



Press Release

June 30, 2022

Signify calls for an accelerated transition to energy-efficient LED lighting to mitigate the energy crisis

In light of the current energy crisis, Signify calls on the leaders and businesses in the UK&I region to accelerate the transition to energy-efficient connected LED lighting. The move will also ensure quick wins in the UK's Race to Zero.

- Business leaders in the United Kingdom and Ireland (UK&I) region should focus on making changes that deliver results quickly and impact both the professional and consumer lighting markets
- The switch to LED lighting can help the average British household save up to £250 per year, helping millions of households pushed into fuel poverty due to the change price cap in April 2022
- In the UK's Race to Zero, a green switch to LED lighting in the professional market could mean eliminating 3.9 million tonnes of CO₂ emissions and saving a total of EUR 3.8 billion per year

London – With the recent change in price cap introduced in April 2022, millions of households have been pushed into fuel poverty and several businesses are now facing added volatility due to its impact. In light of this, Signify (Euronext: LIGHT), the world leader in lighting, advocates an accelerated transition to energy-efficient connected LED lighting to help households and businesses while positively impacting the UK's Race to Zero. With energy prices around the globe reaching all-time highs and global emissions rising at unprecedented levels, it is now more urgent than ever that businesses in UK&I lead by example and take quick action to tackle climate change.

More than a decade after Signify's call to phase out the incandescent light bulb worldwide, it now calls for the transition to energy-efficient connected LED lighting as the new standard of 'general lighting'¹. The move will help meet the goals the UK's ten point plan and other commitments that nations have made around the world in line with the Paris Agreement.

Impact for Businesses

According to Signify's findings, switching to LED lighting in the professional lighting market could reduce CO₂ emissions by 3.9 million tonnes in the UK&I region, the same amount of CO₂ that 175 million trees could sequester in a year. Making the switch would also save 16.1 TWh of electricity, which is equivalent to the annual electricity consumption of more than 4.3 million households. This

would result in a saving of EUR 3.8 billion on electricity costs². Upgrading to connected LED lighting³ can offer enhanced controls for better energy consumption management.

Impact for households

Research from the Energy Saving Trust⁴ indicates that lighting takes up about 11% of the average UK household electricity consumption. Our data⁵ suggests that after the change in the energy price cap introduced in April, switching to energy-efficient LED lighting can help the average British household save £15-£18 per light bulb, which equates to a saving of £250⁶ per year. Given that there are likely more lamps to replace in homes hit by fuel poverty, the positive impact would be more significant there. The switch to smart LED lighting will also play a huge role in reducing CO2 emissions, furthering the UK&I's progress to a greener future.

The International Energy Agency (IEA) echoes Signify's call to action.

Nicholas Howarth, Senior Analyst at the International Energy Agency said *"The world is facing the most significant energy crisis in recent history and energy efficiency is a solution to many of its most urgent challenges. Highlighting its importance, in June at the IEA Global Conference on Energy Efficiency, 27 governments from around the world issued the Sønderburg Action Plan calling for energy efficiency and demand side action to play a much greater role protecting households, businesses and the economy from high energy prices. This is vital for addressing the energy crisis, rising inflation and greenhouse gas emissions."*

Stronger policy packages covering regulations, information and incentives will play a key role accelerating energy efficiency and related measures. This includes the deployment of smart, efficient lighting, upgrading homes with better insulation, improving the fuel efficiency of cars, as well fostering investment in new industrial machinery. Efficient lighting is a proven technology to reduce electricity demand, fast. This will also help create extra electricity capacity needed for electric heat pumps and vehicles which put upwards pressure on power demand"

Climate Group, an international non-profit working with businesses and governments around the world to drive climate action, also aligns with Signify's ambition. **Morgan, Senior Manager, Built Environment, Climate Group, said** *"Climate Group is proud to work in partnership with Signify to raise awareness of the multiple benefits of energy efficient LED lighting for businesses and cities. LEDs play a key role in decarbonisation as we strive to halve emissions by 2030 and achieve net zero carbon buildings by 2050."*

"The unprecedented energy savings from LEDs compared to traditional lighting presents compelling urgency to raise the priority of global LED adoption. The drive towards smart, connected LEDs can also serve as a digital platform for smart building and Internet of Things (IoT) solutions, opening up a myriad of options for businesses."

Stephen Rouatt, CEO, Signify UK&I said: *"Households in the UK are now in one of the most difficult situations as they see their energy bills rise by 54%, while businesses continue to struggle as well. We understand the urgency created by the energy crisis to help families and businesses under pressure. Switching to energy-efficient LED lighting guarantees quick wins in saving money on energy bills and responding to the urgent action needed to tackle the climate crisis. After the change in the energy price cap introduced in April, switching to energy-efficient LED lighting can help the average British household save up to £250 per year (£15-£18 per light bulb). Accelerating the transition to LED lighting is one of the quickest renovations that can dramatically cut CO₂ – it does not require large capital*

investments, has a short payback time, and can positively impact the challenge posed by the UK's built environment and its carbon footprint."

"As leaders in the lighting sector, we have a firm commitment to transformative action and there is no better opportunity than London Climate Action Week (LCAW) to commit to change. This is an opportunity to harness the power that businesses, climate professionals and communities in London can bring forward to tackle global climate action."

Learn more about our actions to accelerate climate action here: [Sustainability | Signify Company Website](#)

¹'General lighting' is defined as everyday lighting: bulbs and luminaires for home and professional settings (e.g. offices, commercial buildings, retail, stadiums, road and street, bridge, park and tunnel lighting, etc). It is acknowledged that there will be some non-LED conventional lighting still sold and used for specialist applications, where there is no LED alternative.

²UK&I data presented here is a simulation within the framework of the Green Switch conventional light point conversion model, which is a program run by Signify to help its customers accelerate the switch to energy-efficient lighting products, systems and services. All figures and data presented here are illustrative and based on forecasts and assumptions

³Connected LED lighting' is defined as LED lighting that is connected to software controls or is connectable

⁴Energy Savings Trust data: [Guide to energy efficient lighting - Energy Saving Trust](#)

⁵Source: Signify UK data suggests that an average, a UK home has 15 incandescent bulbs on for 3 hours a day.

⁶Energy saving at 3 hours per day, 365 days, at 28p per kWh. Based on replacing 60W incandescent bulb with 60W equivalent (7w) LED bulb.

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About Signify

[Signify](#) (Euronext: LIGHT) is the world leader in lighting for professionals and consumers and lighting for the Internet of Things. Our [Philips](#) products, [Interact](#) connected lighting systems and data-enabled services, deliver business value and transform life in homes, buildings and public spaces. With 2021 sales of EUR 6.9 billion, we have approximately 37,000 employees and are present in over 70 countries. We unlock the extraordinary potential of light for brighter lives and a better world. We [achieved](#) carbon neutrality in 2020, have [been](#) in the [Dow Jones Sustainability World Index](#) since our IPO for five consecutive years and were named [Industry Leader](#) in [2017](#), [2018](#) and [2019](#). News from Signify is located at the [Newsroom](#), [Twitter](#), [LinkedIn](#) and [Instagram](#). Information for investors can be found on the [Investor Relations](#) page.

About The Climate Group

Climate Group is an international non-profit working with businesses and governments around the world to drive climate action, fast. Our goal is a world of net zero carbon emissions by 2050, with greater prosperity for all. Signify and Climate Group have partnered for over 10 years to accelerate the rollout of LED lighting worldwide.