interface (Serenity), and greater native compatibility options with the group's products or partners, representing a major competitive advantage. Note: TaHoma is used daily by 70% of users and 60% go on to acquire other Somfy solutions.

► **Connexoon** offers an entry-level home automation box to connect io motorized systems. Representing 30% of boxes sold, it was a great success in its first year!

Somfy has also extended its Security range with **Visidom**, a new smart camera product, and **smart locks**. The expansion of the Somfy range with the MyFox products will take effect in the second quarter of 2017, including the launch of Somfy One, an all-in-one security system which won an award in January at the CES in Las Vegas.



**COLLECTIVE
PROJECT, AGILITY
AND CONTINUOUS
IMPROVEMENT**

**CULTIVATING THE
ENTREPRENEURIAL SPIRIT**

HUMAN RESOURCES MANAGERIAL CHANGE IS UNDERWAY

2016 was a year of transformation which saw Somfy reaffirm its values and lay the foundations for managerial change.

EMBODYING SOMFY SPIRIT TOGETHER

► **On September 28th**, 2016, 30 subsidiaries took part in the global launch of Somfy Spirit. At the event, the philosophy behind its original culture and the principles of organization and management on which it has built its success was shared with all Somfy employees. The group held two other events: in October with BFT, Simu and WAY, and in November with the production sites.

With the group experiencing strong growth within a complex environment, Somfy decided to strengthen the unifying foundations of its identity and the way it works and interacts with its teams, partners and customers. The entrepreneurial spirit and quest for personal fulfilment through collective projects defines the essence of the Somfy Spirit.

SOMFY SPIRIT

30

countries took part in the Somfy Spirit Day in September

17

The Somfy Spirit guide was translated into 17 languages



DIGITAL SERVES MANAGERIAL CHANGE

► **Because digital is profoundly changing the way we work** in the group, Somfy has put in place a new Organization & Management Division. This brings together all the necessary roles – Human Resources, Information Systems and Internal Communications – to support managerial change. By combining managerial practices based on confidence and subsidiarity with collaborative digital technologies that respect individuals, Somfy has acquired the means to develop responsibility, agility and boldness and has given every employee the opportunity to be fulfilled in their professional activities.

PRODUCTION

AN AGILE ORGANIZATION TO DRIVE GROWTH

In 2016, production facilities became more agile and continued to expand internationally.



INNOVATION AND CONTINUOUS IMPROVEMENT AT CLUSES

► With the change project at the Cluses factory, which began in 2015, the Group's original production site has become the centre for the launch and ramping up of its innovations. Clear goals have been defined and shared with all employees. These have improved the site's overall performance in terms of safety of employees, quality of products, respect of deadlines and optimization of costs. Change has also resulted in the leadership being much closer to the ground, project management in multidisciplinary teams, a single methodological system shared by everyone, and the 8D problem-solving method. These changes have led to a new state of mind, one that is more agile and fully focused on innovation, ensuring the production of new products is ramped up to respect deadlines.

SOMFY GROUP PRODUCTION CAPACITY

> 20,000,000 motors per year

8

production sites:
2 in France, 2 in Italy,
1 in Tunisia, 2 in China,
1 in Poland

50

A network of more than
50 logistics warehouses

CONTINUED INTERNATIONAL EXPANSION

► Opened in 2014, the SOPEM plant (Poland) has the role of supporting Somfy Group's increase in volume and responding to the sharp rise in activity in Eastern and Central Europe. In 2016 it continued to increase its output, introducing new lines that have enabled the site to attain a production rate of 1.4 million motors per year.

► Somfy has also opened a logistics centre in Poland, to serve Eastern Europe.

QUALITY TRANSFORMING THE QUALITY CULTURE

The Customer 1st project has entered a new phase with the deployment of projects and the implementation of the Quality Management System.

ADOPTING A CONTINUOUS IMPROVEMENT PROCESS

► **Short interval management (SIM)**, which has already been adopted by plants and Logistics, has been extended to some administrative functions and to the French and German subsidiaries. Accompanied by the 8D problem-solving method, it allows each team to define its own performance indicators and to progress through continuous improvement.

QUALITY ACADEMY

► **A Quality Academy**, was formed in 2014 to help managers identify and develop behaviours that will transform our Quality Culture. It has resulted in a network which today numbers more than 130 Quality ambassadors. Managers from all areas (subsidiaries, activities, production sites, R&D, etc.) took part in the first International Academy held in Poland in October 2016.

110

managers have followed the Quality Academy program since 2014

< 12,000

5-year motor returns are less than 12,000 ppm



CUSTOMER 1ST CHALLENGE

► **There is nothing better** than a competition to explain the different stages and purpose of the new Quality Management System! In November, Somfy launched its Customer 1st Challenge roadshow with a serious game. Technicians and managers adopted SIM and teamed up to compete in various challenges and improve Somfy's leadership.

SOMFY IS LOOKING FOR VERY HAPPY CUSTOMERS

► **In 2016**, Somfy introduced a new measure of customer loyalty, the **Customer Net Promoter Score**. An initial satisfaction survey was carried out in France, Germany, Austria and Switzerland. In 2017, 16 surveys will be carried out in various countries. This will give Somfy a better understanding of customers' needs so that it can meet and anticipate them.

SUSTAINABLE DEVELOPMENT

REDUCING OUR ENVIRONMENTAL IMPACT

TAKING ACTION AT SITES

- In 2016, Somfy Group continued to reduce the environmental impact of its sites.
- Actions taken to encourage low-impact mobility.
 - Trucks running on gas between French sites.
 - At the SITEM Tunisia and the SOPEM Poland sites, LED lighting has reduced electricity consumption by 60%.

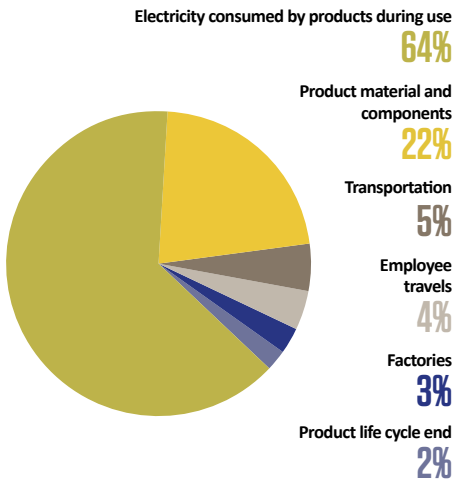
138

computers have been reused or recycled after being replaced in France

16%

of products served in Somfy's staff restaurant at Cluses (France) are organic or local

SOMFY'S CARBON FOOTPRINT



THE ACT FOR GREEN® LABEL

- In 2015, Somfy launched the Act for Green® label, a voluntary eco-design process for Somfy products. The Act for Green® criteria stem from Somfy's desire to reduce its environmental impact:
- curbing of greenhouse gas emissions through lower electricity consumption and the use of less impactful electronic components,
 - use of recycled and recyclable materials in packaging,
 - materials chosen for their low toxicity for people and the environment,
 - product durability,
 - making available a declaration of environmental impacts in line with the PEP ecopassport® program*.

60%

of Somfy products sold will carry the Act for Green® label by 2018

7

In 2016, three new products bearing the Act for Green® label were launched on our markets, bringing to seven the total number of Somfy's labelled products.



*The PEP ecopassport program for the electrical industry sector, defines a standard method for making environmental declarations that conform to international regulations (ISO 14025 1 ISO 040040s).

SOMFY FOUNDATION COMMUNITY SUPPORT AND SOLIDARITY

In 2016, the Somfy Foundation continued its work to fight poor housing and improve the way we live together.

INTERNATIONAL OPENNESS

► **Founded in 2011**, Somfy Foundation is now a prominent charity which donates both financial and human resources. This action supports two programs: the crowdfunding platform Les Petites Pierres, and the program A House is a Home, which was consolidated in 2016.

LES PETITES PIERRES

► **Les Petites Pierres** (www.lespetitespierres.org) is a charitable crowdfunding platform that matches public donations. It allows anyone to give to charitable projects that support access to decent housing. In 2016, 47 new projects were financed via Les Petites Pierres thanks to the public's generosity. Their donations were matched by Somfy Group, with a total of €511,633 collected by the charities.

A HOUSE IS A HOME

► **The issue of poor housing** is relevant around the world. As an international group, Somfy wanted to make its own contribution to give more people access to decent housing. The program A House is a Home, launched in France and Brazil in 2015, has continued to grow, reaching eight new countries in 2016 (Germany, Spain, Belgium, Lebanon, Poland, China, United States, Australia).

EMPLOYEES GET INVOLVED

► **Through its charitable work**, Somfy Foundation represents the group's values of responsibility, openness and respect. In France in 2016, 165 employees donated their skills and time to the charities during 62 days of solidary actions.

100

Since 2013, 100 projects have been funded by Les Petites Pierres.

1,234,000

have been donated to associations



Quatorze Association.

SPONSORSHIP

WINNING LONG-TERM SUPPORT

A partner of French Ski Federation (FFS), Somfy has supported the French Biathlon team since 2005, and Nordic skiing since 2014.



← Martin Fourcade, the best biathlete of his generation.

SPONSORING NORDIC SKI AND ITS TALENTS

- In 2016, the group stepped up its sponsorship in three main areas:
 - as the official partner to France's Nordic ski teams,
 - sponsoring three biathlon champions: Martin Fourcade, Marie Dorin-Habert and Simon Fourcade,
 - and sponsoring young talents through the Somfy Ski Talents program.

A PASSION SHARED BY ITS EMPLOYEES

Involved in sponsoring Nordic ski on behalf of its many employees who enjoy winter sports, Somfy reflects its mountain roots and its passion for the sporting values of endurance, precision and humility. Every year, employees are able to spend time with the sportsmen and women, whether in training, during competitions or through the Somfy Ski Challenge. On May 10th, 2016, to close the season, more than 1,000 employees celebrated with "their" champions!

BIATHLON

AN ABUNDANCE OF OLYMPIC MEDALS

IN CHRONOLOGICAL ORDER

- ▶ **Raphaël Poirée**
Silver in Pursuit, Bronze in Relay 2002 –
Bronze in Relay 2006
- ▶ **Florence Baverel**
Gold in Sprint, Bronze in Relay 2006
- ▶ **Vincent Defrasne**
Bronze in Relay 2002 –
Gold in Pursuit, Bronze in Relay 2006
- ▶ **Vincent Jay**
Gold in Sprint 2010
- ▶ **Marie Dorin-Habert**
Bronze in Sprint, Silver in Relay 2010
- ▶ **Marie-Laure Brunet**
Bronze in Pursuit, Silver in Relay 2010
- ▶ **Martin Fourcade**
Silver in Mass Start 2010 – Gold in Pursuit,
Gold in 20 km, Silver in Mass Start 2014



Marie Dorin-Habert,
triple World Champion
in Oslo, 2016.

EXCEPTIONAL PERFORMANCES

FOR THE 2015-2016 SEASON

BIATHLON

World Championships (Oslo – Norway)

6 World Champion titles: Women's Individual and Mass Start; Men's Individual, Sprint and Pursuit; Mixed Relay.

4 Vice World Champions: Women's Sprint, Individual and Relay;
Men's Mass Start

1 Gold Metal:
Women's Pursuit

World Cup

37 podiums
including 17 wins

5 Crystal Globes (Men's General, Pursuit, Spring, Individual and Mass Start)

CROSS-COUNTRY SKIING

World Cup

14 podiums
including 3 wins

U23 World Championships (Rasnov – Romania)

1 World Champion title:
Men's Sprint

1 Vice World Champion:
Men's 15 km Freestyle

2 Bronze Medals:
Men's 15 km Freestyle and Sprint

NORDIC COMBINED

World Cup

1 podium



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