Signify

2023 Signify Tax Report

Table of contents

I. Introduction

As global leaders of innovation in lighting we believe we play an important role in helping to achieve the Sustainable Development Goals. Our Brighter Lives, Better World 2025 sustainability program commitments ensure that our products, systems and services continue to secure a more sustainable future. For more information, please see our Annual Report 2023.

Signify wants to make a positive impact in the society we operate in, through offering solutions to address the world's most important challenges, employing people and by contributing to the income of the local economies. We believe that paying the right amount of tax, in the right place, at the right time is essential to support the development of countries around the world. Being a responsible taxpayer is aligned with our purpose, our business strategy and our Integrity code.

The Confederation of Netherlands Industry and Employers (VNO-NCW) published a Tax Governance Code in 2022. This code should lead to more transparency on the approach to tax and the tax position of Dutch listed companies. With respect to country-by-country tax information, it uses definitions from the existing Global Reporting Initiative, GRI Standard 207-4.

We embrace VNO-NCW's Tax Governance Code and comply with it. Our Tax Report covers the principles and provisions of this code and follows its structure including information on our total tax contributions and our income tax accrued and income tax paid per country.

2. Our Tax Principles

2.1 Our approach to tax

Tax is an integral element of our overall corporate social responsibility and our commitment to sustainable developments goals.

Our approach to tax will be further explained in our Tax Principles and Tax Strategy, which are both part of this Tax Report. Our Tax Principals and Tax Strategy are approved by our Board of Management.

At least once a year, the adherence to the Tax Principles and Tax Strategy as well as the Tax Risks and relevant tax developments are discussed with our Board of Management and the Audit Committee of the Supervisory Board. If needed, these principles and strategy are updated and subsequently approved by our Board of Management to ensure continuous alignment with our purpose, business structure and overall corporate social responsibility.

Our Tax Principles apply to all group entities, and the principles govern how Signify operates with customers, suppliers, contractors, and employees.

2.2 Tax governance

The accountability for our Tax Strategy, Tax Principles and how we manage our tax risks, ultimately rests at our Board of Management with the CFO.

Signify has a Tax Control Framework (TCF) in place, to monitor and test the execution of critical tax processes as well as to manage our tax risk. The TCF creates awareness about our tax policies and contributes to compliance with statutory and tax obligations. We regularly review, and when needed update, the TCF to make sure it aligns with business and legal requirements.

Our Tax Controls are part of our Business Control Framework and our internal controls over financial reporting. They are monitored and documented by our Tax Organization and the dedicated team responsible for our internal controls. Internal auditors regularly review our tax controls and external auditors review our key tax positions and processes as part of the audit of our financial statements. We refer to chapter 6 of this document for more detailed information on our TCF.

We have an integrity code that has been adopted by the Board of Management and applies to all Signify employees (including the employees of controlled subsidiaries). The integrity code formulates minimum standards of behavior, which also includes adherence to our tax principles.

2.3 Tax compliance

Our Tax Principles ensure compliance with local and international tax laws and regulations for all our group entities. Where tax laws are unclear, or have not kept pace with modern business practice, obligations are interpreted in a responsible and sustainable way, guided by the Signify Tax Principles as well as the letter, intent and spirit of the law.

We aim to prepare and file all required tax returns on time, providing complete, accurate and timely disclosures to all relevant tax authorities.

Our tax planning is based on a reasonable interpretation of applicable law and is aligned with our business. We do not implement structures or enter into arrangements that lack commercial substance and are set up solely for the purpose of creating a tax benefit that is in excess of a reasonable interpretation of relevant tax rules.

Tax incentives are only claimed in line with the policy intent of such tax incentives (and in line with our business objectives) and when generally available. More information on tax incentives can be found under paragraph 7.1.

We seek open and constructive dialogues with tax authorities. If we have an unclear (material) tax position or local/EU legislation requires us to do so, we will ask for certainty in advance to confirm tax treatment. We will provide full disclosure of all relevant facts and circumstances.

2.4 Business structure

We believe that tax is an integrated part of doing business. We pay taxes on profits according to where value is created within the normal course of business. Tax must be aligned with the business and should not be a profit center by itself.

We do not use legal entities without commercial and/or economic activities, in Tax havens or in countries that do not share tax information, solely for tax avoidance.

Signify follows Transfer Pricing guidelines of the OECD and targets an appropriate (arm's length) remuneration for all activities of the group companies, contingent on local laws. Our Transfer Pricing policies are consistently applied, supported by economic and functional analysis and are formally documented. The policies and documentation are reviewed and updated on a regular basis.

2.5 Relationship with tax authorities and other stakeholders

We maintain an open dialogue with our stakeholders, such as (but not limited to) customers, employees, suppliers, contractors, shareholders, NGOs, auditors, and the communities in which we operate.

We engage constructively in national and international dialogue with governments, business groups and civil society to support the development of effective tax systems, legislation and administration. We regularly participate in meetings of business groups, most important are those of VNO-NCW in the Netherlands and the Global Business Alliance (GBA) in the USA, to learn from our stakeholders and to provide our view on tax developments.

Signify aims to build and maintain a cooperative and healthy working relationship with all relevant (tax) authorities. The transparency in our tax policy is a key factor in building mutual respect and trust with tax authorities.

Where needed, Signify works collaboratively (and on a real-time basis when applicable) with tax authorities to solve complicated positions. In case of controversy, we aim to resolve by applying these principles. If relevant and appropriate, advance tax rulings are being explored to ensure we comply with local law.

The Dutch tax authorities use a cooperative compliance program named 'horizontal monitoring'. In 2020, a redesign of the program was announced to be effective as of 2023, grandfathering the period until then. Under this program, Signify was identified as a 'Top 100' of largest and/or most influential Dutch taxpayers.

3. Business Activities

Signify is the world leader in lighting for professionals, consumers and lighting for the Internet of Things. In 2023 we had EUR 6.7 billion sales, 31,920 employees (in ‘FTEs’) and operates in 72 countries.

Signify’s business is organized and managed on a functional basis by technology and end-markets through three divisions: Division Digital Solutions, Division Digital Products and Division Conventional Products.

Signify is headquartered in the Netherlands and most of the key functions are based in the Netherlands. The Netherlands is actively leading and controlling the activities of the group. Signify has many intercompany, cross-border goods flows and services. In paragraph 7.5, there is a full overview of activities per country, hereunder various activities in our value chain will be explained.

Manufacturing performed by Industrial Production Centers (IPC)
Signify has 43 manufacturing sites (IPCs) in the world. Most of our IPCs are located in Eastern Europe, China, United States and Latin America. Most of Signify’s FTEs are working in these locations. More detail on the locations and FTEs can be found in our Annual Report 2023, on page 58.
The IPCs produce most of our products, although an increasing number of products and components is produced by third party suppliers.

Holding and/or managing of intellectual property
Our ultimate parent company, Signify N.V. has its statutory seat in the Netherlands. Signify N.V. has one directly owned subsidiary, Signify Holding B.V. Signify produces and sells products and services which are protected by intellectual property rights (IPRs).
We develop and acquire IPRs on a regular basis. Most of our IPRs are owned by Signify Holding B.V.

Research and Development

In 2023, we invested 4.6% of our sales in Research and Development (R&D), focusing on three pillars: innovating in lighting technology, bringing the Internet of Things (IoT) into lighting, and innovating in our growth areas.

Many of these R&D activities take place on the High Tech Campus in Eindhoven, the Netherlands. Signify also has R&D activities in Australia, Belgium, Canada, China, France, Hong Kong, India (software development), Spain, United Kingdom and the United States. The economic risks of most of these R&D activities are for the account of the Netherlands.

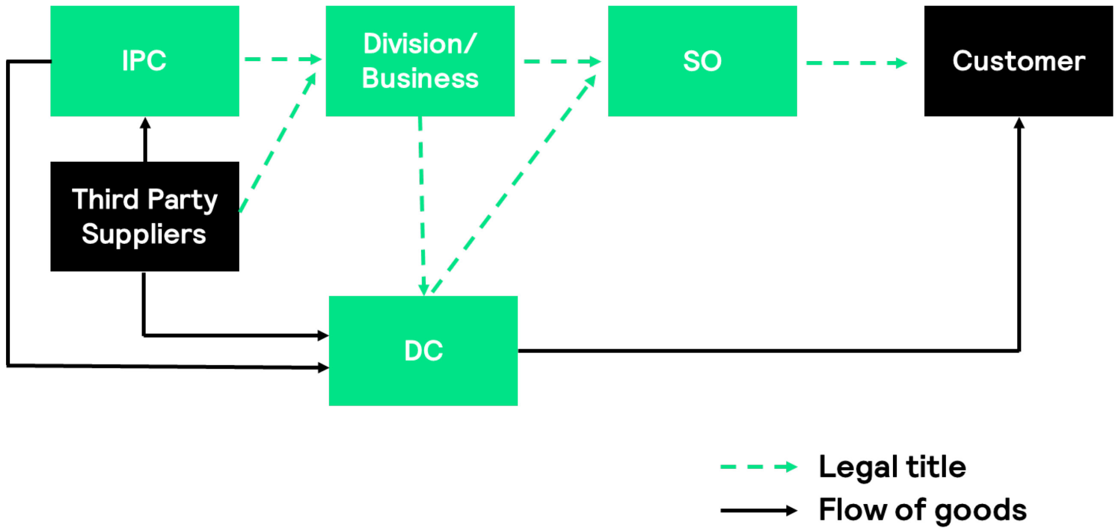
Sales and marketing performed by Sales Organizations (SO)

Signify has 92 SOs worldwide. We also handle commercial activities without an SO via independent distributors and agents who work closely with our SOs. Our SOs sell to both wholesalers as well as to end-customers.

Warehousing activities performed by Distribution Centers (DC)

Signify has dedicated DCs that take care of the storage of finished products, packaging of products and the distribution of stock to SOs and/or end customers.

An overview of the typical supply chain model is depicted in the figure below. Other goods flows, like direct shipments to customer, also occur.



4. Signify Tax Strategy

Signify operates in more than 70 countries and faces competition from global, regional and local Lighting companies. In order to minimize risks and to stay competitive, our tax strategy focusses on simplifying our structure & transactions and to utilize tax benefits, provided these are in line with our Tax Principles.

We create tax efficient business models with the goal to mitigate tax exposures and tax costs like double taxation, non-deductible costs or withholding taxes that are not creditable. Furthermore, we are dealing with a growing compliance responsibility and the need to be cost-efficient. The cost part of our Tax Strategy is mostly focused on ensuring we do not increase unnecessary tax costs, for instance by improving internal processes.

Signify has tax assets, such as loss carryforward positions. These tax assets were created during the separation from Philips in 2016, as a result of operational losses and changes in the organizational structure or were already present in acquired companies. Our Tax Strategy is to offset tax assets with taxable income to the maximum extent possible.

Furthermore, Signify explores available tax incentives, mostly related to R&D activities. More information on these incentives is provided in paragraph 7.1. As indicated in our Tax Principles, these incentives are in line with our business objectives and should be generally available.

5. Tax Organization

Signify has a globally organized tax function (Group Tax) with the following key responsibilities:

- Advise the Board of Management, business and functions on tax matters and tax risks
- Set the Tax Strategy and Tax Principles
- Ensure Signify's worldwide tax compliance and tax reporting
- Maintain communication and relationship with tax authorities

Group Tax is a globally organized function with tax specialists located in our most complex countries. We operate in a matrix, consisting of a market axis and a functional axis. The market's axis is reflected through market and country tax managers, while functions are globally organized.

Group Tax takes care of creating tax awareness across Signify's markets and businesses, through sharing tax knowledge, developing tax policies and providing training and advice to Signify employees. Group Tax staff regularly completes Integrity code training.

Depending on the country dynamics, income tax compliance processes are supported by third-party service providers or executed in-house. VAT and customs compliance processes are typically handled by other finance teams and/or by third parties.

External tax advisors are involved in material transactions or when a specific area of tax expertise is required. Our Tax function is primary point of contact to external tax advisors to ensure that the compliance and advisory services rendered are compliant with the tax strategy.

To support our tax function, we use dedicated IT tools for tax compliance, mandatory reporting to local tax authorities and data storage. We use internally as well as externally developed tools to support our tax processes.

6. Tax Control Framework

Our tax risk appetite is based on our overall compliance-related risk appetite, which is very low. We recognize the risk that non-compliance with applicable tax laws and regulations could result in damage to the relationship with our host countries and to our reputation. For more information we refer to Chapter 13.3, Risk factors and risk management of our 2023 Annual Report.

To assess and control tax risks, we have a Tax Control Framework (TCF) in place. We have developed our own standardized approach for monitoring and testing the execution of Tax Risk Management which is carried out on a regular basis. We regularly evaluate and improve our TCF to align with tax developments, including new compliance requirements, business dynamics and good practices.

The tax control processes are unified for all Signify entities to ensure the same level of comfort and are carried out on both local and central level. Tax controls resulting from risk assessment are defined, implemented, and tested by various monitoring functions, making use of Signify's Business Control Framework. Internal auditors regularly review (the effectiveness of) our tax controls and external auditors review our key tax positions as part of the audit of our financial results.

Our Tax Control Framework is included in our annual reporting to the Audit Committee of our Supervisory Board.

Some of our key tax risks and the mitigation actions deployed are described in the following table.

Tax Area	Risk Description	Mitigation Actions
Compliance risk	Failure to comply with statutory and tax compliance obligations	• We monitor the compliance through an online compliance tracking tool supported by tax controls • For the countries where Group Tax is not present, we make use of global service providers to ensure compliance with local tax obligations
Uncertain Tax Positions	Tax risks arise because of change in law or change in business	• Group Tax structurally connects with business, and signs off business initiatives • We track (tax) developments, conduct reviews and monitor development in Uncertain Tax Positions
Transfer Pricing Operations	Transfer pricing policies are not consistently applied across the Group	• Monitoring procedures are carried out by Group Tax and Internal Audit to safeguard the correct implementation of the transfer pricing policies

7. Tax Transparency & Reporting

In recent years, a number of national and international regulations have led to significant enhancements in corporate tax transparency. Signify remains compliant with many of these regulations, for example, it prepares the Country-by-Country report for its entire Group and shares this with the Dutch tax authorities.

We regularly provide information to our stakeholders, including investors, policy makers, employees, civil society and the general public, about our tax position. In this chapter we will provide information on our annual income tax expense and cash tax per country in line with the GRI Standard 207, and our total tax contributions.

We are open to further public disclosures, provided there are clear rules what should be disclosed so that our stakeholders understand information provided and can compare with other companies.

7.1 Tax incentives

To grow and stimulate innovation, Signify makes use of tax incentives which are available in countries where we have research and development activities.

The most important tax incentive applied by Signify is the Dutch innovation box. Research and Development (R&D) income that meets the criteria of Dutch tax law is subject to an effective tax rate of 9.0% in 2023, instead of the regular Dutch corporate income tax rate of 25.8%.

The benefits derived from the innovation box significantly support R&D activities in the Netherlands and creates job opportunities. The application of the innovation box has been confirmed in an agreement between Signify and the Dutch tax authorities. This agreement applies until 2025.

In addition, we also benefit from wage tax credit in the Netherlands (WBSO).

Signify also has R&D activities in other countries (see paragraph 3) and uses facilities in these countries, including additional R&D credits, super deductions and wage tax reductions.

7.2 Effective tax rate

In 2023, Signify reported an income tax expense EUR 53 million on a group consolidated income before tax of EUR 268 million. This corresponds to a 20% effective tax rate on our worldwide profits (this was 21% in 2022).

Our effective tax rate is primarily driven by financial performances of the countries where the majority of our business is conducted and where value is added, i.e., the Netherlands, United States, China, India and Poland, and their tax rates. Our weighted average statutory income tax rate over 2023 was 25%. A reconciliation of the weighted average statutory income tax rate to the effective income tax rate is as follows:

	2023	%	2022	%
Income before taxes	**268**		**678**	
Weighted average statutory income tax rate	(68)	(25)%	(158)	(23)%
Non-deductible expenses	(12)	(5)%	(14)	(2)%
Tax incentives and exempt income	20	7%	22	3%
Deferred tax expense related to (de)recognition of deferred tax assets - net	(3)	(1)%	3	-%
Changes in the liability for uncertain tax positions	17	6%	7	1%
Prior year tax expense	3	1%	3	-%
Changes in tax rates	-	-%	-	-%
Other	(11)	(4)%	(9)	(1)%
Income tax expense recognized in Consolidated statements of income	**(53)**	**(20%)**	**(145)**	**(21)%**

The effective tax rate of 20% was positively impacted by tax incentives and tax-exempt income, including the benefit from applying the Dutch Innovation Box and changes in liabilities for uncertain tax positions, offset by the impact of non-deductible expenses.

7.3 Annual income tax accrued and income tax paid per country

The total income tax accrued for financial year 2023 amounted to EUR 73 million. This includes corporate income tax and similar taxes which Signify expects to pay based on taxable profit per country.

The total income tax paid by Signify in 2023 amounted to EUR 81 million. This is higher than total income tax accrued, mainly due to provisional payments based on higher estimated profit in the Netherlands. For more information on the definition of income tax accrued, refer to chapter 8 of this document.

The allocation of the EUR 81 million income tax paid and EUR 73 million income tax accrued by country is presented in the table below.

	Income tax paid	Income tax accrued
Algeria	0,00	0,00
Argentina	1,13	0,00
Australia	1,50	2,56
Austria	-0,21	0,02
Bangladesh	0,08	0,25
Belgium	0,86	0,10
Brazil	-0,35	0,00
Brunei	0,00	0,00
Bulgaria	0,00	0,00
Canada	4,41	2,66
Chile	0,14	0,00
China	12,15	11,18
Colombia	0,56	0,33
Croatia	0,02	0,01
Czech Republic	0,21	0,28
Denmark	0,39	0,56
Egypt	0,19	0,47
El Salvador	0,00	0,00

	Income tax paid	Income tax accrued
Finland	0,07	0,13
France	2,54	1,77
Germany	0,85	1,61
Greece	-0,05	0,26
Hong Kong	0,81	0,19
Hungary	0,98	0,67
India	9,88	11,94
Indonesia	4,87	0,74
Ireland	0,09	0,05
Israel	0,05	0,08
Italy	0,44	0,34
Japan	-0,03	0,86
Kazakhstan	0,00	0,00
Kenya	0,00	0,00
Latvia	0,00	0,00
Lebanon	0,00	0,00
Luxembourg	0,03	0,01
Malaysia	0,25	0,18

	Income tax paid	Income tax accrued
Mexico	2,04	4,90
Morocco	0,62	0,09
Netherlands	20,51	13,88
New Zealand	0,60	0,12
Nigeria	0,00	0,00
Norway	0,13	0,39
Pakistan	0,74	0,40
Panama	0,07	0,00
Peru	0,74	0,21
Philippines	0,26	0,19
Poland	5,53	4,25
Portugal	0,15	0,00
Qatar	0,01	0,01
Romania	0,13	0,22
Russian Fed.	0,00	0,16
Saudi Arabia	-0,28	1,12
Serbia	0,01	0,01
Singapore	0,08	1,15

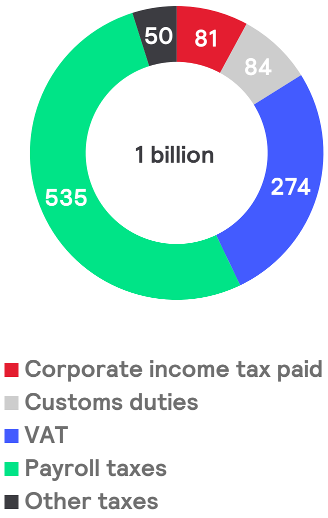
	Income tax paid	Income tax accrued
Slovakia	-0,01	0,00
Slovenia	0,01	0,00
South Africa	0,02	0,00
South Korea	-0,09	0,15
Spain	2,23	2,01
Sri Lanka	0,05	0,00
Sweden	0,45	0,36
Switzerland	0,40	0,16
Taiwan	0,91	0,01
Thailand	0,45	0,28
Tunisia	0,01	0,00
Turkey	0,66	1,03
Ukraine	0,30	0,43
United Arab Emirates	0,00	0,00
United Kingdom	0,80	1,46
United States	0,82	2,79
Uruguay	0,37	0,01
Vietnam	0,59	0,16

The amounts income tax paid and income tax accrued reflect the geographic spread of Signify's activities. Most significant amounts are paid and accrued in the Netherlands, China and India where Signify has substantial business operations. In the United States, France, and Spain we used losses from prior years, resulting in lower income tax paid and accrued. In some countries, income tax paid and accrued are (close to) zero. In most cases, there are only limited activities, or the legal entity is dormant.

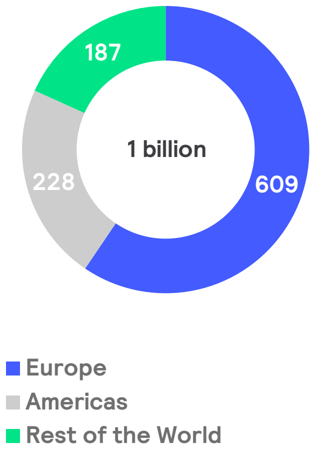
7.4 Total tax contributions

Signify operates in 72 countries with legal presence and we contribute to economic and social development in these countries. In 2023, Signify collected and paid various types of taxes such as corporate income tax, custom duties, net value-added tax (VAT), payroll taxes and other taxes (e.g., property tax and dividend withholding tax). Our 2023 total tax contributions amounted to EUR 1 billion. This amount consists of both taxes borne and taxes collected by Signify. The taxes borne include the corporate income tax paid, customs duties and the employer part of the payroll taxes. For more information on the definitions used in this chapter, please refer to Chapter 8 of this document.

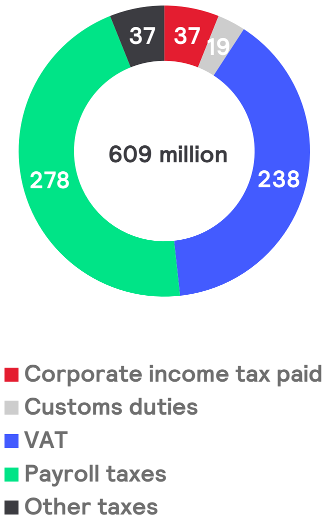
Total tax contributions by type EUR million



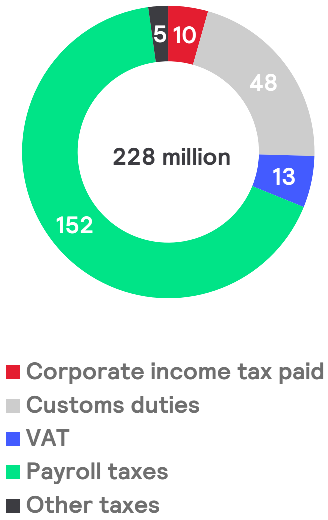
Total tax contributions by region EUR million



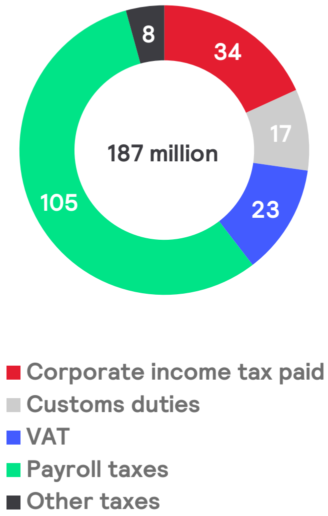
Total tax contributions Europe by type EUR million



Total tax contributions Americas by type EUR million



Total tax contributions Rest of the World by type EUR million



7.5 Countries and subsidiaries

Signify has 168 subsidiaries. The table below provides a list of all controlled subsidiaries, in alphabetical order per country, with ownership information and additional information on the nature of the main activities that add value to our business model in these countries.

For this report, we distinguish the following type of activities:

- Sales, marketing or distribution
- Manufacturing or production
- Research and Development
- Holding and/or managing of intellectual property
- Headquarter, Holding shares, Internal Group Finance or Other (activities such as marketing and/or administrative support, but also the dormant entities)

In certain countries, with activities and no legal entity, Signify International B.V. or Signify Netherlands B.V. are registered as branches. In the overview, this is indicated as “The Netherlands PE”.

Signify N.V. is included in Euronext Amsterdam’s benchmark AEX index (ticker LIGHT). Signify N.V. owns 100% of the shares in Signify Holding B.V., which subsequently owns directly or indirectly the other subsidiaries. In case of less than 100% shareholding by Signify, the percentage is indicated.

Country	%	Legal entity name	Sales, Marketing or distribution	Manufacturing production	Research & Development	Holding or managing Intellectual property	Headquarter, Holding, Internal Group Finance or Other
Algeria		Signify Algerie S.A.R.L.					X
Argentina		Signify Argentina S.A.	X	X			
Australia		Dynalite Pty Limited		X	X		
Australia		Signify Australia Limited	X				X

Australia	Signify Innovations Australia Pty Ltd.	X	X		X	
Austria	Signify Austria GmbH	X				
Bangladesh	Signify Bangladesh Limited	X				
Belgium	Sedena Financial Services BV					X
Belgium	PITS NV	X	X			X
Belgium	Signify Belgium N.V.	X	X			X
Belgium	Signify Properties N.V.					X
Brazil	Signify Iluminação Brasil Ltda.	X	X			
Brunei	Signify (B) Sdn Bhd					X
Bulgaria	Signify International B.V. - The Netherlands PE					X
Canada	Signify Canada Ltd.	X	X			
Canada	Signify Canada Holding Ltd.					X
Canada	7291612 Canada Inc.					X
Canada	7291621 Canada Inc.					X
Canada	7291647 Canada Inc.					X
Canada	Cooper Lighting Canada Ltd.	X				
Chile	Signify Chilena S.A.	X				
China	Signify Industry (China) Co., Ltd.		X			
China	Signify Electronics (Xiamen) Co., Ltd.		X			
China	Signify Luminaires (Shanghai) Co., Ltd.	X		X		
China	Signify Electronics Technology (Shanghai) Co., Ltd.					X
China	Signify Luminaires (Chengdu) Co., Ltd.		X			
China	Signify (China) Investment Co., Ltd.	X		X		X

China		Signify Trading (Shanghai) Co., Ltd.					X
China	70%	Feihui Lighting Technology (Shanghai) Co., Ltd.	X				
China		Shenzhen Leifei Technologies Co., Ltd	X	X	X	X	X
China		Foshan Leifei Technologies Co., Ltd.		X			
China		Shanghai Wei Shi Intelligent Lighting Co., Ltd.	X				
China	51%	Zhejiang Klite Lighting Holdings Co., Ltd.	X	X	X	X	X
China	80%	Signify Lighting Technology (Shanghai) Co., Ltd.	X				
China	51%	Ningbo Klite Lighting Electric Technology Co., Ltd.					X
China	51%	Ningbo Klite Electric Manufacture Co., Ltd.	X	X	X	X	X
China	51%	Ningbo Deming International Trade Co., Ltd.	X				
China	51%	Klite Smart Lighting (Haining) Co., Ltd.	X	X			
China	51%	Jiangxi Klite Lighting Co., Ltd.	X	X	X	X	
China	49%	Jiaxing Elight Nine O'clock IOT Technology Co. Ltd	X				
Colombia		Signify Colombiana S.A.S.	X				
Croatia		Signify International B.V. - The Netherlands PE					X
Czech Republic		Signify Commercial Czech Republic s.r.o.	X				
Denmark		Signify Denmark A/S	X	X			
Egypt		Signify Egypt LLC	X				
El Salvador		Philips Lighting Central America, Sociedad Anónima de Capital Variable					X

Finland		Signify Finland Oy	X				
France		Signify France S.A.S.	X				
France		Signify Holding France S.A.S.					X
France		Modular Lighting France Sarl	X				
Germany		Signify GmbH	X				
Germany		JJI Lighting Group GmbH Europe i. L.					X
Germany		Once GmbH	X				
Greece		Signify Hellas S.A.	X				
Hong Kong		Signify Entertainment Asia Limited					X
Hong Kong		Signify Hong Kong Limited	X		X		X
Hong Kong	70%	Feizhi Lighting Technology Co. Limited					X
Hong Kong		Wiz Connected Lighting Co. Limited					X
Hong Kong	51%	Klite International Trade Co., Ltd.	X				
Hungary		Signify Hungary Kft.	X	X			
India	96%	Signify Innovations India Limited	X	X			
Indonesia		PT Signify Commercial Indonesia	X	X			
Ireland		Signify Commercial Ireland Ltd	X				
Israel		Signify International B.V. - The Netherlands PE					X
Italy		Signify Italy S.p.A.	X				
Japan		Signify Japan GK	X				
Kazakhstan		Signify Kazakhstan LLP					X
Kenya		Signify East Africa Limited					X
Latvia		Signify International B.V. - The Netherlands PE					X

Lebanon	Signify International B.V. - The Netherlands PE					X
Luxembourg	Signify Luxembourg S.A.	X				
Malaysia	Signify Malaysia Sdn Bhd	X				
Mexico	Signify Luminarias México, S.A. de C.V.		X			
Mexico	Signify Holding México, S.A. de C.V.					X
Mexico	Signify Electronics México, S.A. de C.V.		X			
Mexico	Lumisistemas de México, S.A. de C.V.			X		
Mexico	Signify Mexico S.A. de C.V.	X				
Mexico	Lightolier de Mexico, S.A. de C.V.		X			
Mexico	Signify Real Estate Services Mexico, S.A. de C.V.					X
Mexico	Cooper Lighting de Mexico S. de R.L. de C.V.		X			
Mexico	Cooper Mexico Distribucion, S. de R.L. de C.V.	X				
Mexico	Iluminacion Cooper de las Californias, S. de R.L. de C.V.		X			
Mexico	Componentes de Iluminacion, S. de R.L. de C.V.		X			
Morocco	Signify Maroc SARL	X				
Netherlands	Dordtse Metaalindustrie "Johan de Witt" B.V.					X
Netherlands	Signify Netherlands B.V.	X	X	X	X	X
Netherlands	Signify Holding B.V.				X	X
Netherlands	Siera Electronics B.V.					X
Netherlands	Signify Services B.V.					X
Netherlands	Modular Lighting Nederland B.V.	X				

Netherlands		Signify China Holding B.V.					X
Netherlands		Signify International B.V.					X
Netherlands		Signify N.V.					X
Netherlands		Signify Products B.V.	X				
Netherlands		Cooper Lighting Netherlands B.V.				X	X
Netherlands		Fluence Bioengineering B.V.					X
New Zealand		Signify New Zealand Limited	X	X			
Nigeria		Signify Nigeria Limited					X
Norway		Signify Norway AS	X				
Pakistan		Signify Pakistan Limited	X				
Panama		Signify Panama SEM, S.A.					X
Panama		Signify Caribbean, Inc.	X				
Peru		Signify Peru S.A.	X				
Philippines		Signify Philippines, Inc.	X				
Poland		Signify Poland Bielsko Sp. z.o.o.		X			
Poland		Signify Poland Sp. z.o.o.	X	X			
Poland		Once Sp. z o.o.	X				
Portugal		Signify Portugal, Unipessoal Lda	X				
Qatar		Signify International B.V. - The Netherlands PE					X
Romania		Signify Romania S.R.L.	X				
Russian Fed.		Signify Eurasia LLC	X				
Saudi Arabia	51%	Signify Saudi Arabia LLC	X				X
Saudi Arabia	51%	Saudi Lighting Company Limited	X	X		X	
Saudi Arabia	51%	Nardeen Lighting Company Limited	X	X			
Saudi Arabia	51%	Inara Company Limited	X				

Saudi Arabia	51%	Phil Lighting Limited Company					X
Saudi Arabia	51%	Second General Lighting Company Holding					X
Serbia		Signify International B.V. - The Netherlands PE					X
Singapore		Signify Singapore Pte Ltd.	X				
Slovakia		Signify Slovakia s.r.o.	X				
Slovenia		Signify International B.V. - The Netherlands PE					X
South Africa		Signify Commercial South Africa (Pty) Ltd.	X				
South Africa		Signify Solutions (Pty) Ltd.					X
South Africa		Signify Africa Solutions (Pty) Ltd.					X
South Korea		Signify Korea, Inc.	X				
Spain		Signify Iberia , S.L.	X				X
Spain		Signify Manufacturing Spain, S.L.		X			
Spain		Saeta die Casting, S.L.	X	X			
Sri Lanka		Signify Lanka (Private) Limited	X				
Sweden		Signify Sweden AB	X				
Switzerland		Signify Switzerland AG	X				
Taiwan		Signify Taiwan Limited	X				X
Thailand		Signify Commercial (Thailand) Ltd.	X				
Tunisia		Signify Tunisia SARL					X
Turkey		Signify Aydınlatma Ticaret A.Ş.	X				
Ukraine		Signify Ukraine LLC	X				
United Arab Emirates		Signify Netherlands B.V. - The Netherlands PE	X				
United Arab Emirates	51%	Inara Emirates International L.L.C					X

United Arab Emirates	51%	Inara Trading Co L.L.C					X
United Arab Emirates		Signify International B.V. - The Netherlands PE					X
United Arab Emirates		Signify International B.V. - The Netherlands PE					X
United Arab Emirates		Signify Middle East Trad. & Serv. L.L.C.	X				
United Kingdom		Signify Commercial UK Limited	X				X
United Kingdom		WRTL Exterior Lighting, Ltd.					X
United Kingdom		Translite Limited					X
United Kingdom		Strand Lighting Europe Limited					X
United Kingdom		Industria International Ltd					X
United Kingdom		Cooper Lighting Solutions UK Limited	X	X	X		
United Kingdom		Telensa Holdings Limited					X
United Kingdom		Telensa Ltd.	X	X	X		X
United States		Signify North America Corporation	X	X	X		X
United States		The Genlyte Group Incorporated					X
United States		Strand Lighting, LLC					X
United States		Genlyte Thomas Group LLC	X	X			
United States		Yort Inc.					X
United States		Translite Sonoma, LLC					X
United States		GTG Holding, LLC					X
United States		MLI NA Corp.	X				
United States		Once Innovation Inc. US	X	X			
United States		Cooper Lighting LLC	X	X	X	X	X
United States		Illumination Management Solutions, Inc					X
United States		Vari-Lite, LLC	X	X		X	X

United States	Klite Lighting US, Inc.					X
United States	Telensa Inc.					X
United States	Fluence Bioengineering Inc.	X	X	X	X	
United States	ILC Intelligent Lighting Controls Inc.	X	X			
Uruguay	Signify Uruguay S.A.	X				
Vietnam	Signify Vietnam Limited	X				

8. Definitions used

Custom duties

Tax imposed on imports and exports of goods charged to Signify's Consolidated statement of Income. Typically, these are reflected in customs declaration and tend to be payable, and are paid, regularly (often monthly) throughout the year, shortly after the submission of the declaration. These form part of operating costs.

Income tax accrued

Income tax accrued represents the 'corporate income tax' based on the (expected) taxable profit and excludes provisions for uncertain tax positions, deferred income tax, adjustments relating to prior years and tax rate change impacts.

Income tax paid

Tax paid by Signify in tax jurisdictions, based on income on a cash basis. Most of this is Corporate Income Tax, other income taxes include CVAE in France and local business tax in Hungary and other countries.

Payroll taxes

This comprises all payroll taxes including social security contributions, both in Signify's capacity of employer which form part of operating costs and in the form of remittance to government on behalf of employees. Typically, these taxes are reflected in payroll tax returns made to governments and tend to be payable, and are paid, regularly (often monthly) throughout the year, shortly after the submission of the return.

Other taxes

Other taxes comprise environmental taxes, property taxes and other contributions to governments in the form of taxes. This also includes dividend withholding tax payments on behalf of our shareholders.

Subsidiaries

Subsidiaries are entities over which Signify N.V. has control and which are included on a line-by-line basis in the consolidated financial statements of Signify N.V.

Tax haven
We consider the countries as published on the ‘black list’ and ‘grey list’ by the EU, as an indication for a Tax haven.

VAT
Value-added tax (VAT) including similar indirect taxes such as Goods and Service tax (GST) and Sales tax. The VAT contributions in a jurisdiction is the balance between output VAT and input VAT. These taxes form part of a VAT tax return made to the government and tend to become payable, and are paid, regularly (often quarterly) throughout the year shortly after submission of the VAT tax returns.