



## Press Backgrounder

June 20, 2016

### **Philips' new sustainability program 2016-2020 'Healthy people, sustainable planet'**

Philips' new 5-year sustainability program, 'Healthy people, sustainable planet' builds on the company's objective to improve the lives of three billion people a year in 2025 [1] by making the world healthier and more sustainable through innovation.

The program objectives are based on three pillars:

- creating value for Philips' customers through **sustainable solutions**,
- leading by example in its **sustainable operations**, and
- by multiplying its impact through its **sustainable supply chain**.

#### **Sustainable solutions**

- By the end of 2015 Philips had improved the lives of two billion [1] people a year. Its goal is to improve the lives of three billion people a year by 2025 [1]
- 95% of Philips' revenue should be linked to two Sustainable Development Goals (SDGs): to ensure healthy lives and promote well-being for all at all ages (SDG 3), and to ensure sustainable consumption and production patterns (SDG 12)
- Philips embeds sustainability in its innovation process and applies EcoDesign principles in its products, focusing on energy, packaging, substance use, weight, materials, lifetime, and circularity. By 2020, 70% of Philips' turnover will come from green revenues, and 15% will come from circular revenues (8% in 2015)

#### **Sustainable operations**

- Philips is committed to achieving carbon neutrality for its global operations by 2020. It has already reduced its operational carbon footprint by 40% compared to 2007. To reduce this footprint to zero, Philips is committed to driving down carbon emissions in its own operations, logistics, and business travel by becoming more energy efficient, purchasing electricity from renewable sources, and compensating remaining emissions via carbon credits
- Philips supports all its employees in driving their development – for example, through the Philips University on-line learning platform
- Philips implements inclusivity in the workplace, fostering diversity
- Creating a great place to work and being an inspiring employer is also about empowering our people to do good in the world, in a sustainable way. At Philips, we continue to

facilitate our employees to help others, with their specific knowledge and experience, and of course their input in energy and time

## **Sustainable supply chain**

- Philips has defined five forward-looking programs towards 2020, covering Supplier Sustainability Performance, Supplier Sustainability Compliance, Circular Procurement, Environmental Footprint China, and Responsible Sourcing
- Philips works with its suppliers to ensure that the metals used in Philips products are conflict-free. To do so, it recently became a strategic partner in the European Partnership for Responsible Minerals, together with several EU member states, the European Commission, other businesses, and several NGOs

[1] *Market intelligence and statistical data are used for the number of people touched by our solutions that contribute to a healthy life or a sustainable planet. The average time these solutions are used is then multiplied by the number of solutions delivered in a year. After elimination of double counts, this results into the number of lives improved.*