

Supplements to the Annual Report 2021



21

Supplements to the Sustainability statements included in the Signify Annual Report 2021

1. Data definitions, boundaries, and scope

This supplement to the Signify 2021 Integrated Report details data definitions, boundaries, and scope of sustainability indicators disclosed.

2. Signify's materiality assessment 2021

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

3. GRI Content index

The Signify 2021 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): Climate action and Human rights.

4. Task Force on Climate-related Financial Disclosures (TCFD)

The Signify 2021 Integrated Report follows the TCFD recommendations. This supplement to the Annual Report details our reporting in line with the recommendations.

5. EU non-financial reporting directive (NFRD)

The Signify 2021 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 I: Data definitions, boundaries, and scope

Brighter lives revenues

Revenues coming from our portfolio which benefit society focusing on 3 main sustainability areas:

- Food availability: Signify is increasing food availability with agricultural lighting that can help improve yield and quality, while using less resources and reducing waste and food miles. Our lighting enables the production of clean, healthy and nutritious food all year round.
- Safety & security: Signify is improving city services and can help to reduce street crime and night-time traffic accidents and our Trulifi offers a range of LiFi systems, providing two-way wireless communication that is reliable, secure and fast.
- Health & wellbeing: Signify provides light which adapts to circadian rhythm and optimizes energy levels to help people see, feel and function better. With UV-C Light, we can inactivate viruses, including the virus causing COVID 19, in a matter of seconds.

Circular revenues

Revenues coming from our circular portfolio to preserve value and avoid waste through four categories:

- Serviceable luminaires: Upgradable, serviceable, connectable, energy efficient, reusable and recyclable.
- Circular components: Exchangeable and recyclable parts, such as drivers, controls, and LED boards.
- Intelligent systems: Monitor serviceable luminaires for preventive maintenance and lighting asset management.
- Circular services: Prolong lifetime and provide customers with sustainable end-of-contract options.

Climate action revenues

Revenues coming from energy efficient and solar products, systems and services which helps to save energy and reduce carbon footprint with the below criteria:

- Products which meet strict luminous efficacy thresholds (between 80 and 110 lm/W depending on lumen output) to reduce energy consumption.
- Systems and managed services which enable further energy savings (up to 80% total) by optimizing the lighting use.

- Solar solutions as these are powered by renewable energy
- Electronic control gears which optimize the energy and light performance of the light source.

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 Employee 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 2020, until the 30th of November 2021.

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 as 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.

Lives Lit and Community support

The Signify Foundation and Signify's CSR program focus on lives lit and entrepreneurs trained. We define lives lit as the number of people that are enabled first access to solar lighting (indoor/outdoor), access to improved lighting (LED lighting), or access to the benefits of lighting (horticulture, UV-C). The beneficiaries are either reached directly through provision of lighting products, or indirectly through supported partners. For entrepreneurs trained we count the people who have been provided with business and/or technical skills training through our funding support.

Living wages

Signify defines a living wage as the gross monthly wage needed to cover the necessary living costs of an individual or a family. It is calculated as the gross income necessary to afford these expenditures. For all countries examined (Poland, Mexico, China, United States of America and India, which represents 90% of the workforce in scope), Signify used WageIndicator's database to set its baseline.

WageIndicator's database offers different variations of family model (individual, with or without child, national fertility rate) and employment rates (full-time, part-time, national employment rate). To perform its analysis, Signify selected the "Standard family" Living Wage as we believe it reflects better the average family composition across our countries of operation, maintains a stable method of comparison, and is the WageIndicator recommended family variation. The Standard Family Living Wage indicates a gross monthly income range for a full-time equivalent worker at which the total earned family income is sufficient to cover necessary costs. The standard family includes two adults and two children (family 2+2) and the family employment rate is 1.8, which means one adult is a full-time worker and the second adult has a working week of 80% (4 days a week). Signify uses the lower range of the Standard family model for its analysis.

The reason for the WageIndicator database selection 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 uncertainty of the accuracy of the data. Statements on living wage pertain to all employee types, including temporary employees, but exclude interns.

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. Assuming new ventures' sustainability reporting and availability of data conform with Signify requirements, the normative integration period is two years. Whenever the normative period is not realistic, we will deviate and disclose it in our Annual Report. Divestitures completed before December 31 of the book-year are excluded from environmental and social reporting. In case Signify acquires a new manufacturing site or office (whether it is leased or owned), Signify has 12 months to ensure the site is integrated in its sustainability commitments.

Carbon footprint over value chain

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 GHG emissions – is reported with direct emissions from our industrial and non-industrial sites in full.
- Scope 2 – indirect GHG emissions – is reported with indirect emissions from our industrial and non-industrial sites in full. Signify reports Scope 2 GHG emissions based on both market-based and location-based methods. The market-based method quantifies scope 2 emissions from electricity based on the GHG emissions of the generators from which the electricity was contractually purchased, a specific electricity product purchased, or a contractual instrument (e.g. renewable energy credit), whether independent from or bundled with the purchased electricity. The market-based method reflects emissions from electricity that an organization has purposefully chosen. The location-based method quantifies scope 2

emissions based on average energy generation emission factors for defined geographic locations, including local, subnational, or national boundaries.

- Scope 3 – other GHG emissions related to activities not owned or controlled by Signify are reported for Business travel, Logistics.

Our carbon neutrality commitment covers Signify operations, meaning scope 1, 2 and part of scope 3 for Business travels and logistics.

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.

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.

Plastic free packaging

Our plastic free packaging policy aims to eliminate all plastics from our consumer packaging in 2022. The scope of the packaging requirements is applicable for the packaging components used for Signify finished products and includes:

- Packaging for all newly introduced products and changes in packaging of current portfolio transport packaging (e.g. A-boxes and palette boxes)
- Individual product packaging (e.g. boxes, blisters, and sleeves)
- Supportive packaging materials (e.g. pallets, stretch foil, stowing materials)

Sustainable supply chain

Supplier audits focus on risk suppliers, based on identified risk countries and (forecasted)

spend. Risk countries for supply chain management in 2021 can be found on our [website](#). 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: Energy & solar, Circularity, Packaging, Substances, Weights & materials, Safety & Security, Health & well-being, Food availability. Sustainable innovation spend is the cumulative spending of all R&D projects contributing to sustainable innovation.

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](#).

The acquisitions' normative integration period for environmental and social disclosures is two years. This normative period differs from financial accounting requirements.

Waste to landfill

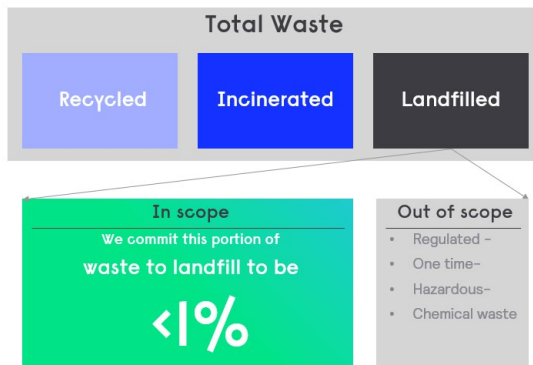
The amount of waste sent to landfill is calculated on a quarterly basis and includes waste from manufacturing locations with more than 50 manufacturing FTE and voluntarily reported by some manufacturing sites.

To achieve "zero (manufacturing) waste to landfill", the amount of non-hazardous manufacturing waste being disposed directly to landfill should be <1% 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



% Women in Leadership KPI is the percentage of women as a percentage of the total population in grades H22 and above. It includes employees with or without a defined end date and international assignees who are in Workday, with compensation grades H22 and above (including EXCO).

It excludes:

- Contingent workers
- Newly acquired companies (e.g., Klite): not in Workday and not yet integrated into the Signify operating model, so cannot be considered for KPIs due to missing data points
- Employees not in the FTE count (e.g., interns)
- Factory and warehouse workers: no leadership roles in these groups

The source of data is Workday.

Supplement 2: Signify's materiality assessment 2021

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 can better manage the risks and opportunities that could impact our ability to create value in 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 both our company's significant impacts on the economy, environment, and society and the impact of externalities on our business. Assessing both axes 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 while integrating the concept of double materiality.

For our materiality assessment, we use different sources of information (internal and external) to identify possible material topics. To prioritize these topics, Signify organizes annually dedicated stakeholder engagement activities. At the end of this process, we can identify the most material topics Signify should be reported on.

2. Our stakeholders

We engaged with the stakeholders considered most relevant to our company, as they are most likely to be impacted by our activities and have the most influence on achieving our commitments. Capturing perspectives from multiple stakeholders' groups enables us to gain broader insights into value creation and contribute to the definition of our future strategy and plans.

For our 2021 materiality assessment, we have defined stakeholder representatives from each of the six identified groups: Customers, Employees, Suppliers, Inventors and Analysts, Municipalities and governments, and Civil society organizations. Representatives have been selected against several criteria: expertise, constituency, geographies. The broad range of stakeholders minimizes bias and creates a diverse insight. 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.

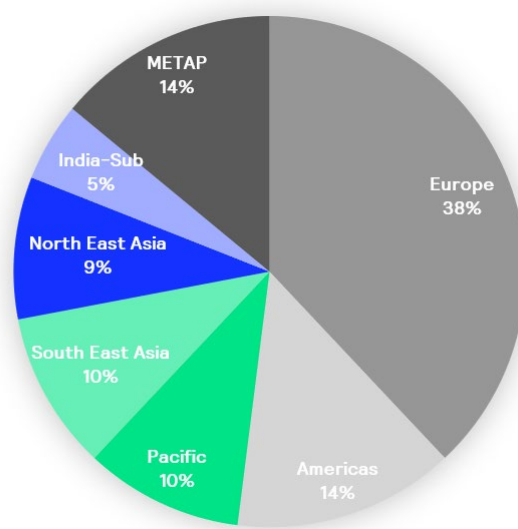
3. Identification phase

In this first phase, we performed different activities to capture the potential new sustainability topics we should add to our list of material topics.

Media and trends analysis

In 2021, we performed a trend analysis to identify current and future trends. This includes extensive desktop research of the most recent literature and experts' reviews. In 2021, we implemented a new internal trends survey, designed to better capture trends and understand Signify's stakeholders' expectations at a local level. Participants from across the world were selected for their knowledge in sustainable development and for their external facing roles and regular interactions with various stakeholders.

Additionally, we capture headlines monthly from major mainstream and sustainability media assets. This helps perceiving societal expectations and upcoming sustainability topics at the global level.



Integration of Signify top 2021 risks

In 2021, we integrated the top risks and opportunities identified during Signify annual risk workshop for the first time. We translated top risk into material topics to offer a complete overview of our financial and non-financial risks and opportunities and improve the link between sustainability, risk management, and strategy.

Signify identified risk	Material topic
Risk related to climate change	Climate change
Inability to position and establish an effective go-to-market strategy in an increasingly digital marketplace	Digitalization
Inability to develop data managed services business	
Inability to meet market requirements through the digitalization journey	Geopolitical instability
Risk of global geopolitical instability	
Inability to improve the growth profile of the company and develop our growth platforms	Innovation
Inability to maintain our leadership position in innovation	
Inability to reallocate resources on high priority areas and stop non/low value add activities	Operational excellence
Inability to lean further our processes to increase execution speed	
Current company structure may pose a threat to the ability to harvest opportunities in the fast-moving market	
Business continuity disruptions	

On-going stakeholder engagement

Throughout the year, we engage with key stakeholders and gain significant insights into how to create value and anticipate risks. Working closely with key stakeholders strengthens our ability to address their needs and concerns. We inform our stakeholders about our activities, the measures taken and their results through different engagement channels.

Overview stakeholder engagement activities (non-exhaustive)

Stakeholder group	Stakeholder engagement processes	Exemplary topics discussed
Customers	Business development, lean value chain projects, consumer panels, Net Promoter Scores, social media, customer surveys, key account management, sustainability exchanges with customers	Growth for sustainability & innovation; Satisfaction rates; ESG-performance
Employees	Regular meetings, quarterly team surveys, bi-annual employee development process, quarterly update webinars and sustainability engagement campaigns	Strategic alignment sessions; Training & Development; Diversity, equity and inclusion;
Investors and analysts	Virtual roadshows, (ESG) investor conferences, investor webcasts, investor relations website, investors' perception study	Strategic alignment sessions; ESG-performance
Suppliers	Supplier development and quality activities including topical training sessions, industry working groups such as EPRM and RBA, and the commodity management, supplier quality and procurement engineering functions	Sustainability performance; Peer-learning
Governments, municipalities	Annual innovation experience, research projects, policy and legislative developments, business development, GreenSwitch and Brighten America programs	Sustainable cities; Energy efficiency; Sustainable innovation
Civil society organizations	Partnerships with NGOs, cross-sector (multi-stakeholder), projects, supplier sustainability stakeholder day, our social investment program, the Signify Foundation	Social impact of light; Sustainable operations; Growth for sustainability;

Conclusions of the identification phase 2021

Our material topics are the outcome of aligning our strategy and Brighter Lives, Better World 2025 sustainability program, and our stakeholders' expectations. As a result of our trends and media analysis, some topics originally included in an umbrella term became standalone topics. This is the case for *Cybersecurity* and *Diversity & Inclusion*. We gathered the topics of *Energy efficiency* and *Carbon footprint* under the new material topic: *Climate action*. *Human capital development* is renamed *Talent & development* and integrates now the topics of Learning and development and Employee engagement. By incorporating our top risks, we generated new material topics: *Digitalization*, *Innovation*, *Geopolitical instability*, and *Operational excellence*.

To provide a clearer picture of our impacts on our stakeholders, including investors, we organized our material topics into three categories: Environment, Social, Economic & Governance (ESG).

List of 2021 material topics

Environmental	Social	Economic & Governance
Climate action*	Human rights	Business ethics
Hazardous substances	Safety at work	Digitalization*
Circular economy	Talent & development*	Cybersecurity*
Responsible packaging	Diversity & inclusion*	Innovation*
Water usage	Social impact of light	Operational excellence*
Biodiversity		Geopolitical instability*

*: new/updated material topics

4. Prioritization phase

In this phase, we focused on evaluating the importance of each material topic according to the importance for our stakeholders and our business impact through a stakeholder survey and an internal strategic workshop. The materiality is evaluated along two axes.

2021 Stakeholders' survey

The first axis, Y axis, represent the importance of each topic for our stakeholders. Every year, we send an online survey to a list of respondents that represent our global stakeholder groups and we ask them to rate our sustainability topics by significance and relevance for Signify. In 2021, we invited close to 550 internal and external stakeholders to provide input via the online survey (response rate: 22%).

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. The survey answers define the position of the sustainability topics in the vertical axis of our matrix.

In 2021, we observed a significant increase of importance for the topics of *Biodiversity*, while *Climate Action* and *Business ethics* increased slightly. Together with *Human rights* and *Safety at work*, these topics remain the most important topics to our stakeholders.

Internal strategic workshop

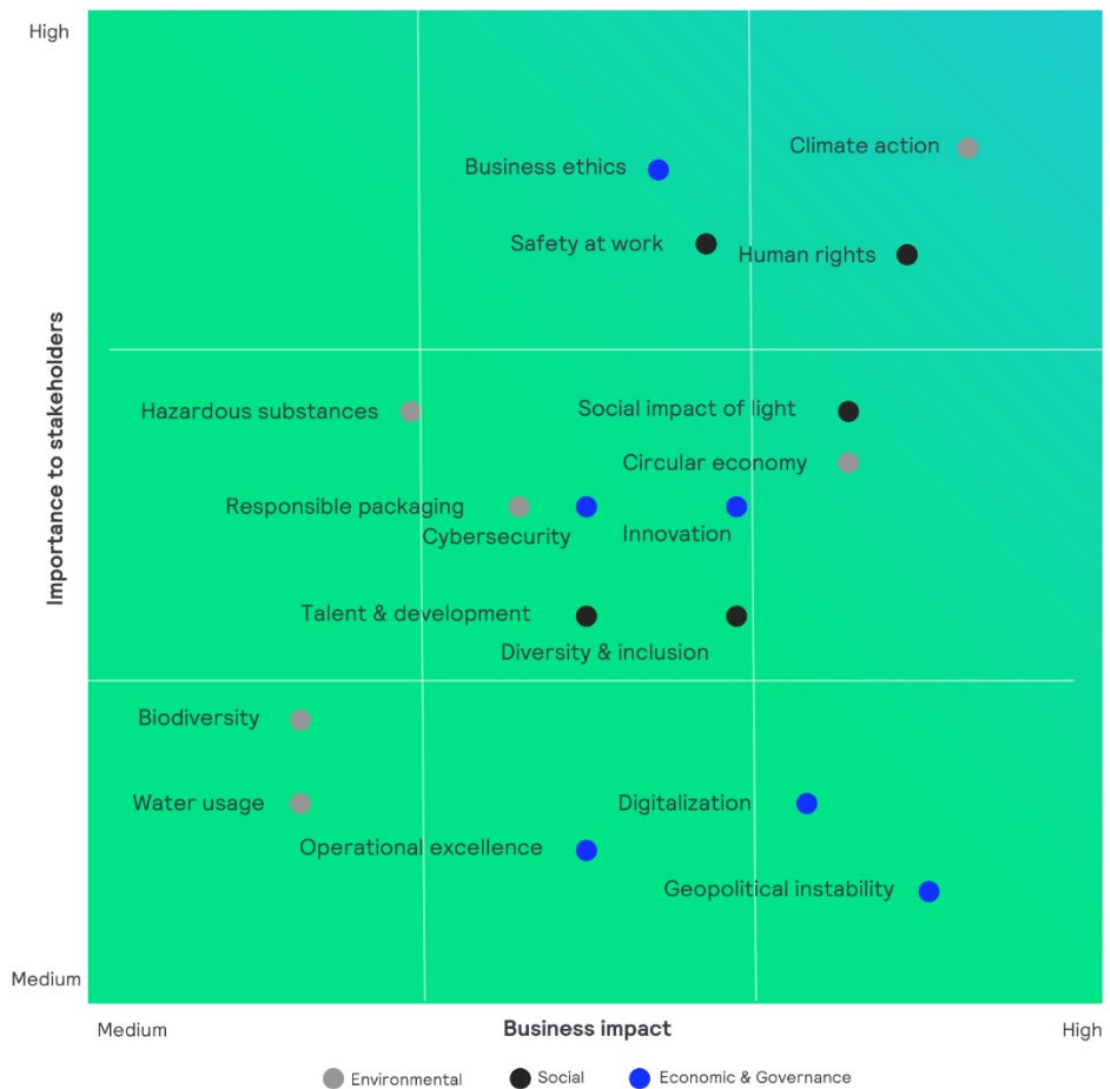
The final step of our prioritization phase includes several discussions to finalize the position of the topics on the X axis based on adverse and positive impacts on the environment, economy, and society, and the risks and opportunities they represent.

In 2021, an internal workshop was organized to finalize each topic's position on the X axis. Participants included representatives from the Sustainability and the Strategy departments.

Through the discussions, we confirmed that *Climate action* and *Human rights* are our two most material topics. *Business ethics* and *Safety at work* remain very important and Signify has strong processes in place. *Social impact of light*, *Circular economy*, *Digitalization*, and *Geopolitical instability* are important for Signify to manage and are positioned on the right hand on the X axis. *Biodiversity* and *Water* are both in the lower quadrant of this matrix and are our two least material topics. The result of the materiality assessment has been reviewed by the Leadership Team and the Supervisory Board.















5. Results of Signify's 2021 materiality assessment












Signify's 2021 materiality matrix



Signify's 2021 material topic's definition and link to SDGs

Signify reports on the contribution to six priority SDGs embedded in the Brighter Lives, Better World 2025 sustainability program. For each material topic, Signify analyzed its contribution to our priority SDGs at the target level. The definition of the targets can be accessed on the [United Nations website](https://www.un.org/sustainabledevelopment/).

	Material topic	Definition	Priority SDG	Relevant SDG Targets
Environment	Climate action	Signify's actions to combat climate change and its impacts by going beyond carbon neutrality and doubling the pace of the Paris Agreement 1.5°C scenario. This includes offering energy-efficient and solar solutions to reduce the emissions of our customers and driving carbon reductions at our suppliers.	 	7.2; 7.3 13.2; 13.3
	Hazardous substances	Signify's endeavors to manage chemicals in its production processes and hazardous and/or regulated substances in its products. This minimizes risks from the use of substances to our employees, our customers, the environment, and more broadly society		12.4;
	Circular economy	Signify's efforts to reduce waste and preserve value by aligning customers' goals, the growth of the business, and the future resources of the planet. This includes developing products that can be repaired, refurbished, reused or recycled, and sending zero waste to landfill.		12.2; 12.5; 12.7
	Responsible packaging	Signify's actions to reduce packaging weight and volume, increase recycled content, and eliminate plastic packaging for consumer products.		12.2; 12.4; 12.5
	Water usage	Signify's efforts to reduce water use in operations, considering Signify also operates in water-scarce regions.		12.2;
	Biodiversity	Signify's engagement to minimize its negative impacts on biodiversity and increase impact through its carbon offsetting projects.		13.2
Social	Human rights	Signify's adherence to human rights principles in its own operations as well as social responsibility in its supply chain. This includes topics like labor conditions, living wages, and responsible mineral sourcing.		8.7; 8.8
	Safety at work	Signify's actions to ensure a safe and healthy workplace by reducing injuries and illnesses of Signify employees and contractors.	 	3.4; 3.9 8.8
	Talent & Development	Signify's focus on employee engagement and development to enrich the lives and careers of our employees, enabling growth, engagement, and fulfilment.		8.1; 8.5; 8.6; 8.8
	Diversity & Inclusion	Signify's commitment to diversity, equity and inclusion in the workplace as an equal opportunity employer. This fosters an inclusive culture where people truly belong, have impact and take pride in the company we build and to drive long-term value creation.		8.1; 8.5; 8.6; 8.8
	Social impact of light	Signify's engagement to develop lighting products that create value for society by contributing to increase food availability, safety and security, and health & wellbeing. As well as enabling access to sustainable and affordable lighting to support underprivileged and underserved communities.	 	3.4; 3.9 11.3; 11.7

Economic & Governance	Business Ethics	Signify's commitment to act with integrity and ensure ethical behavior of the workforce, including share performance and pay out policy, responsible procurement practices, tax policy, and product quality and safety.		8.1; 8.7
	Digitalization	Signify's efforts to digitalize its go-to-market approach and business processes by building technology platforms that address customer needs in a connected world and support Signify's growth.		8.1; 8.2
	Cybersecurity	Signify's efforts to protect information, products, and operations from cyber-attacks and security breaches, protect customer privacy, and ensure that product development, software applications, and ecosystems comply with security standards and best practices.		8.1; 8.2
	Innovation	Signify's endeavors to develop different capabilities and competencies to continuously introduce locally relevant new products and solutions in areas such as connected lighting systems, software, and digital applications.		3.4
				7.3
				8.1; 8.2; 8.4
				11.6
				12.2
				13.2
	Operational excellence	Signify's actions to enhance operational capabilities and opportunities to ensure business continuity, competitiveness, and growth. This includes reallocation of resources, speed of processes' execution, and building personnel capabilities and culture.		8.1; 8.2
	Geopolitical instability	Signify's attention to geopolitical and economic developments (such as the polarization and trade protectionism) in medium-term operational planning which supports global trade stabilization and avoids supply chain disruption.		8.1

Supplement 3: GRI content index

GRI Content Index 2021			
SRS	Disclosure	Disclosure Requirements	Reference 2021 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 long-term 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> <ul style="list-style-type: none"> a. Total number of employees by employment contract (permanent and temporary), by gender. b. Total number of employees by employment contract (permanent and temporary), by region. c. Total number of employees by employment type (full-time and part-time), by gender. 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. 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). f. An explanation of how the data have been compiled, including any assumptions made. 	<p>14.6 Notes to corporate statement [4] Income from operations 16.3.1 Talent & Development 16.3.2 Diversity, equity & inclusion 2021 Sustainability Supplements - Data definitions, boundaries, and scope</p>
102-9	Supply chain	<ul style="list-style-type: none"> 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>12.5 Operational risks 16.3.3 Human rights</p>
102-10	Significant changes to the organization and its supply chain	<ul style="list-style-type: none"> a. Significant changes to the organization's size, structure, ownership, or supply chain, including: <ul style="list-style-type: none"> i. Changes in the location of, or changes in, operations, including facility openings, closings, and expansions; ii. Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); iii. Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination. 	<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 2021 Sustainability Supplements - Data definitions, boundaries, and scope</p>
102-11	Precautionary Principle or approach	<ul style="list-style-type: none"> a. Whether and how the reporting organization applies the Precautionary Principle or approach. 	<p>12.1 Establish strong risk management environment</p>
102-12	External initiatives	<ul style="list-style-type: none"> 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>16.1 Approach to sustainability reporting 16.1.1 Definition of Signify's strategic focus: our materiality assessment 16.3.3 Human rights</p>
102-13	Memberships of associations	<ul style="list-style-type: none"> a. A list of the main memberships of industry or other associations, and national or international advocacy organizations. 	<p>16.1.1 Definition of Signify's strategic focus: our materiality assessment</p>
2. Strategy			
102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> 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>2. CEO Message</p>
102-15	Key impacts, risks, and opportunities	<ul style="list-style-type: none"> a. A description of key impacts, risks, and opportunities. 	<p>2. CEO Message 12. Risk factors and risk management</p>

3. Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	a. A description of the reporting organization's values, principles, standards, and norms of behavior.	12.1 Establish strong risk management environment 16.3.4 Acting with integrity
102-17	Mechanisms for advice and concerns about ethics	a. A description of internal and external mechanisms for: i. seeking advice about ethical and lawful behavior, and organizational integrity; and ii. reporting concerns about unethical and unlawful behavior, and organizational integrity.	12.1 Establish strong risk management environment 16.3.5 Business ethics
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.	11.3 Annual general meeting of shareholders 11.1 Shareholder engagement 16.1.1 Definition of Signify's strategic focus: our materiality assessment
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	8. Supervisory board report 10.2 Board of management 10.3 Supervisory board

		iv. expertise and experience relating to economic, environmental, and social topics are considered.	
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 Definition of Signify's strategic focus: our materiality assessment
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 9.2.5 Long-term equity-based incentive
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.	9.2.5 Long-term equity-based incentive 12.1 Our approach to risk management and business control 8 Supervisory board report 10.2 Board of management 10.3 Supervisory board 16.1.2 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 16.3.5 Business ethics

102-34	Nature and total number of critical concerns	<p>a. Total number and nature of critical concerns that were communicated to the highest governance body.</p> <p>b. Mechanism(s) used to address and resolve critical concerns</p>	16.3.5 Business ethics
102-35	Remuneration policies	<p>a. Remuneration policies for the highest governance body and senior executives for the following types of remuneration, if used:</p> <ul style="list-style-type: none"> 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. <p>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.</p>	<p>9. Remuneration report</p> <p>10.2 Board of Management, Remuneration</p>
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> <ul style="list-style-type: none"> 4.4.1 identify the highest-paid individual for the reporting period, as defined by total compensation; 4.4.2 calculate the median annual total compensation for all employees, except the highest paid individual; 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>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	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.	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.
5. Stakeholder Engagement			
102-40	List of stakeholder groups	a. A list of stakeholder groups engaged by the reporting organization.	16.1.1 Definition of Signify's strategic focus: our materiality assessment
102-41	Collective bargaining agreements	a. Percentage of total employees covered by collective bargaining agreements.	76 %
102-42	Identifying and selecting stakeholders	a. The basis for identifying and selecting stakeholders with whom to engage.	16.1.1 Definition of Signify's strategic focus: our materiality assessment
102-43	Approach to stakeholder engagement	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.	16.1.1 Definition of Signify's strategic focus: our materiality assessment
102-44	Key topics and concerns raised	a. Key topics and concerns that have been raised through stakeholder engagement, including: i. how the reporting organization has responded to those key topics and concerns; and ii. the stakeholder groups that raised each of the key topics and concerns.	16.1.1 Definition of Signify's strategic focus: our materiality assessment
6. Reporting practice			
102-45	Entities included in the consolidated financial statements	a. A list of all entities included in the reporting organization's consolidated financial statements or equivalent documents. b. Whether any entity included in the reporting organization's consolidated financial statements or equivalent documents is not covered by the report.	14.6 Corporate statement [3] Information by segment and main country [12] Interest in entities
102-46	Defining report content and topic Boundaries	a. An explanation of the process for defining the report content and the topic Boundaries. b. An explanation of how the reporting organization has implemented the Reporting Principles for defining report content. 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.	16.1.1 Definition of Signify's strategic focus: our materiality assessment 2021 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.	2021 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.	2021 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 2021
9102-51	Date of most recent report	a. If applicable, the date of the most recent previous report.	February 23, 2021

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	a. The 'in accordance' claim made by the reporting organization about its use of the GRI Standards, either: i. 'This report has been prepared in accordance with the GRI Standards: core option'; or ii. 'This report has been prepared in accordance with the GRI Standards: comprehensive option'.	This report has been prepared in accordance with the GRI Standards: Comprehensive option
102-55	GRI content index	a. The content index for the report, which specifies each of the GRI Standards used to prepare the report and lists all relevant disclosures. b. For each disclosure, the content index shall include: i. the number of the disclosure; 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 iii. if applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made. 6.3.1 include the words 'GRI Content Index' in the title; 6.3.2 present the complete GRI content index in one location; 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; 6.3.4 for each GRI Standard used, include the title and publication year (e.g., GRI 102: General Disclosures 2016); 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.	GRI Content Index 2021
102-56	External assurance	a. A description of the organization's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: 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; ii. The relationship between the organization and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report.	16.1.1 Definition of Signify's strategic focus: our materiality assessment 17 Combined independent auditor's report

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> <ul style="list-style-type: none"> a. An explanation of why the topic is material. b. The Boundary for the material topic, which includes a description of: <ul style="list-style-type: none"> i. where the impacts occur; ii. the organization's involvement with the impacts. c. Any specific limitation regarding the topic Boundary. <p>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>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>	<ul style="list-style-type: none"> 2. CEO Message 3.2 Our impact 12.5 Key risks 16.1.1 Definition of Signify's strategic focus: our materiality assessment 2021 Sustainability Supplements – Data definitions, boundaries, and scope
103-2	The management approach and its components	<p>For each material topic, the reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. An explanation of how the organization manages the topic. b. A statement of the purpose of the management approach. c. A description of the following, if the management approach includes that component: <ul style="list-style-type: none"> 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>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> <ul style="list-style-type: none"> 1.2.1 any plans to implement a management approach; or 1.2.2 the reasons for not having a management approach. 	<ul style="list-style-type: none"> 16.1.1 Definition of Signify's strategic focus: our materiality assessment 2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.4 Better World
103-3	Evaluation of the management approach	<ul style="list-style-type: none"> a. An explanation of how the organization evaluates the management approach, including: <ul style="list-style-type: none"> i. the mechanisms for evaluating the effectiveness of the management approach; ii. the results of the evaluation of the management approach; and iii. any related adjustments to the management approach. <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> <ul style="list-style-type: none"> 1.2.1 any plans to implement a management approach; or 1.2.2 the reasons for not having a management approach. 	<ul style="list-style-type: none"> 9.2.5 Long-term equity-based incentive 16.1.1 Definition of Signify's strategic focus: our materiality assessment 16.1.2 Sustainability governance 16.1.4 Reporting Standards 16.4 Better World

Topic Specific Standards: Most material topics on which Signify reports according to GRI Standards
Climate action
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. 	2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action
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. 	2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action
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. 	2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action
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. 	2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action

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. 	<p>2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action</p>
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. 	<p>2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action</p>
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. 	<p>2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action</p>

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. 	2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action
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). d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ or all. 	2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action
305-5	Reduction of GHG emissions	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. GHG emissions reduced as a direct result of reduction initiatives, in metric tons of CO₂ equivalent. b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃ 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. 	2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action
305-6	Emissions of ozone-depleting substances (ODS)	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> 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	<p>The reporting organization shall report the following information:</p> <ul style="list-style-type: none"> a. Significant air emissions, in kilograms or multiples, for each of the following: <ul style="list-style-type: none"> i. NOX ii. SOX iii. Persistent organic pollutants (POP) iv. Volatile organic compounds (VOC) 	Emissions from NOX and SOX are at non-material levels for Signify.

		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.	
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 2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.3.3 Human rights 16.3.5 Business ethics
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 2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.3.3 Human rights 16.3.5 Business ethics
GRI 408: Child labor 2016			
408-1	Operations and suppliers at significant risk for incidents of child labor	The reporting organization shall report the following information: a. Operations and suppliers considered to have significant risk for incidents of: i. child labor; ii. young workers exposed to hazardous work. b. Operations and suppliers considered to have significant risk for incidents of child labor 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. c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labor.	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 2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.3.3 Human rights 16.3.5 Business ethics

GRI 412: Human rights assessment 2016			
412-1	Operations that have been subject to human rights reviews or impact assessments	The reporting organization shall report the following information: a. Total number and percentage of operations that have been subject to human rights reviews or human rights impact assessments, by country.	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 2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.3.3 Human rights 16.3.5 Business ethics
412-2	Employee training on human rights policies or procedures	The reporting organization shall report the following information: 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. 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.	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 2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.3.3 Human rights 16.3.5 Business ethics
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	The reporting organization shall report the following information: a. Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening. b. The definition used for “significant investment agreements”.	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 2021 Sustainability Supplements – Data definitions, boundaries, and scope 16.3.3 Human rights 16.3.5 Business ethics

Annex to the GRI Content Index 2021:

Supplement to GRI Standard 102-8:

Contract type by gender in % 2021

	Permanent	Temporary
Female	97%	3%
Male	98%	2%

Contract type by geography in % 2021

	Permanent	Temporary
Europe	94%	6%
Americas	100%	0%
Rest of the world	99%	1%

Time schedules by gender in % 2021

	Full-time	Part-time
Female	97%	3%
Male	99%	1%

GRI Standard 401 –1: Turnover rate breakdown 2021

Turnover rate by management level as % of total employee base

	Percentage (0-100%)
Staff	45.4%
Professional	6.6%
Mid-Level professional	1.7%
Senior-level professional	0.5%
Leadership	0.1%

Turnover rate by gender

	Percentage (0-100%)
Female	47.8%
Male	52.2%
Not declared	0%

Turnover rate by age group

	Percentage (0-100%)
Under 30	48.5%
30 – 50	43.3%
Over 50	8.2%

GRI Standard 405 –1: 2021 Workforce gender breakdown 2021

	Percentage (0-100%)
Share of women in total workforce (as % of total workforce)	40%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	24%
Share of women in junior management positions, i.e. first level of management (as % of total junior management positions)	29%
Share of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	25%
Share of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	18%
Share of women in STEM-related positions (as % of total STEM positions)	42%

GRI Standard 415-1: Public policy

Signify actively engages with governmental organizations, emphasizing the environmental and socioeconomic benefits of energy efficiency, the potential of connected LED lighting and joining public debates addressing sustainability issues. We share updates on initiatives and developments in this area on our website and in our [Press Releases](#).

As formalized in our Integrity Code, Signify adopted a policy of prohibition of contributions, in money or in kind, to political parties, political organizations or individuals engaged in politics. Signify takes part in industry associations and coalitions for sustainable growth and we share our contributions. The total contributions and expenditures amounted EUR 3.42 million in 2021.

Type of trade organization	Geographic scope	Spend (€ millions)	Focus of membership (non-exhaustive)
Industry associations	Global	2.52	Sustainable innovation in the industry, climate action, scaling up action on the UN SDGs, common standards.
Coalitions for sustainable growth	Global	0.9	Carbon pricing, sustainable cities, standards for impact measurement, UN SDG contribution.
Political contributions	Global	0	

The largest contributions and expenditures are made by Signify to:

- The National Electrical Manufacturers Association 'NEMA' to develop performance standards and promote product interoperability to increase market demand, while improving safety to mitigate risks (EUR 0.47 million).
- World Economic Forum which engages the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas (EUR 0.29 million).
- Syndicat de l'Eclairage to engage on standards in light technology (EUR 0.2 million).

As Signify we address the following main issues with the contributions and expenditures:

- Signify considers climate change an important focus area with, in addition to the move towards renewable energy, also an emphasis on energy efficiency and becoming carbon neutral (total of contributions and expenditures of EUR 0.43 million).
- Within our industry we engage with associations to develop uniform standards in lighting technology and connectivity (total of contributions and expenditures of EUR 0.45 million).

Supplement 4: Task Force on Climate-related Financial Disclosures (TCFD)

Governance

(a) Board's oversight of climate-related risks and opportunities

The Supervisory Board, Signify's highest governance body, reviews our approach to combat climate change as well as our 2021 materiality assessment, which shows that climate action is our most material topic. Understanding and managing climate-related risks and opportunities are an important part of our commitment to action on climate change.

At Signify, climate-related risks and opportunities are governed by the Board of Management (BoM), consisting of our Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Chief Commercial Officer (CCO). Every quarter, Signify's BoM reviews climate-related issues of strategic importance together with our Chief Strategy and Sustainability Officer (CSO), including material items, action plans, risk management plans, sustainability budget, and investment in climate-related opportunities. The BoM guides the performance and oversees the progress against targets and commitments set out in our sustainability program, including the ones addressing climate-related issues.

Signify's Leadership Team, including our BoM, are incentivized via Long-Term Incentives (LTI). Because of the importance of sustainability for our long-term value creation, the vesting of 25% of the annual long-term incentive grant is dependent on how well Signify performs on its sustainability targets, including the targets related to climate action.

References:

- *Section 8 – Supervisory Board report of the 2021 Annual Report*
- *Section 16.1.2 Sustainability Governance of the 2021 Annual Report*
- *Signify [CDP Climate reporting](#)*

(b) Management's role in assessing and managing climate-related risks and opportunities

Climate-related risks and opportunities are managed the same way as other risks. Signify's BoM is responsible for the overall risk management associated with the company's activities. It is assisted by the company leadership team, which participates on a quarterly basis in audit risk and control meetings organized by the Risk Committee, to identify critical risks and review progress on the implementation of risk responses, including climate-related risks.

Sustainability is at the core of our strategy and purpose. The executive responsibility for climate-related issues is assigned to our Chief Strategy and Sustainability Officer (CSO), to ensure the strong linkage and synergy between the company's strategy and sustainability commitments, as well as to drive Signify's performance in the space of Climate action. Our CSO oversees strategy setting, sustainability budget, and major plans of action regarding climate change. Our CSO reports directly to our CEO and addresses climate-related issues regularly to the BoM in case of major capital expenditures, acquisitions, and divestitures.

Signify's CSO oversees a multi-discipline Climate Risk Assessment Taskforce team, consisting of experts in Operations, Insurance, Risk Committee, Internal Audit, Sustainability, and Environment, health & safety. The Taskforce team is responsible for the continuous evaluation of the company's short-term and long-term climate-related risks and opportunities. This, as part of Signify's integral risk management and business control, contributes to maximizing climate-related opportunities and improving our resilience to climate change.

Additionally, Signify's top 700 managers are incentivized via Long-Term Incentives (LTI). Because of the importance of sustainability for our long-term value creation, the vesting of 25% of the annual long-term incentive grant is dependent on how well Signify performs on its sustainability targets, including the targets related to climate action.

References:

- *Section 12.1 – Establish strong risk management environment of the 2021 Annual Report*
- *Sections 16.1.2 Sustainability Governance of the 2021 Annual Report*
- *Signify [CDP Climate reporting](#)*

Risk Management

(a) Signify's processes for identifying and assessing climate-related risks

The potentially significant impacts of climate change pose a challenge to the stability and continuity of businesses over the short, medium, and long terms. With a global footprint, Signify's manufacturing sites and supply chain are exposed to these physical and transition risks related to climate change. On the other hand, the transition to a lower-carbon economy presents climate related opportunities for Signify's sustainable growth areas based on low-carbon technological innovation: (1) Climate action, (2) Circular economy, (3) Food availability, (4) Safety & security, and (5) Health & wellbeing.

Driven by the perceived high magnitude of financial impacts attributed to climate risks, the assessment of climate risks becomes imperative and future-prove. Disclosing climate-related physical and transition risks showcases long-term business sustainability. As a leader in sustainability, Signify is committed to improving its global operations and reducing its emissions over the entire value chain. This includes understanding the risks posed by climate change and how to improve business resilience accordingly. Therefore, it is paramount to assess the potential impacts of climate related risks and opportunities on our business operations and financial performance under different scenarios. Signify seeks to maintain an evolving overview of these risks and opportunities over time.

Following the Task Force on Climate related Financial Disclosures (TCFD) recommendations and guidance, Signify has been conducting an ongoing climate risk assessment in line with the four core elements of operations, namely governance, strategy, risk management, and metrics and targets.

In 2020, Signify launched a dedicated multi-discipline Climate Risk Assessment Taskforce, consisting of experts in Operations, Insurance, Risk Committee, Internal Audit, Sustainability, and EHS. The Taskforce is responsible for the continuous evaluation the company's short-term and long-term climate-related physical and transition risks and opportunities, as illustrated in Figure A. We are proactively investigating how physical and transition risks affect our global operations. In response to these identified risks and opportunities, we develop risk adaptation and mitigation strategies that enhance our operational resilience, risk management, and financial planning.

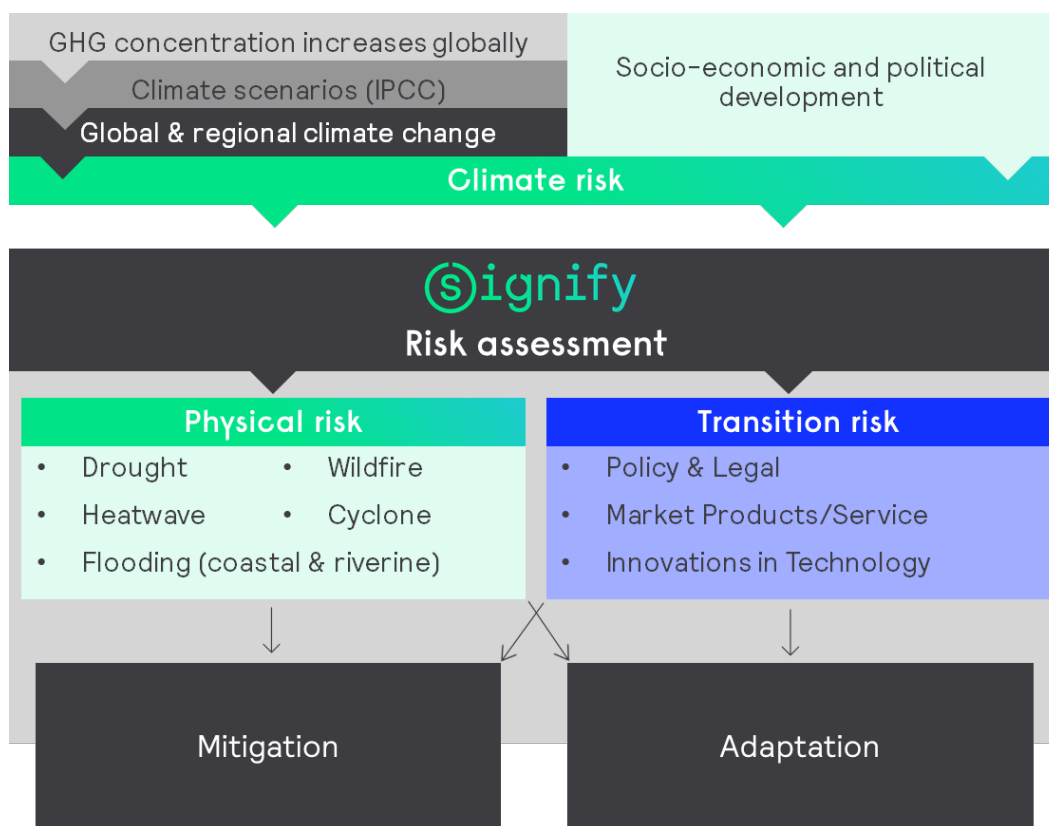


Figure A Signify's climate risk assessment approach

Physical risks

Climate-related physical risks are assessed under different climate change scenarios, namely a short-term scenario, and two long-term scenarios in line with the Shared Socio-economic Pathways (SSP) described in the IPCC AR6 report: a below 2°C or SSP1-2.6 scenario – taking the sustainable road, and an above 4°C or SSP5-8.5 scenario – fossil fueled development path. The SSPs are narratives describing alternative socio-economic trends that shape future scenarios. In line with the latest climate sciences, the SSPs explore the climate responses of a range of possible future atmosphere GHG concentrations and analyze the resulting changes in future global temperatures compared to pre-industrial levels.

The physical risk assessment approach consists of three steps: risk mapping, risk assessment, and risk mitigation. Signify continues to monitor its exposure to physical risks related to climate change and is working at individual plant level to reduce and mitigate the impacts of those risks. The first step is risk mapping for all our manufacturing facilities and warehouses/distribution centers under different IPCC climate change scenarios. Site risk mapping identifies, among others, physical risks related to climate hazards, such as flooding, heatwaves, droughts, etc. Subsequently, a risk assessment is performed depending on the geographical location, the type of activity, and financial exposure related to a specific facility and/or operation. We evaluate the environmental, social, and governance aspects which have the greatest impact on our business and the greatest level of concern to stakeholders along our value chain. These direct or indirect aspects may represent opportunities and risks, and thus influence our ability to create or preserve economic, environmental, and social value for our stakeholders and for Signify. Assessing these aspects enables us to understand their implications in financial and non-financial terms, thereby prioritizing risk mitigation and effectively addressing them in our policies and programs.

Transition risks

Climate-related transition risks are assessed the same as other risks. The Climate Risk Assessment Taskforce continuously follows external trends of market, policy, regulations, (low carbon) technology, and customer preference, in order to identify near-term, medium-term, and long-term transition risks in line with the IEA scenarios including the IEA 2 degrees scenario. Signify's BoM is briefed each quarter to review the transition risks and opportunities, and the short, medium, and long-term response strategies are addressed as well.

References:

- *Chapter 12 of the 2021 Annual Report*
- *Signify [CDP Climate reporting](#)*

(b) Signify's processes for managing climate-related risks and,

(c) Integration of processes for identifying, assessing, and managing climate-related risks are into the Signify's overall risk management

Climate-related risks and opportunities are managed the same way as other risks. Signify's risk management focuses on the following risk categories: Strategic, Operational, Compliance, and Financial risks. As climate-related risks cuts across all these four categories, climate-related risk management is fully embedded in our risk management process and recognized at the management level.

Signify's Business Control Framework (BCF) sets the standard for risk management and business controls in the company. The objectives of the BCF are to maintain integrated management control of the company's operations, in order to ensure the integrity of the financial reporting and related disclosure including disclosure of climate-related risks, as well as compliance with applicable laws and regulations. We regularly evaluate and improve our BCF to align with business dynamics and good practice. Our leadership team is responsible for identifying the critical business risks and for implementing appropriate risk responses. We continuously follow external trends to determine the issues most relevant for our company and where we can have the greatest positive impact.

For risk management, a comprehensive view of the company's business strategy and activities is required. To do so, Signify's risks and opportunities are identified, assessed, managed, and controlled in a structured way, combining elements of top-down and bottom-up approaches.

For climate-related strategic risks, the company's leadership team reviews the risks and ranks them based on impact, likelihood, risk criticality and control effectiveness, during the annual risk workshop. Owners are assigned and accountable for ensuring that adequate risk mitigation and monitoring measures are implemented. The outcome of the risk workshop is integrated in the strategic planning cycle. Each quarter the key risks are discussed during the audit and risk committee meetings. Reported risks and opportunities are analyzed for potential cumulative effects and are aggregated at Division, Market Group, and company level.

Climate-related operational risks are reviewed on a regular basis as part of the business performance reviews or, for specific topics, through dedicated risk committees. In addition, on an annual basis the top risks are identified by company leadership. Relevant risks including those associated with business opportunities are prioritized in terms of potential impact and likelihood, considering quantitative and/or qualitative aspects and reviewed with the Board of Management. On a quarterly basis, risks and controls are reviewed in the audit risk committees with the Divisions, Market Groups and specific Functions. As part of the Business Continuity plan, we continue monitoring our exposure to climate-related risks and are working at individual plant level to mitigate and minimize the impact of those risks.

For climate-related compliance risks, we continuously follow external trends, especially the development of regulations and policies focusing on the product environmental impact and transition to a net-zero economy, and other emerging discussion in the same area. Potential risks of non-compliance are regularly reviewed within Signify at regional, Division, or company level. This ensures our preparedness against emerging regulations and policies and ability to adjust our portfolio.

For climate-related financial risks, since 2020, the Climate Risk Assessment Taskforce has been screening and evaluating relevant climate-related risks and their financial impacts in detail for our sites all over the world. These risks are reviewed at least once per year at individual plant, regional, Division and Function, or company level. This improves our resilience to climate-related risks and allows risk response plans/strategies to be developed in a timely matter.

References:

- *Chapter 12 of the 2021 Annual Report*
- *Section 16.4 Better World of the 2021 Annual Report*
- *Signify [CDP Climate reporting](#)*

(a) Climate-related risks and opportunities and,






















(b) The impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Transition risks and opportunities

The climate-related transition risks are presented in the below table. We have focused on transition risks relevant for Signify in the following aspects: policy and legal, technology, market, and reputation. For a few high-priority risks we performed a regional deep-dive, the results of which is shown in Figure B.

In terms of transition opportunities, we have focused on the following aspects: resource efficiency, products and services, markets, and resilience. To understand the potential impact of the short-, medium-, and long-term opportunities, we made the below assumptions:

- There are varying levels of regulatory requirements on energy efficiency of lighting products
- No price erosion
- Signify maintains its current market share in the lighting industry
- There will be an increased need for lighting based on population increase, urbanization, GDP growth and lighting market intelligence

Transition risks and opportunities		Potential impact	Short term (2025)	Medium term (2030)	Long term (2050)
Policy and Legal	Increased pricing of GHG emissions	The broader adaption of GHG pricing, carbon taxes, and trading schemes across the globe will drive up operational and productions costs.			
	Change in regulatory requirement for low-carbon products	Increased revenue resulting from products and services that fulfill the low-carbon and energy efficiency requirements. This presents opportunities for Signify as we have a strong and differentiated portfolio of energy efficient and low-carbon products.			
Technology	Substitution of existing products and services with lower emissions options	We anticipate the introduction of more stringent minimum energy performance standards for lighting products in the coming decade, in which case, the least energy efficiency products in our portfolio would be phased out and substituted, impacting revenues from these products.			
Market	Changing customer behavior	Increased revenue resulting from increased customer awareness regarding climate change and increase demand for products manufactured by a sustainable company creating positive environmental and social impact.			
	Increased cost of raw materials	Signify's suppliers who operate in regions vulnerable to extreme weather events (e.g., floods and hurricanes) could be affected by changes in physical climate parameters, which may lead to disruption in supply chain and increased cost of raw materials.			
	Access to new markets	As part our strategy, Signify is driving 5 new growth for sustainability areas to help address the world's greatest challenges: (1) Climate action, (2) Circular economy, (3) Food availability, (4) Safety & security, and (5) Health & wellbeing. Sustainable design and innovation will gain us access to these markets, resulting in increased revenue.			
	Use of public-sector incentives	Increase revenues from products, systems and services that align with policy schemes. Signify's energy efficient and low-carbon offering fit right into the European Green Deal and the American Jobs Plan.			

Reputation	Credibility of emissions-related reporting and disclosure	Signify's sustainability statements, including all topics related to emissions are audited by an independent third party against Reasonable Assurance. Credibility and transparency of sustainability reporting has been our strength.			
	Use of more efficient production processes, use of recycling	Reduced operating costs (e.g., through efficiency gains and cost reductions). Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon. Signify has implemented more than 200 energy efficiency initiatives in our facilities worldwide and reduced 70% of its carbon footprint in the last decade.			
Resource efficiency	Increased water pricing due to scarcity	Increased water pricing might drive up production cost in the short, medium and long term. Using the Water Risk Monetizer tool by Ecolab, Trucost, and Microsoft, we assessed our current portfolio of operating manufacturing facilities, considering different scenarios of risk adjusted pricing for water. Potential impact on business would be non-significant. Signify has set a target to reduce 5% of water consumption every year.			
	Development and/or expansion of low emission goods and services	Reputational benefits resulting in increased demand for goods/services. Increased revenues resulting from increased demand for low-carbon products and services. Signify has a strong portfolio and leading market position of low-carbon and energy efficient products and services.			
Products and services	Development of new products or services through R&D and innovation	Increased revenues resulting from increased demand for products and services that are low-carbon and more energy efficient. Signify is strong in sustainable design and innovation.			
	Shift in consumer preferences	Increased revenues resulting from increased demand for products and services that fulfill consumer's low-carbon preferences. Signify has a strong portfolio, offering a wide range of low-carbon and energy efficient products, systems and services.			
Resilience	Participation in renewable energy programs and adoption of energy efficiency measures	Reduced exposure to future fossil fuel price increases. Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon. Signify has been carbon neutral and using 100% renewable electricity since 2020.			
	Development of climate adaptation and insurance risk solutions	Increased resilience and reduced exposure to climate risks. In 2020, Signify launched a dedicated multi-discipline Climate Risk Assessment Taskforce, consisting of experts from Operations, Insurance, Risk Committee, Internal Audit, Sustainability, and EHS. Climate adaptation and insurance risk solutions are reviewed at least annually.			
High risk Medium risk Low risk			High opportunity Medium opportunity Low opportunity		

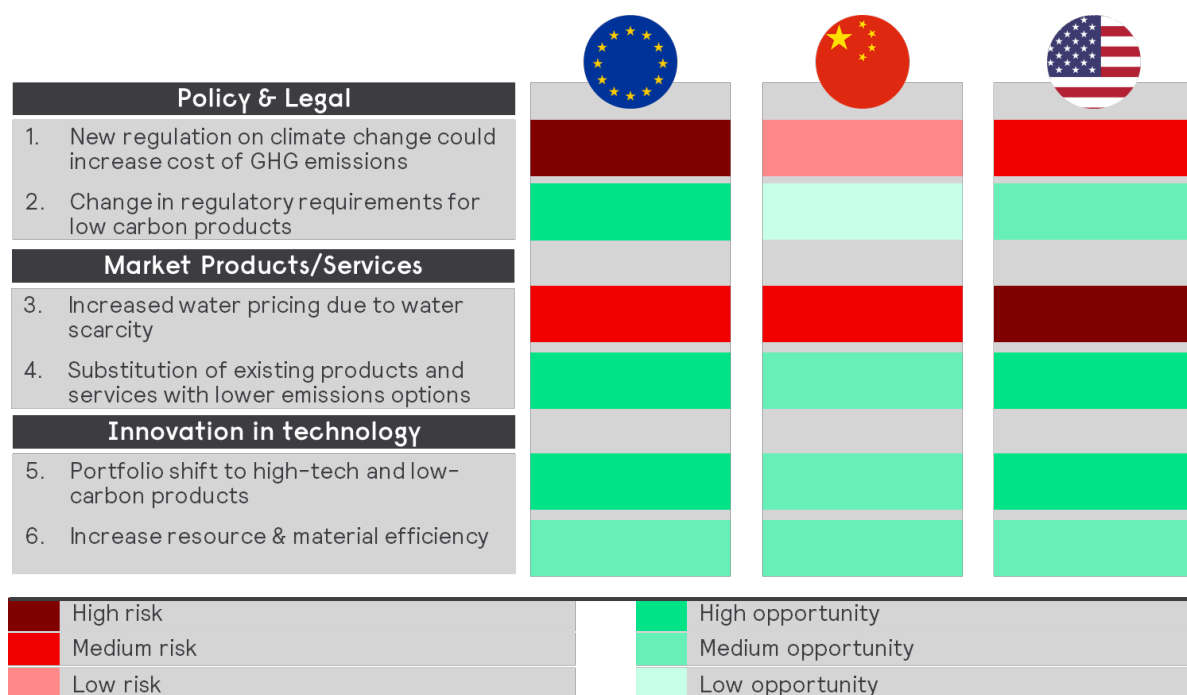


Figure B Transition risks and opportunities at regional level

Physical risks

The climate-related physical risks are presented in the below table. We have focused on assessing physical risks relevant for Signify's manufacturing sites and warehouses/distribution centers, namely riverine flooding, coastal flooding, drought, tropical storm, and heatwave for the short-term (2025) and two long-term (2050) scenarios: a below 2°C or SSP1-2.6 scenario – taking the sustainable road, and an above 4°C or SSP5-8.5 scenario – fossil fueled development path. The long-term impact of physical risks is influenced by climate change and degree of global warming. In particular, the long-term risks of riverine flooding, droughts, and tropical cyclones under the above 4°C scenario are expected to be significantly higher than under the 2°C scenario. This again resonates with the importance and urgency of taking bold climate action in line with the Paris Agreement 1.5 °C pathway.

Physical risks	Potential impact	Short term (2025)	Long term (2050) < 2°C	Long term (2050) > 4°C
Riverine flooding	Riverine flooding might be relevant for 23% of our sites. Due to high level of preparedness and high resilience at site level, risk and exposure are expected to be low in the below 2°C scenario.	Low risk	Low risk	Medium risk
Coastal flooding	Coastal flooding might be relevant for 9% of our sites. Due to high level of preparedness and high resilience at site level, risk and exposure are expected to be low.	Low risk	Low risk	Low risk
Droughts	Droughts might be relevant for 21% of our sites. Due to high level of preparedness and high resilience at site level, risk and exposure are expected to be low in the below 2°C scenario.	Low risk	Low risk	Medium risk
Heatwaves	Only 6% of our sites might be affected by heatwaves. Due to high level of preparedness and high resilience at site level, risk and exposure are expected to be low.	Low risk	Low risk	Low risk
Tropical cyclones	Tropical cyclones might be relevant for 26% of our sites. Overall, a medium risk level is perceived even in the below 2°C scenario. For sites that are at higher risk in the long term, we keep reviewing the risk profile and response plan for mitigation and/or adaptation.	Low risk	Medium risk	High risk

High risk
Medium risk
Low risk

(c) The resilience of the organization's strategy, taking into consideration different climate-related scenarios

Sustainability is at the core of our strategy and purpose. Signify has a robust sustainability program, Brighter Lives, Better World 2025, which sets ambitious target for climate action. Signify was one of the first 28 companies committing to verified Science-Based Targets in line with the Paris Agreement 1.5°C pathway to cut GHG emissions in our operations as well as in our value chain.

Since 2020, Signify is 100% carbon neutral in its global operations and uses 100% renewable electricity. Over the past decade, we implemented hundreds of emission reductions initiatives in our facilities worldwide, which enabled us to reduce 70% of our gross operational emissions. Signify has invested in three Power Purchase Agreements (PPAs) to ensure long-term and high-quality renewable energy sourcing, and to enable the green power grid transition. Signify has a strong position in sustainable innovation and design, which continue to revolutionize the lighting industry toward low-carbon and energy efficiency. With our focus on energy efficiency and circular economy, we are improving our resilience to the future change in policy and regulations, (low carbon) technology, customer behavior and consumer preference, as well as the challenge of energy scarcity; in the meanwhile, this helps reduce our exposure to increase cost of carbon and fossil energy.

In terms of physical risks, the Climate Risk Assessment Taskforce, launched in 2020, has been screening and evaluating relevant climate-related risks and their impacts in details for our sites all over the world. These risks are reviewed at least once per year at individual plant, regional, Division and Function, or company level. We continue evaluating those sites at higher risk in the long term, discussing response strategies accordingly, and incorporating climate-related risks into the company's overall risk review cycles.

In the long term, we are committed to continue deepening our understanding of climate-related risks and opportunities. Ultimately, this improves our resilience to climate-related risks and allows risks or opportunities response plans/strategies to be developed in a timely matter.

References:

- *Section CEO Letter of the 2021 Annual Report*
- *Section 4.1 Financial performance of the 2021 Annual Report*
- *Section 12.5 Climate change of the 2021 Annual Report*
- *Chapter 16 of the 2021 Annual Report*
- *Signify [CDP Climate reporting](#)*

Metrics and targets

Climate action is perceived as the most material topic by our internal and external stakeholders as the result of our 2021 materiality assessment. Signify was the first lighting company to reach carbon neutral operations in 2020 and has committed to double its positive impact on the environment and society by the end of 2025. Our climate-related metrics and targets are listed in the table below.

Targets	Baseline year	Target year	Definition
Brighter Lives, Better World 2025 program			
Double the pace we achieve the 1.5° degree scenario of the Paris Agreement (Full scope 1 + 2 +3)	2019	2025	Cumulative carbon footprint reduction of our full value chain relative to the targets of the 1.5-degree scenario of the Paris Agreement (in Million Tonnes).
Increase Climate action revenues to 72%	2019	2025	Percentage of total revenues coming from energy efficient and solar products, systems and services, meeting strict luminous efficacy thresholds, which help to save energy and reduce carbon.
100% Carbon neutral operations	2020	2025	Percentage of our full operations (manufacturing sites, non-industrial locations, logistics and business travel) which is carbon neutral.
100% Renewable Electricity	2020	2025	Percentage of electricity from renewable sources.
Approved Science-Based Targets, 1.5° scenario			
70% reduction – scope 1, 2	2015	2030	Reduction of 70% of absolute scope 1 and 2 GHG emissions
30% reduction – scope 3 (product use)	2015	2030	Reduction of 70% of absolute scope 3 GHG emissions from use of sold products

Metrics	2021	Unit
Scope 1 emissions	149	kilotonnes CO ₂ -equivalent
Scope 2 emissions	10	kilotonnes CO ₂ -equivalent
Scope 3 logistics	124	kilotonnes CO ₂ -equivalent
Scope 3 business travel	7	kilotonnes CO ₂ -equivalent
Operational carbon footprint intensity	42	tonnes CO ₂ -equivalent per million euro sales

References:

- Chapter 16 of the 2021 Annual Report
- Signify [CDP Climate reporting](#)

Supplement 5: EU Non-Financial Reporting Directive (NFRD)

Category	Criterion	Reference 2021 Annual Report
Company business model	Description	3 Creating long-term value 4 Corporate performance
Diversity	Policy description	10.2 Board of management 10.3 Supervisory board 16.3.2 Diversity, equity & inclusion
	KPI / result	10.2 Board of management 10.3 Supervisory board 16.3.2 Diversity, equity & 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 Climate risk 16.4 Better World
Human rights	Policy description	16.3.3 Human rights
	KPI / result	16.3.3 Human rights 16.3.5 Business ethics
	Risk	16.3.3 Human rights
Bribery and corruption	Policy description	12.1 Establish strong risk management environment
	KPI / result	12.1 Establish strong risk management environment 16.3.5 Business ethics
	Risk	12.1 Establish strong risk management environment 12.3 Risk assessment and control