

# / ANTI-CORRUPTION CODE OF CONDUCT EDITORIAL

The SOMFY group strives to conduct its activities in a spirit of loyalty, transparency and respect with regard to its employees, suppliers, customers, shareholders and anyone with whom it interacts.

We are nevertheless aware that the world we live in is very diverse and complex, a fact which can lead to our employees encountering ambiguous situations with regard to how business should be conducted.

In 2015, we formalised our fundamental principles of action in the form of an ethical charter. This federative document recalls our commitments and guides us in the decisions we make.

Numerous countries (including France) are currently strengthening their legislation aimed at fighting corruption. These legislations often have an extraterritorial scope (FCPA, UK Bribery Act, Sapin 2 Law). In light of this, we have complemented certain declarations described in our ethical charter by means of an anti-corruption code of conduct. We would therefore like to take this opportunity to remind all employees of the Somfy Group that they are required to be familiar with and respect our ethical charter while also complying with all local, international and extraterritorial laws.

Listed on the Euronext market, the SOMFY Group has chosen to adopt the code drafted by the Middlednext association\*, jointly developed with the other member companies, in order to express our common beliefs on this subject and to share them with all SOMFY employees and third parties with whom we work.

To ensure maximum awareness on your part, this document defines corruption\*\* and determines the main principles to be respected. It also includes a guide which calls on numerous examples, questions and answers to illustrate the daily application of these principles. In addition to these documents, a number of training courses and procedures have also been implemented.

All decisions and actions which are in no way open to interpretation with regard to the law or our in-house anti-corruption procedures require strict application of these laws and procedures.

In the event of a breach of these rules, the disciplinary system in force will be applied.

In more complex cases involving conflicting values, we expect you to contact your managers in order to take the right decision.

Questions linked to ethics in general and, more particularly, to the fight against corruption are not always straightforward. Our strength lies in having the courage to address these issues. Do not keep questions to yourself: talk about them and ask for advice. By adopting this approach, you will always receive support.

You must remember that:

- the principles presented in this document are not optional: you must comply with them
- you set an example: the reputation of the SOMFY Group and the trust placed in it by all our stakeholders depend on each and every one of us
- you will be judged not only on what you do, but also on how you do it.

While it may require a certain amount of courage, it is the responsibility of each and every one of us to adhere to our fundamental values and to remain resolutely ethical in all our actions and behaviours. Any employee who does not comply with our standards of business conduct will – more likely than not – be subject to, or cause the company to be subject to, fines and criminal or civil sanctions.

Furthermore, in its business relations, the Somfy Group asks its stakeholders to adopt the same exemplary approach and to comply with the principles of the ethical framework enshrined in our ethical charter, the anti-corruption code of conduct and their appendices. These documents are published on the group's website and their application is explained in the practical guide.

We would like to offer you our warmest thanks for your unfailing efforts to uphold an ethical environment which contributes to making SOMFY a company in which we are all proud to work.

**The SOMFY Group Executive Committee**

*\*MiddleNext association: MiddleNext is the independent French association exclusively representing listed midcaps. Founded in 1987, MiddleNext brings together and represents companies from all different sectors that are listed on Euronext and Alternext. MiddleNext is recognised as the reference association defending the interests of Midcaps by the stock market authorities, public authorities and also the European institutions.*

*\*\*Corruption: in this editorial and the code of conduct, the term "corruption" encompasses corruption per se (active and passive) as well as influence peddling.*



## MIDDLENEXT ANTI-CORRUPTION CODE OF CONDUCT

### PREAMBLE

The Middlenext Anti-Corruption Code of Conduct (the Code) refers to the United Nations Convention against Corruption and seeks to combat all forms of corruption.

The Code constitutes an integral part of the Company's internal policies and procedures.

A document cannot, however, address all the cases of corruption and influence-peddling that may arise in the course of daily activities; everyone must accordingly exercise their own judgment and common sense. In case of doubt about what conduct should be adopted, each company relies on the support and advisory tools it has put in place and on an in-house warning system.

This Code may be revised.

### 1-FRAMEWORK AND SCOPE

The Code applies to all employees of the companies and/or groups that adopt the Middlenext Anti-Corruption Code of Conduct.

Each employee must behave in an exemplary manner within each company and must not do anything which is at odds with the behavioral rules set out in this Code.

Any questions from an employee regarding the application or interpretation of the Code must be referred to the employee's supervisor or to the contact person appointed by the company.

### 2-BASIC RULES AND THEIR VARIANT FORMS

#### Definitions

- **Corruption** is any behavior whereby a person (whether a public official or a private individual) proposes, requests or accepts, directly or through an intermediary, any donation, offer or promise, gift or benefit in return for performing, delaying or failing to perform an act which directly or indirectly falls within his/her duties in order to obtain or maintain a commercial or financial advantage or to influence a decision.

There are two types of corruption:

- **Active** corruption occurs when the act of corruption is initiated by the person on the giving end.
- **Passive** corruption occurs when the act of corruption is initiated by the person on the receiving end, i.e. the person who performs or does not perform an act in exchange for some reward.

Corruption may take many forms under the guise of common business or social practices; it may, for example, involve such things as invitations, gifts, sponsorships, donations etc.

- **Influence-peddling** refers to a person monetizing his/her position or influence, whether real or supposed, in order to influence a decision which is to be made by a third party. It involves three participants: the beneficiary (the one who provides benefits or gifts), the intermediary (the one who uses the influence they enjoy by virtue of his/her position) and the target person who has the decision-making power (a government authority or agency, a judge or prosecutor, an expert etc.).

### Principle and rules

Employees must not engage in bribery and must not use intermediaries such as agents, consultants, advisers, distributors or any other trading partners for the purpose of committing such acts.

#### Individuals faced with a proposal must consider the following:

- Does the proposal comply with laws and regulations?
- Is it consistent with the Code and the interests of the company?
- Is it devoid of personal interest?
- Would I be embarrassed if my decision were made known to others?

Each company that uses the Code as a reference has **developed a procedure** that enables employees faced with a choice involving ethical or business-related considerations to discuss any concerns they may have in a totally confidential setting.

## 2-1 RULES APPLYING SPECIFICALLY TO PUBLIC OFFICIALS

### Definitions

The term «public official» denotes a person who holds a position of public authority, is entrusted with public service responsibilities or occupies an elected public office, for him/herself or on behalf of others.

### Principle and rules

Corruption of a public official is punishable by more severe penalties<sup>1</sup>.

Any relationship with a public official must comply with the regulations governing that relationship (i.e. the regulations that apply in the specific country of the public official or which are imposed on them by their employer). While it is not prohibited by law, any benefit granted to a public official must be totally transparent vis-à-vis the Company and subject to prior authorization by senior management.

<sup>1</sup>Under the French Penal Code, individuals who are guilty of public corruption face severe penalties- up to 10 years' imprisonment and a fine of €1 million. Merely attempting to commit an act of corruption, e.g. by offering or seeking a bribe, is punished in the same way as the act itself.

## 2-2 GIFTS AND INVITATIONS

### Definitions

Gifts are benefits of any kind given by someone as a token of gratitude or friendship, without any expectation of receiving something in return.

Offering or being offered meals, accommodation and entertainment (shows, concerts, sporting events, etc.) is considered to be an invitation.

### Principle and Rules

Gifts and invitations may be related to or be perceived as acts of active or passive corruption, so care must be exercised with regard to gifts, gestures of courtesy and hospitality (received or given) and invitations to entertainment that contribute to good relationships but can be seen as a means of influencing a decision or favoring a business or a person.

## 2-3 GIFTS TO CHARITABLE OR POLITICAL ORGANIZATIONS

### Definitions

Grants and donations are benefits given in the form of money and/or contributions in kind; they are granted for a specific purpose: research, training, the environment (sustainable development), for charitable or humanitarian purposes etc.

Political contributions - whether monetary or otherwise - are intended to support political parties, leaders or initiatives.

### Principle and Rules

Requests for grants, donations or contributions must be carefully considered, particularly requests from those who are in a position to influence the company's activities or who could, if the grant were agreed to, derive personal benefit therefrom.

Requests for donations must be approved by a supervisor.

## 2-4 PATRONAGE, SPONSORING

### Definition

Through patronage or sponsorship, the Company wishes to provide financial or material support to a charitable organization or a social, cultural or sporting entity as a means of communicating and promoting its values.

### Principles and rules

They must be carried out without any seeking specific benefits from the beneficiary other than the promotion of the corporate image.

## 2-5 FACILITATION PAYMENTS

### Definition

Facilitation payments are unofficial payments (as opposed to legitimate and official fees and taxes) that are paid to facilitate or expedite any administrative formalities such as applications for permits, visas or customs clearances.

### Principle and rules

The Company does not accept to make "facilitation payments" unless there are compelling reasons (the health or safety of an employee, etc.).

## 2-6 MONITORING OF THIRD PARTIES (SUPPLIERS, SERVICE PROVIDERS, CLIENTS)

### Definition

Monitoring concerns third parties, natural or legal persons with whom the company interacts and who may, in certain cases, present a particular level of risk in terms of corruption.

The following are considered third parties: business partners, suppliers, service providers, agents, clients, intermediaries etc.

### Principle and rules

Each company shall endeavor to ensure that third parties comply with its principles and values and shall, where appropriate, carry out due diligence.

## 2-7 CONFLICTS OF INTEREST

### Definition

Conflicts of interest arise from any situation in which employees' personal interests conflict with their duties or responsibilities.

### Principle and rules

If circumstances give rise to a potential or actual conflict of interest, the employees concerned must report this.

## 2-8 ACCOUNTING RECORDS/INTERNAL CONTROLS

### Definition

The company must ensure that its accounting departments and/or its internal and/or external auditors are vigilant in checking for concealment of corruption in books, records and accounts.

### Principle and rules

Persons undertaking audit assignments (audits, certification of accounts) must be particularly vigilant with regard to the accuracy and veracity of the accounts.

## 3-APPLYING THE CODE

### 3-1 TRAINING

Employees are required to acquaint themselves with this Code and to participate in the training sessions organized by the company to raise awareness of the fight against corruption. New employees are made aware of the Code and its provisions immediately upon assuming their duties within the company.

### 3-2 REPORTING PRACTICES THAT ARE IN BREACH OF THE CODE AND PROTECTION OF WHISTLE-BLOWERS

**Employees, while observing the procedure laid down by the company, can express their concerns and/or ask questions of their supervisor and/or the designated contact person:**

- If they find themselves faced with a risk of corruption;
- If they genuinely believe that a violation of the Code has been, is being, or may be committed;
- If they discover that someone is experiencing reprisals after having lodged a report in good faith.

Any employee who, in good faith and without being influenced by personal interest or advantage, that is to say, being sincerely persuaded that his/her statement is accurate, reports a violation or a risk of a violation of the Code to his/her supervisors or the designated contact person, will be protected from all forms of reprisal. The identity of any such employee and the facts of the matter will be treated confidentially, in accordance with the relevant regulations.

Furthermore, while a bona fide error will not result in any disciplinary action, allegations that are deliberately vexatious or made with malicious intent will be penalized.

### **3-3 WHISTLE-BLOWING SCHEMES AND PROTECTION OF PERSONAL INFORMATION**

Employees must be informed of the existence of the scheme.

In accordance with the rules applying to the protection of personal information in force in most of the countries in which the company operates and, in particular, within the European Union, any persons identified in connection with a whistle-blowing report, whether as the author or the subject of a such a report, may exercise their right to access the data relating to them.

Likewise, anyone may also request the correction or deletion of personal information if it is inaccurate, incomplete, ambiguous or out-of-date.

### **3-4 PENALTIES FOR VIOLATIONS OF THIS CODE**

Non-compliance with the rules triggers the personal liability of the employee and exposes him/her to penalties, in particular penal sanctions<sup>2</sup>, according to the applicable legislation.

The company undertakes to:

- take all statements into account;
- diligently investigate whistle-blowing reports;
- assess the facts objectively and impartially;
- take appropriate corrective and disciplinary measures.

### **3-5 IMPLEMENTATION: ACCOUNTABILITY AND OVERSIGHT**

It is incumbent upon each employee to implement the Code as part of the responsibilities attached to his/her position.

The company carries out periodic checks to confirm that work practices comply with the Code.

The company and/or group governance bodies provide regular updates on the monitoring of the Code and on any follow-up arising from whistle-blowing reports.

<sup>2</sup>French law provides the same penalties for active corruption (the corruptor) and passive corruption (the "corruptee").

For a natural person, the maximum penalty is 5 years' imprisonment and a fine of €500,000 (with provision for the amount of the fine to be increased to double the proceeds of the offense).