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HK SQ Seminar

Philips Environmental Strategies and Moving Beyond ISO 14001

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Presentation outline...

- Philips and Sustainability
- Philips Consumer Electronics (PCE) Environmental Ambition
- Environmental Improvement Methodology
- Results so far in Philips Corporate
 - Green Flagship PCE
 - ISO 14001 certification
 - Energy consumption
 - Greenhouse gas emission
 - Water intake
 - Total waste
 - Total hazardous substances
- Recent awards in Hong Kong

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Philips and Sustainability



Sustainability, the big picture

Philips & Sustainability

“We firmly believe that social and environmental responsible behaviour contributes to sustained profitable growth and value creation. That’s why we are embedding sustainability thinking and acting throughout the organization.”

Sustainability is built into our heritage, our values and our commitment to improve the quality of people’s lives. We have long been integrating economic prosperity, environmental quality and social equity – balancing these sometimes-competing demands.”



Gerard Kleisterlee
President & CEO of Royal Philips Electronics

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New brand positioning as guiding principle



What are we talking about – the definitions :

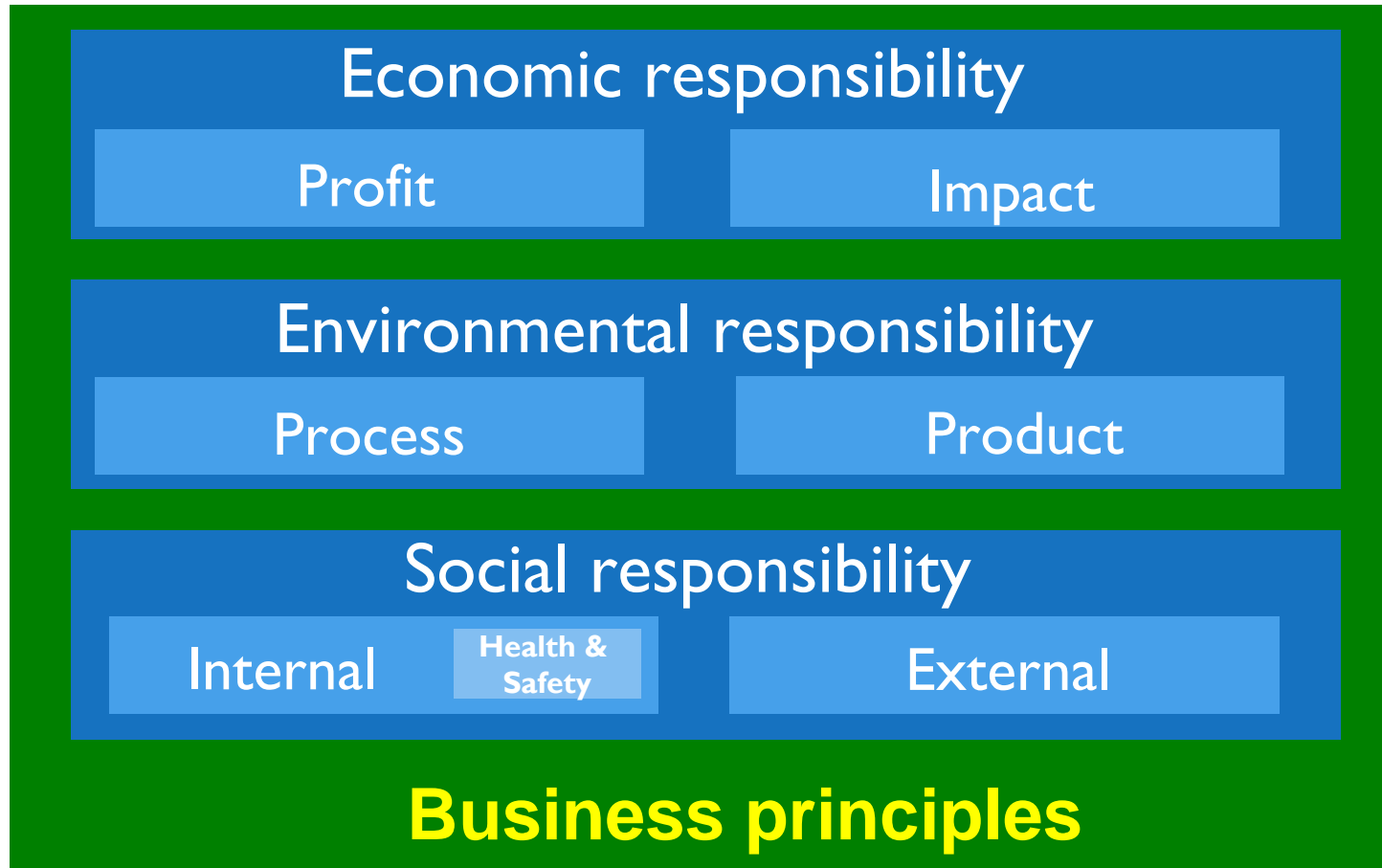
Sustainability is defined as “meeting the needs of the present generation without compromising the ability of future generations to meet their own needs”

Sustainable development is the path to sustainability

Sustainable entrepreneurs
are companies pursuing this path



What is Sustainability?



What is sustainability (3P's)?



+



+



ENVIRONMENTAL
CARE
(PLANET)

ECONOMIC
VIABILITY
(PROFIT)

SOCIAL
EQUITY
(PEOPLE)



SUSTAINABLE
Covering the triple bottom line

Sustainability Policy : Philips CE – BG Home Entertainment Networks



In support of the Philips Global Sustainability Policy and the General Business Principles, we identify the following focus areas :-

Customer Relationship

We identify and respond to the needs, desires and rights of our customers and consumers. We strive to provide the highest level of products and services through innovation, world class quality, and other aspects of operational excellence, including a strong commitment to business integrity, customer satisfaction, and safety.

Partnership with Business Partners

We are fair and honest with our business partners, including suppliers, distributors, and agents. We promote, invoke and monitor the status of their **sustainability** performance.

Employee Relationship

We employ people irrespective of religion, gender, race, sex and age. We are dedicated to continuously improving the value proposition for our employees and creating a work environment that enables them to reach their full potential. We regard our employees as the valued asset of the company, respecting their rights to fair labour practice, competitive wage and benefits, and a healthy, safe, harassment free, family-friendly work environment and put into practice in our daily operation.

Government

We comply with all applicable laws in local and international levels and promote good business practices including those related to the environment, employees and society at large. We work with non-governmental organizations (NGOs) and other companies to explore any possibilities to improve the quality of life.

Community Involvement

We foster an open relationship and contact with the community in which we operate that is sensitive to the community's culture and needs. We play a proactive, cooperative and where applicable, collaborative role in making the community a better place to live in and to conduct business.

Environmental Stewardship

We strive to protect the environment and adopt sustainable business practices in our products, processes, and services and other related activities. We commit to minimizing the use of energy and natural resources and decreasing wasteful and hazardous substances emission. The environmental responsibilities are translated into roadmap, program and maintaining a sound environmental management system.

We believe that effective implementation and ongoing assessment and review leading to continuous improvement of the above aspects pave the way towards a World Class company.

We promote and educate our employees to adhere to this Policy and count on their valuable contribution to make it happen.

Leong Yue Wing

General Manager BG Home Entertainment Networks

Jan 2004

HK SQ ISO 14001 : 2004 And BEYOND, Jun 17, 2005

Sustainability Achievements



2004 and 2005 Sector leader in Dow Jones Sustainability Index (DJSI)

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Philips Consumer Electronics (PCE)
Environmental ambition

PCE policy on Environment

- Determined by CEO in PCE Environmental Steering Team 10 Feb 2004:

“PCE should be leading in environment”

- Global perspective

Areas to take the Lead in for PCE

- Energy
 - Supports Flagships, Awards, Energy using Product (EuP)
 - Lead free / RoHS prepared/complied
 - Bromine (TBBA) free in PWBs
 - All suppliers Green by end of 2004
 - Packaging reduction up till World Class
- Target**
- 10% better**
Than best competitor
- 01-04-2005**
- 01-01-2006**
- 100% signed**
Sustainability & Banned
Substance Declaration

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Environmental improvement methodology

Environmental Roadmap

- Formulate a long terms environmental targets in following key areas :-
 - Environmental Best in Class (Ecodesign)
 - Environmental Marketing
 - Packaging
 - Hazardous substances
 - Green Flagships
 - Supplier Environmental Care
 - Manufacturing

Product Five Green Focal areas



Energy

Energy consumption of the product in on mode, standby mode, calculated according to user behaviour patterns for each particular product



Packaging

Amount of packaging materials used, measured both in weight and volumes



Weight

The weight of the product



Recycling & End of Life

Percentage of materials in the product that can be recycled



Hazardous Substances

Reduced use or avoided use of substances with a high environmental impact

Improvement Drivers

- Eco-design methodology
 - Apply and follow environmental design rules in the following focal area :-
 - Energy consumption
 - Weight
 - Recycling and Disposal
 - Hazardous substances
 - Packaging
- Green Flagship Programme
 - Benchmark our product's environmental performance against **Best In Class (BIC)** competitors to find out improvement opportunities for successor products.

Green Flagship Criteria

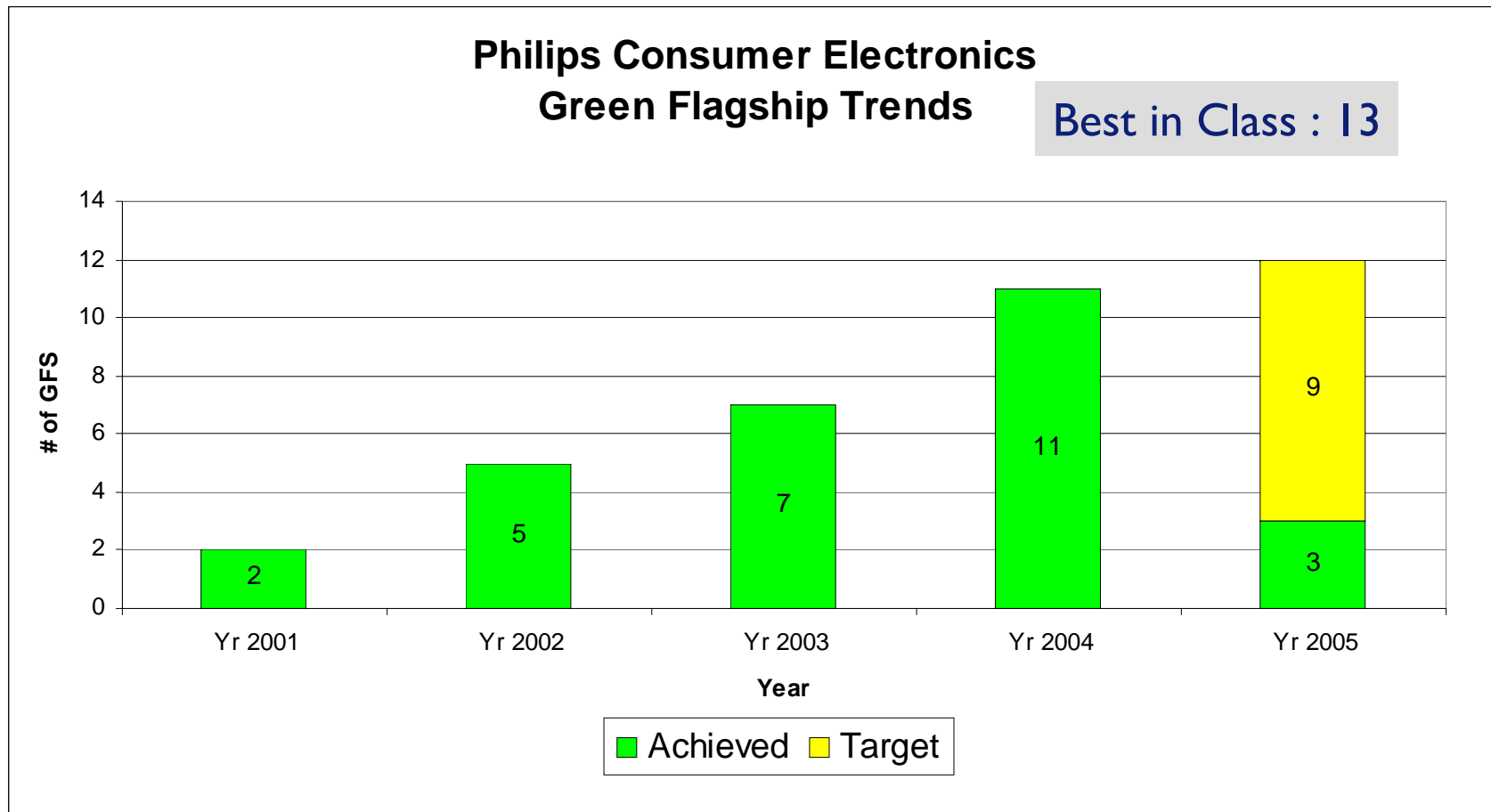


- GFA Energy: 10% better than all commercial competitor products
- GFA Weight, Packaging & Recyclability : Equal or better then best commercial competitor (10% margin)
- GFA Hazardous Substances: No rejected components
- Life Cycle Perspective: Equal or better then best commercial competitor (10% margin). If 1 of the GFA above (except energy) does not meet the criteria, the Life Cycle perspective is an overruling criterium.

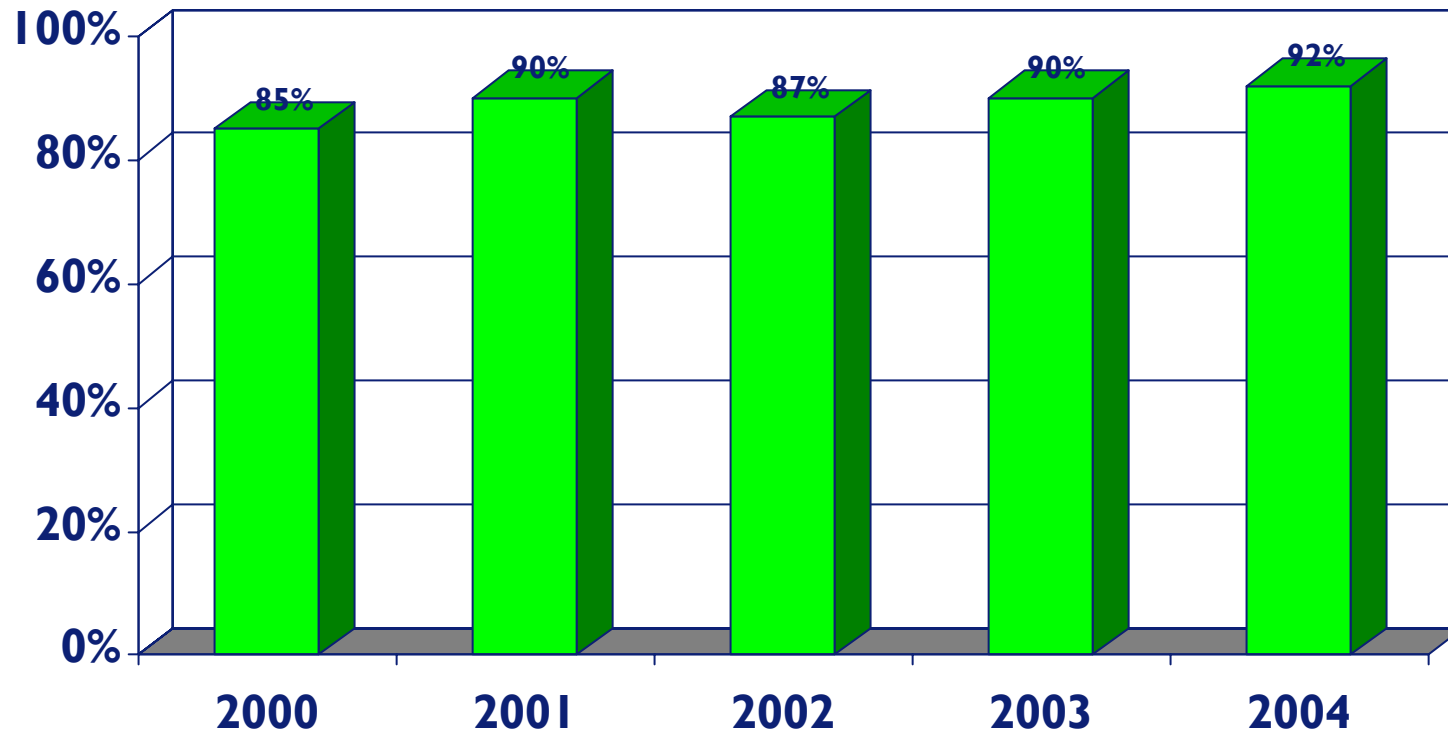
What ‘GreenFlagship meant’ ?



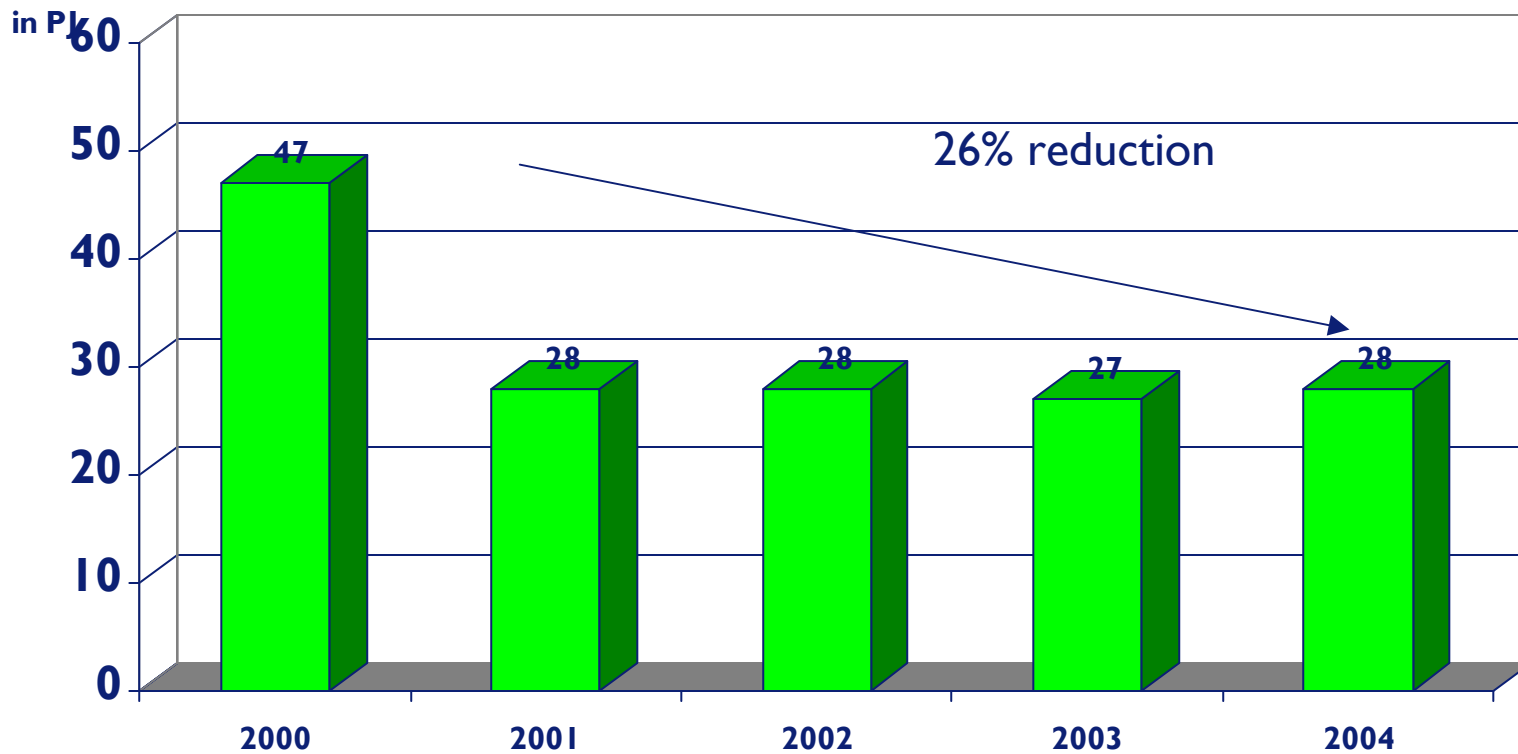
PCE Green Flagship Status



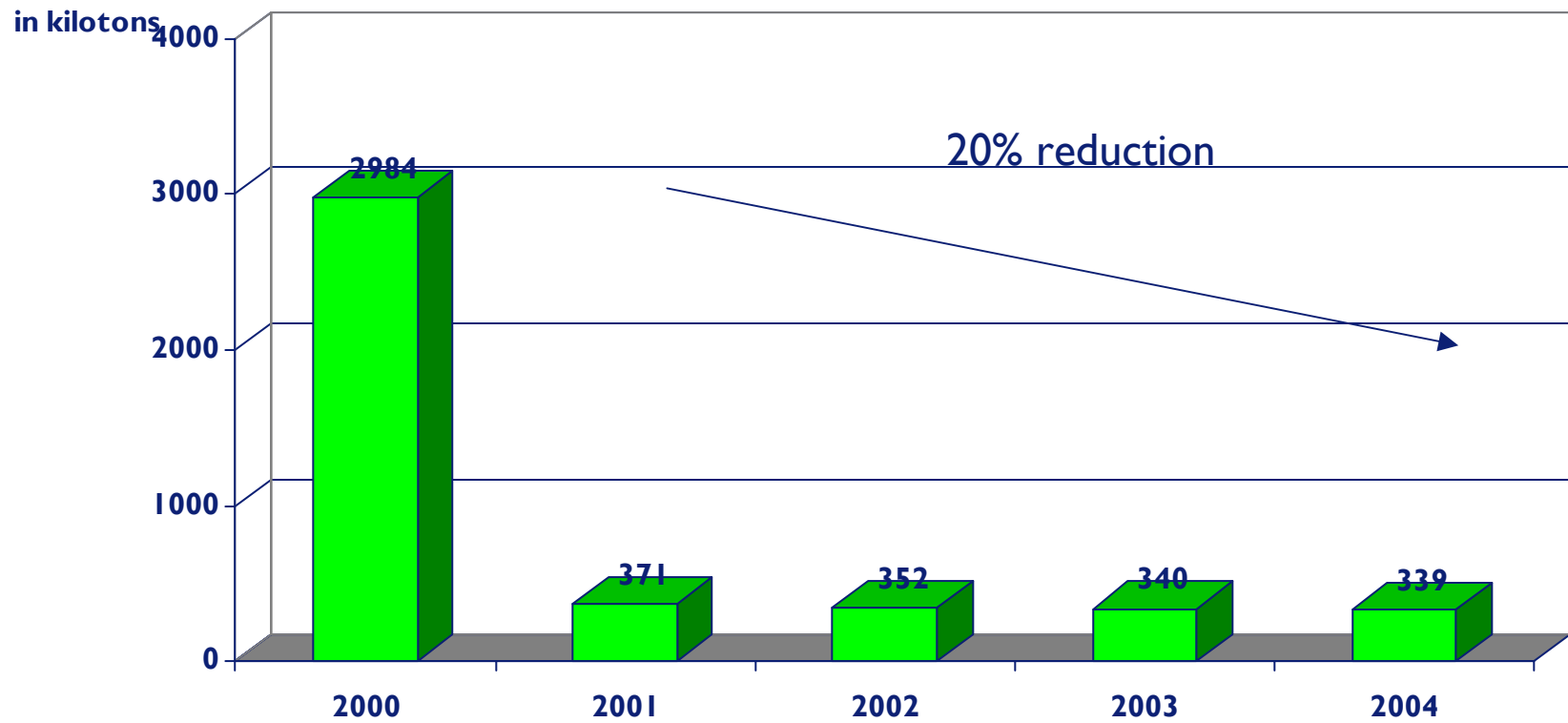
ISO 14001 implementation and certification



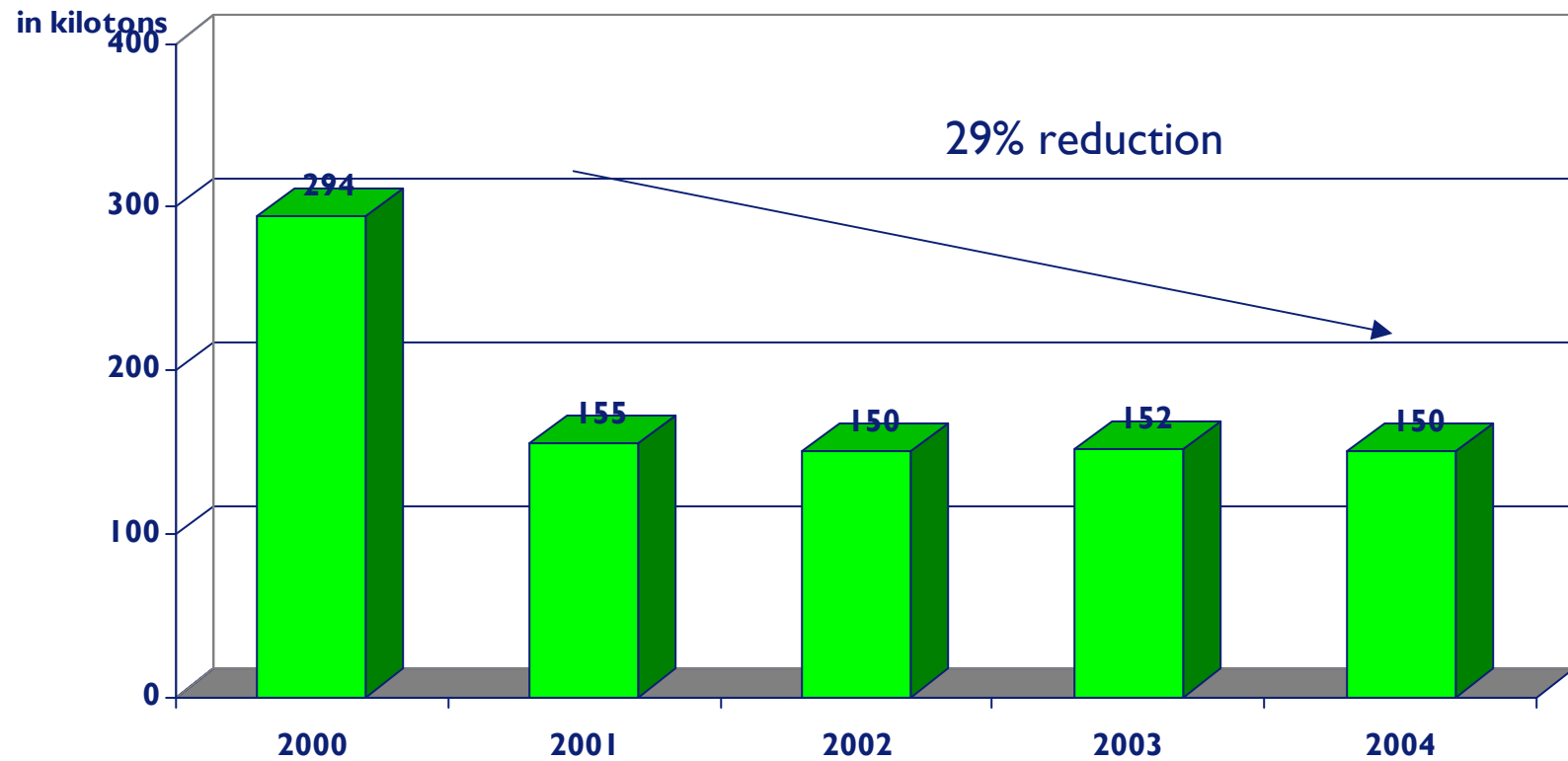
Total energy consumption



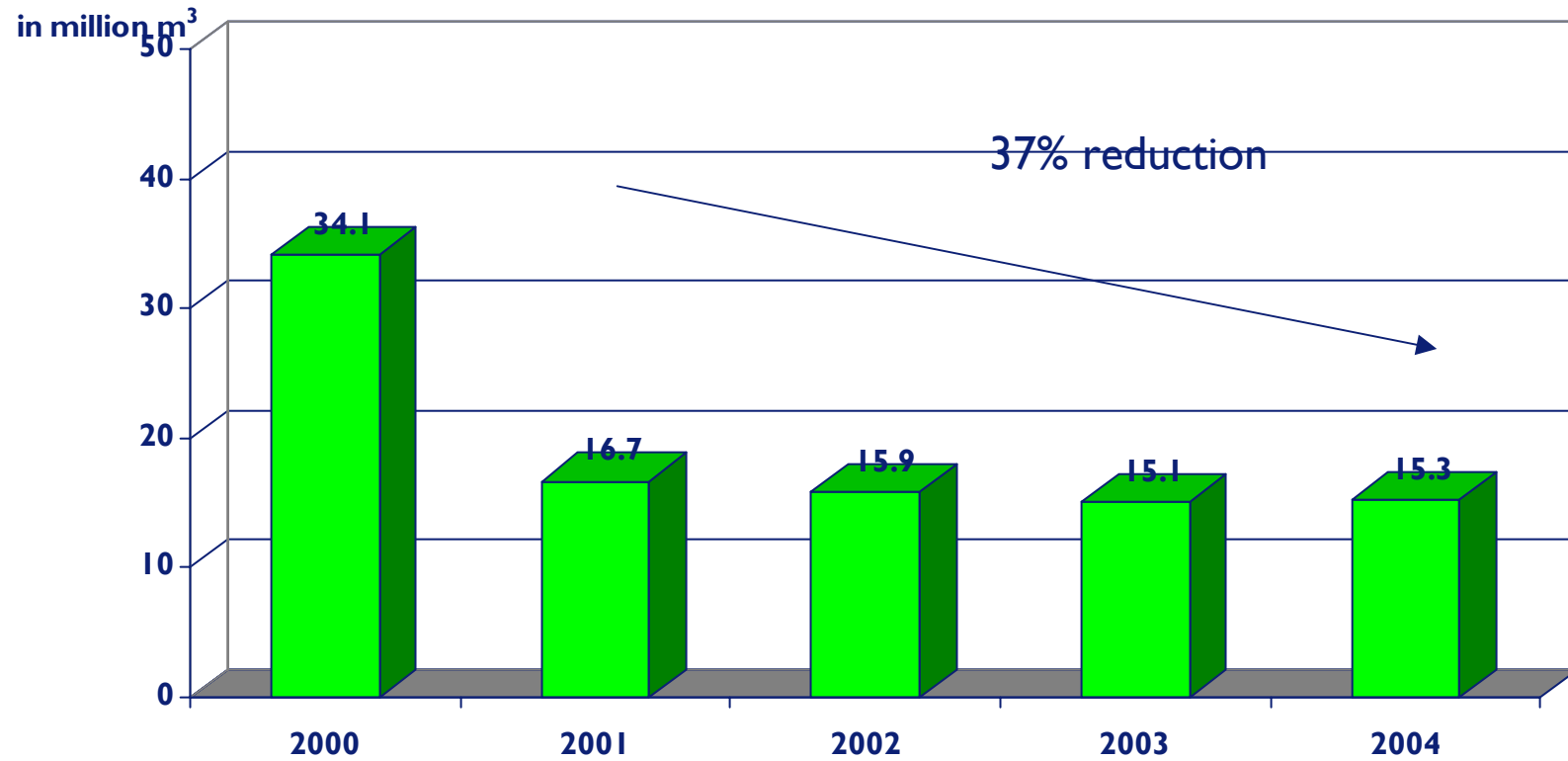
Total direct CO2 emissions



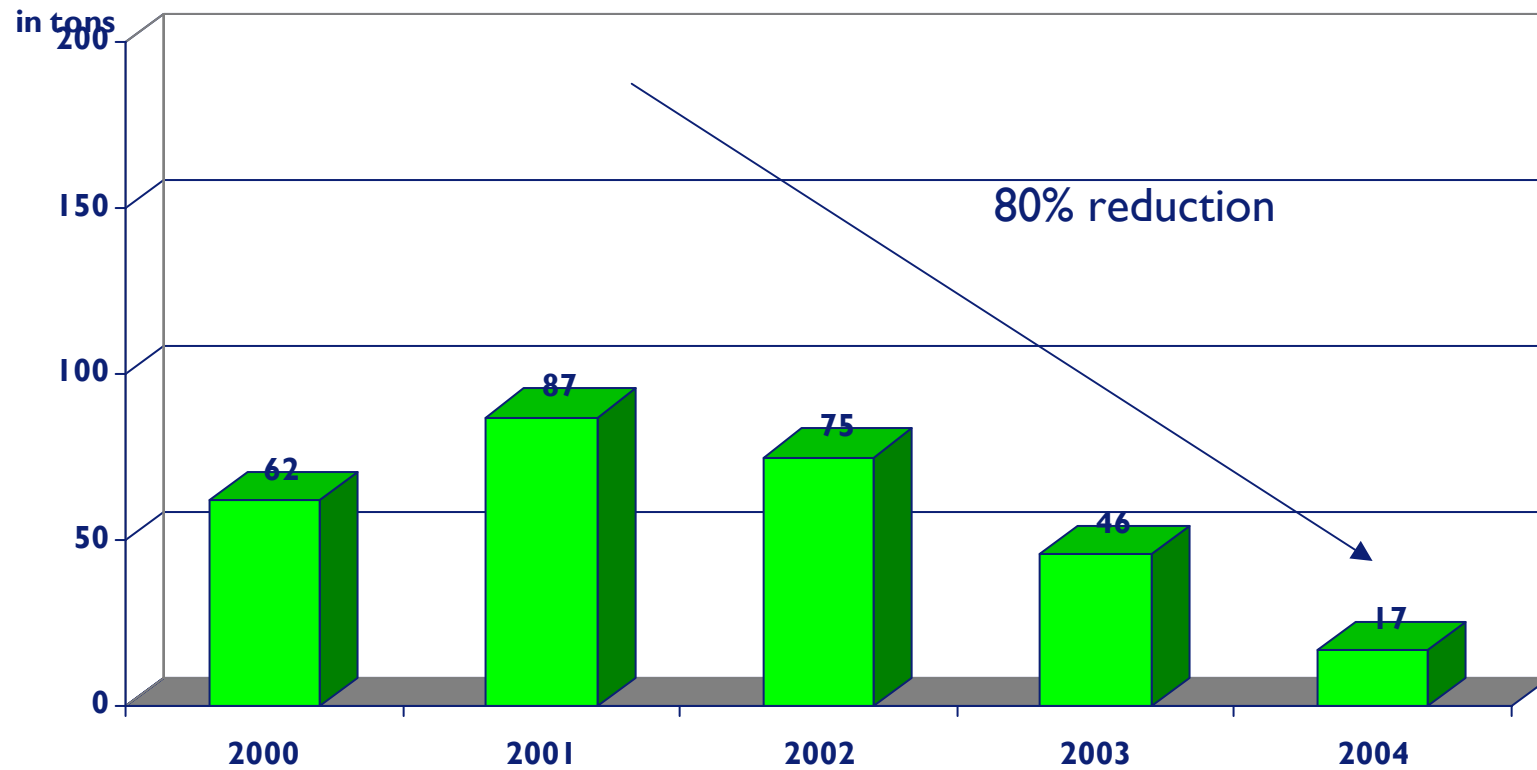
Total waste



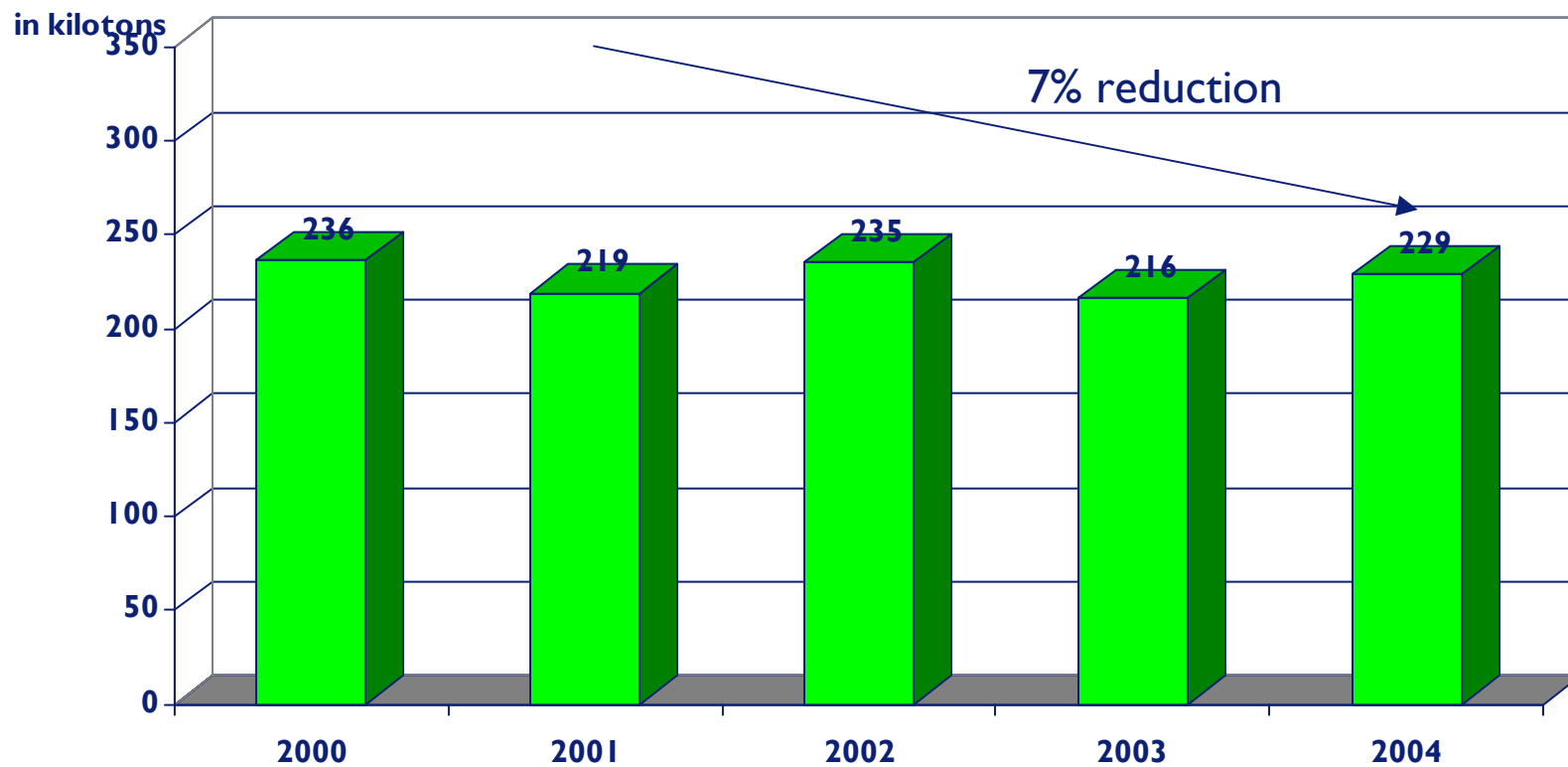
Total water intake



Total Restricted substances



Total packaging material use



Recent awards in HK

- HK Ecoproduct Award 2005
 - Gold award
 - Philips Mobile Phone Xenium [9@9c](#)
 - Philips Keyring Key019
 - Bronze award
 - Philips DVD Player DVP 520





**Philips cares for a
better world**

