

3.3 Sustainability

3.3.1 Philips Sustainability Policy

Based on our Vision, Mission and Strategy, the Philips Sustainability Policy is a core element for the operations of the entire Philips organization. Sustainable development is a priority for the Board of Management, which has formulated guidelines for sustainable performance. The Philips Sustainability Policy and resulting action programs are regularly reviewed and updated to meet stakeholder needs.

Since Philips was founded in 1891, it has worked to improve social equity and environmental quality, proving that responsible business is good business. Operating this way, the company has been able to improve economic prosperity for itself, its stakeholders and society at large. With its tradition of integrating economic, environmental and social issues, Philips understands that sustainable development is one of the most challenging issues facing the world.

Our Commitment

Philips adheres to the principle of Sustainable Development and is a signatory of the UN Global Compact.

Therefore, Philips will:

- **Develop meaningful technology** driven by the needs of society.
- **Behave responsibly**, living up to the Philips values, brand promise and General Business Principles.
- Continue to **build and maintain trust** with transparency and accountability.
- Engage and work with **stakeholders** inside and outside the company.

Our Policy

- Philips maintains and strengthens a culture of sustainable entrepreneurship in line with its sustainability policy in the area of health and well being.
- Philips invests in its employees and creates a work environment that enables them to reach their full potential.
- Philips optimizes its innovations, business strategy and operations by setting financial and non-financial targets and maintaining constructive relationships with stakeholders.
- Philips expects its business partners to be committed to sustainable development.
- Philips is active in the community, supporting initiatives to improve people's lives, thereby focusing on energy efficiency and healthcare, particularly for the underprivileged.
- Philips measures and verifies its sustainability performance and publishes results annually.
- Philips engages with governments, non-governmental organizations (NGOs) and companies to explore new businesses and emerging markets to improve quality of life.

3.3.2 Sustainable development organization structure

At corporate level, the Sustainability Board acts as an advisory body of the Board of Management and is chaired by a member of the Board of Management, who has overall responsibility for the subject. The Sustainability Board includes executives from the sectors and relevant heads of corporate staff.

Philips has established a Corporate Sustainability Office to support the Sustainability Board and drive the execution process. The main tasks of the office are:

- Trend analysis.
- Strategy, policy and action program development, such as EcoVision4.
- Monitoring and reporting, including publishing the annual sustainability performance results.
- Functional leadership of the Sustainability network in sectors, functions and cluster/countries.

For further information, please refer to: www.philips.com/about/sustainability.