



Supplements to the Sustainability statements included in the Signify Annual Report 2019

1. Data definitions, boundaries, and scope

This supplement to the Signify 2019 Integrated Report details data definitions, boundaries, and scope of Sustainability indicators disclosed.

2. 2019 Materiality assessment

As part of Signify annual reporting process, dedicated stakeholder engagement activities have been conducted to update Signify materiality matrix and identify the most material topic. This supplement provides details of the process.

3. GRI Content index

The Signify 2019 Integrated Report has been prepared in accordance with the GRI Standards: Comprehensive option. This supplement to the Annual Report provides a detailed GRI Content Index for the most material topics identified (top right quadrant of our matrix): Energy efficiency, Carbon footprint and Human rights.

4. Taskforce on Climate change related Financial Disclosures (TCFD)

The Signify 2019 Integrated Report follows the TCFD recommendations. This supplement to the Annual Report details the locations of relevant information in line with the recommendations and additional information.

5. E.U. Directive on non-financial information

The Signify 2019 Integrated Report is subject to E.U. directive 2014/95/EU, relating to disclosure of non-financial and diversity information. This supplement to the Annual Report provides details on compliance with this directive.

Supplement 1: Data definitions, boundaries, and scope

Delivery of LED lamps & luminaires

The reduced electricity usage from using our LED lamps & luminaires and the resulting societal costs of avoided carbon emissions is based on market intelligence, expert opinion and statistical data. The emission factors set for consumed electricity are based on the IEA 2019 publication. The figures reported are Signify's best estimate. There is an inherent uncertainty in our calculations due to the estimations. As our insight increases, we may enhance the calculation methodology in the future.

Employee data

The total number of employees comprises all employees, including from newly acquired companies and temporary employees, but excludes interns. Social data covers all employees that have been fully integrated in our system and exclude contingency workers. The Net Promoter Score (NPS) survey is performed on a quarterly basis and is calculated through a weighted average for the whole year using the respondents and results. It includes employees with access to a company email address.

Environmental data

Environmental data from manufacturing operations are reported quarterly or half-yearly, according to defined company guidelines that include definitions, procedures and calculation methods. A robust system of internal controls has been implemented to ensure consistent data quality. The results are tracked and internally reported to measure progress against our program targets. Data on operational energy usage includes energy use from manufacturing sites and non-industrial sites and excludes transmission losses to the grid. Most of the environmental data covers a reporting period from the 1st of December 2018, until the 30th of November 2019.

Health & Safety

Health & Safety data is reported by sites with more than 50 FTEs (full-time equivalents) and voluntarily reported by sites with fewer employees. Health & Safety data are reported and validated monthly. The focus of reporting is on work-related injuries and illnesses that predominantly occur in manufacturing operations and lead to a recordable injury or illness case. Recordable cases include all injuries and illnesses sustained at work that result in medical treatment, restricted work, lost work days, or fatality. All injury and illness cases are reported for staff and contractors provided supplement outsourced workforce. The TRC and LWIC KPIs refer to all reported cases.

Integrity code

Alleged Integrity code concerns are registered via our internet-based reporting and validation tool. Our Ethics line is available to all employees and outside parties,

allowing concerns to be anonymously registered by telephone or through an online web form. In addition, local compliance officers are available globally, to register concerns on behalf of employees. The Integrity code concerns encompass all concerns registered in the Ethics line database opened throughout the financial year.

Living wages

Signify defines a living wage as the monthly remuneration necessary to cover the cost of food, housing and transportation, with a 10% margin for other expenses (including expenditure for education, health, and clothing). It is calculated as the gross income necessary to afford these expenditures, taking account of tax liabilities and social welfare entitlements. The following model family was selected for our calculations: Standard family (two parents and two dependent children under 18, national employment rate)

For all countries, Signify used data from WageIndicator to set its baseline. The reason for this data source was the extensive coverage of countries, the sample-method, and the research institutes involved with their study, including Harvard Law School and the University of Amsterdam. Signify does not independently validate data from WageIndicator, thereby causing an inherent weakness on the accuracy of the used baselines.

Statements on living wage pertain to all employees, including temporary employees, but exclude interns, and employees on long-term sick leave.

Mergers, acquisitions, divestitures

New Signify ventures are included in environmental and social disclosures to the extent that the integration process of these ventures has sufficiently been finalized. The normative integration period is two years. Divestitures completed before December 31 of the book-year are excluded from environmental and social reporting.

Operational carbon footprint

Signify reports in line with the Greenhouse Gas Protocol (GHGP). The GHGP distinguishes three scopes of carbon emissions. The market-based method of reporting is used as a reference for calculating our total operational carbon footprint.

- Scope 1 – direct CO₂ emissions – is reported with direct emissions from our industrial and non-industrial sites in full.
- Scope 2 – indirect CO₂ emissions – is reported with indirect emissions from our industrial and non-industrial sites in full.
- Scope 3 – other CO₂ emissions related to activities not owned or controlled by Signify is reported for business travel and distribution activities.

The operational carbon footprint (scope 1, 2 and 3) is calculated internally on a quarterly basis and includes emissions from:

- Industrial sites – manufacturing and assembly sites
- Non-industrial sites – offices, warehouses, IT centers and R&D facilities

- Business travel – lease and rental cars and airplane travel
 - Logistics – air, ocean and road transport.
- Operational energy usage includes energy use from manufacturing sites and non-industrial sites and excludes transmission losses to the grid.

The CO2 emissions calculation includes all six Kyoto gasses (CO2, CH4, N2O, HFCs, PFCs, and SF6).

Emission factors sources:

- Emission factors for electricity consumption have been taken from IEA and eGrid for the location-based method; AIB and Green-e for the market-based method
- Emission factors for the other sources of scope 1 & 2 emissions have been taken from DEFRA, EPA and IPCC AR5.
- Emission factors for scope 3 sources have been taken from DEFRA and Clean Cargo.

In 2018, Signify joined the Clean Cargo buyer-supplier forum to show its commitment to sustainable logistics. Through this membership, Signify gained access to actual carrier CO2 emissions factors. This means historic results for ocean freight emissions have been restated using these carriers specific CO2 emission factors.

Signify aligns its efforts to cut greenhouse gas emissions with climate science. Our science-based targets have been approved by the Science Based Targets Initiative.

Sustainable supply chain

Supplier audits focus on risk suppliers, based on identified risk countries and (forecasted) spend. Risk countries for supply chain management in 2019 were: China, India, Mexico, Philippines, Thailand, Malaysia, Turkey, Brazil. The supplier sustainability performance rate is defined as the percentage of all active risk suppliers that have had an audit score of at least 90 out of 100 points in the defined timeframe (3-years cycle).

The CDP supply chain results are based on self-reporting from suppliers. This causes an inherent uncertainty of the accuracy of impacts from their emission reduction activities.

Sustainable innovation

Sustainable innovation comprises all R&D activities contributing to our sustainable focal areas. This means all research and new development of products, systems, or services that demonstrate a measurable positive impact in energy efficiency (10% or greater), and preferably also in one or more sustainable focal areas: Circularity, Weight & Materials, Packaging, Substances, Human Centric Lighting, Basic Needs, or Access to Light. Sustainable innovation spend is the cumulative spending of all R&D projects contributing to sustainable innovation.

Sustainable revenues

Sustainable revenues are measured per product category and tracked for each Business Group. Sustainable products, systems or services must demonstrate a

measurable positive impact in energy efficiency (10% or greater), the most impactful of our sustainable focal areas. Sustainable revenues are defined as products with an energy efficiency of 66 lm/W and higher as well as all systems and services, as these provide additional energy savings. Sustainable products outperform reference products (predecessor product in the particular product family), or product-specific eco-requirements, or by being awarded with a recognized eco-performance label. The lifecycle approach is used to determine the environmental impact and improvement of our products over their total life cycle (from raw materials, manufacturing, packaging, transportation, product use, through to disposal). Studies have shown that the electricity consumption during the product use phase of a lighting product is the most impactful.

Our sustainable revenues definition is reviewed regularly and was made more ambitious in 2018. In 2017, all LED were considered sustainable and in 2018, the energy efficiency criterion was also applied to the LED part of our portfolio. 2017 results are consistent with those reported in previous annual reports.

Value Creation Model

The definitions, scope, estimates and assumptions used for some parts of the Value Creation Model are disclosed in the methodology document that can be found at our Sustainability downloads webpage: <https://www.signify.com/global/sustainability/downloads>.

Waste to landfill

The amount of waste sent to landfill is calculated on a quarterly basis and includes waste from manufacturing locations with more than 50 manufacturing FTE and voluntarily reported by some manufacturing sites with fewer employees.

To achieve “zero (manufacturing) waste to landfill”, the amount of non-hazardous manufacturing waste being disposed directly to landfill should be <0.5% of total waste. In our approach to zero, we exclude:

- Chemical waste: hazardous/non-hazardous and other waste classified as hazardous
- One time waste: e.g. demolition, construction waste

Regulated waste: if governed by legal requirements to be landfilled, or the waste collection and/or treatment company is governed by local legal requirements



Supplement 2: Signify materiality and stakeholder engagement 2019

1. Our approach

Our materiality assessment is the first step towards defining our strategy. By identifying future trends and understanding stakeholders' perspectives (at a global and local level), we are able to better manage the risks and opportunities that could impact our ability to create value on the long-term.

We define materiality along two axes. The vertical axis captures the importance of each topic for external and internal stakeholders. The horizontal axis captures our company significant economic, environmental, and social impacts, both positive and negative. Assessing both aspects enables us to prioritize and focus on the most relevant issues and define Signify Annual Report's content. Our materiality assessment was conducted using the GRI Standards' principles for defining report content.

For our materiality assessment we use different sources of information to identify possible material topics. These include media and trend analyses as well as continuous conversations with strategic stakeholders. To prioritize these topics, Signify organizes annually dedicated stakeholder engagement activities. In 2019, it consisted of a quantitative survey reaching out to 352 internal and external stakeholders, a series of qualitative interviews and internal strategic workshops.

2. Identification phase

Media and trends analysis

In 2019, we looked again at the 17 Sustainable Development Goals and their targets to continue strengthen our approach and enhance our contribution to the goals. Additionally, in order to identify future trends, we regularly capture headlines from major mainstream and sustainability media assets. This helps perceiving broader expectations from society and upcoming sustainability topics.

On-going conversation with strategic stakeholders

Through dialogue with key stakeholders, we have gained significant insights into how to create value and anticipate risks. Accordingly, we are better equipped to understand society's needs and translate them into our company strategy and goals. Working closely with key stakeholders strengthens our ability to address their needs and concerns. Through different engagement channels, we inform our stakeholders about our activities, the measures taken and their results.

Stakeholders considered most relevant to our company include customers, employees, suppliers, investors, governments, and civil society organization. These stakeholders are most likely to be impacted by our activities and have the most influence on achieving our commitments. In addition to our strategic conversations with these stakeholders, we hold memberships and are active in many organizations including the Carbon Disclosure Project (CDP), the World Economic Forum (WEF), the Responsible Business Alliance (RBA), and The Climate Group.

Ongoing stakeholder engagement activities (non-exhaustive)		
Stakeholder group	Stakeholder engagement processes	Exemplary topics discussed
Customers	Joint (research) projects, business development, lean value chain projects, consumer panels, Net Promoter Scores, training centers, social media, customer surveys, key account management (several times per week), sustainability exchanges with customers	(Sustainable) revenues- and innovation Satisfaction rates ESG-performance
Employees	Regular meetings, quarterly TEAM Surveys, bi-annual employee development process, quarterly update webinars	Strategic alignment sessions Training & Development Engagement
Investors & Analysts	Investor roadshows, (ESG) investor conferences, investor & analyst calls, in-house (ESG) investor meetings, analyst dinners, IR mailbox, investor surveys	Strategic alignment sessions ESG-performance
Suppliers	Supplier development and quality activities (including topical training sessions) (4 times per year), supplier forums, industry working groups like EPRM and RBA, and the commodity management, supplier quality and procurement engineering functions	Sustainability performance, Peer-learning
Governments, municipalities	Issues meetings, annual innovation experience, research projects, policy and legislative developments, business development	Sustainable cities Energy efficiency Sustainable innovation
Civil society	Partnerships with NGOs, cross-sector (multi-stakeholder) projects, supplier sustainability stakeholder day, our social investment program, and the Signify Foundation	Social impact of light Sustainable operations Sustainable revenues

Thanks to this input, Signify can identify new possible topics that could be material to the company.

3. Prioritization phase

2019 Stakeholder online survey and qualitative interviews

Every two years, we invite a wide range of stakeholders to provide input to our materiality matrix via an online survey. With the survey outcome, we can further ensure we focus our efforts and public disclosures on the subjects considered the most important to Signify and its stakeholders. In 2019, 352 stakeholders were invited to determine their significance and relevance for Signify. Additionally, this year we organized interviews with opinion leaders, experts, and sustainability leaders. The survey and interviews helped us defining the position of the sustainability topics in the vertical axis of our matrix.

The results of these engagements confirm that Energy efficiency, Carbon footprint, Safety at work, Business ethics and Human rights remain very important to our stakeholders. Additionally, the topics of Circular economy, Social impact of Light and Responsible packaging are more and more important to our stakeholders. Finally, the need for Signify to simplify its materiality matrix and link it to its strategy was mentioned.

Internal workshops and discussions

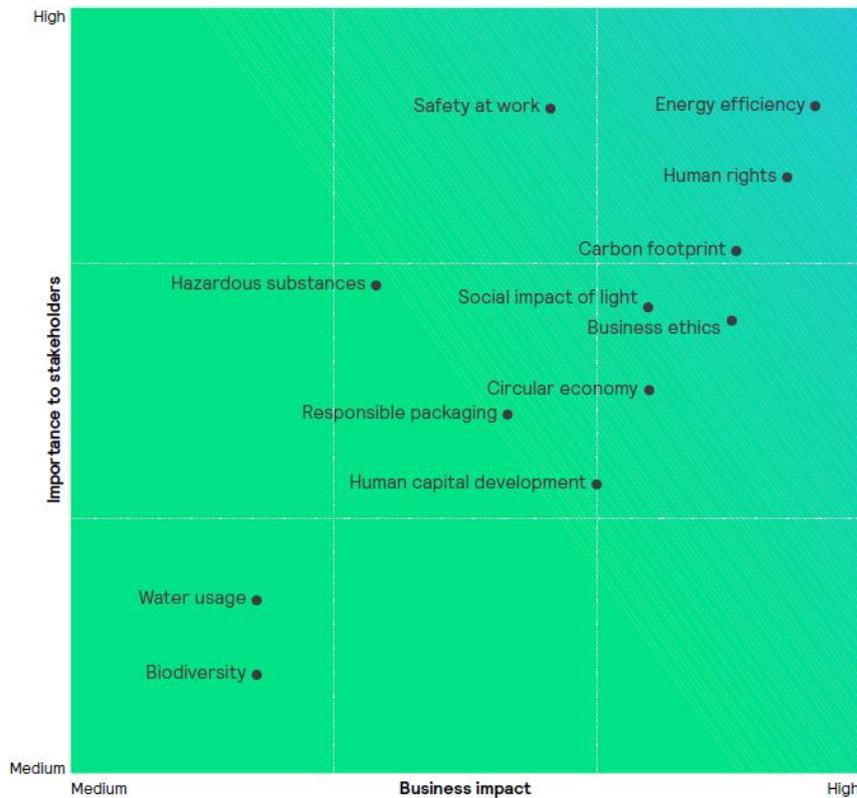
The final step of our prioritization phase includes several workshops and discussions to finalize the position of the topics on the X axis based on adverse and positive impacts on environment, economy and society as well as risks and opportunities. As an outcome of the discussions, the matrix has been simplified for better clarity by grouping detailed sub-topics under over-arching material topics. The detailed mapping can be found in the table below Signify material topics. Additionally, Energy efficiency, Human rights and Carbon footprint are our most material topics. Safety at work remains very important and Signify has strong processes in place. Biodiversity has been added and, as Water, is important to our stakeholders and less material for Signify.

The result of the materiality assessment has been reviewed by the Leadership Team and the Supervisory Board.

4. Results of 2019 materiality assessment

2019 Signify materiality matrix

Materiality matrix



2019 Signify material topics

Signify material topics – The table showcases the link between our strategy, our contribution to the SDGs and our material topics and their boundaries.

	Priority SDG	Material topic	Sub-topic included	Our contribution	Boundary
Brighter Lives		Human capital development	<ul style="list-style-type: none"> Employee engagement Diversity & Inclusion Talent management 	16.3.1 Human capital development	<ul style="list-style-type: none"> Own operations Own operations Own operations
		Human rights	<ul style="list-style-type: none"> Human rights in our operations Living wages Social responsibility in our supply chain Responsible mineral sourcing 	16.3.2 Human rights	<ul style="list-style-type: none"> Own operations Own operations / Supply chain Supply chain Supply chain
		Safety at work	<ul style="list-style-type: none"> Occupational Health & Safety 	16.3.3 Safety at work	<ul style="list-style-type: none"> Own operations
		Business Ethics	<ul style="list-style-type: none"> Acting with integrity Product quality Share-performance & pay-out policy 	16.3.4 Acting with integrity 16.3.4 Acting with integrity 11.6 Share performance, 11.4 Capital allocation	<ul style="list-style-type: none"> Own operations Use phase Own operations
			<ul style="list-style-type: none"> Responsible procurement practices Responsible tax policy Big data and customer privacy 	16.3.2 Human rights 14.6 - Note 9 Income taxes 12.5 Report risks factors	<ul style="list-style-type: none"> Own operations Own operations Use phase
Better World	 	Social impact of light	<ul style="list-style-type: none"> Human centric lighting Food availability and quality Access to light 	16.3.5 Social impact of light	<ul style="list-style-type: none"> Use phase Use phase Use phase
		Energy efficiency	<ul style="list-style-type: none"> Energy efficiency of our products, systems and services 	16.4.1 Energy efficiency of our products, systems and services	<ul style="list-style-type: none"> Use phase
		Circular economy	<ul style="list-style-type: none"> Circular lighting Weight & materials Waste management 	16.4.3 Circular economy	<ul style="list-style-type: none"> Use phase Own operations / Use phase Own operations
		Responsible packaging	<ul style="list-style-type: none"> Responsible packaging 	16.4.4 Responsible packaging	<ul style="list-style-type: none"> Use phase
		Hazardous substances	<ul style="list-style-type: none"> Products substances Regulated substances in production processes 	16.4.5 Hazardous substances	<ul style="list-style-type: none"> Use phase Own operations
		Water usage	<ul style="list-style-type: none"> Water usage 	16.4.6 Water usage	<ul style="list-style-type: none"> Own operations
		Carbon footprint	<ul style="list-style-type: none"> Operational carbon footprint Carbon footprint of our supply chain 	16.4.2 Carbon footprint and energy	<ul style="list-style-type: none"> Own operations Supply chain
		Biodiversity	<ul style="list-style-type: none"> Biodiversity 	16.4.7 Biodiversity	<ul style="list-style-type: none"> Own operations

Supplement 3: GRI content index

GRI Content Index 2019			
SRS	Disclosure	Disclosure Requirements	Reference 2019 Annual Report
GRI 102: General disclosures 2016			
1. Organizational profile			
102-1	Name of the organization	a. Report the name of the organization.	10. Corporate governance
102-2	Activities, brands, products, and services	a. A description of the organization's activities. b. Primary brands, products, and services, including an explanation of any products or services that are banned in certain markets	3. Creating value 4.1. Financial performance
102-3	Location of the organization's headquarters	a. Report the location of the organization's headquarters.	15. Signify N.V. financial statements
102-4	Number of countries operating	a. Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.	4.2 Sustainability performance 10.1 Signify organization
102-5	Nature of ownership and legal form	a. Report the nature of ownership and legal form.	10. Corporate governance
102-6	Markets served	a. Markets served, including: i. geographic locations where products and services are offered; ii. sectors served; and iii. types of customers and beneficiaries.	4.1. Financial performance 4.2 Sustainability performance
102-7	Scale of the reporting organization	a. Scale of the reporting organization, including: i. total number of employees; ii. total number of operations; iii. net sales (for a private sector organization) or net revenues (for a public-sector organization); iv. total capitalization (for a private sector organization), with a breakdown in terms of debt and equity; and v. total number of units of products and services sold or provided.	1. Performance highlights 14.6 Notes to corporate statement [3] Information by segment and main country [4] Income from operations [12] Interest in entities [22] Equity

102-8	Information on employees and other workers	<p>The reporting organization shall report the following information:</p> <p>a. Total number of employees by employment contract (permanent and temporary), by gender.</p> <p>b. Total number of employees by employment contract (permanent and temporary), by region.</p> <p>c. Total number of employees by employment type (full-time and part-time), by gender.</p> <p>d. Whether a significant portion of the organization's activities are performed by workers who are not employees. If applicable, a description of the nature and scale of work performed by workers who are not employees.</p> <p>e. Any significant variations in the numbers reported in Disclosures 102-8-a, 102-8-b, and 102-8-c (such as seasonal variations in the tourism or agricultural industries).</p> <p>f. An explanation of how the data have been compiled, including any assumptions made.</p>	<p>14.6 Notes to corporate statement [4] Income from operations 16.3.1 Employment 16.3.1 Diversity & Inclusion Annex A of this document</p>
102-9	Supply chain	<p>a. A description of the organization's supply chain, including its main elements as they relate to the organization's activities, primary brands, products, and services.</p>	<p>12.5 Operational risks 16.3.2 Social responsibility in our supply chain</p>
102-10	Significant changes to the organization and its supply chain	<p>a. Significant changes to the organization's size, structure, ownership, or supply chain, including:</p> <p>i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions;</p> <p>ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations);</p> <p>iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination.</p>	<p>14.4 Consolidated statements of cash flows 14.6 Notes to corporate statement [3] Information by segment and main country [12] Interest in entities 2019 Sustainability Supplements - Data definitions, boundaries, and scope</p>
102-11	Precautionary Principle or approach	<p>a. Whether and how the reporting organization applies the Precautionary Principle or approach.</p>	<p>12.1 Establish strong risk management environment</p>
102-12	External initiatives	<p>a. List of externally-developed economic, environmental and social charters, principles, or other initiatives to which the reporting organization subscribes or which it endorses.</p>	<p>16.1 Approach to sustainability reporting 16.1.1 Definition of Signify's strategic focus: our materiality assessment 16.3.2 Social responsibility in our supply chain</p>
102-13	Memberships of associations	<p>a. A list of the main memberships of industry or other associations, and national or international advocacy organizations.</p>	<p>16.1.1 Definition of Signify's strategic focus: our materiality assessment</p>
2. Strategy			
102-14	Statement from senior decision-maker	<p>a. A statement from the most senior decision-maker of the reporting organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy for addressing sustainability.</p>	<p>2. CEO Message</p>
102-15	Key impacts, risks, and opportunities	<p>a. A description of key impacts, risks, and opportunities.</p>	<p>2. CEO Message 12. Risk factors and risk management</p>
3. Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	<p>a. A description of the reporting organization's values, principles, standards, and norms of behavior.</p>	<p>12.1 Establish strong risk management environment 16.2.7 General business principles</p>
102-17	Mechanisms for advice and concerns about ethics	<p>a. A description of internal and external mechanisms for:</p> <p>i. seeking advice about ethical and lawful behavior, and organizational integrity; and</p> <p>ii. reporting concerns about unethical and unlawful behavior, and organizational integrity.</p>	<p>12.1 Establish strong risk management environment 16.3.4 Acting with integrity</p>

4. Governance			
102-18	Governance structure	a. Governance structure of the reporting organization, including committees of the highest governance body. b. Committees responsible for decision-making on economic, environmental, and social impacts.	6. Board of Management 7. Supervisory board 10. Corporate governance
102-19	Delegation of authority	a. Process for delegating authority for economic, environmental, and social impacts from the highest governance body to senior executives and other employees	10. Corporate governance 16.1.2 Sustainability governance
102-20	Executive-level responsibility for economic, environmental and social topics	a. Whether the reporting organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics. b. Whether post holders report directly to the highest governance body.	16.1.2 Sustainability governance
102-21	Consulting stakeholders on economic, environmental, and social topics	a. Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. b. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	11.6 Annual general meeting of shareholders 11.1 Shareholder engagement 16.1.1 Definition of Signify's strategic focus: our materiality assessment 16.3.6 Working with stakeholders
102-22	Composition of the highest governance body and its committees	a. Composition of the highest governance body and its committees by: i. executive or non-executive; ii. independence; iii. tenure on the governance body; iv. number of each individual's other significant positions and commitments, and the nature of the commitments; v. gender; vi. membership of under-represented social groups; vii. competences relating to economic, environmental and social impacts; and viii. stakeholder representation.	6. Board of Management 7. Supervisory board 10. Corporate governance
102-23	Chair of the highest governance body	a. Whether the chair of the highest governance body is also an executive officer in the reporting organization. b. If the chair is also an executive officer, describe his or her function within the reporting organization's management and the reasons for this arrangement.	10.2 Board of management
102-24	Nomination and selection the highest governance body	a. Nomination and selection processes for the highest governance body and its committees. b. Criteria used for nominating and selecting highest governance body members, including whether and how: i. stakeholders (including shareholders) are involved; ii. diversity is considered; iii. independence is considered; and iv. expertise and experience relating to economic, environmental, and social topics are considered.	8. Supervisory board report 10.2 Board of management 10.3 Supervisory board
102-25	Conflicts of interest	a. Processes for the highest governance body to ensure conflicts of interest are avoided and managed. b. Whether conflicts of interest are disclosed to stakeholders, including, as a minimum: i. cross-board membership; ii. cross-shareholding with suppliers and other stakeholders; iii. existence of controlling shareholder; and iv. related party disclosures.	10.2 Board of management 10.3 Supervisory board
102-26	Role of highest governance body in setting purpose, values and strategy	a. Highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental, and social topics.	8. Supervisory board report 10.2 Board of management 10.3 Supervisory board 10.4 General meeting of shareholders 16.1.1 Stakeholders engagement

102-27	Collective knowledge of highest governance body	a. Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental, and social topics.	8. Supervisory board report 9.3.6 Sustainability
102-28	Evaluating the highest governance body's performance	a. Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics. b. Whether such evaluation is independent or not, and its frequency. c. Whether such evaluation is a self-assessment. d. Actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental, and social topics, including, as a minimum, changes in membership and organizational practice.	9.1.3 Sustainability 12.1 Our approach to risk management and business control 8 Supervisory board report 10.2 Board of management 10.3 Supervisory board 16.1.3 Sustainability governance
102-29	Identifying and managing economic, environmental, and social impacts	a. Highest governance body's role in identifying and managing economic, environmental, and social impacts, risks, and opportunities – including its role in implementing the due diligence processes. b. Whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental, and social impacts, risks, and opportunities.	12.1 Establish strong risk management environment 8. Supervisory board report 10.2 Board of management 10.3 Supervisory board 16.1.1 Definition of Signify's strategic focus: our materiality assessment
102-30	Effectiveness of risk management processes	a. Highest governance body's role in reviewing the effectiveness of the reporting organization's risk management processes for economic, environmental, and social topics.	12.1 Establish strong risk management environment 8. Supervisory board report 10.2 Board of management 16.1.2 Sustainability governance
102-31	Review of economic, environmental, and social impacts	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	12.1 Establish strong risk management environment 8. Supervisory board report 10.2 Board of management 16.1.2 Sustainability governance
102-32	Highest governance body's role in sustainability reporting	The highest committee or position that formally reviews and approves the reporting organization's sustainability report and ensures that all material topics are covered.	8. Supervisory board report 16.1.1 Definition of Signify's strategic focus: our materiality assessment
102-33	Communicating critical concerns	a. Process for communicating critical concerns to the highest governance body.	12.1 Establish strong risk management environment 10.2 Board of management 16.3.4 Acting with integrity
102-34	Nature and total number of critical concerns	a. Total number and nature of critical concerns that were communicated to the highest governance body. b. Mechanism(s) used to address and resolve critical concerns	16.3.4 Acting with integrity
102-35	Remuneration policies	a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration, if used: i. fixed pay and variable pay, including performance-based pay, equity-based pay, bonuses, and deferred or vested shares; ii. sign-on bonuses or recruitment incentive payments; iii. termination payments; iv. claw backs; and v. retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. How performance criteria in the remuneration policies relate to the highest governance body's and senior executives' objectives for economic, environmental, and social topics.	9. Remuneration report 10.2 Board of Management, Remuneration

102-36	Process for determining remuneration	<p>a. Process for determining remuneration.</p> <p>b. Whether and how remuneration consultants are involved in determining remuneration and whether they are independent of management.</p> <p>c. Any other relationships that the remuneration consultants have with the reporting organization.</p>	<p>9. Remuneration report</p> <p>10.2 Board of management</p> <p>10.3 Supervisory board, Remuneration committee</p>
102-37	Stakeholders' involvement in remuneration	<p>a. How stakeholders' views are sought and taken into account regarding remuneration.</p> <p>b. If applicable, the results of votes on remuneration policies and proposals.</p>	<p>10.2 Board of management</p> <p>10.4 General meeting of shareholders</p>
102-38	Annual total compensation ratio	<p>a. Ratio of the annual total compensation for the reporting organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.</p> <p>Clause 4.4 When compiling the information specified in Disclosure 102-38, the reporting organization shall, for each country of significant operations:</p> <p>4.4.1 identify the highest-paid individual for the reporting period, as defined by total compensation;</p> <p>4.4.2 calculate the median annual total compensation for all employees, except the highest paid individual;</p> <p>4.4.3 calculate the ratio of the annual total compensation of the highest-paid individual to the median annual total compensation for all employees.</p>	<p>Signify does not consider this indicator relevant. Signify makes an impact on local communities by the salaries it pays to its employees. Salaries are based on industry norms as described in our Integrity code.</p>
102-39	Percentage increase in annual total compensation ratio	<p>a. Ratio of the percentage increase in annual total compensation for the reporting organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.</p>	<p>Signify does not consider this indicator relevant. Signify makes an impact on local communities by the salaries it pays to its employees. Salaries are based on industry norms as described in our Integrity code.</p>
5. Stakeholder Engagement			
102-40	List of stakeholder groups	<p>a. A list of stakeholder groups engaged by the reporting organization.</p>	<p>16.1.1 Definition of Signify's strategic focus: our materiality assessment</p> <p>16.3.6 Working with stakeholders</p>
102-41	Collective bargaining agreements	<p>a. Percentage of total employees covered by collective bargaining agreements.</p>	<p>78 %</p>
102-42	Identifying and selecting stakeholders	<p>a. The basis for identifying and selecting stakeholders with whom to engage.</p>	<p>16.1.1 Definition of Signify's strategic focus: our materiality assessment</p> <p>16.3.6 Working with stakeholders</p>
102-43	Approach to stakeholder engagement	<p>a. The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.</p>	<p>16.1.1 Definition of Signify's strategic focus: our materiality assessment</p> <p>16.3.6 Working with stakeholders</p>
102-44	Key topics and concerns raised	<p>a. Key topics and concerns that have been raised through stakeholder engagement, including:</p> <p>i. how the reporting organization has responded to those key topics and concerns; and</p> <p>ii. the stakeholder groups that raised each of the key topics and concerns.</p>	<p>16.1.1 Definition of Signify's strategic focus: our materiality assessment</p> <p>16.3.6 Working with stakeholders</p>
6. Reporting practice			
102-45	Entities included in the consolidated financial statements	<p>a. A list of all entities included in the reporting organization's consolidated financial statements or equivalent documents.</p> <p>b. Whether any entity included in the reporting organization's consolidated financial statements or equivalent documents is not covered by the report.</p>	<p>14.6 Corporate statement</p> <p>[3] Information by segment and main country</p> <p>[12] Interest in entities</p>

102-46	Defining report content and topic Boundaries	<p>a. An explanation of the process for defining the report content and the topic Boundaries.</p> <p>b. An explanation of how the reporting organization has implemented the Reporting Principles for defining report content.</p> <p>Clause 6.1 When compiling the information specified in Disclosure 102-46, the reporting organization shall include an explanation of how the Materiality principle was applied to identify material topics, including any assumptions made.</p>	16.1.1 Definition of Signify's strategic focus: our materiality assessment 2019 Sustainability Supplements - Data definitions, boundaries, and scope
102-47	List of material topics	a. A list of material topics identified in the process for defining report content.	16.1.1 Definition of Signify's strategic focus: our materiality assessment
102-48	Restatements of information	a. The effect of any restatements of information provided in previous reports, and the reasons for such restatements.	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.1.1 Definition of Signify's strategic focus: our materiality assessment
102-49	Changes in reporting	Significant changes from previous reporting periods in the list of material topics included in the report and topic boundaries.	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.1.1 Definition of Signify's strategic focus: our materiality assessment
102-50	Reporting Period	a. Reporting period for information provided.	January 1 – December 31 2019
9102-51	Date of most recent report	a. If applicable, the date of the most recent previous report.	February 26, 2019
102-52	Reporting cycle	a. Reporting cycle.	Yearly
102-53	Contact point for questions regarding the report	a. The contact point for questions regarding the report or its contents.	11.1 Shareholder engagement
102-54	Claims of reporting in accordance with the GRI Standards	<p>a. The 'in accordance' claim made by the reporting organization about its use of the GRI Standards, either:</p> <p>i. 'This report has been prepared in accordance with the GRI Standards: core option'; or</p> <p>ii. 'This report has been prepared in accordance with the GRI Standards: comprehensive option'.</p>	This report has been prepared in accordance with the GRI Standards: Comprehensive option
102-55	GRI content index	<p>a. The content index for the report, which specifies each of the GRI Standards used to prepare the report and lists all relevant disclosures.</p> <p>b. For each disclosure, the content index shall include:</p> <p>i. the number of the disclosure;</p> <p>ii. the page number(s) or URL(s) where the information for each disclosure can be found, either within the report or in another published material; and</p> <p>iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.</p> <p>6.3.1 include the words 'GRI Content Index' in the title;</p> <p>6.3.2 present the complete GRI content index in one location;</p> <p>6.3.3 include in the report a link or reference to the GRI content index, if it is not provided in the report itself;</p> <p>6.3.4 for each GRI Standard used, include the title and publication year (e.g., GRI 102: General Disclosures 2016);</p> <p>6.3.5 include any additional material topics reported on which are not covered by the GRI Standards, including page number(s) or URL(s) where the information can be found.</p>	GRI Content Index 2019

102-56	External assurance	<p>a. A description of the organization’s policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If the report has been externally assured:</p> <p>i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process;</p> <p>ii. The relationship between the organization and the assurance provider;</p> <p>iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization’s sustainability report.</p>	<p>16.1.1 Definition of Signify’s strategic focus: our materiality assessment</p> <p>17 Combined independent auditor’s report</p>
GRI 103: Management approach 2016			
103-1	Explanation of the material topic and its Boundary	<p>For each material topic, the reporting organization shall report the following information:</p> <p>a. An explanation of why the topic is material.</p> <p>b. The Boundary for the material topic, which includes a description of:</p> <p>i. where the impacts occur;</p> <p>ii. the organization’s involvement with the impacts. For example, whether the organization has caused or contributed to the impacts or is directly linked to the impacts through its business relationships.</p> <p>c. Any specific limitation regarding the topic Boundary.</p> <p>Clause 1.1 If management approach disclosures are combined for a group of material topics, the reporting organization shall state which topics are covered by each disclosure.</p>	<p>2. CEO Message</p> <p>3.2 Brighter Lives, Better World</p> <p>12.5 Operational risks</p> <p>12.5 Compliance risks</p> <p>16.1.1 Definition of Signify’s strategic focus: our materiality assessment</p> <p>2019 Sustainability Supplements - Data definitions, boundaries, and scope</p>
103-2	The management approach and its components	<p>For each material topic, the reporting organization shall report the following information:</p> <p>a. An explanation of how the organization manages the topic.</p> <p>b. A statement of the purpose of the management approach.</p> <p>c. A description of the following, if the management approach includes that component:</p> <p>i. Policies, ii. Commitments, iii. Goals and targets, iv. Responsibilities, v. Resources, vi. Grievance mechanisms, vii. Specific actions, such as processes, projects, programs and initiatives</p> <p>Clause 1.1 If management approach disclosures are combined for a group of material topics, the reporting organization shall state which topics are covered by each disclosure.</p> <p>Clause 1.2 If there is no management approach for a material topic, the reporting organization shall describe:</p> <p>1.2.1 any plans to implement a management approach; or</p> <p>1.2.2 the reasons for not having a management approach.</p>	<p>16.1.1 Definition of Signify’s strategic focus: our materiality assessment</p> <p>2019 Sustainability Supplements - Data definitions, boundaries, and scope</p> <p>16.4 Better World</p>
103-3	Evaluation of the management approach	<p>a. An explanation of how the organization evaluates the management approach, including:</p> <p>i. the mechanisms for evaluating the effectiveness of the management approach;</p> <p>ii. the results of the evaluation of the management approach; and</p> <p>iii. any related adjustments to the management approach.</p> <p>Clause 1.1 If management approach disclosures are combined for a group of material topics, the reporting organization shall state which topics are covered by each disclosure.</p> <p>Clause 1.2 If there is no management approach for a material topic, the reporting organization shall describe:</p> <p>1.2.1 any plans to implement a management approach; or</p> <p>1.2.2 the reasons for not having a management approach.</p>	<p>9.1.4 Sustainability</p> <p>16.1.1 Definition of Signify’s strategic focus: our materiality assessment</p> <p>16.1.2 Sustainability governance</p> <p>16.1.4 Reporting Standards</p> <p>16.4 Better World</p>

Topic Specific Standards: Most material topics on which Signify reports according to GRI Standards

Energy efficiency; Carbon footprint (in our operations and supply chain)

GRI 302: Energy 2016

302-1	Energy consumption within the organization	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Total fuel consumption within the organization from non-renewable sources, in joules or multiples, and including fuel types used. b. Total fuel consumption within the organization from renewable sources, in joules or multiples, and including fuel types used. c. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> i. electricity consumption ii. heating consumption iii. cooling consumption iv. steam consumption d. In joules, watt-hours or multiples, the total: <ul style="list-style-type: none"> i. electricity sold ii. heating sold iii. cooling sold iv. steam sold e. Total energy consumption within the organization, in joules or multiples. f. Standards, methodologies, assumptions, and/or calculation tools used. g. Source of the conversion factors used. 	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.4.2 Carbon footprint and energy
302-2	Energy consumption outside of the organization	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Energy consumption outside of the organization, in joules or multiples. b. Standards, methodologies, assumptions, and/or calculation tools used. c. Source of the conversion factors used. 	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.4.2 Carbon footprint and energy
302-3	Energy intensity	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Energy intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of energy included in the intensity ratio; whether fuel, electricity, heating, cooling, steam, or all. d. Whether the ratio uses energy consumption within the organization, outside of it, or both. 	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.4.2 Carbon footprint and energy
302-4	Reduction of energy consumption	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Amount of reductions in energy consumption achieved as a direct result of conservation and efficiency initiatives, in joules or multiples. b. Types of energy included in the reductions; whether fuel, electricity, heating, cooling, steam, or all. c. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. d. Standards, methodologies, assumptions, and/or calculation tools used. 	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.4.2 Carbon footprint and energy
302-5	Reductions in energy requirements of products and services	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Reductions in energy requirements of sold products and services achieved during the reporting period, in joules or multiples. b. Basis for calculating reductions in energy consumption, such as base year or baseline, including the rationale for choosing it. c. Standards, methodologies, assumptions, and/or calculation tools used. 	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.4.1 Energy efficiency of our products, systems and services

GRI 305: Emissions 2016			
305-1	Direct (Scope 1) GHG emissions	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent. b. Gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all. c. Biogenic CO2 emissions in metric tons of CO2 equivalent. d. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used. 	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.4.2 Carbon footprint and energy
305-2	Energy indirect (Scope 2) GHG emissions	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent. b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent. c. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all. d. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used. 	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.4.2 Carbon footprint and energy
305-3	Other indirect (Scope 3) GHG emissions	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Gross other indirect (Scope 3) GHG emissions in metric tons of CO2 equivalent. b. If available, the gases included in the calculation; whether CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, or all. c. Biogenic CO2 emissions in metric tons of CO2 equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation. e. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. f. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. g. Standards, methodologies, assumptions, and/or calculation tools used. 	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.4.2 Carbon footprint and energy
305-4	GHG emissions intensity	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. GHG emissions intensity ratio for the organization. b. Organization-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). 	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.4.2 Carbon footprint and energy

		d. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all.	
305-5	Reduction of GHG emissions	The reporting organization shall report the following information: a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO ₂ equivalent. b. Gases included in the calculation; whether CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , or all. c. Base year or baseline, including the rationale for choosing it. d. Scopes in which reductions took place; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). e. Standards, methodologies, assumptions, and/or calculation tools used.	2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.4.2 Carbon footprint and energy
305-6	Emissions of ozone-depleting substances (ODS)	The reporting organization shall report the following information: a. Production, imports, and exports of ODS in metric tons of CFC-11 (trichlorofluoromethane) equivalent. b. Substances included in the calculation. c. Source of the emission factors used. d. Standards, methodologies, assumptions, and/or calculation tools used.	Emissions from ODS are at non-material levels for Signify.
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	The reporting organization shall report the following information: a. Significant air emissions, in kilograms or multiples, for each of the following: i. NOX ii. SOX iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) v. Hazardous air pollutants (HAP) vi. Particulate matter (PM) vii. Other standard categories of air emissions identified in relevant regulations b. Source of the emission factors used. c. Standards, methodologies, assumptions, and/or calculation tools used.	Emissions from NOX and SOX are at non-material levels for Signify.
Human rights (operations and supply chain)			
GRI 406: Non-discrimination 2016			
406-1	Incidents of discrimination and corrective actions taken	The reporting organization shall report the following information: a. Total number of incidents of discrimination during the reporting period. b. Status of the incidents and actions taken with reference to the following: i. Incident reviewed by the organization; ii. Remediation plans being implemented; iii. Remediation plans that have been implemented, with results reviewed through routine internal management review processes; iv. Incident no longer subject to action.	This topic is covered under the Signify Integrity code and the Supplier Sustainability Declaration, our code of conduct for suppliers. 12.1 Establish strong risk management environment – Signify Integrity code 2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.3.2 Human rights 16.3.4 Acting with integrity 16.3.2 Social responsibility in our supply chain
GRI 407: Freedom of association and collective bargaining 2016			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	The reporting organization shall report the following information: a. Operations and suppliers in which workers' rights to exercise freedom of association or collective bargaining may be violated or at significant risk either in terms of: i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. b. Measures taken by the organization in the reporting period intended to support rights to exercise freedom of association and collective bargaining.	This topic is covered under the Signify Integrity code and the Supplier Sustainability Declaration, our code of conduct for suppliers. 12.1 Establish strong risk management environment – Signify Integrity code 2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.3.2 Human rights 16.3.4 Acting with integrity 16.3.2 Social responsibility in our supply chain

GRI 408: Child labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	<p>The reporting organization shall report the following information:</p> <p>a. Operations and suppliers considered to have significant risk for incidents of:</p> <ul style="list-style-type: none"> i. child labor; ii. young workers exposed to hazardous work. <p>b. Operations and suppliers considered to have significant risk for incidents of child labor either in terms of:</p> <ul style="list-style-type: none"> i. type of operation (such as manufacturing plant) and supplier; ii. countries or geographic areas with operations and suppliers considered at risk. <p>c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.</p>	<p>This topic is covered under the Signify Integrity code and the Supplier Sustainability Declaration, our code of conduct for suppliers.</p> <p>12.1 Establish strong risk management environment – Signify Integrity code 2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.3.2 Human rights 16.3.4 Acting with integrity 16.3.2 Social responsibility in our supply chain</p>
GRI 412: Human rights assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	<p>The reporting organization shall report the following information:</p> <p>a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.</p>	<p>This topic is covered under the Signify Integrity code and the Supplier Sustainability Declaration, our code of conduct for suppliers.</p> <p>12.1 Establish strong risk management environment – Signify Integrity code 2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.3.2 Human rights 16.3.4 Acting with integrity 16.3.2 Social responsibility in our supply chain</p>
412-2	Employee training on human rights policies or procedures	<p>The reporting organization shall report the following information:</p> <p>a. Total number of hours in the reporting period devoted to training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p> <p>b. Percentage of employees trained during the reporting period in human rights policies or procedures concerning aspects of human rights that are relevant to operations.</p>	<p>This topic is covered under the Signify Integrity code and the Supplier Sustainability Declaration, our code of conduct for suppliers.</p> <p>12.1 Establish strong risk management environment – Signify Integrity code 2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.3.2 Human rights 16.3.4 Acting with integrity 16.3.2 Social responsibility in our supply chain</p>
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	<p>The reporting organization shall report the following information:</p> <p>a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.</p> <p>b. The definition used for “significant investment agreements”.</p>	<p>This topic is covered under the Signify Integrity code and the Supplier Sustainability Declaration, our code of conduct for suppliers.</p> <p>12.1 Establish strong risk management environment – Signify Integrity code 2019 Sustainability Supplements - Data definitions, boundaries, and scope 16.3.2 Human rights 16.3.4 Acting with integrity 16.3.2 Social responsibility in our supply chain</p>

Annex to the GRI Content Index 2019:

Supplement to GRI 102-8:

Contract type by gender in % 2019

	Permanent	Temporary
Female	96%	4%
Male	97%	3%

Contract type by geography in % 2019

	Permanent	Temporary
Europe	94%	6%
Americas	99.9%	0.1%
Rest of the world	99%	1%

Part-time by gender in % 2019

	Full-time	Part-time
Female	96%	4%
Male	99%	1%

Total value of political contributions by country and recipient/beneficiary in 2019

Type of trade organization	Geographic scope	Spend (€ millions)	Focus of membership (non-exhaustive)
Industry associations	Global	3.57	Sustainable innovation in the industry, climate action, scaling up action on the UN SDGs, common standards
Coalitions for sustainable growth	Global	1.2	Carbon pricing, sustainable cities, standards for impact measurement, UN SDG contribution
Political contributions	Global	0	

Supplement 4: TCFD recommendations

Governance	
Recommended Disclosures a) Describe the board's oversight of climate-related risks and opportunities.	Refer to section 8: Supervisory Board report of the 2019 annual report The Supervisory Board has reviewed Signify's strategy to combat climate change as well as our materiality assessment 2019 showing that Signify's carbon footprint remains one of our most material topics. More can be found on our CDP Climate reporting .
Recommended Disclosures b) Describe management's role in assessing and managing climate-related risks and opportunities.	Refer to sections 16.1.2 Sustainability Governance and 12.1 Establish strong risk management environment of the 2019 annual report
Strategy	
Assessment done for 2 degrees or lower scenario with a 2030 horizon	
Recommended Disclosure a) Describe the climate- related risks and opportunities the organization has identified over the short, medium, and long term. Recommended Disclosure b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. Recommended Disclosure c) Describe the resilience of the organization's strategy, taking into consideration different climate- related scenarios, including a 2°C or lower scenario.	<p>Risks</p> <p>Increased pricing of GHG emissions (Direct operations and Supply chain)</p> <p>a) Refer to section 12.5 Compliance risks of the 2019 annual report</p> <p>b) Refer to section 12.5 Compliance risks of the 2019 annual report To understand the potential impact of this risk by horizon 2030, we assumed that by that time the breadth of CO₂ emissions subject to carbon pricing will occur on our entire supply chain, the carbon taxes/pricing would be up to a maximum of EUR 100 per metric ton CO₂ in accordance with the IEA 2 degrees scenario and that part of the financial implications of the carbon pricing will roll up to our company with a potential impact.</p> <p>c) Refer to section 12.5 Compliance risks of the 2019 annual report Driven by our Brighter Lives, Better World program, CO₂ emissions from industrial operations have structurally decreased over the last decade. Under the Sustainable Operations program, multiple projects have allowed significant reduction of GHG emissions. Signify deploys voluntary GHG emissions reduction activities that go beyond strictly complying with cap and trade schemes. For example, our commitment to source 100% of our electricity from renewable sources at the end of 2020, and other voluntary emissions reduction projects.</p> <p>Substitution of existing products and services with lower emissions options (via reduced demand and regulations) (Customer)</p> <p>a) Refer to section 12.5 Strategic risk of the 2019 annual report</p> <p>b) Refer to section 12.5 Strategic risk of the 2019 annual report To understand the potential impact of this risk by horizon 2030, we used the scope of technologies banned under the more stringent minimum energy performance standard where Signify would no longer be able to generate sales from its least energy efficient products in the portfolio, including incandescent and fluorescent light bulbs. We assumed that regulation will be rolled out at high speed between 2020 and 2030. Under this scenario, we would expect potential loss of sales from the least energy efficient products by 2030.</p> <p>c) Refer to section 12.5 Strategic risk of the 2019 annual report Over the past three decades, we have continuously worked on making our products and operations more energy efficient. Signify was the first to introduce the energy-saving light bulb back in 1980 and pushed for the global phase out of incandescent light bulbs. We continue to innovate and introduce LED equivalent bulbs to replace conventional light sources. Through our Sustainable innovation efforts, we have products in each segment of our product portfolio that meet product energy efficiency regulation currently in place. Also, to address the concerns of product green washing and accordingly correct labelling of products, Signify has decided stop labelling its products with so-called green logos. We aim to substantiate Signify's credibility in communication where relevant, create consistency and accommodate lawful deployment in line with regulations regarding Green Claims.</p> <p>Increased water pricing due to scarcity (Direct operations and Supply chain)</p> <p>a) Refer to section 12.5 Operational risk of the 2019 annual report</p> <p>b) Refer to section 12.5 Operational risk of the 2019 annual report To understand the potential impact of this risk by horizon 2030, scenario analysis has been performed for our current portfolio of operating manufacturing facilities (not taking into account the supply chain) and we considered different levels of pricing according to the Water Risk Monetizer tool by Ecolab, Trucost and Microsoft. We used risk adjusted pricing for incoming water. Potential impact on business would be non-significant.</p> <p>c) Refer to section 12.5 Operational risk of the 2019 annual report</p>

	<p>Signify is working at individual plant level to reduce and mitigate the effects of risks from extreme weather events at its production sites. Regular risk assessments are performed, including the assessment of risks related to natural catastrophe perils. These assessments are also performed at locations of business-critical suppliers. Signify continues to create leaner supply base with fewer suppliers, while maintaining dual sourcing strategies where possible. This to prevent supply disruptions in case of weather extremes. Regular audits are performed at risk suppliers. When the audit reveals areas of noncompliance, we request suppliers to implement corrective actions and our sustainability experts and independent third-party auditors monitor the implementation during resolution audits.</p> <p>Increased severity of extreme weather events such as cyclones and floods (Supply Chain)</p> <p>a) Refer to section 12.5 Operational risk of the 2019 annual report b) Refer to section 12.5 Operational risk of the 2019 annual report c) Refer to section 12.5 Operational risk of the 2019 annual report</p> <p>Opportunities To understand the potential impact of the below opportunities by horizon 2030, we made the below assumptions: - There are varying levels of regulatory requirements on energy efficiency of lighting products - No marginal price erosion - Signify maintains its current market share in the lighting industry - There will be an increased need for lighting based on population increase, GDP growth and lighting market intelligence</p> <p>Increased revenue through demand for lower emissions products and services (Customer)</p> <p>a) The increasing need for light, combined with current and upcoming worldwide regulations and international agreements, increased consumer awareness regarding climate change, as well as rising energy prices, means the demand for energy efficient solutions will increase. Signify has a strong portfolio, offering a wide range of energy efficient products, systems and services that help consumers, companies and organizations to reduce their energy consumption and comply with related CO₂ emissions reductions. b) According to our target, revenue of energy efficient products, systems and services would be up to 80% in 2020. c) Refer to section 16.4.1 Energy efficiency of our products, systems and services and CEO Letter of the 2019 annual report</p> <p>Change in regulatory requirements (Direct operations and Supply chain)</p> <p>a) With the launch of the 2016 sustainability program 'Brighter Lives, Better World', Signify is taking extensive measures to decarbonize its operations, shift to renewable electricity, and improve the energy efficiency of its product portfolio, positioning itself to easily meet any requirements stemming from the ratification of the Paris agreement. b) Refer to section 16.3.2 Social responsibility in our supply chain in the 2019 annual report c) Refer to section 16.3.2 Social responsibility in our supply chain and 16.4.2 Carbon footprint and energy on the 2019 annual report</p> <p>Increased revenue through new solutions to adaptation needs (Direct operations)</p> <p>a) Current context is driving innovation of global food production, allowing plants to grow without sunlight in indoor environments close to or within cities. b) Potential revenue from these innovations is expected. c) Refer to CEO Letter, Sections 4.1 Financial performance and 16.2 Sustainable innovation of the 2019 annual report</p>
Risk Management	
<p>Recommended Disclosure a) Describe the organization's processes for identifying and assessing climate- related risks.</p>	<p>Refer to sections 12.1 and 12.3 of the 2019 annual report for a description of our approach to risk management and control</p>
<p>Recommended Disclosure b) Describe the organization's processes for managing climate- related risks.</p>	<p>Refer to sections 16.1.2 Sustainability Governance and 16.4 Better World of the 2019 annual report for a description of the governance and processes surrounding management of climate-related risks</p>
<p>Recommended Disclosure c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.</p>	<p>Refer to sections 12.1, 12.2 and 12.3 of the 2019 annual report for a description of our approach to risk management and control, which includes climate-related risks</p>

Metrics and Targets	
Recommended Disclosure a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to sections 16.4.1 Energy efficiency of our products, systems and services, 16.2 Sustainable innovation and 16.4.2 Carbon footprint and energy of the 2019 annual report
Recommended Disclosure b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Refer to sections 16.4.2 Carbon footprint and energy of the 2019 annual report
Recommended Disclosure c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Refer to section 16.1.3 Program targets and science-based targets of the 2019 annual report.

Supplement 5:

E.U. Directive on non-financial information

Category	Criterion	Reference 2019 Annual Report
Company business model	Description	3 Creating value 4 Corporate performance
Diversity	Policy description	10.2 Board of management 10.3 Supervisory board 16.3.1 Diversity & Inclusion
	KPI / result	10.2 Board of management 10.3 Supervisory board 16.3.1 Diversity & Inclusion
Social matters	Policy description	16.3 Brighter Lives
	KPI / result	16.3 Brighter Lives
	Risk	12.5 Operational risks 16.3 Brighter Lives
Environmental matters	Policy description	16.4 Better World
	KPI / result	16.4 Better World
	Risk	12.5 Operational risks 12.5 Compliance risks 16.4 Better World
Human rights	Policy description	16.3.2 Human rights
	KPI / result	16.3.2 Human rights 16.3.4 Acting with integrity
	Risk	12.5 Operational risks 16.3.2 Human rights
Bribery and corruption	Policy description	12.1 Establish strong risk management environment
	KPI / result	12.1 Establish strong risk management environment 16.3.4 Acting with integrity
	Risk	12.5 Compliance risks