



Brighter Lives, Better World

Our 2020 sustainability program

Sustainability, Signify

Our world is changing - Global trends shaping our business



Population growth



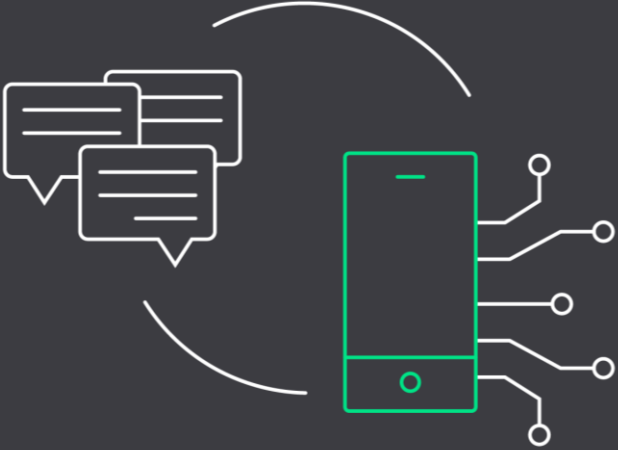
more light



Resource challenges



more energy efficient light



Digitalization



more digital light

**Today, lighting accounts for 13% of the world's electricity demand.
The global shift to LED will reduce this to 8% by 2030.**

Our purpose

To unlock the extraordinary potential of light for brighter lives and a better world



Brighter Lives, Better World – our 6th 5-year sustainability program

Our commitments for 2020

Sustainable revenues

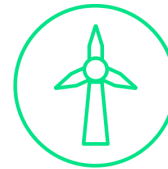


80% of revenues from sustainable products, systems and services



More than 2 billion LED lamps and luminaires delivered by 2020

Sustainable operations



100% carbon neutral & 100% renewable electricity



Zero waste to landfill in our operations









Safe and healthy workplace



Sustainable supply chain

Our Full Year 2018 results

| | | | 2018 result | Achievement | 2020 target |
|------------------------|----------------------------------|---|---|--|-------------------------|
| Sustainable revenues | Sustainable revenues |  | 79.0% | Increasing energy efficiency of portfolio | 80% |
| | LED lamps & luminaires delivered |  | 1,749 billion (cumulative from 2015) | 87% of our commitment completed | >2 billion |
| Sustainable operations | Carbon footprint |  | Net 186 kt CO2 | 42.7% decrease vs 2017 9 markets carbon neutral | Net 0 kt CO2 |
| | Waste to landfill |  | 1,266 tonnes | 30% decrease vs 2017 | 0 tonnes |
| | Safe & healthy workplace |  | TRC = 0.29 | 59% improvement from our 2015 baseline | TRC = 0.35 |
| | Sustainable supply chain |  | 93% Performance rate | 93% of risk suppliers passed the audit | 90% performance rate |

Sustainable innovation and revenues

In 2018, **82%** of our innovation spend was spend on **Sustainable innovation**, innovations focusing on 8 Sustainable focal areas:



Energy



Weight & materials



Substances



Basic needs



Circularity



Packaging



Human centric

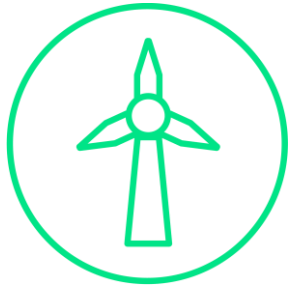


Access to light

In 2018, **79%** of our revenues came from sustainable products, systems and services. Sustainable products, systems and services contributing to **Sustainable revenues**, outperform reference products (>10%) and have an energy efficiency of at least 66 lumen/Watt.

Sustainable operations

Zero carbon



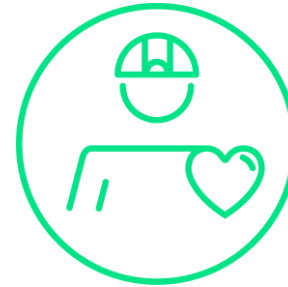
- Reduce energy use
- Optimize logistics
- Reduce business travel
- Shift to 100% renewable electricity
- Shift to electric/hybrid vehicles

Zero waste to landfill



- Send zero waste to landfill
- Reduce, recycle and re-use waste in all our manufacturing sites

Prevent injuries



- Provide a safe and healthy workplace for our employees through injury prevention

Sustainable supply chain



- Engage our suppliers, audit and train all risk suppliers
- Ensure responsible minerals
- Reduce the carbon footprint of our supply chain

We are recognized as one of the world's most sustainable companies



Industry Leader in the Electrical Components and equipment industry for the second consecutive year



Categorized as ESG leader with 'AA' rating



CDP A-list company for our leadership on environmental performance



Top position, categorized as Leader with 86 out of 100 points

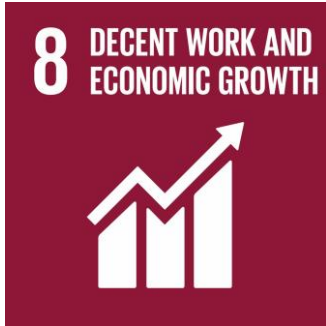


CDP engagement leader for our approach to tackling emissions in the supply chain



Categorized Proactive (Highest Level)

We contribute to the UN Sustainable Development Goals (SDGs)



Sustainable innovation in action

Signify to illuminate up to 15 of London's iconic bridges by 2022

'Illuminated River', London, UK

The Illuminated River Foundation aims to reinvigorate the city's famous River Thames bridges and further differentiate London as one of the world's most attractive, leading capital cities.

Signify will supply its Interact Landmark system to centrally manage the 22,000 Philips Color Kinetics LED luminaires that light up the bridges with dynamic, artistic lighting effects. Signify will also provide lifecycle services for the next 10 years.

A **reduction of 50-70% in the annual electricity** consumption for architectural lighting has been estimated compared with conventional lighting. Interact Landmark will detect and manage faults, optimize maintenance, improve asset management and thereby reducing costs.



Shanghai Bund illuminated with Signify's tunable white LED

Shanghai, China

Shanghai looked at ways to illuminate the historic 1930's Bund buildings that emphasize the classical color tones of its architectural masterpiece.

Signify used the Interact Landmark system, Color Kinetics ColorReach and eW reach, Philips UniFlood and UniStrip LED luminaires to monitor and maintain the lighting.

This connected LED lighting system helps to develop more eco-friendly business and tourist landmarks, **lowering energy use with 50-70%** compared to areas of Shanghai previously lit with conventional lighting and reducing operating costs.



13 CLIMATE ACTION



Light as a Service for Schiphol Airport

Amsterdam, The Netherlands

Schiphol Airport has the ambition to be the most sustainable airport in the world.

Philips Lighting introduced **Light as a Service** at Schiphol, supporting the transition to a circular economy. Light as a Service means that Schiphol pays for the light it uses, instead of paying for the actual fixtures.

Circular lighting uses natural resources in the most efficient way. The fixtures consume 50% less energy compared to the previous luminaires and we are responsible for the performance of the system and its re-use and recycling at end-of-contract.



Re-usable lighting for world's first demountable World Cup stadium

Ras Abu Aboud Stadium, Doha, Qatar

Ras Abu Aboud Stadium is built to become one of the most iconic and sustainable stadiums in the world. It's modular design (with e.g. recycled shipping containers) enables repurposing after the 2022 World Cup.

Signify provides its re-usable and highly efficient Philips ArenaVision LED lighting system with instant and dynamic control of the light.

The ArenaVision LED lighting system will help bring a superb viewing experience and enables cameras to capture the action and emotions of this incredible football tournament in 2022. It minimizes glare, spill of light, maintenance cycles and is flicker free. It's modular design and plug-and-play system allows re-use, suiting a **circular economy**.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



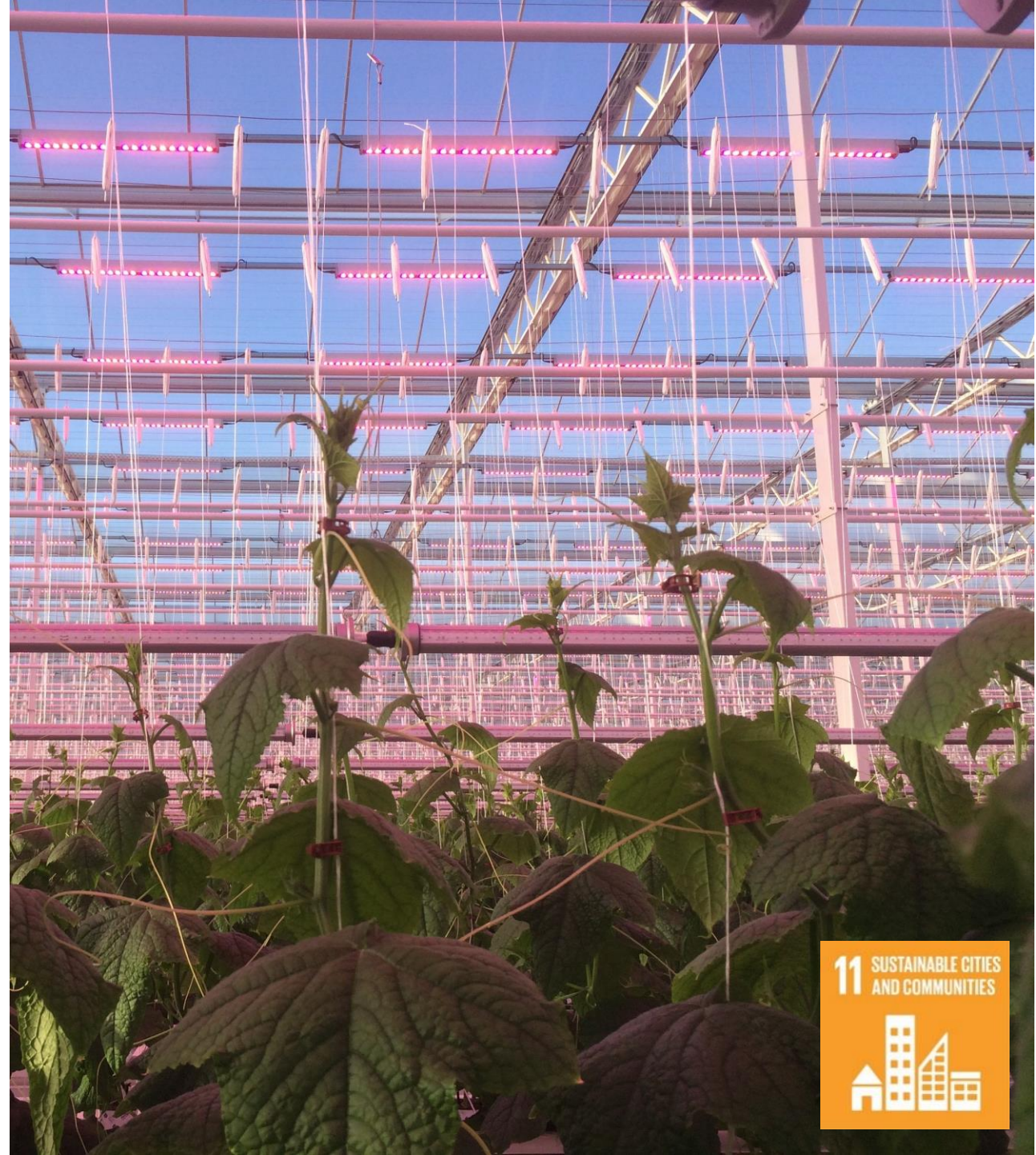
Jardins Réunis and Cheminant grow year-round cucumbers with Philips GreenPower LED

Nantes region, France

Jardins Réunis and Cheminant both look for an increase in production of cucumbers without increasing the heat, to guarantee efficiency and high-quality all year round.

Both growers installed Philips GreenPower LED toplighting and Philips GreenPower LED interlighting in their new cucumber greenhouses.

The LEDs give a better heat-light balance, generating an increase in cucumber production without the heat that is produced by HPS lighting. The Philips GreenPower system improves energy efficiency and reduces gaps in production, especially in the more profitable winter period. **Yield is estimated to grow by 30%** compared to a traditional non-lit greenhouse.



Livable office with lights that provide a stimulus

Prague, Czech Republic

Innogy HQ Prague office went from a traditional closed office environment to an open plan and aimed for a best-in-class work environment for its 550 office employees.

Signify installed a networked LED lighting system tuned to support the circadian rhythms of Innogy's office staff, including stimulating their energy levels at set times in the day.

This people centric lighting design enhances workplace comfort and vision, supporting a sense of **wellbeing and performance**. It positively correlates with higher employee engagement and it saves around 50% on electricity consumption compared to its previous fluorescent lighting.



Improving access to light in deprived communities

Northern Ghana

Improving access to good quality light in deprived rural households, adult literacy classes and health clinics in off-grid communities and poorly served urban communities in Northern Ghana.

Philips Lighting distributed over 6,000 solar powered lighting systems and lanterns to health facilities, schools and some rural communities in 20 districts with the support of the Philips Lighting Foundation.

The project has **benefited over 16,000 people** in the local communities including farmers, traditional birth attendants, teachers and students, demonstrating how access to light can impact education, healthcare, safety & security, and livelihoods.



Signify