

# WE ACT FOR A BETTER WAY

IN EUROPE,  
**35%**  
OF GREENHOUSE  
GAS EMISSIONS  
COME FROM  
BUILDINGS



LET'S DO OUR PART  
WITH SOLUTIONS  
THAT AVOID  
**3 TIMES MORE**  
CO<sub>2</sub> THAN THEY PRODUCE

SOMFY 

**WE ACT  
FOR A  
BETTER  
WAY**

# Summary

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“

Making SOMFY — the preferred partner for window and door automation — a recognized player in the construction industry, by contributing to a better living environment thanks to our innovative and virtuous solutions.

Jean Guillaume Despature,  
Chairman of the Board of Directors

”

# WE ACT FOR A BETTER WAY

Faced with the disruptions happening in our world—in addition to the climatic, environmental, and social challenges that we face every day all over the world—citizens, institutions, and companies are coming together to create a different path; one marked by solutions that change the way we produce, consume, and live. This mobilization and inventiveness are everywhere and are seen as signs of hope. It is also a response to the strong expectation consumers have, with 90%\* expecting brands to commit to helping them consume better.

**This is SOMFY.**

The group's vision **"INSPIRING A BETTER WAY OF LIVING ACCESSIBLE TO ALL"** serves this virtuous trajectory that we are following, and which has been built step by step and takes several paths.

Every day, we are lowering the impact of our operations on the environment, we take our employees' daily lives and their future to heart, and we maintain quality relationships with our partners and the local regions that we call home.

## "WE ACT FOR A BETTER WAY" MEANS BEING PART OF THE SOLUTION BY MAKING HOMES AND BUILDINGS MORE VIRTUOUS.

### ● A BETTER WAY TO CARE - PLANET

We are reducing our environmental impact to take better care of our planet and face the climate emergency. Our solutions are accessible to all, improve building energy performance, and contribute to the well-being of their inhabitants.

### ● A BETTER WAY TO BE - PEOPLE

We strive to offer our employees a fulfilling work environment that is also fair and inclusive. We also want to take care of their long-term employability by developing their skills.

### ● A BETTER WAY TO GROW - PROSPERITY

We believe that creating value starts with mobilizing everyone. We co-build our best practices with our stakeholders, making sure they are both respectful and ethical. This forces us to embrace agility every day and builds trust, which is essential to our future prosperity.

**15<sup>th</sup>**  
place in the  
Gaïa index

We always strive to do better so that our trajectory becomes a model of responsible development. This philosophy has brought us to the 15th position, against 26th previously, on the Gaïa index which distinguishes the 230 best performing French companies in terms of CSR every year.

### SOMFY IS ALSO:

Member of the United Nations Global Compact and contributes to Sustainable Development Goals.

**55/100**

Ranked in the top quarter of the best performing companies in its industry with a score of 55/100, SOMFY was awarded the silver medal in the Ecovadis ranking, the global standard for evaluating corporate CSR performance.

**18<sup>th</sup>**

Rated 40/100 by the Vigeo Eiris, an international social and environmental ranking agency, the Group is ranked 18th in the world, against 48th previously, out of 55 companies in the same sector.

\* OpinionWay survey for Oney conducted among European consumers (February 19, 2020).

**-50%\*\***  
ON OUR CO<sub>2</sub>  
EMISSIONS  
BY 2030



WITH ECO-DESIGNED  
PRODUCTS AND  
**-40%**  
LESS ENERGY CONSUMED  
BY OUR MOTORS

**A BETTER  
WAY  
TO CARE**

**“A  
BETTER  
WAY  
TO CARE”,  
MEANS WE  
ARE DOING  
OUR PART TO  
REDUCE OUR  
IMPACT ON THE  
PLANET.**

We are using  
two levers  
to reduce  
our carbon  
footprint:

## PLANET

Climate change is a reality for everyone on the planet. As a company with roots at the foot of the Alpine glaciers, we see it every day. Even though the causes are known—CO<sub>2</sub> emissions, demographic pressure, and more—the consequences are immeasurable. Faced with this climate emergency, we are convinced that we can act to preserve the planet. As a player in homes for over 50 years, we know that the fight against global warming starts with building energy performance. On a European scale, they are responsible for 35% of greenhouse gas emissions and 40% of the energy consumed.\*

### 1. WE ARE REDUCING OUR OWN EMISSIONS

The Group's 2019 carbon footprint was 1,300 kT of CO<sub>2</sub> equivalent to the impact of a French city of 120,000 inhabitants. By 2030, we are committed to **reducing our CO<sub>2</sub> emissions by 50%\*\* in line with the targets recommended by SBTi\*\*\*.**

**93%** of our carbon footprint is related to how our products are made and used.

We are committed to reducing their environmental impact throughout their life cycle.

#### ● In terms of design.

Through eco-design, we aim to limit the negative impact of the raw materials we use and to reduce energy consumption. **More than 50% of our products sold are already certified ACT FOR GREEN®\*\*\*\*** a label created in 2012 that exceeds the requirements of current regulations. This result is achieved by using the latest energy-saving technologies and by manufacturing and packaging our products better.

#### ● In terms of usage

We are committed to reducing **the energy consumption of our solutions by 40%**. We will do this by optimizing the power consumption of our products in standby mode.

#### ● In terms of the lifespan of our solutions

In terms of usage, we are committed to reducing the energy consumption of our solutions by 40%. We will do this by optimizing the power consumption of our products in standby mode.

**7%** of our CO<sub>2</sub> emissions are linked to our production sites. To reduce their footprint, our sites are making greater use of green electricity and are implementing a policy of energy sobriety. We also encourage low-carbon mobility for our employees.

### 2. OUR SOLUTIONS HELP AVOID GREENHOUSE GAS EMISSIONS IN BUILDINGS

**We develop solutions to optimize building energy performance.**

This is a major issue, as this sector is one of the largest emitters of CO<sub>2</sub>. Thanks to intelligent solar protection and roller shutter control, we can reduce the need for heating in winter and the use of air conditioning in summer. To validate our approach, we teamed up with Carbone 4 to develop **a model to calculate emissions avoided when using our motorization solutions and automating roller shutters.** In France, this is equivalent to 120 kT of CO<sub>2</sub> in 2019, or the carbon consumption of 10,000 French people in one year. **Our solutions avoid three times more CO<sub>2</sub> than they produce.**

#### DID YOU KNOW?

**In addition to automated solar protections, the connected thermostat ensures between 15% and 30% energy savings in the residential sector (performance observed on installed systems).**

Through these actions, we started by choosing to act on our business' footprint and contribution. Eventually, we will offset the emissions we were unable to reduce or avoid by initiating reforestation projects, for example.

**We have been committed to innovation for 50 years and are the pioneers of intelligent solutions for energy efficiency in connected buildings. Today, we continue to use innovation to serve solutions that contribute to fighting the climate emergency.**

\*\*\*SBTi: the goal of the Science-Based Target Initiative (SBTi) is to provide concrete solutions for organizations to commit to reducing their emissions to 1.5°C or 2°C warming trajectories in alignment with the goals of the 2015 Paris agreements.

\*\*\*\*ACT FOR GREEN® is an initiative by Somfy that aims to reduce the environmental impact of products throughout their life cycle: from raw material extraction to end-of-life. ACT FOR GREEN® is the assurance of quality products that respect eco-design principles.

\*Source: European Commission.

\*\*50% reduction in absolute value for scopes 1 and 2—including direct emissions (gas and fuel) or indirect emissions from energy consumption (electricity)—and in relative value based on the number of products sold for scope 3 including other indirect emissions covering the entire value chain such as our product usage, purchasing, transport, etc.

# PLANET

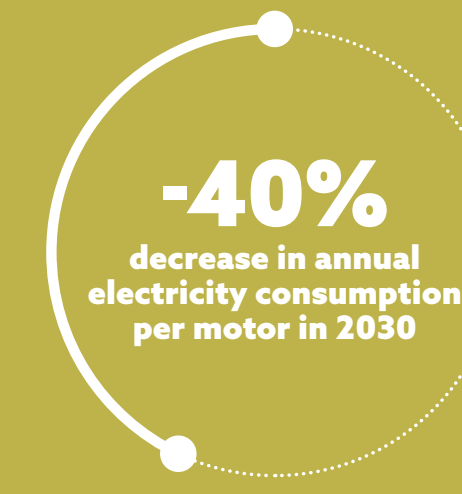
## OUR COMMITMENTS IN NUMBERS

### A BETTER WAY TO CARE

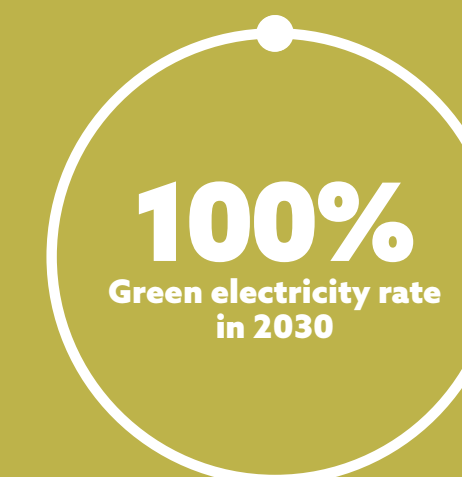
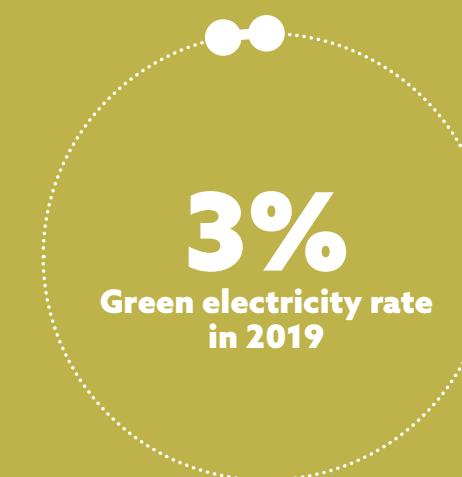
#### WE ARE REDUCING OUR OWN EMISSIONS

**-50%** of our own CO<sub>2</sub> emissions in line with the targets recommended by SBTi in 2030

#### In terms of design



#### At our sites and in operations



#### In terms of the lifespan of our solutions



#### OUR SOLUTIONS HELP AVOID GREENHOUSE GAS EMISSIONS IN BUILDINGS\*

Our solutions avoid three times more CO<sub>2</sub> than they produce.

\*In France / roller shutters / residential

## A BETTER WAY TO BE

# 6,500

EMPLOYEES WILL HAVE ACCESS TO SOMFY CAMPUS\* IN 2024



WHEN OUR TEAMS GROW, OUR SENSE OF INNOVATION PROGRESSES

## PEOPLE

Today, corporate social and societal commitment is a game-changer. Employees, and in particular young talents, are not only looking for a job; they are thirsty for a true mission within companies committed to an ecological and ethical dimension in the work relationship. Out of 6,200 students surveyed worldwide, 76% of young people believe that their job should be in line with their values\*\*, which is a key factor in their decision to join a company. The health crisis has only reinforced these aspirations. At SOMFY, we believe that it is our responsibility to give our employees an environment where they can flourish.

**“A BETTER WAY TO BE”, IS TAKING A STRONG STANCE FOR OUR EMPLOYEE WELL-BEING AND DEVELOPMENT.**

We support employees in the company's major changes by implementing practices adapted to each individual's development, valuing the commitment and meaning of their work and offering them room to grow. Our employee well-being and professional development are at the heart of our people project and are essential to prepare our company for the challenges of the future. To this end, we regularly measure the pulse of our teams by conducting an engagement survey: SOMFYSCOPE. In our opinion, this is the key to initiate concrete and adapted actions. In 2020, the commitment rate stood at 7.6/10, up 0.5 points from 2018. These very good results are driven by two themes: Pride in belonging to our Group and confidence in our future and our management. This survey results in concrete actions adapted to each specific team to ensure continued progress.

**Two things are important to us: Building a solid base of skills over the long term and giving each of our employees the opportunity to reach their potential.**

We are interested in the potential that each individual can develop and what they are personally aiming for. From “what I know how to do today” to “what I would like to improve, develop, and be able to do tomorrow” both in my current position as well as in line with my aspirations in a future position within the Group or outside the company. Another objective is to also prepare the next generation of managers and leaders. Our ambition is to become a learning organization that can increase our employees' skills rapidly through pragmatic and highly interactive learning methods based on applying knowledge in real time. We have therefore created **SOMFY CAMPUS** to professionalize individual progress. The objective is to place the employee and manager at the heart of the learning process. **By 2021, one third of our employees will have benefited from SOMFY CAMPUS**

training modules. By 2024, there will be 6,500. These modules help develop adaptability, autonomy, mobility, and the ability to evolve in a changing world. Goal 2021: 30 minutes of development per week for everyone.

### DID YOU KNOW?

**An employee stays on average 41% longer\*\*\* in a company with an active internal mobility policy.**

### DIVERSITY, AT THE HEART OF OUR PEOPLE PROJECT

From being a family-run French business, we have become an international company. Our Group is becoming more and more international and multicultural. This diversity is a first step, inclusion is the next. Because it starts with each manager, talent is identified within the Group and they are given cross-functional positions that they can fill from their home country. Identifying and empowering local talent contributes to our multicultural evolution. **Inclusion** also means better supporting women in their careers by helping them develop their leadership skills. It also means investing in recruiting and integrating people with disabilities by encouraging our managers to demonstrate the benefits of diversity within their teams.

### BETTER LIVING TOGETHER

**SOMFY Foundation** supports initiatives led by associations to fight against substandard housing, thanks to two actionable levers in France and internationally:

#### ● A financial lever

In France, through the crowdfunding platform Les Petites Pierres, which appeals to the generosity of the public to collect donations. Les Petites Pierres is an alliance of three members – SOMFY Foundation, BTP+ Foundation, Valfidus – who rely

on the strength of digital technology to help associations in their fundraising by matching contributions.

Internationally, through direct support to NGOs.

#### ● A social lever

Through an employee engagement program launched in 2012, allowing employees to dedicate three working days per year to help associations by providing skills or time.

**In 2020, we organized 39 sponsorship days involving 223 employees.**

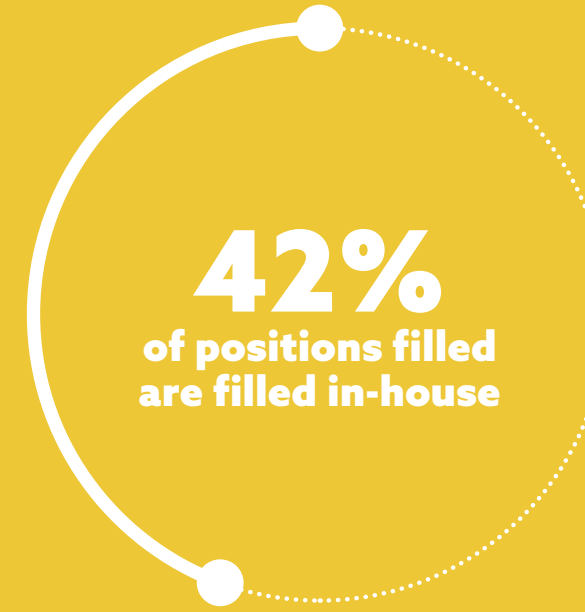
\*\*\* According to LinkedIn's Global Talent Trends 2020 study.

# PEOPLE

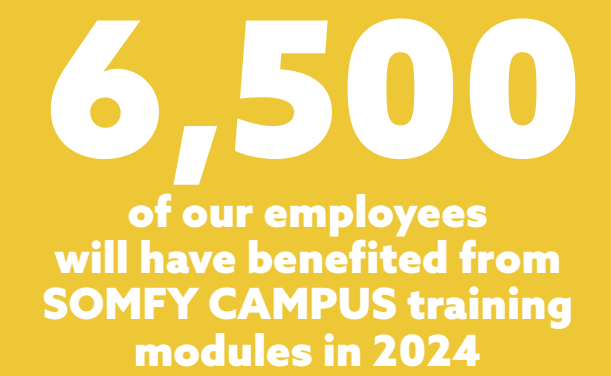
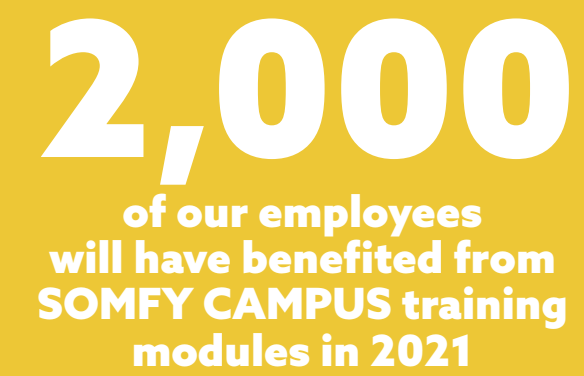
## OUR COMMITMENTS IN NUMBERS

### A BETTER WAY TO BE

#### MOBILITY AT SOMFY IN A FEW FIGURES



#### SOMFY CAMPUS IN A FEW FIGURES



#### THE SOMFY FOUNDATION IN A FEW FIGURES

**In 2020:**  
**39 sponsorship days** organized involving  
**223 employees**



**40%**  
OF PURCHASES  
ARE MADE WITH SUPPLIERS  
WITHIN 500 KM  
OF OUR ASSEMBLY SITES



**BECAUSE  
BUYING LOCAL  
IS A MAJOR AXIS  
IN DEVELOPING  
OUR BUSINESS**

**A BETTER  
WAY  
TO GROW**

## PROSPERITY

Sustainable consumption, product composition, transparency, respect for privacy, local sourcing, and more: The profound changes in our society have placed unprecedented and ever-changing demands on companies. Shareholders and consumers now want to invest responsibly. Younger generations in particular are already targeting socially and environmentally responsible investments and are becoming the driving force behind this rapidly growing movement. For example, a study conducted by Barclays reveals that two out of five investors (43%) under the age of 40 say they made at least one social impact investment in 2019, up from 30% in 2015. Companies must therefore be transparent in their practices.

They must also work hand-in-hand and co-build with all their stakeholders. This process is essential to create value that encourages renewal and long-term sustainability.

**“A BETTER  
WAY TO GROW”,  
MEANS  
INVOLVING  
ALL OUR  
STAKEHOLDERS  
TO ENSURE A  
VIRTUOUS AND  
SUSTAINABLE  
BUSINESS.**

### A COLLECTIVE COMMITMENT

Our environmental, social, and societal commitment cannot be achieved without mobilizing all our stakeholders—customers, partners, suppliers, employees, regions, communities, etc. At SOMFY, we want to be the preferred partner for all industry players. Based on this conviction, we have implemented rules of conduct for our business that guide our daily activities.

#### 1. THE CUSTOMER AT THE CENTER OF OUR DECISIONS

Our history is built on our customers' success.

##### ● Industrial customers: Innovative co-building

With our industrial customers, we co-develop solutions to better meet the new needs of the connected home and the way we live our lives.

##### ● End consumer: satisfaction, sharing, and innovation

We have built up a network of **3,000 SOMFY Experts** all over the world. We support them through training, sales events, and leading this community of professionals who pass on the Group's innovations in the connected home. SOMFY Experts are also the brand ambassadors for the end consumer. We are convinced that sharing user experiences enriches every stakeholder in our Group. That's why we created a community platform, "My SOMFY Lab", a platform inviting consumers to imagine the products and services that future homes will need.

● **Innovations** are our wealth and must be protected so that we can offer our customers the best in technology and exclusive solutions.

**We hold a portfolio of 2,210 patents and rank 39th in French patent applications in 2020.**

● **Because we want to always bring greater comfort and performance to our customers**, we participate in international partnerships aimed at promoting interoperability in the connected home. Indeed, we are a founding member of the Connectivity Standards Alliance (CSA).

All these actions make it possible for us to maintain a very good level of customer satisfaction—80% in 2021, despite the current health crisis."

#### 2. A PURCHASING POLICY THAT RESPECTS THE COMPANY, THE PLANET, AND THE ECONOMY

As a pioneer of intelligent solutions for residential energy efficiency, we involve our suppliers and their subcontractors in our commitment to social and environmental responsibility:

● **Buying local** with 40% of all purchases made from suppliers located within a radius of less than 500 km from our assembly sites.

● **We are developing special relationships with some of our preferred suppliers** to co-design new products. This responsibility will soon be formalized in a **Responsible Purchasing Code**.

#### 3. A COMMITMENT TO DEVELOPING LOCAL ECONOMIES

We are giving our local regions a bit of what they have shared with us. Our local actions contribute to the region's economic dynamism. This is particularly true in the Arve Valley in the French Alps, where our company took root. This region inspired our entrepreneurial spirit, our thirst for cooperation, and our international outlook. We build long-term relationships with local communities, educational institutions, and associations that work towards employment and integration.

Our donations, skills sponsorship, and financial contributions are the actions we implement to foster open innovation.

We have been a partner of the EDHEC Foresight, Innovation & Transformation Chair since 2018. In 2021, we decided to implement a "Future of Building and sustainability" approach. This prospective study on the construction industry aims to provide a common perspective on the sector in 2035. It will be carried out in collaboration with a wide range of players in the sector—developers, design offices, manufacturers, architects, and more—and will identify a shared approach to construction and its uses. It will also focus on environmental impacts: Green building, energy efficiency, global warming, and innovative solutions.

#### 4. RESPECT FOR AN ETHICAL BUSINESS MODEL

Since 2015, our **Code of Ethics** has provided all of our employees with guidelines for everyday behaviors and actions. An alert system has been set up to better identify and report any behavior that does not comply with the code. We have also chosen to adopt the **Middlenext Anti-Corruption Code of Conduct**, which refers to the United Nations Convention against corruption and seeks to combat all forms of corruption: Influence-peddling, conflicts of interest, accounting records, patronage, sponsorship, etc.

##### ● Respect for personal data

As part of our Code of Ethics, we make sure to comply with local data protection regulations in the 58 countries where we operate. In the European Union, strict compliance with European regulations—GDPR, or General Data Protection Regulation—is our priority. Today, we are optimizing the readability of and control users have of their data and are ensuring the highest standards of security and confidentiality of the data we process.

##### ● Product safety

We are also committed to making sure our connected objects are safe.

**TaHoma® switch (the new smart control launched in 2021) received UL IO safety certification.**

The safety of our solutions is our top priority! UL is the world leader in safety and security testing, inspection, and certification. The GOLD level safety rating demonstrates that TaHoma® switch uses industry best practices. It meets the benchmarks for cybersecurity such as updates, security of stored and transmitted data, and security maintenance of mobile applications.

\*Source : Customer Net Promoter Score 2021

**A BETTER WAY TO GROW**

**PROSPERITY**

OUR COMMITMENTS IN NUMBERS

**THE CUSTOMER AT THE CENTER OF OUR DECISIONS**

**10,000**

interactions with our customers on our platforms in 2020

Target

**20,000**

interactions with our customers on our platforms in 2024

80% customer satisfaction rate by 2021

**RESPONSIBLE PURCHASING**

**TOP 40**

suppliers covered by a risk analysis in 2020

**TOP 80**

suppliers covered by a risk analysis by 2021

**40%**

of all purchases made from suppliers located within a radius of less than 500 km from our assembly sites

A Responsible Purchasing Code is being drafted.

**BUSINESS ETHICS**

**100%**

of employees trained in business ethics (or anti-corruption) in 2020

**300**

partners assessed in countries deemed at risk for corruption in 2020

**800**

partners assessed in countries deemed at risk for corruption by the end of 2021

**WE ACT  
FOR A  
BETTER  
• WAY**

**SOMFY** 