



Diversity, Equity, and Inclusion

Annual Report 2021



Signify is the world leader in lighting. We are an equal opportunities employer, committed to diversity, equity, and inclusion in the workplace. We believe that a diverse workforce and an inclusive and equitable work environment are essential to a successful and innovative business.

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Context & strategy

Welcome from CEO Eric Rondolat

I'm pleased to welcome you to our first diversity, equity, and inclusion (DE&I) report. At Signify, we are convinced that a diverse workforce and an inclusive and equitable work environment are essential to success. Put another way, companies can only thrive if they are diverse, equitable and inclusive.

I am a firm believer in openly sharing our progress and challenges. Our customers, investors, employees and other stakeholders are keen to hear about our approach to promoting an inclusive workplace, while helping to create a more diverse and equitable lighting industry.

It is important that we aim for and uphold high standards that reflect our ambitions for our company and the world around us. We also wish to contribute to more transparent and open communication about DE&I, which encourages organizations everywhere to learn from each other and evolve.

Diversifying our workforce is embedded in our company strategy and our five-year Brighter Lives, Better World program. Last year, we made robust progress towards the commitment we announced in 2020,

to double the percentage of women in leadership positions to 34% by the end of 2025. Our percentage of women in leadership has risen from 17% in 2019 to 23% in 2020 and 25% in 2021, which shows we are well on our way towards this important goal.

Paying all employees equitably for the same or similar roles is a foundational element of an inclusive employee experience. To ensure this, we conduct annual pay equity analyses. In this, our inaugural DE&I report, we are pleased to announce we have achieved gender pay equity across our global organization. This means that people throughout Signify are paid equally for the same work, regardless of their gender.

I am extremely proud of this achievement, but we recognize that maintaining pay equity in a growing organization is an ongoing process, requiring constant attention. We will continue to build on this work, year after year.

Last year we became the first global lighting company to sign the United Nations Women's Empowerment Principles, and we participated in the UN Target Gender Equality Program.



“Diversity, equity, and inclusion are at the heart of how we think, behave, and live our values. They form an essential pillar of our objective to double our positive impact on society.”

Joining the UN's global network enables us to benchmark our efforts, inspire other companies, and promote gender equality and women's empowerment in the workplace, marketplace, and community.

To accelerate our progress on representation of women, as well as all other aspects of diversity, equity, and inclusion, we appointed our first DE&I director in 2021.

We are committed to meaningful action and lasting change at Signify and beyond. By harnessing our diverse talents, treating people equitably and nurturing an inclusive working environment, we can progress together towards brighter lives and a better world.

Eric Rondolat
CEO of Signify

Our DE&I approach

We are committed to creating a more diverse workforce and an inclusive, equitable work environment at all levels of the company and across all our geographies. To this end, we take targeted actions to attract, develop, and promote diverse talent and thus increase representation across our company.

2+1 approach

There are many aspects to diversity, and diversity challenges vary across local markets and geographies.

What we call our 2+1 approach strives to reflect this, and helps us boost diversity in all its forms. The 2+1 approach combines two global diversity priorities with an additional, locally focused priority.

Our current two global DE&I priorities are:

1. Increasing representation of women
2. Increasing early career talents

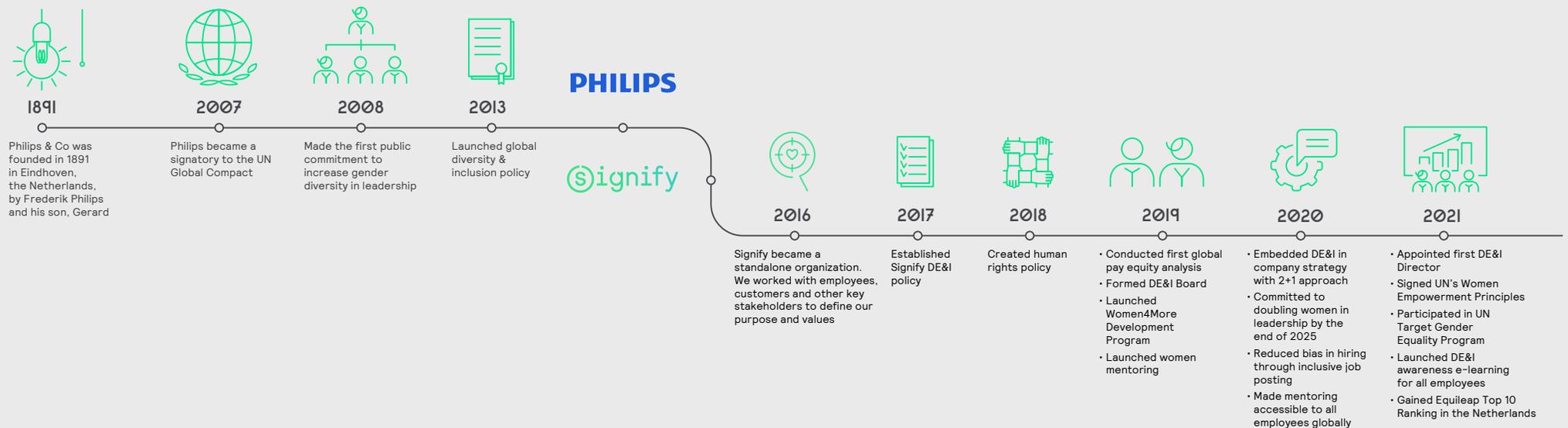
We intend to expand our global focus over time, to encompass additional elements of diversity.

In addition to the global priorities, our local teams are empowered to identify and address the challenges that are most pressing within their specific cultures and geographies. As examples, individual teams focused last year on areas including ethnicity/race, LGBTQ+, mental health, disability, and cultural diversity.

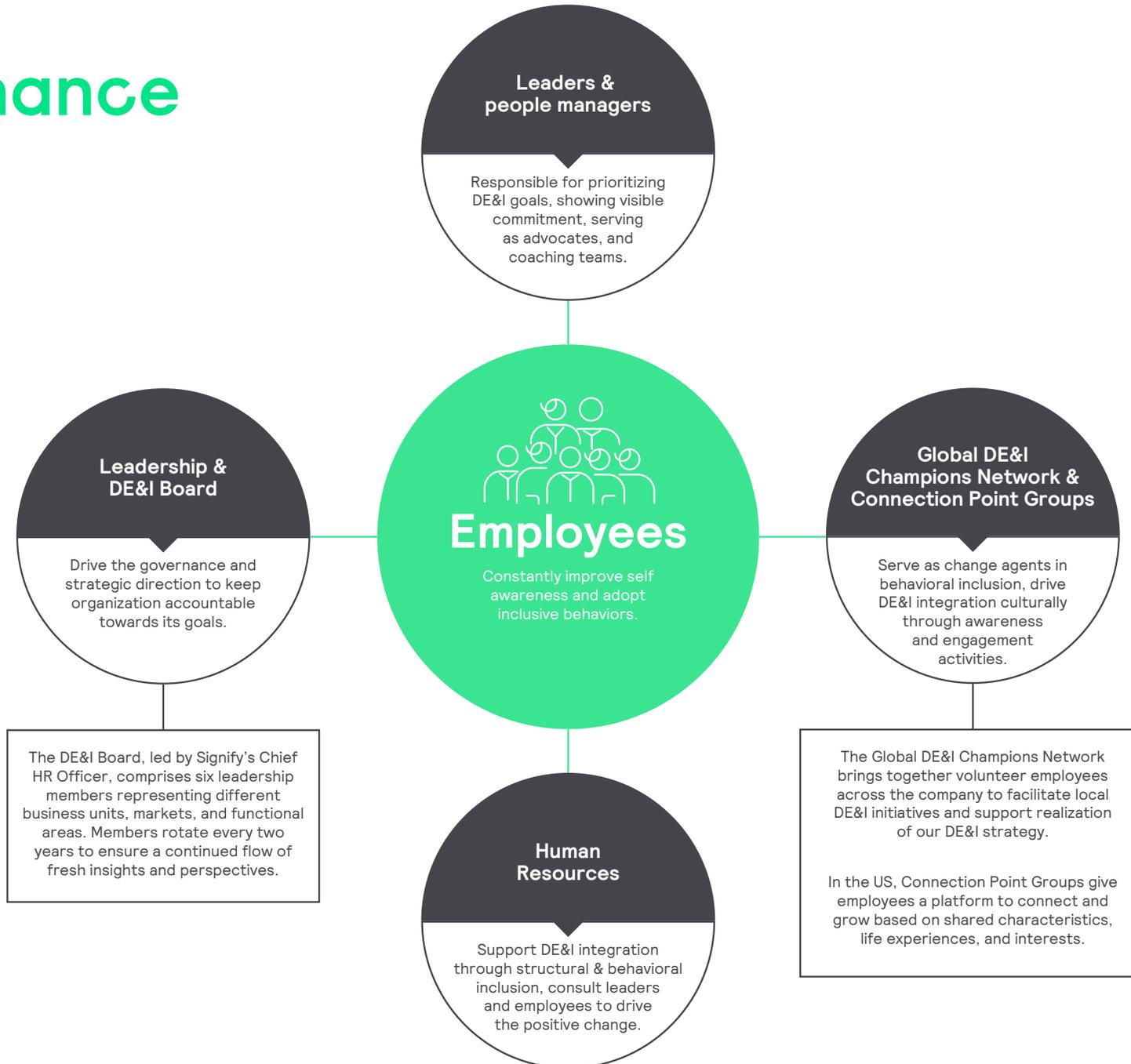
Our approach to DE&I has become more systematic. Whereas we used to look at diversity only on a leadership level and in high-level processes, recent years have

seen us integrate DE&I into our company strategy and into key processes globally. In recruitment, for example, diversity has become a specific component of our hiring processes, it is discussed by the Leadership Team monthly, and we systematically measure our progress against our priorities.

Signify's DE&I journey



Governance





signify

聚力听增长
Shift to Growth

China Leaders Summit 2022

signify

聚力听增长
Shift to Growth

China Leaders Summit 2022

2021 actions & impacts

Diversity at Signify

Signify employs people of more than 96 nationalities in 74 countries. We strive to attract, develop, and promote diverse talent across our global company.

To improve representation, we focus on both our ability to attract and hire new talent, and our internal talent development pipeline. Through inclusive hiring, inclusive talent development and an inclusive approach to learning, we create the conditions to improve diversity in our company.

We have developed a robust dashboard that highlights our actions and progress in recruitment, promotions, and retention. We have also strengthened our leadership objectives with the addition of specific diversity improvement measures.

In 2020, we announced our goal to double women in leadership from 17% to 34% by the end of 2025. Since 2019, we have improved our percentage of women in leadership to 25% and the representation of women in succession plans by more than 20%.

There is still plenty of work to do. Although we continue to improve representation of women overall, there are still proportionally fewer women at our more senior levels. In line with our commitment to grow women in leadership positions to 34% by 2025, we are working to continue to increase representation of women across all levels of our company.

As we drive efforts to advance diversity, equity, and inclusion, we will closely monitor the data and continue to create action plans and additional goals to address gaps and accelerate our progress, so that our talent pipeline reflects all aspects of diversity in the markets where we operate. We will continue to report transparently on our progress.



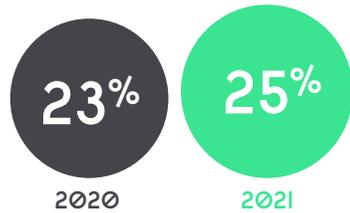
“By creating a truly inclusive environment that can attract and develop diverse talents in an equitable work environment, we can anticipate and meet the needs of our diverse customers and continue to drive our positive impact on society.”

Maria Letizia Mariani

Chief Commercial Officer, Division Leader Conventional Products, Signify Board of Management, DE&I Board

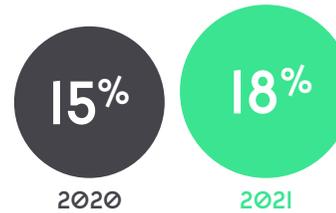
Our diversity progress in 2021

Women in leadership positions



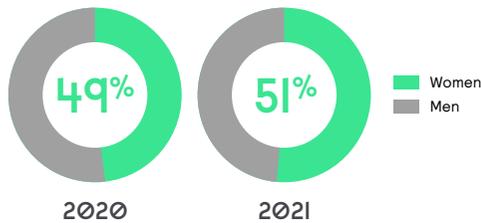
40% of Signify employees were women (2020: 39%) and women held 25% of leadership roles* by end-2021 (2020: 23%). We are on track to achieve our 2025 target of 34% women in leadership positions.

Early career talents as a % of employees globally



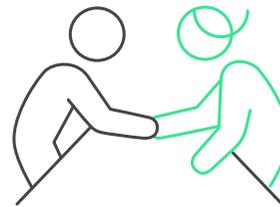
We grew the proportion of early career talents to 18% (2020: 15%).

New hires



New hires in 2021 were 51% women, 49% men.

Diversity KPIs



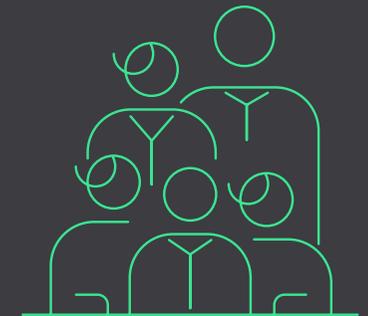
We embedded diversity KPIs into our business balanced scorecard. Diversity forms the basis of our people agenda and talent reviews as we strive to increase representation of under-represented groups across all levels of our company.

*Positions graded H22+ on the Hay grading scale.

Our diverse workforce

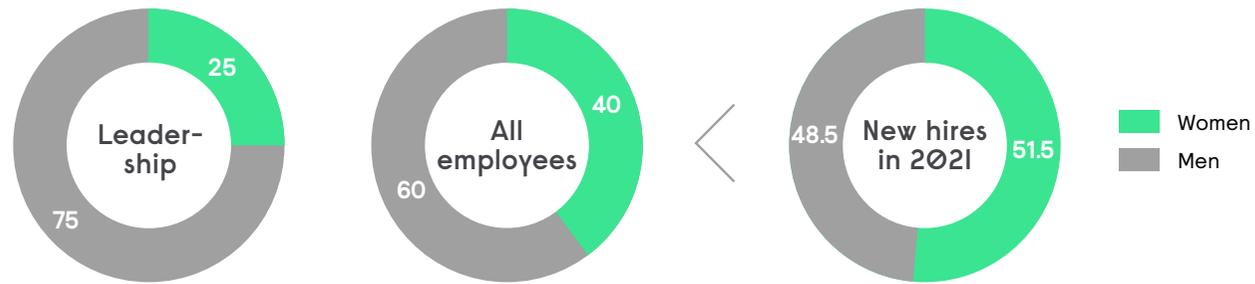
74
countries

96+
nationalities

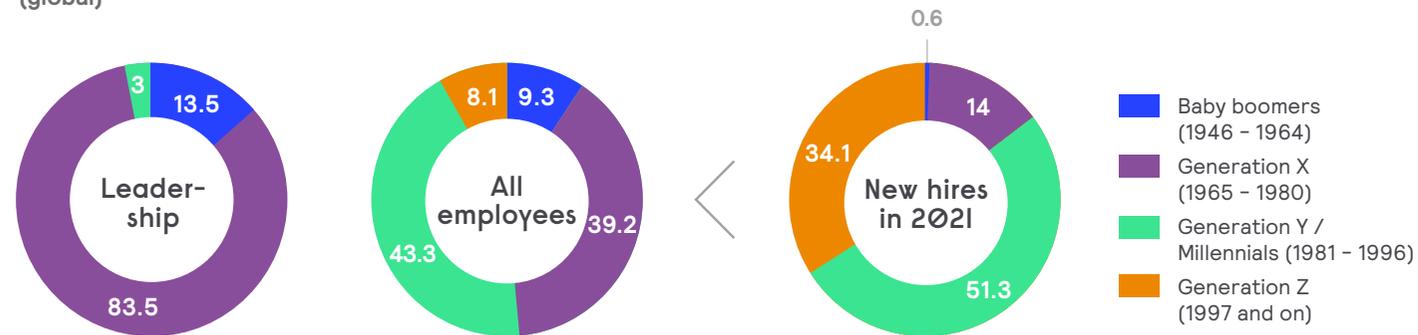


Diversity dashboard

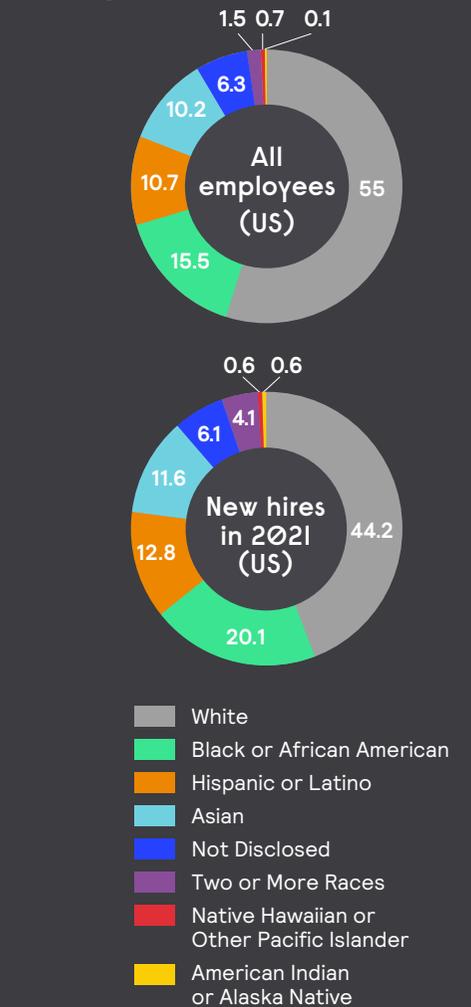
Gender (global)



Generations (global)



Ethnicity (US only)



The data used for diversity reporting excludes employees from newly acquired companies, joint ventures, interns, and contingent workers, who have not been integrated in our human resources system.

Inclusive hiring

Last year, we reviewed our hiring practices and improved processes to attract and recruit applicants from under-represented groups.

We now carefully review job advertisements and role profiles to ensure they are written in neutral language, and we assess them using an external platform to identify and eliminate biased language.

We also form diverse hiring panels and present diverse shortlists, to de-bias hiring decisions as much as possible.

Every month, company leaders use structured dashboards to review Signify's progress on diverse hiring.

In 2021, we continued taking action to improve the representation of women in more senior roles. We took steps to support women across all levels at Signify. This included reviewing our practices for recruitment, retention, and career advancement.

In addition, we have made progress in hiring more women into R&D roles traditionally dominated by men. Hiring women into these functions improved to 41% in 2021 from 31% in 2020.

Inclusive talent development

To improve the breadth and depth of our diverse talent pipeline, we use structured talent reviews and succession planning processes. We continuously monitor the health and diversity of our leadership pipeline, so we can identify gaps and take the right actions to remedy them.

In recent years, we have taken steps to ensure the processes we use to identify and develop talents are equitable and limit biases. We review the succession plan for key leadership positions annually and link it to our ambition to improve diversity.

In 2020, we introduced a Leadership Team mentoring initiative to help develop women's talents, equip them with the right skills, and prepare them for future challenges and opportunities. In addition, we made our global mentoring platform accessible to all employees and we developed stretch assignments (short-term assignments or projects to expand and diversify their skill set) to empower our employees in their career development. We made these accessible for all.

Representation of women in succession plans increased to 79% in 2021 from 71% in 2020. Representation of early career talents rose to 18% from 15%.



Women4More

Signify's global Women4More program helps women to network, drive change, and develop their careers. People from all locations and functions can benefit from training and guidance on topics including career ambitions, personal branding, negotiating skills, and building their network at senior leadership level.

Inclusive learning

An inclusive approach to learning helps all our employees to achieve the development outcomes they strive for. More specifically, we have taken these actions in recent years:

- We created accessible materials for all learners and stimulated open content sources.
- Whenever possible, we provided translations of content into learners' first languages.
- We produced case studies that resonate with all markets and audiences, and avoid stereotyping.
- We carefully selected our vendors and internal trainers and raised awareness of role models.

Equity at Signify

Treating all employees fairly and impartially is core to our approach. We are committed to providing employees with equitable and fair pay that meets or exceeds the comparable living wage in the country where they work.

The measure we use globally to evaluate whether we are paying fairly is pay equity. Pay equity means providing equal pay for the same or similar jobs, when considering differentiating factors such as performance, experience, and skillset.

Gender pay equity achieved globally

Women's pay is equitable to men's pay, based on our 2021 analysis of employees doing the same or similar roles at the same level in Signify.

Since 2019, we have conducted an annual global analysis to review and ensure pay equity. This includes an examination of 5,102 employee job groups. In 2021, this analysis of our compensation data showed that Signify has gender pay equity globally.

This is the first time we are releasing pay equity data for Signify at a global level, and we are proud to have achieved pay equity globally across our company. At the same time, we recognize that ensuring sustainable pay equity requires ongoing focus and effort. As such, we will regularly review our compensation and benefits through the lens of equity and inclusion of all our employees.

We are committed to continuing our annual and regular pay equity and living wage analyses and reporting on our progress. We believe that transparency in our data and our plans, as well as identifying a baseline position from which to track our progress, is essential.

The data used for diversity reporting excludes employees from newly acquired companies, joint ventures, interns, and contingent workers, who have not been integrated in our human resources system.



“Signify has always been a step ahead in the lighting industry in building innovation and generating positive impact. Now it’s time to use our industry-leading position to advance diversity, equity, and inclusion in lighting, and to pave the way for others. We know we have work to do, so we are committed to being accountable and to reporting transparently on our progress and our challenges.”

Rowena Lee
Division Leader Digital Products, DE&I Board

Ensuring pay equity

What is pay equity?

Pay equity means providing equitable pay regardless of gender for the same or similar jobs, when considering differentiating factors such as performance, experience, and skillset.

Analysis is performed based on job groups, which are determined based on a number of criteria such as level in the company, type of job, etc. The pay of men and women in these job groups is then compared to determine if there is a statistically significant difference in pay for these similar roles.

Our pay equity commitment is at the core of our global pay policy, which aims to deliver sound compensation programs that do not differentiate based on gender, ethnicity, race, age, religion, ability/disability, sexual orientation or identity, gender assignment, marriage and civil partnership status, or any other protected status.

Global grading methodology

We have a transparent and clearly defined global grading methodology. We evaluate each job and its internal value, and then grade jobs in accordance with the most widely used and accepted Korn Ferry Hay Group grading methodology.

This is our foundation for rewards programs and ensures that our base pay structures and policies, short and long-term incentives and benefits are applied fairly for each job grade.

Global pay equity analysis

Each year, we analyze the pay of men and women to ensure people are paid equitably for the same or similar role. We use

comprehensive statistical tests to determine if pay disparity exists within defined employee job groups such as country, function, and compensation grade profile.

If we find any statistically significant variation in pay by gender that cannot be explained by factors such as performance, experience, and skillset, we adjust pay to ensure pay equity. In the US, our equity analysis also includes race and ethnicity.

After each review period, we challenge ourselves to sustain our pay equity by developing strategies that guide, measure, and refine global and local HR policies. This ensures that pay equity is at the forefront of our pay decisions.

Pay equity analysis – 2021 results

In 2021, we made our global pay equity analysis even more granular, by increasing the number of job groups reviewed. We examined 5,102 groups of employees* with similar job duties, to assess the equity of pay.

The results showed that after making 31 pay adjustments, representing approximately 0.1% of the employee population, the pay of men and women doing the same or substantially similar work is equitable.

In recent years, our actions to ensure pay equity have included:

- Developing an internal tool so we can conduct in-house reviews on a regular basis.
- Reducing case resolution to 30 days after an incidence of pay variance has been identified.
- Reporting all disparate pay findings and resulting pay adjustments to the Global DE&I Board.
- Developing educational materials for managers and HR colleagues to raise their awareness of the importance of pay equity and their role in addressing it.

Group Analysis

Grouping based on country location, Pay grade, Function, Job Family Group, and compensation profile based on local pay range.

5,102 groups

Adjustments

Immediate corrections made after investigations found no plausible explanation** for pay differentiation.

31 pay adjustments

Pay equity (globally)

* The data used for diversity reporting excludes employees from newly acquired companies, joint ventures, interns, and contingent workers, who have not been integrated in our human resources system.

** Plausible explanations can be based on differentiating factors such as performance, experience and skillset for a given role.

Living wage

What is a living wage?

The Global Living Wage Coalition defines a living wage as follows:

"The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family.

Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events."

We know economic growth is only sustainable when workers receive fair wages that enable people to lead dignified lives. Our business flourishes when those around us are doing well. Making sure workers earn a living wage helps support economies and fosters growth. And it's simply the right thing to do.

Signify's policy is to provide total remuneration that meets or exceeds legal minimum requirements and is in line with the industry practices in the markets where we operate.

In addition, we are committed to providing our employees with fair pay that meets or

exceeds the comparable living wage for their working country, thus ensuring their everyday needs are met.

We also work to ensure Signify suppliers pay their own employees a living wage. We use data from the independent organization WageIndicator Foundation to set our baseline for living wage data. As part of our sustainable supply chain program, we collect data on fair compensation among our suppliers' employees in so-called risk countries* - that is, countries where human rights are more likely to be an issue.

In 2021, 98% of our suppliers in risk countries met our requirements. We are supporting our suppliers to correct instances of non-conformity by, for example, providing training and sharing best practices.

Biennial living wage analysis

Every two years, Signify performs an analysis of salaries and benefits globally with respect to living wages. We compare our living wages to the WageIndicator Foundation database.

In 2021, we enhanced our analysis to include 43 different regions of the top six countries in which we operate. Our analysis found that company standards exceed the living wage in all but two regions. We are now addressing the disparity in these two regions. We expect this to be resolved over the coming two years.

[*Full Country List for SA8000 Risk Assessment](#)



“Signify is powered by innovation and technology, but it's our people and partners who make it all possible. That's why we are committed to fostering a culture where people feel safe to be who they are, are respected by others, and are welcomed for the unique contributions they bring to the table.”

Mark van Bijsterveld
Chief HR Officer, DE&I Board

Inclusion at Signify

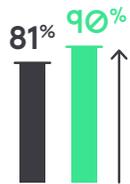
As an inclusive organization, we aim to create a workplace in which people from different backgrounds and with different perspectives are respected, valued, and welcomed.

We organize a range of initiatives focused on education and leadership programs, as well as internal groups and networks.

All employees are required to participate in a DE&I awareness e-learning to enhance their understanding of DE&I in the workplace. This is part of our standard global onboarding program for new employees. Our HR professionals also undertake in-depth training via a focused learning series, upskilling curriculum, and our DE&I playbook.

In addition to these global initiatives, local markets develop and facilitate learning and awareness events to foster better understanding and engage employees in DE&I.

For example, in the US, our quarterly DE&I speaker series led by Harvard Business Publishing last year covered topics including unconscious bias, inclusive leadership, and microaggressions. In India, a manager sensitization workshop used real-life scenarios to explore unconscious biases relating to gender stereotypes. In the UK and Ireland, we held various sessions to boost understanding of the full breadth of diversity, including neurodiversity, menopause in the workplace and LGBTQ+ allyship.



90% of employees acknowledge Signify promotes inclusion (vs 81% external benchmark)



91% of employees completed the DE&I awareness e-learning



243 health and wellbeing initiatives conducted in 19 markets



“Inclusion is what connects people to an organization and makes them want to stay. At Signify, we want employees to feel included, irrespective of who they are, or however they identify. We are committed to eliminating unconscious bias and building inclusive workplace policies, creating feedback systems that give employees a voice and celebrating differences. We aim to make inclusion a part of our everyday work-life culture.”

Kiran Brar
Chief HR Officer, DE&I Board Designate (1 August 2022)

Inclusive leadership

Inclusive leaders actively partner with a diverse range of people inside and outside their organization. They create safe, trusting, inclusive environments that unlock the full power of all employees. Inclusive leadership is vital to ensuring diverse thinking is respected, managed, heard, and applied.

Inclusion is embedded within Signify's Leadership Principles, which were developed through a co-creation process between HR and managers across the company.

Signify also partnered with Korn Ferry in 2021 to run inclusive leadership assessments, through which our top 300 leaders were equipped to better support their teams and foster inclusion.

As well as these assessments, we launched a 'Powering Inclusion' series in partnership with Harvard Business Publishing to create better understanding globally of the key concepts relating to diversity, equity, and inclusion. This was done through thought leadership sessions and the communication of real-life stories and experiences from our leaders and colleagues in the organization.

Global DE&I Champions Network

Our global DE&I Champions Network gathers regularly to discuss DE&I topics, share experiences, and learn. The network has multiplied in recent years. By the end of 2021, it had grown to more than 160 champions from over 20 functions, markets and businesses.

Respect for cultural differences is vital to an inclusive workplace. Our DE&I champions use characteristics of their local culture to promote understanding and inclusion.

Local inclusion initiatives in 2021 included internal and external speaker events, workshops, and informal celebrations. In China, the DE&I champions facilitated activities and discussions about topics such as gender, age, culture, background, and region. In France, champions organized awareness sessions about disability, gender equality and wellbeing.



“Championing DE&I is taking a stand for other people. Encouraging people to think and talk about times when they felt their voices were not heard, or when they were intimidated or excluded. Recalling these moments creates a powerful lesson for ensuring your actions do not make others feel less-than. It’s also a great learning opportunity for us all to be aware of our blind spots and become better allies of inclusion.”

Damian Gardley
Commercial Leader OEM,
US, and DE&I Board



“In our Connection Point Groups at Signify, we create safe spaces where we can learn from others’ experiences and perspectives.”

Lisa Brown
US Division Quality Manager
& PRIDE CPG Co-lead

Connection Point Groups

Our Connection Point Groups (CPGs) in the US are a wide range of voluntary, employee-led groups that foster a diverse, inclusive workplace aligned with Signify’s strategy, goals, and business practices. Colleagues with common interests or backgrounds can participate in these CPGs to connect, learn, develop new skills, and have impact on our business.



Health and wellbeing

In 2021, we continued to make a particular effort to support employee health and wellbeing through the continued impact of the COVID-19 pandemic. Local initiatives focused on core elements of physical, mental, and social wellbeing.

Examples include employee assistance programs, counselling support, meditation and yoga sessions, health checks, running clubs, and team events around special days.



“As a leader, I believe in the importance of promoting wellbeing at work. From basic needs of safety and security to social connection and trust, all these moments matter for our teams. We need to be present, empathetic, and supportive.”

Sumit Padmakar Joshi
Cluster Leader India and DE&I Board

Awards & recognition

In 2021, we received several awards recognizing our efforts to foster a more diverse, equitable, and inclusive organization.



Top Employer 2021

- Brazil
- China
- Netherlands



Great Place to Work 2021

- India (Best places to work for women)
- Singapore
- Turkey
- South Latam
- North Latam



Super Empresas Certificate 2021

- Mexico



ELSA Assessment (Workplace free of harassment)

- Colombia



Mogul: Top 100 Workplaces with the Best D&I Initiatives 2021



Equileap 2021

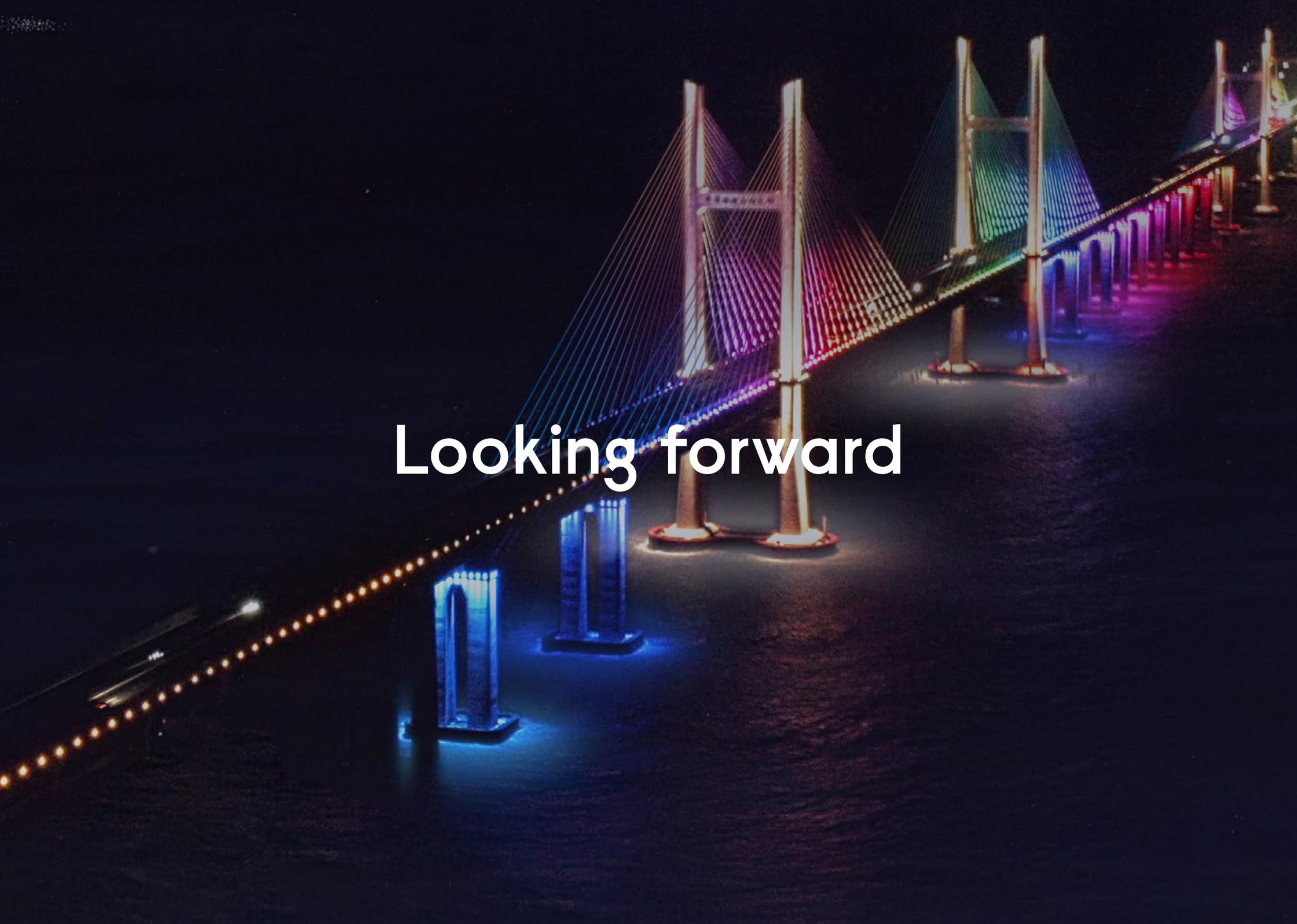
Gender Equality in the Netherlands
Ranked 10th of 100



“I recognize my role as a leader to drive the transformation for a more equitable and inclusive future. Fostering inclusion is one of my top priorities.

It begins with the commitment that diversity is not only the right thing to do, but also a business and innovation imperative that we treat as a principle and strategic priority.”

Alexandra Santos
Head of R&D Management
and DE&I Board

A cable-stayed bridge is shown at night, illuminated with vibrant, multi-colored lights. The bridge's towers and cables are lit up, creating a rainbow-like effect. The bridge spans across a body of water, and the lights reflect on the surface. The overall scene is dark, with the bridge's lights providing the primary illumination.

Looking forward

Commitment to the journey ahead

Our first DE&I report is a clear demonstration of our commitment to improving our data, and sharing the progress already made and still to make on diversity, equity, and inclusion.

Creating the role of Global DE&I Director, which I was delighted to take up last year, further emphasizes Signify's determination to make progress on this journey. I am proud to work for a company that is authentically taking its responsibility in this truly crucial area.

Last year, Signify participated in the UN Target Gender Equality Program. This gave us the opportunity to analyze our performance, participate in capacity-building workshops, and access peer-to-peer learning and benchmarking.

All these helped us identify blind spots and areas where we can strengthen equity and inclusion. Using these insights, the HR department will collaborate with business and functional leaders over the course of 2022 to embed the DE&I perspective into key processes and operations at Signify.

While our data shows progress, we also recognize that we still have a long way to go. Real shifts do not happen by themselves; we must continue to be intentional and accountable. We are committed to continuing to unlearn, learn, and relearn so we drive our purpose to achieve brighter lives and a better world. And we are determined to report on our progress transparently, and with increasing granularity, as time goes on.



Our work has just begun, and we are ever committed to the journey of diversity, equity, and inclusion at Signify and throughout the lighting industry.

Elif Tutum Tuncer
Global DE&I Director

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