

A nighttime cityscape with illuminated buildings and streets. Several glowing green circles are overlaid on the image, appearing to float in the air. The text 'signify' is written in a green, sans-serif font, with the 's' enclosed in a green circle.

signify

The world leader in lighting

Maurice Loosschilder, Sustainability

February 2020

Signify is the world leader in lighting

We provide high-quality energy efficient lighting products, systems and services

Light sources



Luminaires



Systems and Services



No. 1

Connected, LED,
Conventional

€6.2bn

sales in 2019,
~ 75% professional

32,000

people in 70 countries

No. 1

Industry leader
Dow Jones Sustainability
Index

Our offers



Professional lighting products



Professional lighting systems



Professional lighting services



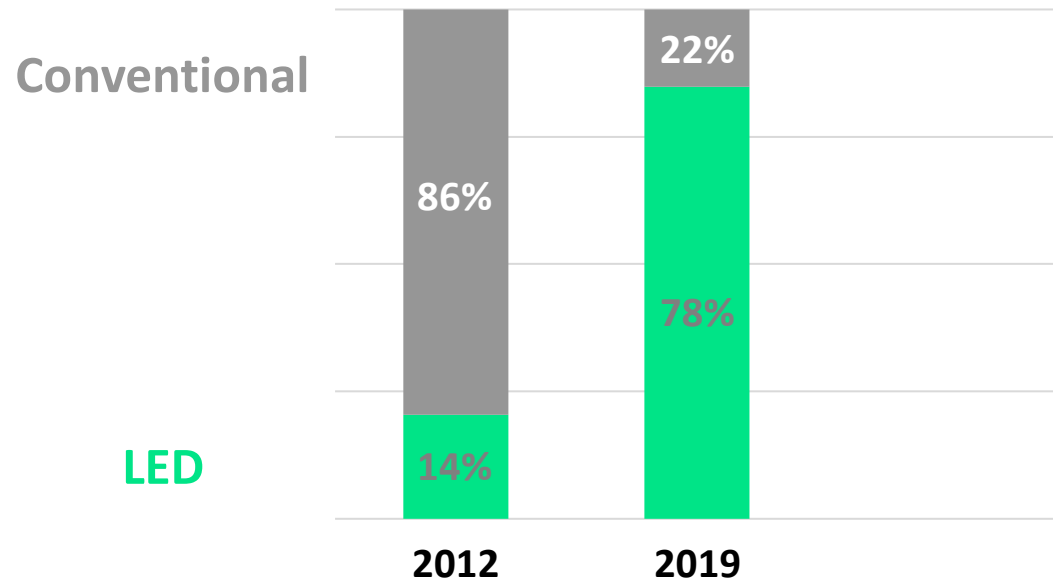
Consumer lighting products



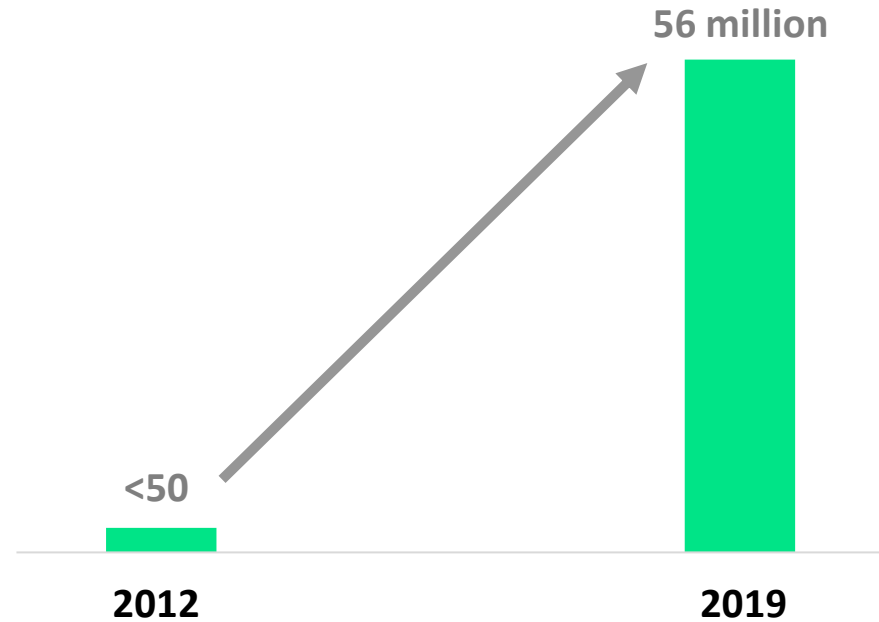
Consumer smart home lighting systems

We're transforming our business

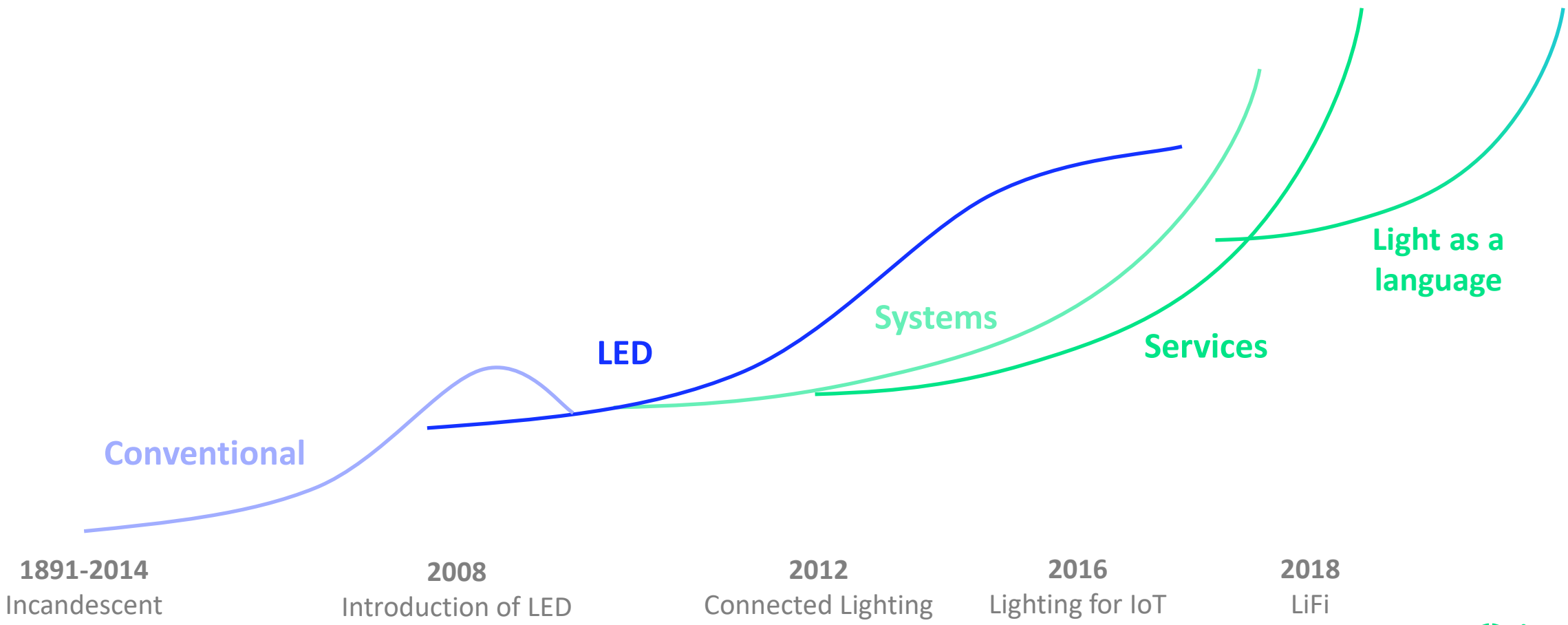
Transitioning from Conventional to LED-based sales
(in % of total sales)



Number of connected light points



Leading an industry transition



Growth opportunities include



6 **Horticulture** **Solar** **LiFi**

Our purpose is to unlock the extraordinary potential of light for brighter lives and a better world

A night-time photograph of the Chicago skyline. The Willis Tower is the central focus, with a large, glowing cross shape formed by its lit windows. Other skyscrapers are visible, some with lights on. The sky is a deep blue with some clouds. In the foreground, there's a body of water reflecting the city lights, and some trees and a bridge structure are visible.

©ignify

Brighter Lives, Better World

How can we do more with less resources?

Maurice Loosschilder, Sustainability, Signify

February 2020

Our world is changing - Global trends shaping our business



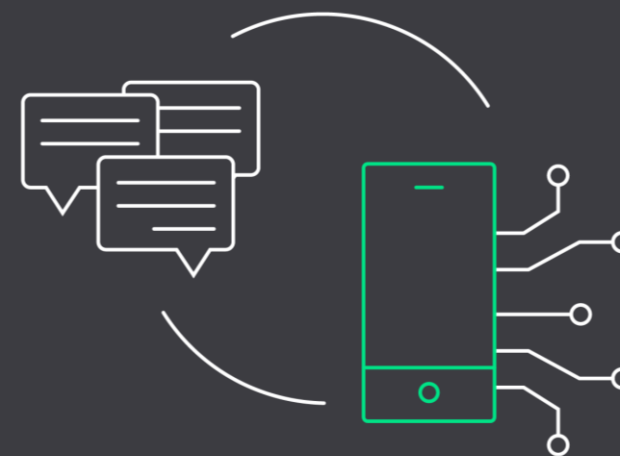
Population growth

more light



Resource challenges

more energy efficient light



Digitalization

more digital light

**Today, lighting accounts for 13% of the world's electricity demand.
The global shift to LED will reduce this to 8% by 2030.**

Our purpose

To unlock the extraordinary potential of light for brighter lives and a better world



Our Brighter Lives, Better World commitments for 2020

Sustainable revenues

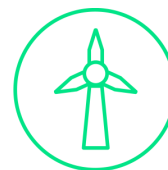


80% of revenues from sustainable products, systems and services



More than 2 billion LED lamps and luminaires delivered by 2020

Sustainable operations



100% carbon neutral & 100% renewable electricity



Zero waste to landfill in our operations









Safe and healthy workplace



Sustainable supply chain

Our progress and 2019 results

		2015 baseline	2019 result	2020 target
Sustainable revenues		72.1%	82.5%	80%
LED lamps & luminaires delivered <i>(Cumulative since 2015)</i>		0	2.344 billion	>2 billion
Carbon footprint		Net 666 kt CO ₂	Net 61 kt CO ₂	Net 0 kt CO ₂
Waste to landfill		3,304 tonnes	726 tonnes	0 tonnes
Safe & healthy workplace		TRC = 0.66	TRC = 0.32	TRC = 0.35
Sustainable supply chain		90% performance rate	99% performance rate	90% performance rate



We achieved the **highest score** in the CDP climate disclosure: A-List



We are named **DJSI Industry Leader** for 3 consecutive years



We received the EcoVadis **Gold Medal** and are in the **top 2%** of companies assessed in our sector

Combating climate change throughout the value chain

Upstream



Supplier engagement

Signify



**100% carbon neutral
including logistics**

Use phase



**Energy efficient
lighting**

End of life



Circular economy

**> 90% of life
cycle impact**

Sustainable innovation and revenues

Sustainable innovation

- Covered 83.5% of our innovation spend in 2019
- Sustainable focal areas are part of our design process



Energy



Weight & materials



Circularity



Packaging



Substances



Basic needs



Human centric



Access to light

Sustainable revenues



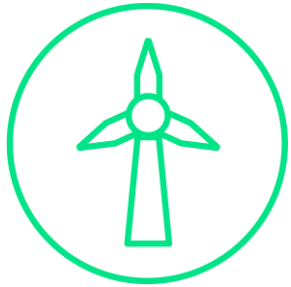
- Contributed 82.5% to our total sales in 2019 based on energy-efficient products, systems and services
- We already reached our 2020 target of 80%!



- We aim to deliver more than 2 billion LED lamps and luminaires delivered. By end of 2019 we have delivered 2.344 billion and already reached our 2020 target!

Sustainable operations

Zero carbon



- Reduce energy use
- Optimize logistics
- Reduce business travel
- Shift to 100% renewable electricity

Zero waste to landfill



- Send zero waste to landfill
- Reduce, recycle and re-use waste in all our manufacturing sites

Prevent injuries



- Provide a safe and healthy workplace for our employees through injury prevention

Sustainable supply chain



- Engage our suppliers, audit and train all risk suppliers
- Ensure responsible minerals
- Reduce the carbon footprint of our supply chain

Our 2019 achievements

10% decrease in gross carbon footprint compared to FY2018

Carbon neutral

Operations in Benelux, MET, UKI, IIG, France, Iberia, China, US, Canada, LATAM, ASEAN, India, Indonesia, Far East and Pacific

99% of risk suppliers passed the audit

2.344 billion LED lamps and luminaires delivered since 2015

82.5% Sustainable revenues



We achieved the **highest score** in the CDP climate disclosure: A-list



Dow Jones Sustainability Indexes

We are named **Industry Leader in the DJSI** for 3 consecutive years



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10% Increased Total Recordable Case rate compared to Q4 2018

70% decrease in waste to landfill compared to YTD Q4 2018

90% of industrial waste is recycled

94% of our used electricity came from renewable sources

Circular Lighting

Circular Economy goals



The circular economy is an economic system that **maximizes reusability** of products and raw materials and **minimizes value destruction**.

Zero waste to landfill

Cycle at the highest value

Circular Lighting



The linear business model of yesteryear will change into circular context

- From Transactional to Relational (Light as a Service)
- From Consumables to Durables (Product life extension by design & service)
- From Possession to Performance (Performance outcome over asset ownership)
- From Take-Make-Use to Reduce-Reuse-Recycle (Serve multiple life cycles)



Circular economy and lighting



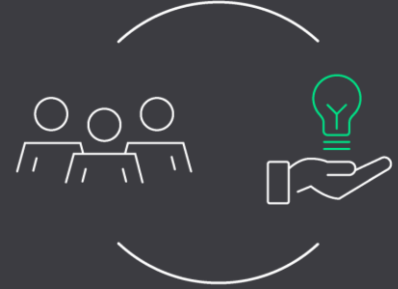
Design



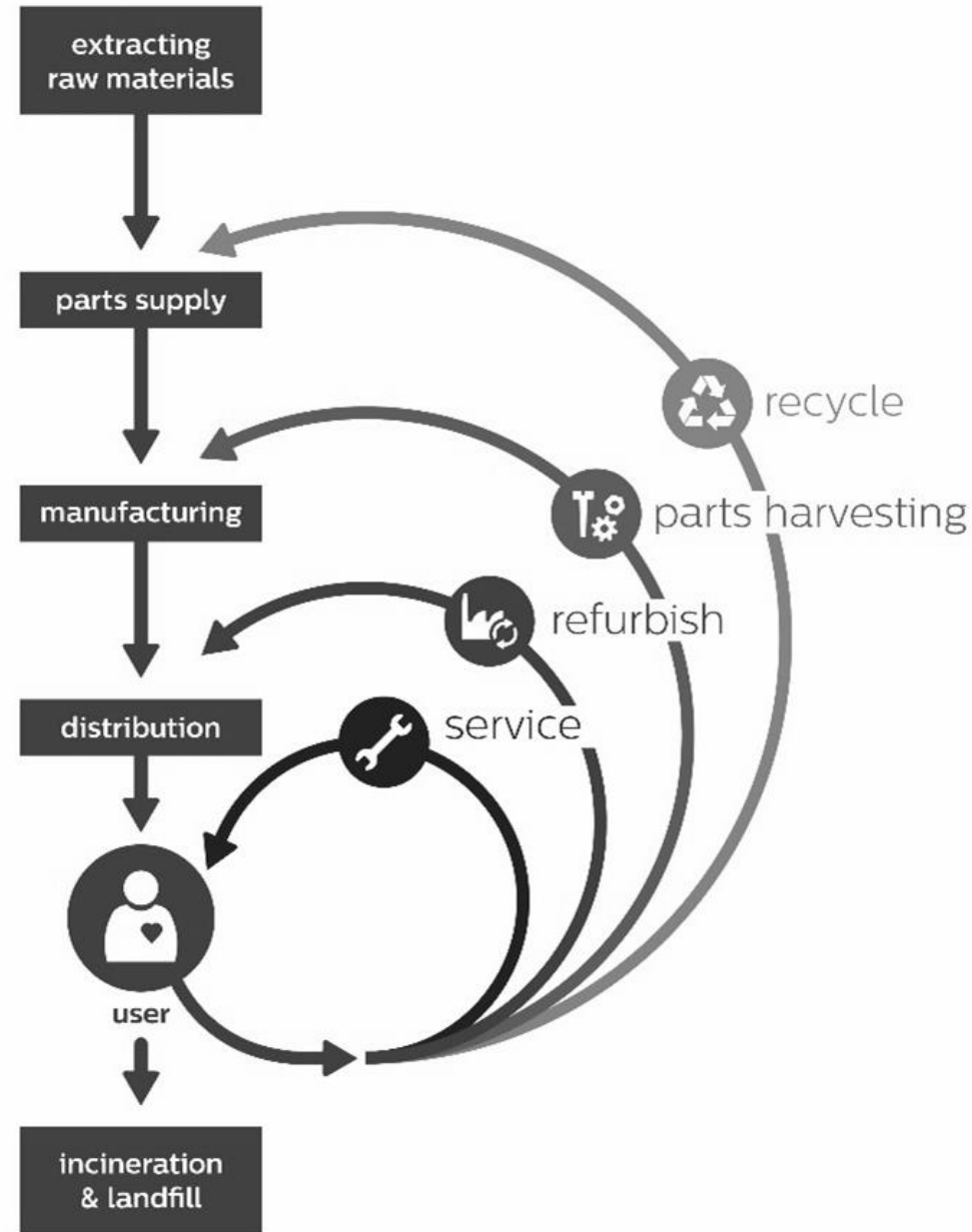
Reverse logistics



New business models

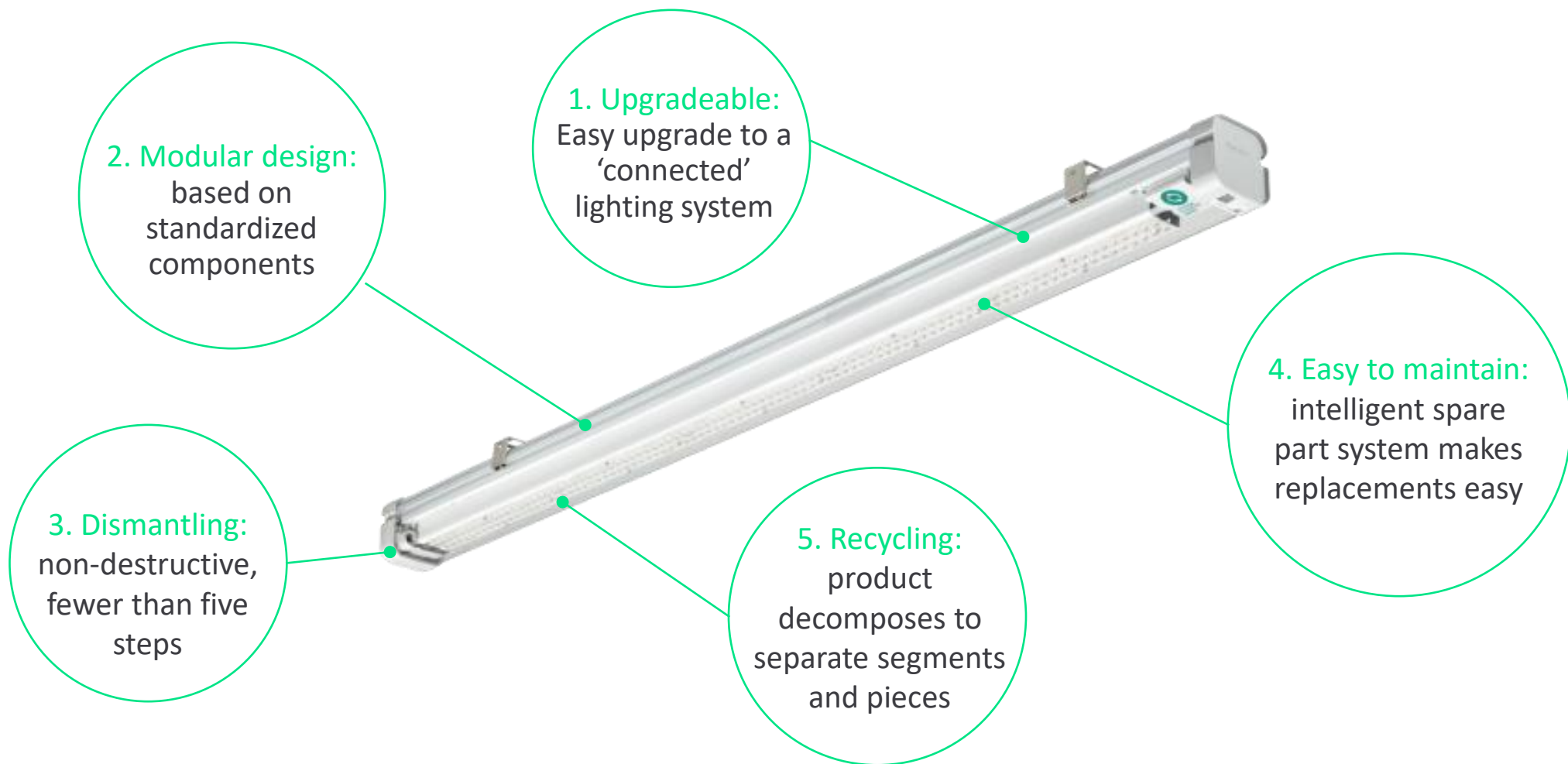


Collaboration



How circular design works

Philips Pacific LED - A luminaire ready for the circular economy.



3D printed luminaires for a circular economy

Sustainable lighting you design



Circular designed or tailored



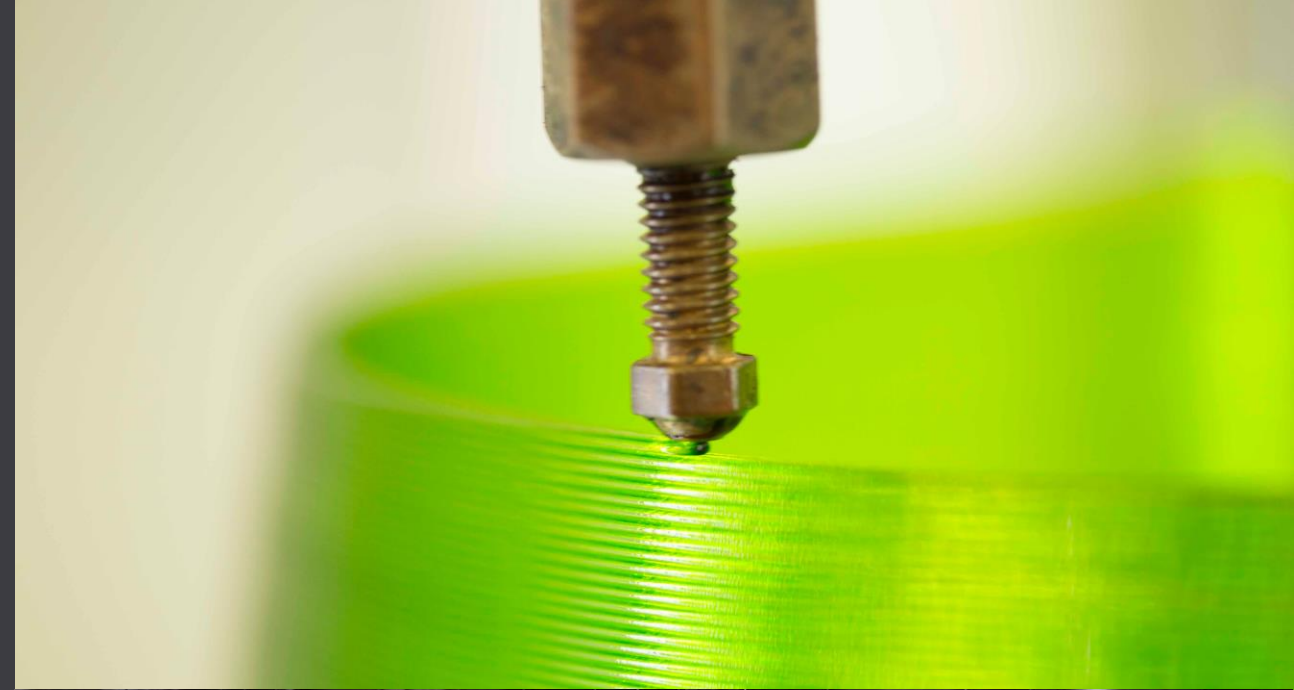
Fast development and delivery



Low carbon footprint
& 100% recyclable polycarbonate



High quality



Light as a Service for Schiphol Airport

Amsterdam, The Netherlands

Schiphol Airport has the ambition to be the most sustainable airport in the world.

Signify introduced Light as a Service at Schiphol, supporting the transition to a circular economy. Light as a Service means that Schiphol pays for the light it uses, instead of paying for the actual fixtures.

Circular lighting uses natural resources in the most efficient way. The fixtures consume 50% less energy compared to the previous luminaires and we are responsible for the performance of the system and its re-use and recycling at end-of-contract.



Signify

We contribute to the UN Sustainable Development Goals (SDGs)

