Supplements to the Annual Report 2022

Supplements to the Sustainability statements included in the Signify Annual Report 2022

1. Data definitions, boundaries, and scope

This supplement to the Signify 2022 Integrated Report details data definitions, boundaries, and scope of sustainability indicators disclosed.

2. Signify's materiality assessment 2022

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 2022 Integrated Report has been prepared in accordance with the GRI Standards. This supplement to the Annual Report provides a detailed GRI Content Index for the most material topics identified (top right part of our matrix): Climate action and Human rights.

4. Global Employee Share Purchase Plan

In 2023, Signify plans to launch a Global Employee Share Purchase Plan in approximately 20 countries. This section describes the plan.

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

The Signify 2022 Integrated Report follows the TCFD recommendations. This supplement to the Annual Report details our reporting in line with the recommendations.

6. EU non-financial reporting directive (NFRD)

The Signify 2022 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.

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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: Lighting designed to enable the production of more and better-quality food, while optimizing the use of land, water and energy and avoiding pesticides. It includes all dedicated horticulture products* and systems, all dedicated urban farming products* and systems, all dedicated marine-based and land-based aquaculture products* and systems, all dedicated animal farming products* and systems

- Safety & security: Lighting designed to have a positive effect in reducing crimes such as burglary and theft in cities and houses, as well as increasing safety in traffic and protection against cybercrime and fraud. It includes Interact solution for cities, System solutions for tunnels, Outdoor lighting equipped with special sensors, Emergency lighting and Lifi systems, Black Light Blue lamps and luminaires

- Health & wellbeing: Lighting designed to support health, well-being and performance of humans through unlocking the visual, biological and emotional benefits of light, and lighting designed to support well-being for wildlife. It includes EyeComfort, Lighting for well-being, Tunable products during use phase, Non-invasive health supporting products, Disinfection and well-being for wildlife

*products = light sources, luminaires, control gear, sensors (LED and conventional)

Circular revenues

Revenues coming from our circular portfolio meaning lighting products*, systems and services that maximize (re)usability, serviceability, and upgradability and minimizes value destruction with the aims to preserve value and avoid waste to landfill. Lighting solutions contributing to this definition include:

- Serviceable luminaires: luminaire with easily replaceable (using standard, widely accessible tools) driver and controls and LED board to facilitate lifetime prolongation, or designed as circular economy ready luminaires requiring an EPD

- Circular components: replaceable and recyclable LED and conventional drivers and modules, most sensors supporting system functionality, 3D printed housings
- Intelligent assets: lifetime monitoring and preventive maintenance scheduling
- Circular services: services to prolong luminaire lifetimes and managed services with end of contract return options

*products = light sources, luminaires, control gear, sensors (LED and conventional)

Climate action revenues

Revenues coming from lighting designed to increase energy saving and reduce carbon footprint. It includes:

- Solar solutions, which are products and systems powered by renewable energy;
- Systems and managed services which enable further energy savings
- Electronic control gears (components) which meets the Single Lighting Regulation threshold
- Energy efficient products which meet strict luminous efficacy thresholds depending on lumen output:

Lumen output range	Threshold
< 500 lm	≥ 80 lm/W
500-1000 lm	≥ 100 lm/W
> 1000 lm	≥ 110 lm/W

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 safeguard 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 2021, until the 30th of November 2022.

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 workdays, 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, entrepreneurs trained and humanitarian lighting. 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. For Humanitarian lighting, we count the projects that have been led during the reporting year.

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, Netherlands, China, the United States of America, and India, which represents 78% of the workforce), Signify used WageIndicator's database (date: Q2 2022) 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 Familiy 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 regarding the accuracy of the data. Statements on living wage pertain to all employee types (including Cooper but excluding LeiFei and Klite), including temporary employees, but exclude interns.

Mergers, acquisitions, divestures

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 24

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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), except for scope 4 avoided emission from product use and 24-months deadline for consolidating new acquisitions. 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 CO_2 emissions calculation includes all six Kyoto gasses (CO_2, CH_4, N_2O, HFCs, PFCs, and SF_6).

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 by the end of 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, (forecasted) spend and maturity level. Risk countries for supply chain management in 2022 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 (yearly or every 3-year based on maturity level). 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
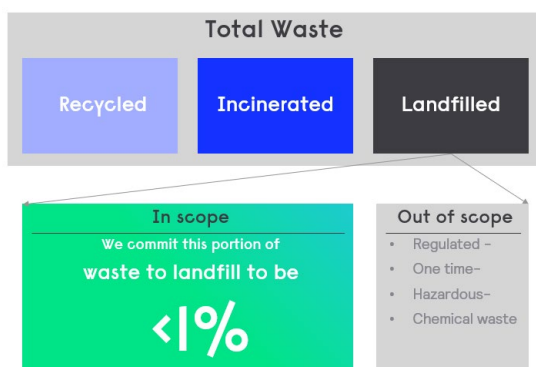
Women in Leadership

% 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.

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Supplement 2: Signify's materiality assessment 2022

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 2022 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 existing list of material topics.

Media and trends analysis

In 2022, we performed a trend analysis to identify current and future trends. This includes extensive desktop research of the most recent literature and experts' reviews. 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.

Sustainability & Strategy network survey

In 2022, we continued our internal sustainability and strategy network survey, designed to better identify trends, and understanding of our stakeholders' expectations at local level. We selected participants from across the world based on their knowledge in sustainable development and for their external-facing roles and regular interactions with various stakeholders. Respondents are mainly engaging with Customers and Government & Municipalities. Other stakeholders' group represented are Suppliers and Civil Society Organizations.

The survey was sent to a total of 119 signify employees in market (commercial organization) and the response rate was 19,32%. The local representation of respondents was highly diversified (see diagram).

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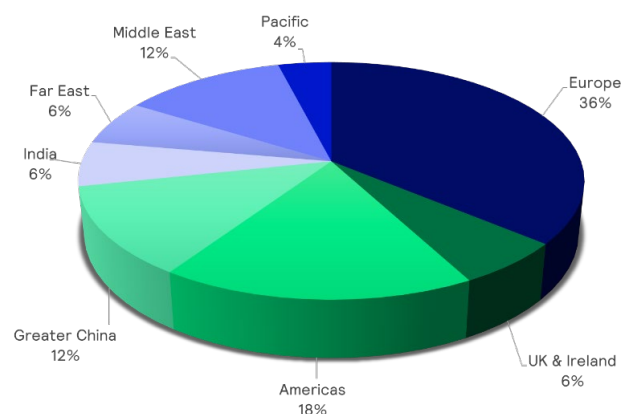
The respondents were mainly engaging with Customers and Government & Municipalities. Other stakeholders' group represented were Suppliers and Civil Society Organizations.

33% of the respondents identified carbon-related issues as the top rising ESG trend. 24% received comments and/or questions related to the impact of our lighting solutions. Circularity trends previously identified in the media and trend analysis were confirmed by the results (certifications). Attention to sustainable energy consumption and production is on the rise.

Investors ESG survey

To gather additional input on materiality from our investors, in 2022 we decided to create for the first time an Investors ESG survey. The survey was sent to a total of 81 investors with a response rate of 18,5%. We asked invetsors to rank their top 3 ESG material topics and identify potential new ones for Signify. The analysis revealed that Climate action (27%) and Circular economy (19%) jointly accounted for over 50% of all responses. Climate action was ranked first by 73% of the investors.
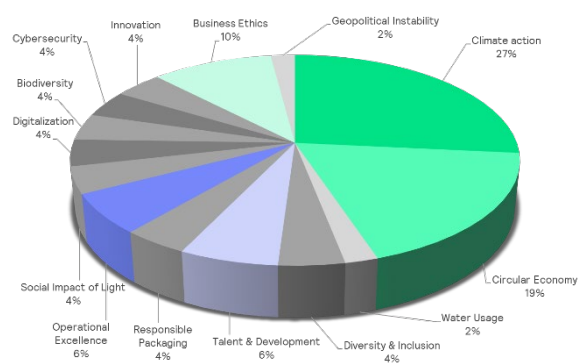
Other topics raised Signify could consider as material such as Net zero (currently under Climate action), Supply chain resilience (currently under Human rights), Life cycle analysis (currently under Circular economy), Zero Hunger (currently under Brighter lives), Customer Satisfaction and Payback period for connected lighting investments.

Integration of Signify top 2022 risks

Following last year's approach, we incorporated the top risks and opportunities identified during Signify annual risk workshop. We translated top risks 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
Supply chain disruption	Operational excellence
Market Share loss in the US	
Business continuity	
Slow market adoption for L2/L3	
Unavailability of electronic components	Geopolitical instability
Trade barriers and protectionism	
Attacks on IT infrastructure	Cybersecurity
Inability to improve the growth profile of the company	Innovation
Low return on R&D investments	
Insufficient speed to digitalize our process and customer facing platforms	Digitalization
Risk related to climate change	Climate change

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	Energy crisis and efficiency Satisfaction rates ESG-performance
Employees	Regular meetings, quarterly team surveys and employee development process, sustainability quarterly update webinars and 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 training sessions, industry working groups, the commodity management, supplier quality and procurement engineering functions	ESG-performance Peer-learning Strategic alignment sessions
Governments, municipalities	Annual innovation experience, research projects, policy and legislative developments, business development, GreenSwitch and Brighten America programs	Sustainable cities Energy crisis and 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 2022

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 identification phase, no new material topic were identified compared to 2021. What we identified is a growing popularity of topics related to Human Rights, Circularity and Biodiversity.
To provide a clearer picture of our impacts on our stakeholders, including investors, we organize our material topics into three categories: Environment, Social, Economic & Governance (ESG).
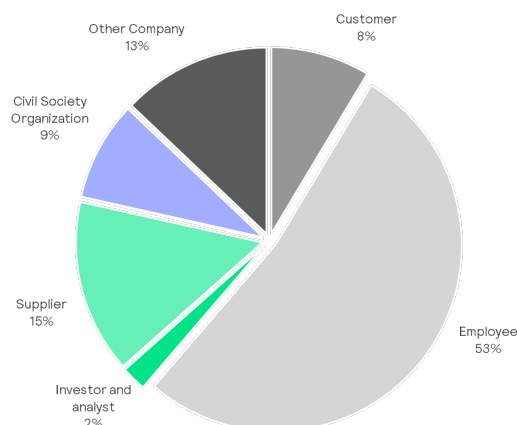
List of 2022 material topics

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

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 (both inwards and outwards) through a stakeholder survey and an internal strategic workshop.

2022 Stakeholders' survey

The Y axis represents the importance of each material topic for our stakeholders. Every year, we send an online survey to a list of respondents that represent our global stakeholder groups (see graph). We ask them to rate our sustainability topics by significance and relevance for Signify (0 being not important – 10 most important). In 2022, we increased the number of recipients to 631 internal and external stakeholders to provide input via the online survey (response rate of 15%). With the survey outcome, we could further ensure we focus our efforts and public disclosures

Pie chart segments: Other Company 13%, Customer 8%, Civil Society Organization 9%, Supplier 15%, Investor and analyst 2%, Employee 53%

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.

The results of the 2022 survey show that all topics remain stable to the expectation of Human rights and Diversity, Equity, and Inclusion which slightly increased.

<u>Internal strategic workshop</u>

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 2022, an internal workshop was organized to finalize each topic's position on the X axis. Participants included representatives from the Sustainability and 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 robust processes in place. Social impact of light, Circular economy, Digitalization, and Geopolitical instability are important for Signify and are positioned on the right-hand side of the matrix. 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.

Compared to 2021, we have observed some changes on the X axis. Operational excellence has increased in importance due to the shift from a global to a more local organization and its implications. Talent and Development have also increased in importance due to skill development needs (e.g., digital). On the contrary, Responsible packaging has observed a decrease in importance due to our transition to zero plastic in consumer packaging.

5. Results of Signify's 2022 materiality assessment

Signify's 2022 materiality matrix
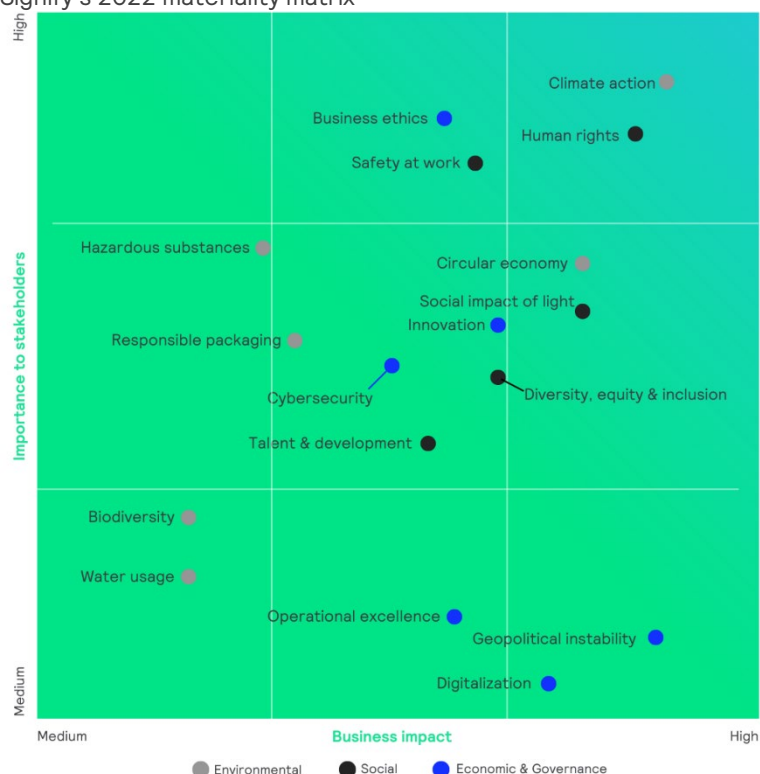
Our materiality assessment is the first step towards defining our strategy. By identifying future trends and understanding stakeholders' perspectives at a global and local level, we are better able to manage the risks and opportunities that could impact our ability to create value in the long term. Based on the results

![Signify logo]

of this stakeholder's engagement, we have reviewed our Annual Report content to ensure we report information that are material for us. Via the publication of the Report and its Supplements, we have informed our stakeholders of the actions taken and whether they have been effective (for each topic, refer to the table of content of the Annual Report).

Additionally, 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.

	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 1.5ºC scenario. This includes offering energy-efficient and solar solutions to reduce the emissions of our customers and driving carbon reductions at our suppliers.	7 AFFORDABLE AND CLEAN ENERGY / 13 CLIMATE ACTION	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 RESPONSIBLE CONSUMPTION AND PRODUCTION	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 RESPONSIBLE CONSUMPTION AND PRODUCTION	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 RESPONSIBLE CONSUMPTION AND PRODUCTION	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 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.2;
	Biodiversity	Signify's engagement to minimize its negative impacts on biodiversity and increase impact through its carbon offsetting projects.	13 CLIMATE ACTION	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 DECENT WORK AND ECONOMIC GROWTH	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 GOOD HEALTH AND WELL-BEING / 8 DECENT WORK AND ECONOMIC GROWTH	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 DECENT WORK AND ECONOMIC GROWTH	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 DECENT WORK AND ECONOMIC GROWTH	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 GOOD HEALTH AND WELL-BEING / 11 SUSTAINABLE CITIES AND COMMUNITIES	3.4; 3.9 / 11.3; 11.7

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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.	![SDG 8 DECENT WORK AND ECONOMIC GROWTH]	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.	![SDG 8 DECENT WORK AND ECONOMIC 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.	![SDG 8 DECENT WORK AND ECONOMIC GROWTH]	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.	![SDG 3 GOOD HEALTH AND WELL-BEING] ![SDG 7 AFFORDABLE AND CLEAN ENERGY] ![SDG 8 DECENT WORK AND ECONOMIC GROWTH] ![SDG 11 SUSTAINABLE CITIES AND COMMUNITIES] ![SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION] ![SDG 13 CLIMATE ACTION]	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.	![SDG 8 DECENT WORK AND ECONOMIC GROWTH]	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.	![SDG 8 DECENT WORK AND ECONOMIC GROWTH]	8.1

Supplement 3: GRI content index

Signify reports in accordance with GRI and sets the threshold for most material topics as defined by GRI in the top right part of the materiality matrix. The two most material topics above this reporting threshold are Climate action and Human rights and the related GRI topic specific standards disclosures on these topics can be found in the Index below.

GRI Content Index 2022

SRS	Disclosure	Disclosure Requirements	Reference 2022 Annual Report
GRI 2 General Disclosures 2021			
2-1	Organizational Details	a. Report its legal name b. Report its nature of ownership and legal form c. Report the location of its headquarters d. Reports its countries of operations	10 Corporate Governance (a, b) 3.1 Our strategy (c, d)
2-2	Entities included in the organization's sustainability reporting	a. List all its entities included in its sustainability reporting b. If the organization has audited consolidated financial statements or financial information files on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting c. If the organization consists of multiple entities explain the approach used for consolidating the information including: i) whether the approach involves adjustments to information for minority interests; ii) how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities; iii) whether and how the approach differs across the disclosures in this Standard and across material topics	16.1 Approach to sustainability reporting (a) 14.6 Notes to the consolidated financial statements: [3] Information by segment and main country; [12] Interest in entities (b, c)
2-3	Reporting period, frequency and contact point	a. Specify the reporting b. Specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this c. Report the publication date of the report or reported information d. Specify the contact point for the questions about the report or reported information	16.1 Approach to sustainability reporting (a, b, c) January 1 – December 31, 2022 (b) February 28, 2022 (c) Back cover Annual Report 2022 (d)
2-4	Restatements of information	a. Report restatements of information made from previous reporting periods and explain: i) the reasons for the restatements; ii) the effect of the restatements	Where relevant, restatements have been disclosed and explained in the Annual Report 2022. 2022 Sustainability Supplements – Data definitions, boundaries, and scope 16.1 Approach to sustainability reporting
2-5	External assurance	a. Describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executive are involved b. If the organization's sustainability reporting has been externally assured: i) provide a link or reference to the external assurance report(s) or assurance statement(s): ii) describe what has been assured and on what basis including the assurance standards used the level of assurance obtained, and any limitations of the assurance process; iii) describe the relationship between the organization and the assurance provider	17 Combined independent auditor's report (a, b)
2-6	Activities, value chain and other business relationships	a. Report the sector(s) in which it is active b. Describe its value chain, including: i) the organization's activities, products, services, and markets served; ii) the organization's supply chain; the entities downstream from the organization and their activities c. Report other relevant business relationships d. Describe significant changes in 2-6-a, 2-6-b, and 2-6-c compared to the previous reporting period	3 Creating long-term value (a, b, c) 4 Corporate performance (a, b, c) 16.1 Approach to sustainability reporting (d) 2022 Sustainability Supplements – Data definitions, boundaries, and scope (a, b, c, d)

2-7	Employees	a. Report the total number of employees, and a breakdown of this total by gender and by region b. Report the total number of: i) permanent employees, and a breakdown by gender and by region; ii) temporary employees, and a breakdown by gender and by region; iii) non-guaranteed hours employees, and a breakdown by gender and by region; iv) full-time employees, and a breakdown by gender and by region; v) part-time employees, and a breakdown by gender and by region c. Describe the methodologies and assumptions used to compile the data, including whether the numbers are reported: i) in head count, full-time equivalent (FTE), or using another methodology; ii) at the end of the reporting period, as an average across the reporting period, or using another methodology d. Report contextual information necessary to understand the data reported under 2-7-a and 2-7-b e. Describe significant fluctuations in the number of employees during the reporting period and between reporting periods	16.3.1 Talent & Development (a, b, d, e) 16.3.2 Diversity, equity & inclusion (b, d) 9 Remuneration report (b) 2022 Sustainability Supplements – Data definitions, boundaries, and scope (b, c, d) b iii. Information not available. As described in the "2022 Sustainability Supplements – Data definitions, boundaries, and scope", social data covers all employees that have been fully integrated in our system and exclude contingency workers. We do not have enough data about contingent workers to report on it at global level at the moment.
2-8	Workers who are not employees	a. Report the total number of workers who are not employees and whose work is controlled by the organization and describe: i) the most common types of workers and their contractual relationship with the organization; ii). the type of work they perform b. Describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported: i) in head count, full-time equivalent (FTE), or using another methodology; ii) at the end of the reporting period, as an average across the reporting period, or using another methodology c. Describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods	Total number of contingent workers in 2022 is included in our FTE final numbers (2022: 34619) and is 4,205 (a) 2022 Sustainability Supplements – Data definitions, boundaries, and scope (a, b, c) 16.3.1 Talent and Development (a, c)
2-9	Governance structure and composition	a. Describe the governance structure, including committees of the highest governance body b. List the committees of the highest governance body that are responsible for decision-making on and overseeing the management of the organization's impacts on the economy, environment, and people c. Describe the composition of the highest governance body and its committees by i) executive and non-executive members; ii) independence; iii) tenure of members on the governance body; iv) number of other significant positions and commitments held by each member, and the nature of the commitments; v) gender; vi) under-represented social groups; vii) competencies relevant to the impacts of the organization; viii) stakeholder representation	6 Board of Management (a, b, c) 7 Supervisory board (a, b, c) 10 Corporate governance (a, b, c) For more on other positions and commitments (iv.): https://www.signify.com/global/our-company/investors/governance/supervisory-board
2-10	Nomination and selection of the highest governance body	a. Describe the nomination and selection processes for the highest governance body and its committees b. Describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration: i) views of stakeholders (including shareholders); ii) diversity; iii) independence; iv) competencies relevant to the impacts of the organization	8 Supervisory board report (a, b) 10 Corporate governance (a, b)
2-11	Chair of the highest governance body	a. Report whether the chair of the highest governance body is also a senior executive in the organization b. If the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated	10.2 Board of management (a, b)
2-12	Role of the highest governance body in overseeing the management of impacts	a. Describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development b. Describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including: i) whether and how the	8 Supervisory board report (a, b) 10.3 Supervisory board (a, b) 10.4 General meeting of shareholders (a, b, c) 16.1.1 Definition of Signify's strategic focus: our materiality assessment focus: our materiality assessment (c)

		highest governance body engages with stakeholders to support these processes; ii) how the highest governance body considers the outcomes of these processes c. Describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b and report the frequency of this review	16.1.2 Sustainability governance (c)
2-13	Delegation of responsibility for managing impacts	a. Describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including: i) whether it has appointed any senior executives with responsibility for the management of impacts; ii) whether it has delegated responsibility for the management of impacts to other employees b. Describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people	10 Corporate governance (a, b) 16.1 Approach to sustainability reporting (a, b)
2-14	Role of the highest governance body in sustainability reporting	a. Report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information b. If the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this	16.1.1 Definition of Signify's strategic focus: our materiality assessment (a, b) 16.1.2 Sustainability governance (a, b)
2-15	Conflicts of interest	a. Describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated b. Report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to i) cross-board membership; ii) cross-shareholding with suppliers and other stakeholders; iii) existence of controlling shareholders; iv) related parties, their relationships, transactions, and outstanding balances	10.5 Board of management [Conflict of interests] (a, b) 10.5 Supervisory Board (b)
2-16	Communication of critical concerns	a. Describe whether and how critical concerns are communicated to the highest governance body b. Report total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period	12.1 Establish strong risk management environment (a, b) 16.3.5 Business ethics (b)
2-17	Collective knowledge of the highest governance body	a. Report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development	8 Supervisory Board report (a)
2-18	Evaluation of the performance of the highest governance body	a. Describe the process for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people b. Report whether the evaluations are independent or not, and the frequency of the evaluations . Describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices	Evaluation of the performance of the highest governance body in 2022 was not independent. 8 Supervisory Board report (a, b, c)
2-19	Remuneration policies	a. Describe the remuneration policies for members of the highest governance body and senior executives, including: i) fixed pay and variable pay; ii) sign-on bonuses or recruitment incentive payments; iii) termination payments; iv) clawbacks; v) retirement benefits b. Describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people	9 Remuneration report (a, b) 10 Corporate governance (a, b)
2-20	Process to determine remuneration	a. Describe the process for designing its remuneration policies and for determining remuneration, including: i) whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration; ii) how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration; iii) whether remuneration consultants are involved in determining remuneration and, if so, whether they	9 Remuneration report (a, b) 10 Corporate governance (a, b)

		are independent of the organization, its highest governance body and senior executives b. Report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable	
2-21	Annual total compensation ratio	a. Report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual) b. Report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) c. Report contextual information necessary to understand the data and how the data has been compiled	Signify uses a different methodology and therefore will be considered "incomplete" by GRI. In light of transparency and clarity, Signify applies a methodology to calculate the internal pay ratio that is IFRS-driven (i.e. linked to Signify's notes to the Consolidated financial statements). Signify's pay ratio reflects the average total compensation of the total global employee workforce, relative to the total remuneration package of the CEO, the highest-paid individual. 9.2.10 Signify's internal pay ratio (a, b, c)
2-22	Statement on sustainable development strategy	a. Report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development	2 CEO Message (a)
2-23	Policy commitments	a. Describe its policy commitments for responsible business conduct, including: i) the authoritative intergovernmental instruments that the commitments reference; ii) whether the commitments stipulate conducting due diligence; iii). whether the commitments stipulate applying the precautionary principle; iv) whether the commitments stipulate respecting human rights b. Describe its specific policy commitment to respect human rights, including: i) the internationally recognized human rights that the commitment covers; ii) the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment c. Provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this d. Report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level e. Report the extent to which the policy commitments apply to the organization's activities and to its business relationships f. Describe how the policy commitments are communicated to workers, business partners, and other relevant parties	12.1 Establish strong risk management environment (a, c, d, e, f) 16.1 Approach to sustainability reporting (a, c, d, e, f) 16.3.3 Human rights (b) 2022 Sustainability Supplements (a, b, c, d, e, f) All policies can be found on our [website](#) (a, c, d, e, f)
2-24	Embedding policy commitments	a. Describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including: i) how it allocates responsibility to implement the commitments across different levels within the organization; ii) how it integrates the commitments into organizational strategies, operational policies, and operational procedures; iii) how it implements its commitments with and through its business relationships; iv) training that the organization provides on implementing the commitments	12.1 Establish strong risk management environment (a) 16.1.2 Sustainability governance (a) 2022 Sustainability Supplements (a)
2-25	Processes to remediate negative impacts	a. Describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to b. Describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in c. Describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to	12 Risk factors and risk management (a, b, c) 16 Sustainability statements (a, b, c) 16.1.1. Definition of Signify's strategic focus: our materiality assessment (d, e)

		d. Describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms e. Describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback	
2-26	Mechanisms for seeking advice and raising concerns	a. Describe the mechanisms for individuals to: i) seek advice on implementing the organization's policies and practices for responsible business conduct; ii) raise concerns about the organization's business conduct	12.1 Establish strong risk management environment (a) 16.3.5 Business ethics (a)
2-27	Compliance with laws and regulations	a. Report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by i) instances for which fines were incurred; ii) instances for which non-monetary sanctions were incurred b. Report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: i) fines for instances of non-compliance with laws and regulations that occurred in the current reporting period; ii) fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods c. Describe the significant instances of non-compliance d. Describe how it has determined significant instances of non-compliance	Through our internal audit and compliance processes, we have determined that Signify has not had any significant instances of non-compliance with laws and regulations during the reporting period. (a, b, c, d)
2-28	Membership associations	a. Report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role	16.1.1 Definition of Signify's strategic focus: our materiality assessment (a) 2022 Sustainability Supplements (a)
2-29	Approach to stakeholder engagement	a. Describe its approach to engaging with stakeholders, including: i) the categories of stakeholders it engages with, and how they are identified; ii) the purpose of the stakeholder engagement; iii) how the organization seeks to ensure meaningful engagement with stakeholders	16.1.1 Definition of Signify's strategic focus: our materiality assessment (a)
2-30	Collective bargaining agreements	a. Report the percentage of total employees covered by collective bargaining agreements b. For employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations	92% (a) The payment terms and conditions are determined by Signify Rewards team which is looking at benchmarks to determine the salary levels, and budgets for salary raises, Long Term Incentive's lease car conditions, holiday entitlements and other benefits. Employees have to follow guidelines, procedures which are applicable for all employees and which are being set and arranged based on following the law as well via specific agreed regulations with works councils (where applicable). (b)
GRI 3: Material Topics 2021			
3-1	Process to determine material topics	a. Describe the process it has followed to determine its material topics, including: i) how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships; ii) how it has prioritized the impacts for reporting based on their significance b. Specify the stakeholders and experts whose views have informed the process of determining its material topics	16.1.1 Definition of Signify's strategic focus: our materiality assessment 2022 (a, b) 2022 Sustainability Supplements – Data definitions, boundaries, and scope (a, b)

3-2	List of material topics	a. List its material topics b. Report changes to the list of material topics compared to the previous reporting period	16.1.1 Definition of Signify's strategic focus: our materiality assessment (a, b) 2022 Sustainability Supplements – Data definitions, boundaries, and scope (a, b)
3-3	Management of material topics	a. Describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights b. Report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships c. Describe its policies or commitments regarding the material topic d. Describe actions taken to manage the topic and related impacts, including: i) actions to prevent or mitigate potential negative impacts; ii) actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii) actions to manage actual and potential positive impacts e. Report the following information about tracking the effectiveness of the actions taken: i) processes used to track the effectiveness of the actions; ii) goals, targets, and indicators used to evaluate progress; iii) the effectiveness of the actions, including progress toward the goals and targets; iv) lessons learned and how these have been incorporated into the organization's operational policies and procedures f. Describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-f)	3.2 Our impact (a, b, e) 9.2.5 Long-term equity-based incentive 12.5 Key risks (a, b, c, e) 16 Sustainability Statements (d) 16.1.1 Definition of Signify's strategic focus: our materiality assessment 2022 Sustainability Supplements – Data definitions, boundaries, and scope (e) 16.1.1 Definition of Signify's strategic focus: our materiality assessment (f) 2022 Sustainability Supplements – Data definitions, boundaries, and scope (f)
GRI 302: Energy 2016			
302-1	Energy consumption within the organization	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: i) electricity consumption, ii) heating consumption, iii) cooling consumption, iv) steam consumption d. In joules, watt-hours or multiples, the total: 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	2022 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action c. i) 305801 MWh; ; ii) 534 MWh iii) 0; iv) 72435 MWh d. 0, Signify does not sell energy. f. Signify reports actual energy consumption data based on invoices. g. None, Signify reports energy consumption absolute values.
302-2	Energy consumption outside of the organization	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	Not applicable as Signify does not have energy consumption outside of its organization.
302-3	Energy intensity	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	2022 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action, where Signify report operational energy intensity which includes stationary fuels, electricity, heating and steam.
302-4	Reduction of energy consumption	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	2022 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action

302-5	Reductions in energy requirements of products and services	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	a. 31 MWha b, c. 2022 Methodology for calculating societal impact. Based on Signify scope 4 methodology, the reduction in energy consumption of sold LED and connected LED products in 2022 was 31 million MWh, compared to conventional lighting products.
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	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 CO2emissions in metric tons of CO2- equivalent d. Base year for the calculation, if applicable, including: 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	2022 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action c. Not applicable as this data is at non-material levels for Signify.
305-2	Energy indirect (Scope 2) GHG emissions	a. Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2equivalent b. If applicable, gross market-based energy indirect (Scope 2) GHG emissions in metric tons of CO2equivalent 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: 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	2022 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action
305-3	Other indirect (Scope 3) GHG emissions	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 CO2emissions in metric tons of CO2equivalent. d. Other indirect (Scope 3) GHG emissions categories and activities included in the calculation e. Base year for the calculation, if applicable, including: 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	2022 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action c. Not applicable as this data is at non-material levels for Signify.
305-4	GHG emissions intensity	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	2022 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action

305-5	Reduction of GHG emissions	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	2022 Sustainability Supplements – Data definitions, boundaries, and scope 16.4.1 Climate action
305-6	Emissions of ozone-depleting substances (ODS)	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	Not applicable as emissions from ODS are at non-material levels for Signify.
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	a. Significant air emissions, in kilograms or multiples, for each of the following: i) NOX ii) SOX iii) Persistent organic pollutants (POP) iv) Volatile organic compounds (VOC) Emissions from NOX and SOX are at nonmaterial levels for Signify. 24 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	Not applicable as emissions from ODS are at non-material levels for Signify.

GRI 406: Non-discrimination 2016

406-1	Incidents of discrimination and corrective actions taken	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 2022 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	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 2022 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	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 2022

			Sustainability Supplements – Data definitions, boundaries, and scope 16.3.3 Human rights 16.3.5 Business ethics

Annex to the GRI Content Index 2022:

Supplement to GRI Standard 102-8:

Contract type by gender in % 2022

	Permanent	Temporary
Female	94%	6%
Male	95%	5%

Contract type by geography in % 2022

	Permanent	Temporary
Europe	54%	46%
Americas	99%	1%
Rest of the world	91%	9%

Time schedules by gender in % 2022

	Full-time	Part-time
Female	99%	1%
Male	100%	0%

GRI Standard 401 –1: Turnover rate breakdown 2022

Turnover rate by management level as % of total employee base

	Percentage (0-100%)
Staff	39%
Professional	7%
Mid-Level professional	2%
Senior-level professional	0%
Leadership	0%

Turnover rate by gender

	Percentage (0-100%)
Female	47%
Male	53%
Not declared	0%

Turnover rate by age group

	Percentage (0-100%)
Under 30	47%
30 – 50	45%
Over 50	8%

GRI Standard 405 –1: 2022 Workforce gender breakdown 2022

	Percentage (0-100%)
Share of women in total workforce (as % of total workforce)	41%
Share of women in all management positions, including junior, middle and top management (as % of total management positions)	27%
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)	28%
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.)	21%
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 3.54 million in 2022.

Type of trade organization	Geographic scope	Spend (€ millions)	Focus of membership (non-exhaustive)
Industry associations	Global	2.77	Sustainable innovation in the industry, climate action, scaling up action on the UN SDGs, common standards.
Coalitions for sustainable growth	Global	0.76	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:
   a) 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 0.43 million).
   b) World Economic Forum which engages the foremost political, business, cultural and other leaders of society to shape global, regional and industry agendas (EUR 0.36 million).
   c) Lighting Europe to engage on Lighting Industry Standards (EUR 0.22 million).

As Signify we address the following main issues with the contributions and expenditures:
   • Signify considers climate action as a key focus area. Moving towards renewable energy, focusing on energy efficiency and remaining carbon neutral are top priorities (total of contributions and expenditures of EUR 0.36 million).
   • Within our industry we engage with associations to develop uniform standards in lighting technology and connectivity (total of contributions and expenditures of EUR 2.07 million).

Supplement 4: Global Employee Share Purchase Plan

In 2023, Signify plans to launch a Global Employee Share Purchase Plan in approximately 20 countries. The aim of this Global Employee Share Purchase Plan is to enable employees to share in Signify's long-term success by providing them with the opportunity to acquire ordinary shares in the capital of Signify.

Our culture at Signify is reinforced by all employees collectively taking an active role in unlocking company performance. As employees of Signify, it is through their own performance that they contribute to the success of the company, and as participants in the plan, they have the opportunity to directly share in that success. The Global Employee Share Purchase Plan will replace some local plans currently in place.

Employees are given the opportunity to acquire Signify shares at a 15% discount. Once enrolled, employees can purchase shares under the plan by either making (i) a one-off contribution or (ii) a monthly recurring contribution, starting and ending at their instruction. A minimum and maximum amount as employee contribution per monthly contribution cycle applies. Shares will be purchased in the market. Shares purchased under the plan are subject to a 6-month holding period. Employees can participate in the plan when employed on the basis of a regular employment agreement and paid by and through the payroll of a relevant Group Company in any of the eligible countries.

Members of the Board of Management and the leadership team are not allowed to participate in the plan.

Supplement 5: Task Force on Climate-related Financial Disclosures (TCFD) 2022 Reporting

Governance

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

The Supervisory Board, Signify's highest governance body, reviews our strategy to combat climate change as well as our 2022 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), and the Division Leader of Digital Solutions. Every quarter, Signify's BoM reviews climate-relate issues of strategic importance together with our Chief Strategy and Sustainability Officer (CSSO), 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). The vesting of 25% of the LTI grant is dependent on how well Signify performs on its (climate-related) sustainability targets.

References:
- *Section 8 – Supervisory Board report of the 2022 Annual Report*
- *Section 16.1.2 Sustainability Governance of the 2022 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 (CSSO)**, 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 CSSO oversees strategy setting, sustainability budget, and major plans of action regarding climate change. Our CSSO 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 CSSO oversees a multi-discipline Climate Risk Assessment Taskforce team, consisting of experts in Operations, Insurance, Risk Committee, Internal Audit, Sustainability, and EHS. The Taskforce team is responsible for the continuous evaluation 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.

Members of the Board of Management are eligible for a long-term equity-based incentive under the Signify Long-term Incentive Plan (LTI Plan). The objective of the long-term incentive is to link pay with long-term sustainable value creation. In addition to the Board of Management, another approximately 700 employees globally are eligible for participation in a similar long-term incentive plan. 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 2022 Annual Report*

- *Sections 16.1.2 Sustainability Governance of the 2022 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 team, consisting of experts in Operations, Insurance, Risk Committee, Internal Audit, Sustainability, and EHS. The Taskforce team is responsible for the continuous evaluation the company's short-term and long-term climate-related physical and transition risks and opportunities under difference climate change scenarios, 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.
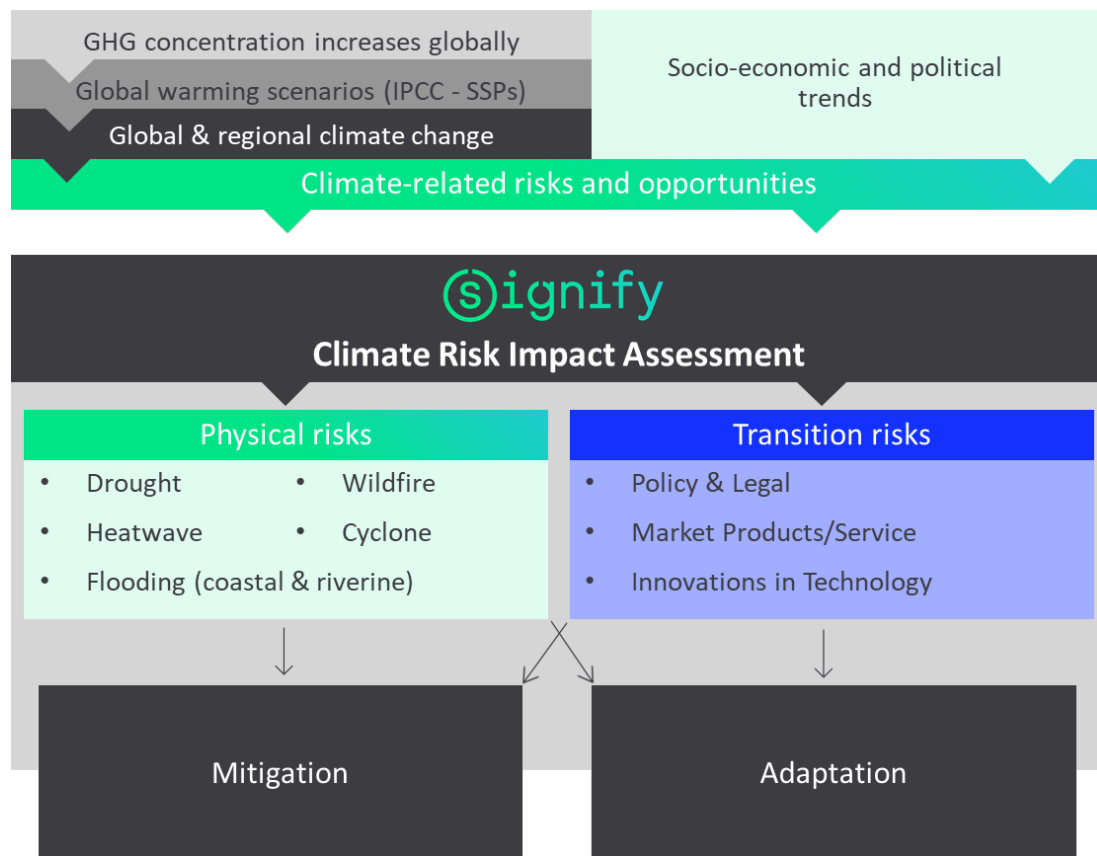
Figure A Signify's climate risk assessment approach

Physical risks

Climate-related physical risks are assessed under difference 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 lates 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 impact 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 team continuously follows external trends of market (especially during the current energy crisis), 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 Below 2 Degrees scenario (IEA B2DS) and the IEA 450 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.

(b) Signify's processes for managing climate-related risks
(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 leadership team review 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 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 analysed for potential cumulative effects and are aggregated at Division, Market Group, and company level.

For climate-related operational risks, 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, business group, 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 team has been screening and evaluating relevant climate-related risks and their financial impacts in details for our sites all over the world. These risks are reviewed at least once per year at individual plant, regional, business group and function, or company level. This improves our resilience to climate-related risks and allows risks response plans/strategies to be developed in a timely matter.

Strategy

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

<u>Transition risks and opportunities</u>
According to the IEA B2DS and the IEA 450 scenario, we are expecting a world with deeper and wider adaptation of renewable energy, as well as continuous improvement of energy efficiency. The upcoming environmental regulations and policies are expected to be more stringent across the globe, which helps stimulate the transition toward green and low carbon technology in general. This, on the other hand, will increase the market demand for sustainable products.

The climate-related transition risks assessed are presented in the below table. In line with the IEA B2DS and the IEA 450 scenario, 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 marginal price erosion
- Signify maintains its current market share in the lighting industry
- There will be an increased need for lighting based on population increase, 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 efficient requirements. This presents opportunity for Signify as we have a strong and differentiating 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. Therefore, revenues from these products would decrease.	🟥	🟥	🟥
Market	Energy crisis driving demand form energy efficient and low-carbon products	On top of the climate crisis, 2022 saw the emergence of an energy crisis, making energy reductions more urgent than ever. As lighting represents a significant portion 12% of global electricity consumption, the lighting industry will need to speed up adapting to changing environmental regulations. This on the other hand presents a large opportunity for Signify. Through its global leadership in energy efficient lighting, Signify's portfolio is uniquely positioned to mitigate risks and capture related opportunities.	🟩	🟩	🟩
	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.	🟥	🟥	🟥
Reputation	Credibility of emissions-related reporting and disclosure	Signify's sustainability statements, including all topics related to emissions are audited by independent third party against Reasonable Assurance. Credibility and transparency of sustainability reporting has been our strength.	🟩	🟩	🟩
Resource efficiency	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 reduce 70% of carbon footprint in last decade.	🟩	🟩	🟩
	Increased water pricing due to scarcity	Increased water pricing might drive up production cost in the 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.	🟥	🟥	🟥
Products and services	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.	🟩	🟩	🟩
	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.	🟩	🟩	🟩
Markets	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.	🟩	🟩	🟩
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 team, consisting of experts in Operations, Insurance, Risk Committee, Internal Audit, Sustainability, and EHS. Climate adaptation and insurance risk solutions are reviewed at least annually. | | | |

High risk		High opportunity	
Medium risk		Medium opportunity	
Low risk		Low opportunity	

Policy and Legal		
• New regulation on climate change could increase cost of GHG emissions		
• Change in regulatory requirements for low carbon products		
Products and Services		
• Substitution of existing products and services with lower emissions options		
• Portfolio shift to high-tech and low-carbon products		
Resource efficiency		
• Increased water pricing due to water scarcity		
• Use of more efficient production processes, recycling		

High risk		High opportunity
Medium risk		Medium opportunity
Low risk		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. It is worth noting that 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 the below 2°C scenarios. 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	🟥 Low	🟥 Medium
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	🟥 Low	🟥 Low
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 the low in the below 2°C scenario.	🟥 Low	🟥 Low	🟥 Medium
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 the low.	🟥 Low	🟥 Low	🟥 Low
Tropical cyclones	Tropical 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	🟥 Medium	🟥 High

Legend:
- High risk (dark red)
- Medium risk (red)
- Low risk (light red/pink)

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

Addressing climate related risks at Signify

Sustainability is at the core of our strategy and purpose. Signify has a robust sustainability program, Brighter Lives, Better World, which sets ambitious target for climate action. Signify is one of the first Signify is 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 global operations and uses 100% renewable electricity. Over the past decade, we implemented hundreds of emission reductions initiatives around 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, on one hand, ensure long-term and high-quality renewable energy sourcing, on the other hand, enable the green power grid transition. Signify has a strong position in sustainable innovation and design. Our sustainable innovations continue to revolutionize the lighting industry toward low-carbon and energy efficiency. In 2022, we invested EUR 264 million in sustainable innovation which represents 89.5% of Signify R&D expenses. These investments in emission reduction and sustainable innovation have led to further improvements in the areas of energy efficiency and circular economy, largely improving our resilience to the future change of policy and regulations, the future change of (low carbon) technology, the future change of customer behavior and consumer preference, the future resource and energy scarcity; and in the meanwhile, reduced our exposure to increase cost of carbon and fossil energy.

In terms of physical risks, the Climate Risk Assessment Taskforce team, 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, business group 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 company's overall risk review cycles.

Assessing climate related risks in supply chain

Climate change related physical risks in different geographical locations could potentially interrupt our supply chain and business continuity. Nevertheless, due of our wide-ranging supply network, these risks are well monitored and not consider material presently.

Regular surveys are conducted by Signify to identify and rank the suppliers based on their vulnerability to climate related physical and transition risks. As a result, we develop a robust adaptation strategy (such as dual sourcing) for our supply chain. This will enable us to respond appropriately and timely; and prevent disruptions to our business operations. We optimize our supply chains for their efficiency and resilience to climate risk.

We engage with suppliers on a variety of activities and training sessions to enhance their capability and resilience with regard to climate change related risks.

Climate change adaptation strategy

Climate related risks and opportunities are taken into consideration in our business continuity strategies. In the long term, we are committed to continue deepening our understanding about climate-related risks and opportunities.

We implement a proactive approach to climate risk adaptation. The risk and vulnerability assessments carried out by the Climate Risk Assessment Taskforce team enable us to understand our exposure to climate risks, for the near term and the long term. This allows us to develop appropriate resilience framework for our own facilities as well as our supply chains. For example, in response to the energy crisis, we are exploring alternatives to source cleaner energy to not only tackle the potential energy shortage but also reduce emissions in our operations. In addition, with strong and differentiated portfolio of low-carbon and energy-efficient products, we are adapting to new market trends emerged due to climate change and energy crisis.

Ultimately, our climate change adaptation approach improves our resilience to climate-related risks as well as allows risks or opportunities response plans/strategies to be developed in a timely matter.

References:
- *Section CEO Letter of the 2022 Annual Report*
- *Section 4.1 Financial performance of the 2022 Annual Report*
- *Section 12.5 Climate change of the 2022 Annual Report*
- *Chapter 16 of the 2022 Annual Report*
- *Signify CDP Climate reporting*

Signify

Metrics and targets

Sustainability is at the core of our company strategy and purpose. Climate action is perceived as the most material topic by our internal and external stakeholders as the result of our 2022 materiality assessment. Signify is the first global lighting company to reach carbon neutral operations in 2020 and has committed to double our 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 (=0)	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 (=58%)	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 (=100%)	2025	Percentage of our full operations (manufacturing sites, non-industrial locations, logistics and business travel) which is carbon neutral.
100% Renewable Electricity	2020 (=100%)	2025	Percentage of electricity from renewable sources.
Approved Science-Based Targets, 1.5° scenario			
Reduce by 70% carbon emissions from scope 1 and 2	2015	2030	Reduction of 70% of absolute scope 1 and 2 GHG emissions
Reduce by 30% carbon emissions from scope 3 product use	2015	2030	Reduction of 30% of absolute scope 3 GHG emissions from use of sold products

Metrics	2022	Unit
Scope 1 emissions	142	kilotonnes CO2-equivalent
Scope 2 emissions	12	kilotonnes CO2-equivalent
Scope 3 logistics	85	kilotonnes CO2-equivalent
Scope 3 business travel	11	kilotonnes CO2-equivalent
Operational carbon footprint efficiency	33	kilotonnes CO2-equivalent per million-euro sales

References:
- *Chapter 16 of the 2022 Annual Report*
- *Signify CDP Climate reporting*

Signify

Supplement 6: EU Non-Financial Reporting Directive (NFRD)

Category	Criterion	Reference 2022 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