



PHILIPS, 5th position, 4.5/10

Philips takes 5th position in the re-launched Guide, with 4.5 points. Together with Sony it is the top scorer in the **Energy** category for its energy policy advocacy, for calling upon the EU to adopt an unconditional 30 percent reduction target for greenhouse gas (GHG) emissions (below 1990 levels) by 2020, supporting climate protection and clean energy development across the EU. It also gets maximum points for its verified disclosure of GHG emissions for its own operations. It scores relatively well for its achievements in reducing its GHG emissions, mostly due to an increase in purchased electricity from renewable sources; however, it needs to set a longer term target to reduce its GHG emissions beyond 2012 – by a further 30 percent by 2015 and to use 100 percent renewable electricity by 2020. It has short term targets to increase the energy efficiency of its operations by 25 percent by 2012 and increase use of renewable energy to the level needed to achieve its 2 percent carbon footprint reduction target by 2012.

On **Products** it has brought a number of product ranges onto the market that are free from polyvinyl chloride (PVC) plastic and brominated flame retardants (BFRs), as well as six phthalates and antimony, to add to the industry's first PVC/BFR free TV, the Econova LED TV, as part of its commitment for all new products to be free from these substances from 2011. It needs to commit to phase out exempted uses of beryllium and all phthalates. Philips has a target to double its use of recycled plastics by 2015, but needs to specify if this is post-consumer recycled plastics; it also needs to report the percentage of post-consumer plastics it uses currently. To score points on the product life cycle criteria Philips needs to publicly disclose the length of warranty and spare parts availability for their main product lines. It also has targets to increase the energy efficiency of its products but needs to update its information on the percentage of its products that meet and exceed the Energy Star standards. Philips risks a **penalty point** in future Guide editions as it is a member of a trade association that has commented against stringent energy efficiency standards; it needs to distance itself from such regressive positions with a strong statement.

For the **Operations** criteria it scores best for its policy and practice on conflict minerals (although it has not published or publicly mapped smelters or suppliers), and for its chemicals policy and management of chemicals in its supply chain. It has begun the process of investigating supply chain emissions of GHGs but has yet to publish data. Its take-back and recycling programme also needs to expand beyond the pilot project stage, in particular to countries where e-waste legislation is not in place. It fails to score for sustainable sourcing of fibres for paper and needs to develop a paper procurement policy which excludes suppliers that are involved in deforestation and illegal logging.

PHILIPS Overall Score

	ZERO	LOW	MEDIUM	HIGH
Disclose own operational GHG emissions				
GHG emissions reductions and targets				
Clean Electricity Plan (CEP)				
Clean Energy Policy Advocacy				
Product Energy Efficiency				
Avoidance of Hazardous Substances in Products				
Use of Recycled Plastic in Products				
Product Life-Cycle				
Measure and reduce energy consumption in the supply chain				
Chemicals Management and Advocacy				
Policy and practice on sustainable sourcing of fibres for paper				
Policy and practice on avoidance of conflict minerals				
Provides effective voluntary take-back where no EPR laws				

PHILIPS Detailed Scoring

Energy

Disclose own operational GHG emissions	GHG emissions reductions and targets	Clean Electricity Plan (CEP)	Clean Energy Policy Advocacy
3/3	4/8	4/8	5/8
<p>Philips discloses its CO₂ equivalent emissions to be 1,808 kt in 2010 (reduced from 1,920 kt in 2009) in its Annual 2010 Report. Emissions are reported from Scope 1, 2 & 3 (business travel and logistics). Philips provides background information and analysis on the source of its GHG emissions. Philips was recognized as a leader in carbon disclosure and carbon performance by the Carbon Disclosure Project (CDP) 2010 Global 500 report, receiving a score of 94/100 and an 'A' rating making it a company with "both higher degrees of maturity in their climate change initiatives and achievement of their objectives".</p> <p>See p. 4, 35, 43, 47, 48, 50, Sustainability Section, Annual Report 2010.</p> <p>Assurance is provided by KPMG for Sustainability Statements.</p>	<p>Philips is committed to reducing its operational carbon footprint by 25% by 2012, using 2007 as a baseline.</p> <p>More information.</p> <p>Operational emissions decreased by 7% in 2010. CO₂ emissions from manufacturing decreased 17% due to its ongoing energy efficiency program, the changing industrial footprint and mostly to an increase in purchased electricity from renewable sources. CO₂ emissions from non-industrial sites decreased 26%, due to efficient use of facility space and an increase in electricity from renewable sources. CO₂ emissions from business travel increased by 13%, but are still 7% below the 2007 level. Operational energy efficiency improved by 6%. See p. 34, 35, 47, 48 Sustainability Section, Annual Report 2010.</p> <p>Philips needs to set a longer term target to reduce its GHG emissions beyond 2012 – by a further 30% by 2015 and to use 100% renewable electricity by 2020.</p>	<p>To achieve its targets for reducing its operational carbon efficiency, Philips aims to further increase the energy efficiency of its operations by 25% by 2012. To achieve this target it is running many initiatives in IT, logistics, manufacturing, business travel and more.</p> <p>Philips doubled its purchase of green electricity from 7% in 2007 to 15% currently. By 2012, the number of sites that use green electricity should be raised to the level needed to achieve the 25% carbon footprint reduction target by 2012. For more points Philips needs to increase its purchasing of renewable energy. Philips has asked its suppliers to introduce procedures to avoid double counting of renewable energy certificates. More information.</p>	<p>Philips participated in the United Nations Climate Change Conference in Cancun, Mexico and states that it "partnered with other leading industry players, governmental organizations, NGOs (like The Climate Group) and the United Nations Environmental Program to create a global sectoral agreement on phasing out inefficient lighting. At COP16, this roll-out was welcomed by a range of different stakeholders given its triple benefits for consumers, environment and economy."</p> <p>See p. 40, Sustainability Section, Annual Report 2010.</p> <p>Philips believes that global emissions should peak in 2015 and decline thereafter to achieve a 50-80% cut in 2050. It supports mandatory cuts in domestic emissions in industrialised countries of at least 30% by 2020. More information.</p> <p>Philips has called upon the EU to adopt an unconditional 30% reduction target (below 1990 levels) by 2020, supporting climate protection and clean energy development across the EU. More information here and here.</p>

Greener Products

Product Energy Efficiency	Avoidance of Hazardous Substances in Products	Use of Recycled Plastic in Products	Product Life-Cycle
3/5	3/5	1/3	0/3
<p>Philips has a target for improving the energy efficiency of its products of 50% by 2015 (for the average total product portfolio) compared to 2009. More information.</p> <p>The average energy efficiency of Philips total product portfolio improved by 4% in 2010. See p.33, Sustainability Section, Annual Report 2010.</p> <p>Philips states that it welcomes "the creation of a level playing field by setting mandatory minimum energy efficiency standards for products such as the European Ecodesign for Energy Using Products Directive aims to do". More information.</p> <p>All TVs sold in the US and 90% of European models meet Energy Star v.3. In 2008 all Philips TV models exceeded the requirement for standby power consumption by at least 70%. Philips still refers to 2008 models and needs to update its information. More information.</p> <p>Philips still reports that 10% of Philips current battery charger models fulfil the Energy Star v. 2 requirements. These models exceed the technical Energy Star requirements by 5-15%. Philips states that "we are planning compliance with Energy Star version 2.0 before the end of 2010". Philips needs to provide an update and report on the percentage of its EPSs that meet Level V of the International Efficiency Marking Protocol for External Power Supplies. More information.</p> <p>However, Philips is a member of CEA, an industry association that recently made comments against the battery chargers systems regulation in the California Appliance Efficiency Regulations. It needs to reiterate its support wherever possible for more stringent energy efficiency standards for all electronic products. It needs to distance itself from such regressive positions or risk incurring a penalty point in future editions of the Guide.</p>	<p>Philips is the first company to introduce a PVC and BFR-free TV; its latest PVC and BFR-free products are the Econova LED-TV and the shaver range RQ12. From July 2010 new adapters for consumer lifestyle products are also PVC and BFR-free.</p> <p>A large number of PVC/BFR free product ranges such as Oral Healthcare, vacuum cleaners and shavers have been put on the market. Phthalates (limited to six types – see Table 2 RSL below) and antimony trioxide are being phased out from new products along with PVC and BFRs.</p> <p>Arsenic has been eliminated from TV glass and other displays from 2008. Beryllium and its compounds are already restricted with a threshold of 1000 ppm, but include exemptions – (see Table 5 RSL).</p> <p>News release announcing Econova TV.</p> <p>In 2010 Philips launched its comprehensive PVC/BFR free policy, committing itself to their phase out in new consumer products placed on the market after January 2011. Philips states that "the electronics industry very much relies on the use of PVC and BFR containing plastics, and sometimes their use is mandated in technical, safety or regulatory standards. Despite these challenges, Philips remains committed to its ambitious roadmaps to make PVC and BFR free consumer products across its entire spectrum of electronics devices."</p> <p>Philips needs to provide a timeline for overcoming the exemptions on beryllium and to clarify why other types of phthalates (beyond the six specified) are not scheduled for elimination. See RSL Table 2 & Table 5.</p>	<p>Philips has a target to double the global collection, recycling amounts and recycled materials in products by 2015 compared to 2009. More information.</p> <p>The methodology behind this target is outlined. More information.</p> <p>In 2010 the baseline for recycled materials in Philips products was established at 75,000 tons. See p.33, Sustainability Section, Annual Report 2010.</p> <p>Philips introduced a vacuum cleaner which is made with 50% post industrial plastics and 25% bio based plastic; the use of post consumer plastics is not mentioned. More information.</p>	<p>The Philips EcoDesign process aims to create products that have significantly less impact on the environment during their whole lifecycle - mostly realized in energy efficiency.</p> <p>See p.46, Sustainability Section, Annual Report 2010.</p> <p>Philips also offers refurbished health care systems to make first-rate equipment available for lesser cost, which will also extend product life cycle. More information.</p> <p>Philips needs to publicly disclose the length of warranty and spare parts availability for its main product lines. For maximum points it also needs to show some innovative measures that increase lifespan and durability of whole product systems, rather than only individual parts.</p>

Sustainable Operations

Measure and reduce energy consumption in the supply chain	Chemicals Management and Advocacy	Policy and practice on sustainable sourcing of fibres for paper	Policy and practice on avoidance of conflict minerals	Provides effective voluntary take-back where no EPR laws
1/5	3/5	0/3	3/5	1/8
<p>Philips is a member of the Carbon Disclosure Project 2010 Supply Chain program, which provides a tried-and-tested, standardized methodology to support effective collaboration with its suppliers on climate change and GHG emissions. Philips intends to use the program to create awareness and drive action in its supply chain and to continue to increase the number of suppliers that it invites to participate in the years to come.</p> <p>See p.23, Sustainability Section, Annual Report 2010.</p> <p>Data on GHG emissions from the supply chain are not available.</p>	<p>Philips' definition of the Precautionary Principle identifies the need to take preventative measures without full scientific certainty. More information.</p> <p>However, Philips states no support for the need for RoHS 2.0 to adopt a ban on organo-chlorine and bromine substances (at least PVC, CFRs and BFRs within 3 – 5 years), as well as an end-of-life focused methodology for adding future substance restrictions. Philips statement on RoHS Recast. More information.</p> <p>Philips scores well for providing Product and Process Specs, criteria for identifying 'future substances' for elimination and examples such as substance restrictions and declarations. More information.</p> <p>Philips Regulated Substances List, Version B, reflects commitments to phase out PVC and BFRs (see Table 6).</p> <p>The Restricted Substances in Processes document refers to a Classified Substance List; however, it's not clear if this list is publicly available. More information.</p> <p>Framework document. More information.</p> <p>In March 2010, Philips introduced a new way of working for suppliers to demonstrate their compliance to the Philips Regulated Substances List, where suppliers upload their compliance declarations exclusively into BOMcheck, a web-based industry platform. More information.</p>	<p>Packaging is mentioned as one of the areas that Philips looks at for its Philips Green Focal Areas. However, no details appear to be available to describe Philips policy and criteria for sourcing of fibres for paper. More information.</p> <p>Philips mentions biodiversity in its Annual Report 2010 but does not refer to deforestation.</p> <p>See p.40, Sustainability Section, Annual Report 2010.</p> <p>Philips needs to develop a paper procurement policy which excludes suppliers that are involved in deforestation and illegal logging and sets specific targets to reduce paper use and increase use of recycled and FSC fibres.</p>	<p>Philips provides extensive information on its efforts to trace and track minerals back to the mine of origin. More information.</p> <p>Philips is in the EICC Extractives Working Group. It has begun tracing but it has not published or publicly mapped smelters or suppliers, as several companies have already done. It has, however, helped develop the conflict reporting template, which will help industry map supply chains.</p> <p>Philips has no internal audit policy on conflict minerals. It did not sign up to the Public Private Alliance but has publicly committed to implement the OECD due diligence guidelines. Philips says its work is partially aimed at "enabling legitimate minerals from the region to enter global supply chains, thereby supporting the Congolese economy and the local communities that depend on these exports." However, we have yet to see evidence of this; such evidence would be welcome, (for example the Motorola "Solutions for Hope" project). A statement on the need for a multi-stakeholder certification process would also be welcome. Philips did not issue a statement against the Chamber of Commerce lawsuit or join the multi-stakeholder submission to the SEC on conflict minerals. Philips participated in the OECD due diligence drafting and has engaged US and European NGOs repeatedly on conflict minerals.</p>	<p>Philips aims to double the collection and recycling of its end-of-life products by 2015. More information.</p> <p>Philips has a voluntary take-back programme in India encompassing 6 cities with 24 service centres. More information.</p> <p>Pilot projects have started in Brazil and Argentina but have not been expanded further, and monitors can be recycled in Canada and New Zealand.</p> <p>In the US, Philips participates in the MRM programme as well as MP3 player recycling via specified retailers.</p> <p>Philips provides general advice to customers on recycling, contacts for recyclers in most of the EU (excluding some New Member States), and a search tool to locate recyclers courtesy of the Consumer Electronics Association in the US.</p> <p>Philips needs to institutionalise the pilot projects and expand its take-back programme to other countries.</p> <p>Philips reports that in 2009 the total amount of WEE recycled waste in EU countries was over 100,000 tons (up from 69,818 tons in 2008). It no longer provides details of its recycling rate as a % of past sales. More information.</p> <p>Background about the calculation of recycling data in Europe.</p>

Ranking Criteria Explained

Version 17, released in November 2011, of the Greenpeace Guide to Greener Electronics ranks companies in the electronics industry under three headings, Energy & Climate, Greener Products and Sustainable Operations.

The criteria used in version 17 of the Guide to evaluate the companies reflect Greenpeace's demands to electronics companies to:

- Reduce emissions of greenhouse gases (GHGs) with energy efficiency and renewable energy
- Clean up their products by eliminating hazardous substances;
- Take-back and recycle their products responsibly once they become obsolete,¹ and;
- Stop the use of unsustainable materials in their products and packaging

Previous versions of the Guide ranked companies on the following criteria: Chemicals, E-waste, and Energy. The ranking in version 17 sees a major change as it reorganizes the individual criteria under new headings (Energy & Climate, Greener Products and Sustainable Operations).

In areas where Greenpeace has seen some progress, multiple criteria have been folded together into one overall criterion, putting the focus on the implementation of previous commitments. In places where the industry needs to make further progress, such as energy policy and practice, we have re-written and strengthened the current criteria. Finally, new criteria on the sourcing of paper products and conflict minerals have been added under Sustainable Operations and on product life cycle under Greener Products.

In addition to these structural changes, the scoring system has also been changed. Depending on the complexity of the criteria the maximum points awarded per criteria will vary between 3, 5 and 8 points. There will no longer be double points for any criteria in the new scoring system. The maximum score is 69, which is converted into a score out of 10.

Given the urgency of tackling climate change, Greenpeace has re-focused and updated its energy criteria to encourage electronics companies to improve their corporate policies and practices with respect to Energy and Climate.

Criteria on Energy and Climate

The criteria that companies will be evaluated on are:

1. Disclosure of Greenhouse Gas (GHG) emissions
2. Commitment to reduce the company's own short term and long term GHG emissions
3. A Clean Energy Plan which includes increasing use of Renewable Energy (RE) and energy efficiency measures to implement cuts in GHGs
4. Advocacy for a Clean Energy Policy at national and sub-national level

Criteria on Greener Products

These criteria focus on the environmental performance of consumer electronics, across a number of different issues:

1. Energy efficiency of new models of specified products
2. Products on the market free from hazardous substances
3. Use of post-consumer recycled plastics in products
4. Product life cycle

Criteria on Sustainable Operations

These criteria examine how companies implement environmental considerations during manufacture in their supply chain through to the end-of-life phase of a product:

1. Reduction of supply chain GHG emissions by major suppliers
2. Policy, practice and advocacy on chemicals management
3. Policy and practice on sustainable sourcing of fibres for paper
4. Policy and practice on avoidance of conflict minerals
5. Producer responsibility for voluntary take-back of e-waste

Company scores

Companies have the opportunity to improve their score, as the Guide will be periodically updated. However, penalty points will be deducted from overall scores if Greenpeace finds a company lying, practicing double standards or other corporate misconduct.

Disclaimer

Greenpeace's 'Guide to Greener Electronics' aims to clean up the electronics sector and get manufacturers to take responsibility for the full life cycle of their products, including the e-waste that their products generate and the energy used by their products and operations.

The Guide does not rank companies on labour standards, social responsibility or any other issues, but recognises that these are important in the production and use of electronic products.

Changes in ranking guide

We first released our 'Guide to Greener Electronics' in August 2006, which ranked the 14 top manufacturers of personal computers and mobile phones according to their policies on toxic chemicals and recycling.

In the sixth issue of the Guide, we added the leading manufacturers of TVs – namely, Philips and Sharp – and the game console producers Nintendo and Microsoft. The other market leaders for TVs and game consoles are already included in the Guide.

In the eighth edition, we sharpened some of the existing ranking criteria on toxic chemicals and e-waste and added a criterion on each issue. We also added five new energy criteria. In the fourteenth edition the criteria for the Precautionary Principle criteria was made more challenging.

The 17th edition has been re-organised, to reflect campaign priorities and to provide a more comprehensive assessment of the areas where electronics companies impact the environment, under the three headings Energy & Climate, Greener Products and Sustainable Operations. Many elements of the previous criteria remain but they have been re-arranged and updated, with a greater focus on implementation rather than commitment.

It now ranks 15 top manufacturers of personal computers, TVs and mobile phones; Fujitsu, games console producers Nintendo and Microsoft are no longer included and the mobile phone manufacturer Motorola has been replaced with RIM.

For the latest version, see www.greenpeace.org/rankingguide

Sony is issued with a penalty point on its total score as it has made comments in opposition to energy efficiency standards in California, (specifically on the CA Title20 Battery chargers systems and the SB 454: Enforcement of energy efficiency appliance standards).

Sony and LGE are listed as clients of Asia Pulp and Paper (APP), which is responsible for illegal logging and deforestation in Indonesia. Sony and LGE should immediately and publicly commit to stop sourcing any paper or packaging needs from APP or risk being penalised in future versions of the Guide.

Companies that are members of the trade associations ITI and CEA are warned that they risk incurring a penalty point in future editions of the Guide; this affects all companies apart from Sony Ericsson, LGE and Acer. These industry associations have recently made comments against stricter energy efficiency standards in the scope of the California Appliance Efficiency Regulations (a. the inclusion of computers and servers; b. comments against battery chargers systems regulation, respectively). Companies need to distance themselves from such regressive positions and reiterate their support wherever possible for more stringent energy efficiency standards for all electronic products.

Penalty points previously imposed on Toshiba, Samsung, LGE, Dell and Lenovo for backtracking on their commitments to phase out vinyl plastic (PVC) and brominated flame retardants (BFRs) have been lifted as a result of progress made in bringing PVC/BFR-free products onto the market.

¹. The two issues are connected: the use of harmful chemicals in electronic products prevents their safe recycling once the products are discarded.