

Reorganization :

1. Supply Chain Management – we intend to cease 6,9 FTE (8 positions)

Signify and its Supply Chain further need to adapt and look for enhanced performance to stay at the forefront. Enhancing agility and professionalism of our organization equaling to improvement of our operating model, removing silos and striving towards centralization for standardization remain key success factors. We have taken first steps towards the above-mentioned goal with the verticalization of the function in 2020 and 2021. As a matter of economic changes, we face continued pressure on our financial results and need to accelerate to adapt our organizational costs to remain competitive. This will require changes with the objective to further reduce complexity and streamlining especially our central Supply Chain teams. We will continue now by organizationally consolidating further Supply Chain project & program management, data analytics and automation on a global level. Consolidating those resources will allow to strengthen our ability to design, change and deploy the rights processes, systems, and tools to our operational teams in markets and divisions, enhancing operational performance. We will stop activities that are no longer required, that can be automated or digitalized, or that can be combined with other tasks to maximize efficiencies in our organization. In addition, we now intend to move and centralize most of the Electronics supply planning positions that are currently based in the Netherlands to one location in Europe in Pila. This next step in supply planning fits in our Supply Chain transformation and helps in reducing the cost of organization. By the above we aim at building a focused and standardized, appropriately sized, simple and cost[1]effective Supply Chain organization, resulting in a continued competitive position.

2. Procurement - We intend to cease 10,8 FTE (12 positions)

Last year we were forced to make some changes in the Procurement organization as we faced amongst others increasing competition and saw price erosion. The reason we made those changes was that as Procurement team we wanted to maintain performance but against reduced cost base. The market conditions continue to have an impact on Signify. At the end of 2022 we needed to redesign and rethink the Cost of Organization for Procurement to make sure in 2023 and beyond, we are in line with companies in comparable size and level of complexity. Achieving a balanced Cost of Organization is in line with the company strategy in driving down the non-manufacturing costs. We aim at achieving this target by moving certain roles to lower cost countries as well as further optimizing our organizational set-up.