



Procurement Code of Ethics

2021

Procurement employees play an important role in ensuring that Signify and all employees conduct business with integrity. Adherence to the Signify Integrity code in the procurement process strengthens stakeholders' confidence in Signify. The impact of integrity issues can have a very severe and disruptive impact on the company, its employees and its businesses.

The Procurement function has implemented a specific Procurement Code of Ethics. The purpose of this code is two-fold: it underlines the importance of business integrity to the Procurement function and sets out specific business integrity principles that apply specifically to Procurement employees.

The Procurement Code of Ethics applies to all Procurement employees and is an integral part of the **Integrity code** and its supporting policies. It is a function-specific policy that applies *in addition to* global Signify policies, such as the Anti-Corruption & Anti-Money Laundering Policy and the Antitrust manual. This code does not replace any of these policies.

Procurement employees must always comply with the below business integrity principles:

1. Confidential information

- Procurement employees may have access to confidential information that may affect a contract bid or the business award process, such as selection plans, ranking of bids, proposals, competitors involved and competitive range determinations.
- Confidential information related to quotes and bids from suppliers is not to be shared with any other supplier or third party at any time. Procurement employees must keep confidential information from a supplier strictly confidential.

2. Conducting business with honesty and integrity

- Procurement employees must ensure that contracts are awarded and administered free from any improper influence.
- Circumstances might arise that could call the employee's impartiality into question, e.g., when his procurement duties require him to work with his former employer, spouse's employer, close relatives, or others with whom he has an indirect or direct business relationship. When an actual or potential conflict of interest arises, Procurement employees are obliged to disclose promptly such actual or potential



conflict in accordance with the procedure as laid down in the Conflict-of-Interest Policy.

- Partners or family members may not receive personal benefits as a result of an employee's position at Signify.

3. PROCUREMENT POLICY FOR GIFTS & HOSPITALITY

- The Anti-Corruption & Anti-Money Laundering Policy includes a standard for gifts and hospitality. Under this global policy, gifts and hospitality can be defined as follows:
 - A **gift** concerns anything of value, given willingly as a present to someone.
 - **Hospitality** includes all forms of travel or lodging, meals, invitations to social gatherings, sports or cultural events and other forms of entertainment and any other cost incurred in hosting and entertaining a third party
- Under the Anti-Corruption & Anti-Money Laundering Policy, Signify functions can implement additional rules. Procurement has implemented a specific Procurement policy for gifts and hospitality in the form of the following **stricter mandatory rules** for Procurement employees:
 - Procurement employees are in principle not allowed to take, accept, or promise to accept, directly or indirectly, any gift from a supplier (representative) or any other third party, irrespective of the value of the gift or the specific circumstances.
 - If any gift is being offered in person, a Procurement employee must politely refuse and instantly return it to the supplier (representative) with a reference to this Procurement Code of Ethics.
 - If a gift is being offered in any other way (e.g., by regular mail or e-mail), the Procurement employee must return the gift to the supplier with a copy of the Procurement Code of Ethics letter (see further Paragraph 4 below) attached.
 - As a main principle, Procurement employees are not allowed to participate in any form of hospitality offered directly (or indirectly) by suppliers. If they receive any invitation for an occasion that includes hospitality elements, they must politely refuse and refer to this Procurement Code of Ethics).
- As a main principle, Procurement employees must pay for their own meals/drinks expenses and not let suppliers (or other third parties) cover these.
- Procurement employees must always comply with all other standards in the Anti-Corruption & Anti-Money Laundering Policy (meaning those standards where this Procurement Code of Ethics does not deviate from with stricter rules).
- If any local laws or regulations apply that are stricter than our internal Signify policies, these laws or regulations must always be followed.



4. Follow a fair process to select suppliers and award business

- Procurement employees shall treat suppliers fairly and select suppliers and award business on the basis of fair competition.
- In all cases, Signify must follow the predefined rules of the procurement processes and share the rules upfront with suppliers when applicable.
- Arrangements with or among suppliers that could limit or distort competition must be avoided.
- Long-term agreements with suppliers must periodically be subject to fair and open competition, to obtain the best current market offering and to provide alternative suppliers with an opportunity to win the business.
- Procurement employees shall not request any payment from suppliers. Suppliers must be selected on the basis of meeting appropriate selection criteria.
- Procurement employees shall not require or encourage suppliers to undertake activities or incur costs when there is little chance for them obtaining business within a reasonable period - unless the supplier is made aware of all the circumstances.

5. Select suppliers that comply with ethical standards

Procurement employees must select and award business to suppliers that are committed to acting fairly and with integrity towards their stakeholders. Suppliers must act with integrity towards stakeholders and observe both the laws of the countries in which they operate, and the guidelines provided in the Supplier Sustainability Declaration.

6. Report concerns regarding compliance with the Procurement Code of Ethics

- Procurement employees must always promptly report to the Procurement Compliance Officer, the Ethics Line, or directly to their line manager, any concern about compliance with the Integrity code, this Procurement Code of Ethics and/or any applicable laws or regulations.

7. Accountability and adherence to the Procurement Code of Ethics

- Each year, the designated Procurement employees must confirm in writing that the Procurement Code of Ethics has been adhered to during the current year, and that any breaches they are aware of have been promptly and duly reported to the Procurement Compliance Officer or the Signify Ethics Line.
- Procurement employees are expected to hold each other accountable for adherence to the Integrity code and the Procurement Code of Ethics