

**PHILIPS**

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# Doing business **responsibly and sustainably**

**J. Holzbauer**

Pre-Development / Kitchen Appliances Klagenfurt

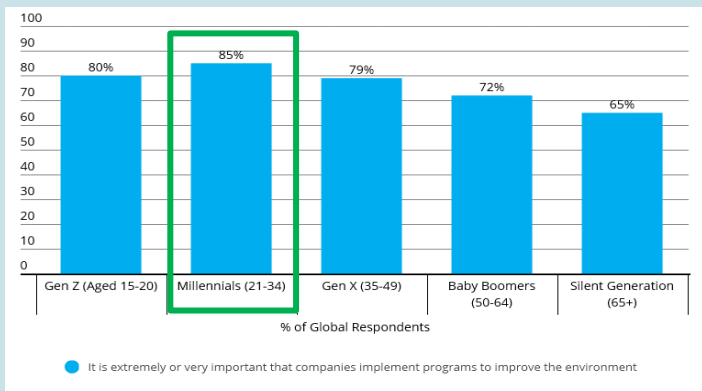
innovation  you



# Consumers want **sustainable products**, and they want **companies to act!**

In **Europe**, **68% of the consumers** agree that it is **important** for companies to implement programs **to improve the environment**.

→ **85% of millennials** have this sustainable mindset!



**Societal impact and ethics** are the most common reasons why millennials change (start or stop) their relationships with businesses and brands.

**WHEN A COMPANY LEADS WITH PURPOSE, CONSUMERS AGREE THEY WOULD:**



Have a more positive image of that company



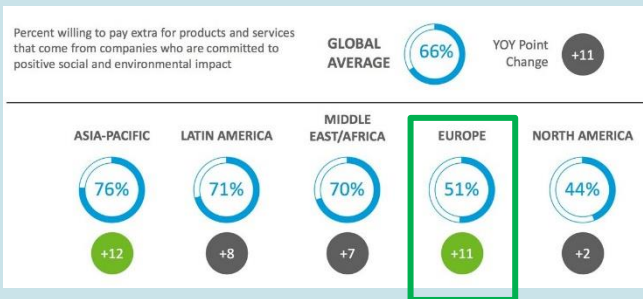
Be more likely to trust



Be more loyal

In **Europe**, **51% of consumers** indicate they are **willing to pay extra** for products and services that come from companies who are committed to positive social and environmental impact.

This is a **+11%pts increase** versus the previous year.



# We have a **history of EcoDesign** dating back to the 1990s



**Pre-1994**



**1970**

- Introduction of first guidelines on environmental performance on substance use in products and manufacturing

**1991**

- introduction of first Philips environmental policy

**1994**



**1994 Introduction EcoDesign project**

- First Philips EcoDesign project
- Introduction of Life Cycle Assessment thinking
- Introduction of five Green Focal Areas
- Philips launches the Regulated Substances List (RSL)

**1998**



**Launch of first Green Flagships**

- Our first steps in EcoDesign deliver a first set of 'Green Flagships' that show the world what can be achieved through EcoDesign

**2010**



**Green Performer**



- First low power motor
- Up to 47% Recycled plastics in lower housing
- Bio-based plastics in covers

**2016**



**Performer Ultimate**



- plastics from old vacuum cleaners is recycled into new parts – 36% recycled plastics
- Energy Efficient motor

**2017**



**Perfect Care Aque Eco**



- 50% of recycled plastics
- Sustainable packaging

**2020**



**Senseo Viva Café Eco**



- 28% lower energy consumption
- >75% recycled plastics in on food contact material
- Sustainable packaging

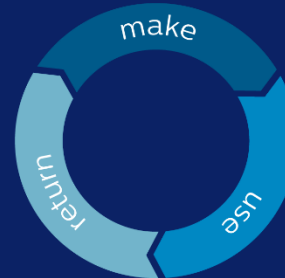
“For a sustainable world, the transition from a linear to a circular economy is essential. A **circular economy** aims to decouple economic growth from the use of natural resources by using these resources more effectively.”

Frans van Houten,  
CEO Philips

The linear economy



The circular economy



# We dare to step up on sustainability



DA has a strong purpose and sustainability commitment, but it is not yet intrinsic to everything we do. Customers, consumers and employees demand more. Sustainability must become a visible part of our DNA.

We will increase brand preference and thereby business value, by taking the lead to act responsibly towards our planet and people across our businesses.

Disentangling from Philips brings us opportunity to refocus our sustainability ambition and focus on the topics that are material to the products we design, produce and sell

A need for durable and repairable products

Easy to recycle

Plastics free packaging

Wybierz swój oczyszczacz:

Chcę nowy  
Prosto z fabryki

Nowy oczyszczacz powietrza Philips. Mory i Ciebie znajdzie swój pierwszy dom.

#### • NOWOŚCI

Genialne urządzenie, które pozwala na sprawność w tym domu. A także 100% Recyklingi najbardziej wydajny model Philips Dust Sco

• NOWE TERAZ, EKO  
POINIEJ

Kable zwrócone urządzenie w naszym sklepie. Kable zwrócone fabrycznie odnowione.

Chcę nowy

Chcę eko  
Odnowiony fabrycznie

Najbardziej przyjazny dla środowiska i skuteczny sposób na korzystanie z wysokiej jakości oczyszczacza Philips.

#### • BEZPIECZEŃSTWO

Najbardziej przyjazny sposób na korzystanie z wysokiej jakości oczyszczacza Philips.

#### • JAKOŚĆ

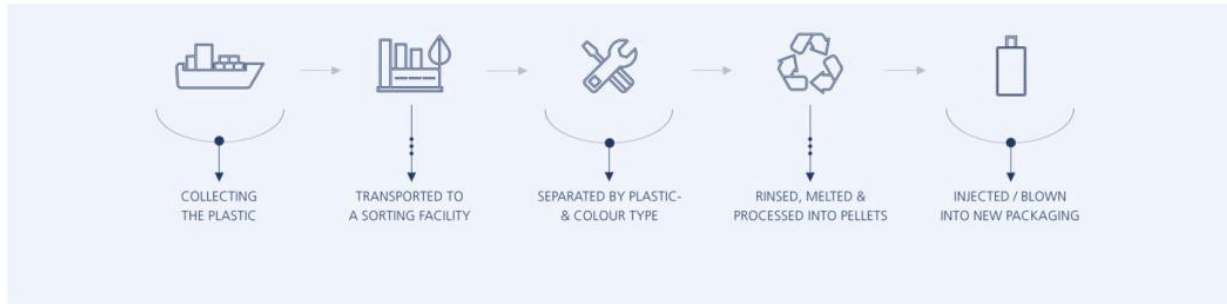
Kable zwrócone urządzenie w naszym sklepie. Kable zwrócone fabrycznie odnowione.

Chcę eko

Excite consumers with refurbished products

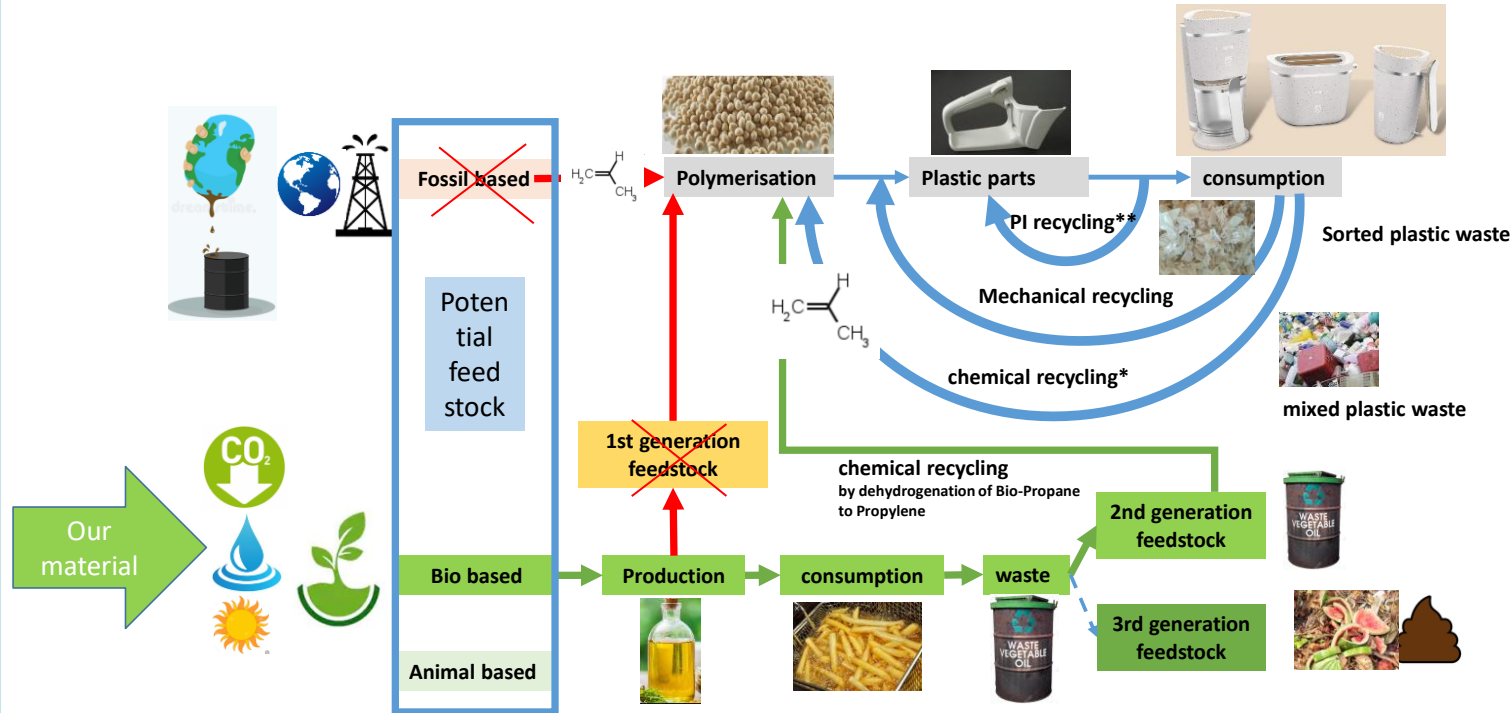
Differentiate through sustainable business models





Ocean Waste Plastic (OWP™) = Mechanical Recycling of Materials Collected from the Ocean

### Fossil based versus biobased plastics with recycling options



\* By pyrolysis+ cracking of plastic waste to Propylene

\*\* mech. recycling of postindustrial waste

# Circular economy

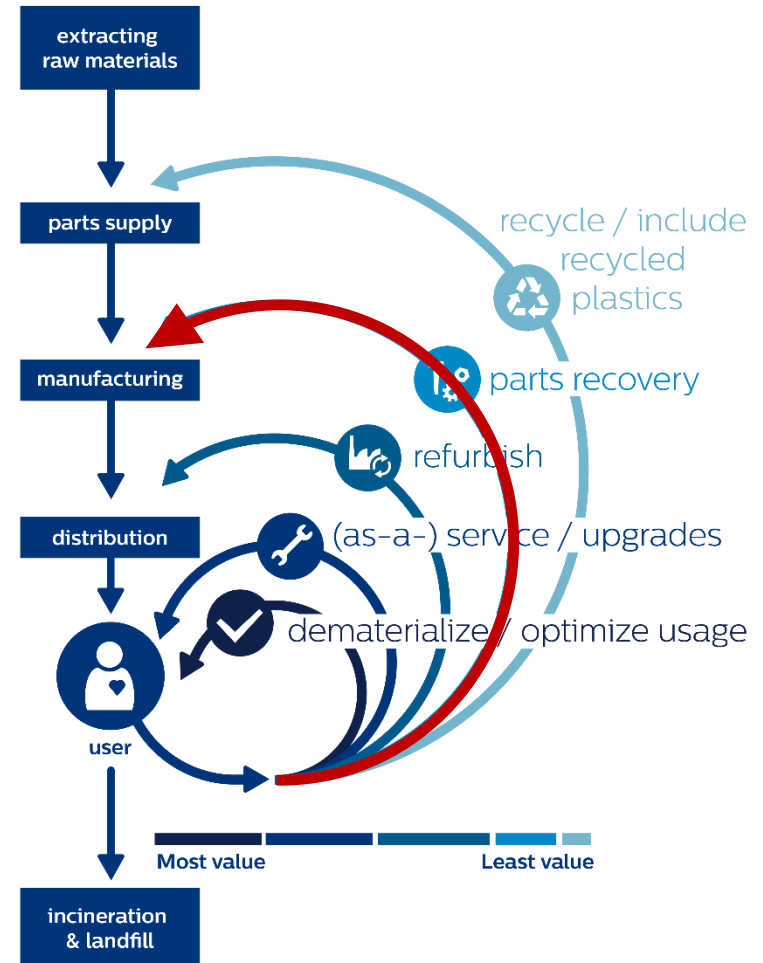
## Biobased Plastics





We are adopting innovative business models, pursuing dematerialization, and maximizing the lifetime value of our products and solutions

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# Sustainable sites

Through 2025 we will further embed circular practices at our sites\* by:

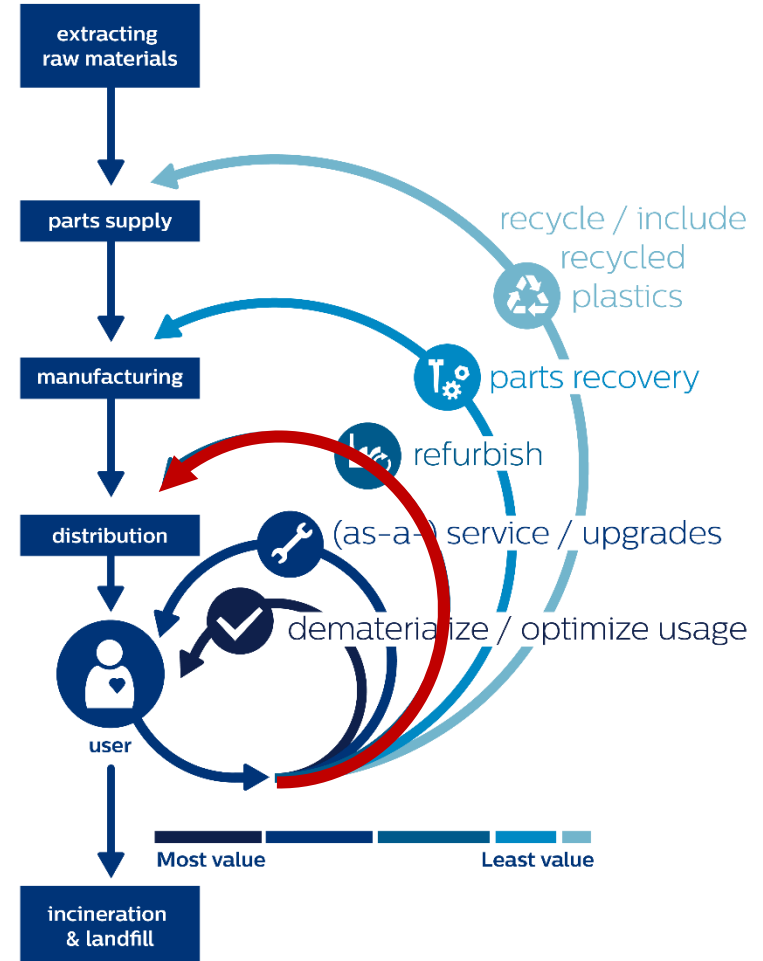
- reducing material usage
- re-using materials
- recycling used materials

and continue sending **zero** used materials to landfill

\* including non-manufacturing sites, such as large offices, warehouses and R&D facilities

# Circular economy

We are adopting innovative business models, pursuing dematerialization, and maximizing the lifetime value of our products and solutions



## Refurbishment:

**CRERP** → Check, Repair,  
Exchange, Control and Package  
appliances („mainly with no-fault-found“)

to sell for a slightly better price

Check

Repair

Exchange

Control

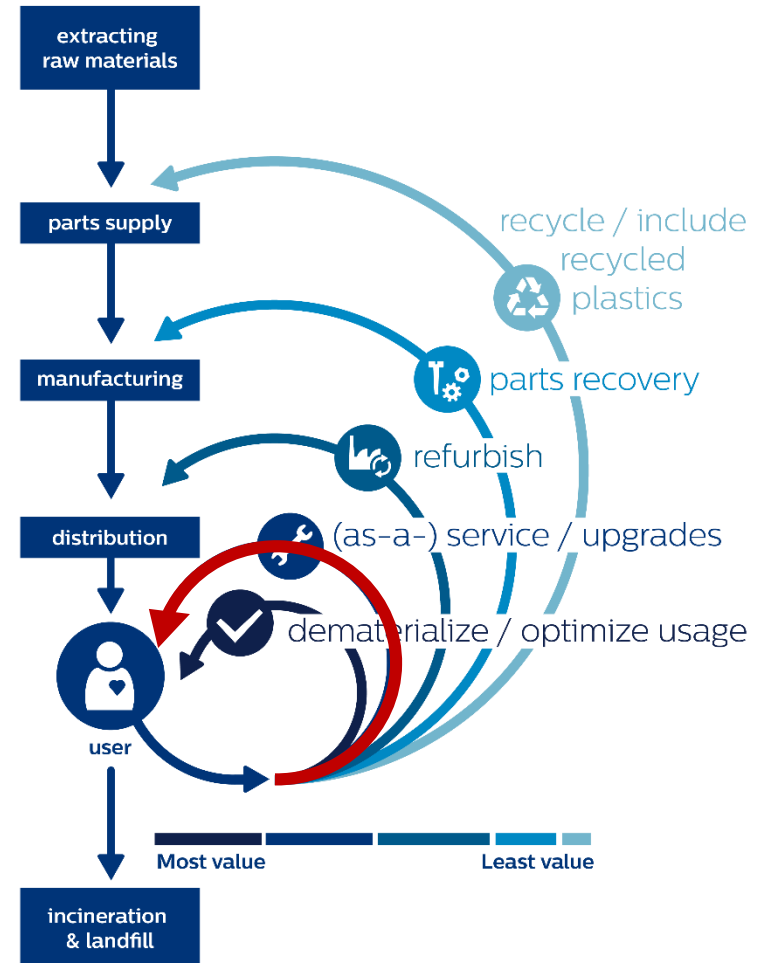
Package





# Circular economy

We are adopting innovative business models, pursuing dematerialization, and maximizing the lifetime value of our products and solutions







# We are a **recognized leader** in sustainability

Philips is building on a strong reputation for environmental sustainability



Philips commits to become **carbon-neutral** in its operations by 2020



Philips recognized **Industry Leader** in the DJSI 2015, 2016, 2017; #2 in new industry in 2018, 2019, 2020



**Recognized leader** – Carbon Disclosure Project 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020



In 2020, Philips came in at #2 in The Wall Street Journal's new global sustainability ranking



Philips was the world's first health technology company to have its CO<sub>2</sub> targets approved by the Science Based Targets initiative



Thought leader on **circular economy**  
  
Frans van Houten co-chair of PACE  
  
2018 Circular Award



Philips has **top scores in supplier rating platforms** (used by customers); **2018 Crystal Prize winner** for leading change in supply chain sustainability

In 2019, Philips topped the inaugural **Fortune Sustainability All Stars** list in recognition of our environmental innovation, resource use, and efforts to limit emissions.

