SIGNIFY GLOBAL TAX PRINCIPLES

Signify strongly believes that acting with integrity is key to achieve its purpose of unlocking the extraordinary potential of light for brighter lives and a better world. It means making the right choices when facing ethical dilemmas, also in the field of taxes.

Acting with integrity means committing to being a responsible business and paying fair taxes. This entails paying the right amount of tax, in the right place, at the right time. Taxes paid are an important part of the contribution to local economies and support the development of the many countries Signify operates in.

The responsibility for tax management ultimately rests at the executive Board of management with the CFO. A globally organized tax function (*Group Tax*) is in place. Group Tax ensures Signify's tax compliance worldwide. It maintains the communication and relationships with tax authorities and advises markets and businesses on tax-related topics. External advisors are involved in tax compliance but also in material transactions or when a specific area of tax expertise is required. Group Tax sets the global tax strategy and monitors and supports the Signify Finance function.

Signify Tax Strategy

- Signify supports initiatives[1] promoting tax transparency and responsible tax management.
- Signify maintains an open dialogue with its stakeholders, such as (but not limited to) tax authorities, shareholders, NGOs and the communities in which it operates.
- Signify's tax strategy ensures compliance with local and international tax laws and regulations. Where tax law is unclear, or has not kept pace with modern business practice, obligations are interpreted in a responsible & sustainable way, guided by the Signify's Tax Principles. Equally important, the tax strategy focuses on value creation, e.g. by utilizing tax assets and applying tax incentives as per local laws, while taking interests of all stakeholders into account.

Approach to tax and payments to governments

- Signify always acts in accordance with all applicable laws & regulations and is guided by relevant international standards (for example OECD Guidelines). The tax strategy takes into account the spirit as well as the letter of the law.
- Signify seeks an open and constructive dialogue with tax authorities. Tax audits and communication with tax authorities are managed when and where needed. If relevant and appropriate, advanced tax rulings are being explored to ensure Signify complies with local law.
- Signify reports income in the countries where value is created in accordance with globally accepted standards, applying the arm's length principle.
- Signify recognizes the importance of tax in advancing local and global economic development.

[1] Such as from the OECD (Organization for Economic Cooperation and Development) / UN (United Nations)

Tax governance, control, and risk management

- Group Tax staff regularly completes *Integrity code* training and management actively promotes these principles.
- Signify has a structured *Risk management system* to address the following risk categories: strategic, operational, compliance and financial risks. The risk appetite differs for each category and is further described in Signify's annual report. The risk management system identifies, assesses, prioritises and manages risks on a continuous and systematic basis, and covers all subsidiaries across Businesses, Markets and Group functions.
- Signify has a *Tax Control Framework* in place, which provides awareness and assurance of adherence to up-to-date tax policies. The Audit Committee of the Supervisory Board and the external auditor regularly review the tax strategy, controls and key positions.
- Signify's *Transfer Pricing* policies target an appropriate (arm's length) remuneration of the activities amongst related parties. These policies are global policies consistently applied across all countries, whereby the remuneration received corresponds with the local value creation. The transfer pricing policies are supported by economic analysis, functional analysis and are formally documented.
- Signify does not use legal entities in countries that do not share tax information[2] and does not use legal entities without commercial and/or economic activities solely for tax avoidance.

Stakeholder engagement and management of concerns related to tax and payments

- Signify is committed to conducting business in accordance with internationally accepted standards of good corporate governance and to providing timely, regular and reliable information on its activities, financial position and performance, including the tax figures.
- By being a responsible taxpayer, Signify's obligation to pay taxes does not lead to paying more taxes than required by law. This means that responsible taxpaying aligns with the interests of all its stakeholders, including customers, shareholders, employees, suppliers and the communities Signify operates in.
- Signify makes disclosures in accordance with reporting requirements (IFRS). Signify is open to further disclosures, such as country-by- country-reporting, provided these do not harm its competitive position.

[2] Countries that do not participate in Tax Information Exchange Agreements (TIEA)