



## Signify, the lighting company aiming for ‘Brighter lives, Better world’

Signify N.V. (Euronext: LIGHT) is a Dutch multinational lighting corporation formed in 2016 as a result of the spin-off of the lighting division of Philips. It is listed on Euronext Amsterdam and forms part of the Dutch AEX-Index® and the new AEX® ESG index. Signify is the world leader in lighting for professionals, consumers and for the Internet of Things. It already reached carbon neutrality in all its operations in 2020, and has a new strategic plan with sustainability at the core of its growth strategy. The company sees ESG as a journey, and says: just do it! Define your objectives, set your targets and do not be afraid not to reach them.

Signify has a longstanding commitment to sustainability. It is embedded in its purpose and is at the heart of its strategy. Signify has been reducing the emissions of its operational footprint by 70% since 2010, and in 2020, the company reached carbon neutrality in its own operations.

Also in 2020, **Signify shifted to 100% renewable electricity** to power its operations.

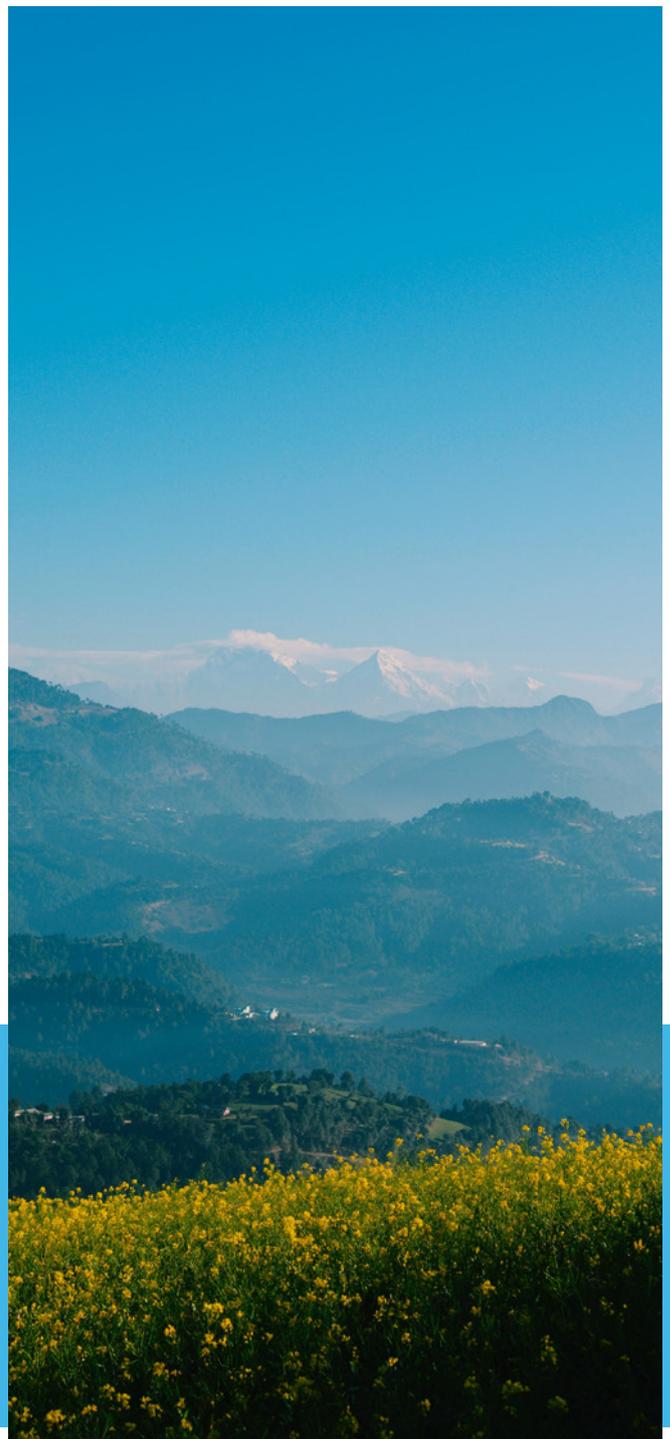
In 2020, Signify embarked on a new, even more ambitious journey with the release of its “**Brighter Lives, Better World 2025**” sustainability program, which places sustainability at the core of its growth strategy. To do this, **Signify defined four doubling commitments for 2025** that link back to the UN Sustainable Development Goals (SDGs) it aims to address.



## Setting clear priority areas for action, with corresponding commitments

- First, in terms of Climate action, Signify committed to double the pace of the Paris Agreement over the entire value chain so as to achieve the 1.5°C targets for 2031 already by 2025, i.e. six years earlier. This target links back to SDG 13 on Climate action and SDG 7 on Affordable and clean energy. To achieve this ambitious goal, the company plans to increase the energy efficiency of its portfolio, to reduce emissions of its customers and by driving carbon reduction in its supply chain.
- Secondly, Signify aims to double its Circular revenues to 32% by 2025 to preserve value and avoid waste. The company does this primarily by offering serviceable luminaires, by increasing the use of circular components such as drivers and LED boards, and by accelerating the shift to more circular business models like Light as a Service. This target links back to SDG 12 on Responsible consumption and production.
- Thirdly, the company has set a target to double to 32% its revenue from innovations which benefit society, to increase Food availability, Safety and security, and Health and well-being. This can take various forms: for instance, Signify has designed 150 custom light recipes to help increase crop quality and yield, while its connected LED streetlighting helps to make cities safer by reducing street crime. The company also wants to continue its efforts to improve its customers' health and well-being by working on, for example, human-centric lighting products that respect people's circadian rhythm.
- Finally, Signify is continually striving to ensure it offer its employees a great place to work. This target links back to SDG 8 on Decent work and economic growth. As part of this initiative, it committed to double to 34% the percentage of women in leadership positions by 2025, through a number of initiatives such as sponsorship and mentoring programmes, rolling out unconscious bias trainings for hiring managers and by ensuring the diversity of interview panels.

In parallel, the company has also renewed its commitments to remain carbon neutral in its operations, send **zero manufacturing waste to landfill**, and to have **plastic-free consumer packaging**.



## Internal support from employees is essential

From an organisational aspect, Signify has a dedicated team that coordinates its ESG actions and commitments. It has also developed a network of sustainability champions, as it considers that sustainability is embedded in every job. On the manufacturing side, it organises training for employees to achieve the company goal to send zero manufacturing waste to landfill.

More generally, Signify believes employee engagement around sustainability is essential as it lies at the core of its corporate strategy. Its ongoing commitment to ESG is also an element of attractiveness in its recruitments. In this perspective, the company organises employee engagement campaigns each quarter focusing on sustainability topics such as Climate action, Circular economy and Health and safety. The idea behind these initiatives is to embed sustainability in its employees' daily working lives and have fun while doing so.

For instance, the company organised a **sustainable commuting challenge**, a **zero-waste challenge**, and Signify encouraged its employees to join the **Human Race for Climate Action** organised by the UN.



## Investors are also upping their interest in ESG

ESG has an increasingly central place in Signify's discussions with investors. The company has witnessed a very rapid increase in the skills of the teams in these aspects. A few years ago, if an investor wanted to find information on topics such as equity, ESG or governance, they had to speak to several different teams. Now, ESG KPIs and financial KPIs are increasingly mixed.

In terms of geography also, things are changing very fast. A few years ago, ESG topics were mainly of interest to EU firms; this is no longer true, as the US is catching up very quickly.

Signify is in favour of increasing the ESG focus further when it comes to public tendering, regulations, and investments. In this regard, it views the adoption of the EU Taxonomy as a step in the right direction.



Euronext certainly has a role to play in **helping accelerate the shift** by encouraging companies to be more transparent about their ESG policies.

