

Sustainability policy

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. This policy and resulting action programs are regularly reviewed and updated to meet stakeholder needs.*

Philosophy

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.

Commitment

Philips adheres to the Business Pledge for Action adopted by the world business community at the 2002 Johannesburg World Summit for Sustainable Development:

- *Sustainability* is the *opportunity* we embrace.
- *Responsibility* is the *standard* by which we should expect to be judged.
- *Accountability* is the *obligation* we assume.
- *Partnership* is the *pathway* we pursue.

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* through transparency and accountability.
- *Depend on* and work with *stakeholders* inside and outside the company.

Policy

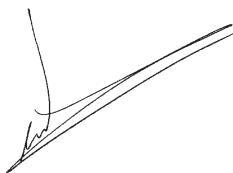
- Philips maintains and strengthens a culture of sustainable entrepreneurship, in line with its sustainability policy.
- Philips invests in its employees and creates a work environment that enables them to reach their full potential.
- Philips optimizes its innovations, business strategy and operations 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, and is focusing on education and healthcare, particularly for the underprivileged.
- Philips measures and verifies its sustainability performance and publishes results annually.
- Philips engages governments, non-governmental organizations (NGOs) and companies to explore new businesses and emerging markets to improve quality of life.



Gerard Kleisterlee



Jan Hommen



Arthur van der Poel



Ad Huijser



Gottfried Dutine

* 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 – which is considered the path to sustainability – is the simultaneous pursuit of economic prosperity, environmental quality and social equity. Companies that pursue this path are known as sustainable entrepreneurs.