PHILIPS
10th Position, 3.8/10

Philips moves down to 10th position in the Greenpeace Guide to Greener Electronics, with 3.8 points.

It scores well in the **Energy** criteria for third-party verified disclosure of greenhouse gas (GHG) emissions of its own operations, and for progress to reduce its GHG emissions. Its short-term targets to increase energy efficiency by 25% and increase use of renewable energy to the level needed to achieve its 2% carbon footprint reduction target end this year. New longer-term targets beyond 2012 – GHG reduction by a further 30% by 2015, and to use 100% renewable electricity by 2020 – are needed. The company loses much of its previous advocacy score, as it has been relatively silent on climate advocacy in the past twelve months.

On **Products**, Philips has a number of products free from polyvinyl chloride plastic (PVC) and brominated frame retardants (BFRs), as well as six phthalates and antimony. Although Philips no longer sells TVs, it was the first company to release a PVC/BFR-free TV, the Econova LED TV. It needs to commit to phase out exempted uses of beryllium and all phthalates. Philips needs to specify post-consumer recycled plastic, and to report the percentage it currently uses. Philips fails to score points on product life cycle, as it does not publicly disclose the warranty and spare parts availability for its main product lines.

Philips scores the best in the **Sustainable Operations** criteria, for its policy and practice on conflict minerals, and has disclosed mapped smelters or suppliers. There is room for improvement in its chemicals policy and management with advocacy on restrictions of hazardous substances. Philips' take-back and recycling programme must expand beyond the pilot project stage, in particular to countries where e-waste legislation is not in place. The company also lacks a sustainable paper procurement policy.

		ZERO	LOW	MEDIUM	HIGH
ENERGY	Disclose and set targets for operational GHG emissions and RE supply				
	Disclose and set targets for supply chain GHG emissions and RE supply				
	Clean Electricity Plan (CEP)				
	Clean Energy Policy Advocacy				
PRODUCTS	Product energy efficiency				
	Avoidance of hazardous substances in products				
	Use of recycled plastic in products				
	Product life cycle				
OPERATIONS	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 there are no EPR laws				

Energy		11/32
Disclose and set targets for operational GHG emissions and RE supply	Philips discloses its CO_2 equivalent emissions to be 1,771 kt in 2011 (reduced from 1,808 kt in 2010) in its **2011 Annual 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 **recognised as a leader** in carbon disclosure and performance for its reporting of GHG emissions in 2011 by the Carbon Disclosure Project (CDP) with a top score of 99 (out of 100) for Carbon Disclosure and an 'A' for our overall Carbon Performance. Assurance is provided by KPMG for **Sustainability Statements**. Philips is committed to reducing its operational carbon footprint by 25% by 2012, using 2007 as a baseline. **More information.** **Operational emissions** decreased by 7% in 2010. CO_2 emissions from manufacturing decreased 17% due to its ongoing energy efficiency programme, the changing industrial footprint and mostly to an increase in purchased electricity from renewable sources. CO_2 emissions from non-industrial sites decreased 26%, due to efficient use of facility space and an increase in electricity from renewable sources. CO_2 emissions from business travel increased by 13%, but are still 7% below the 2007 level. Operational energy efficiency improved by 6%. 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.	4/8
Disclose and set targets for supply chain GHG emissions and RE supply	In 2011, Philips engaged with the Carbon Disclosure Project and Trucost, an environmental data and insight company specialising in supply chain CO_2 reporting, to quantify the carbon emissions in its supply chain. The emissions were estimated at approximately 5.6 million tons, which is almost 6 times its scope 1 and 2 emissions. The study also unveiled the "hotspots" in its supply chain; **Philips aims** to focus its energy efficiency improvement and carbon reduction activities with its suppliers. Philips needs to set a target to cut GHG emissions by its supply chain and develop a strategy to achieve this.	2/8
Clean Electricity Plan (CEP)	Accounting for 40% of the GHG emissions (see E1), **total CO_2 emissions from manufacturing** decreased 8% due to continued energy efficiency improvement programmes, changing industrial footprint and the further increase of the share of purchased electricity from renewable sources to 44% of total purchased electricity. Increasing the share of purchased renewable energy also contributed to a 2% reduction in GHG emissions from offices and warehouses. In addition, **operational energy efficiency improved** 4%, from 1.29 terajoules per million euro sales in 2010 to 1.24 terajoules per million euro sales in 2011. Total energy use in manufacturing was 13,982 terajoules in 2011, down by 3% compared to 2010. A breakdown of energy use by product sector is provided; lighting makes up 80%. See p.189 **Annual Report**. 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.	4/8
Clean Energy Policy Advocacy	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.** Much of Philips' previous climate advocacy, including work the UN Climate Change conferences, and calling upon the EU to adopt a 30% reduction target by 2020, occurred more than one year ago and will not be counted in this version of the Guide.	1/8

Greener Products		7/16
Product energy efficiency	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.** The average energy efficiency of its total product portfolio **improved slightly** (some 2% in 2011 and 8% compared to 2009). Philips believes in a level playing of minimum energy efficiency standards for products. **More information.** Philips no longer manufactures TVs and **does not report** on whether its EPS' meet or exceed the Energy Star or International Efficiency Marking Protocol standards.	3/5
Avoidance of hazardous substances in products	Philips continues making progress on its **commitment to phase out PVC/BFR from products**. The company has launched new shavers and grooming products, among others, free of these substances. Philips was the first company to introduce a PVC and BFR-free TV; the Econova LED-TV.. From July 2010 new adapters for consumer lifestyle products have also been PVC and BFR-free. Additionally, 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) and antimony trioxide are being phased out from new products. 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). 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. **More information on Philips' commitment to eliminating PVC/BFR**. **News release** announcing Econova TV. 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**.	3/5
Use of recycled plastic in products	Philips has a target to double the global collection, recycling amounts and recycled materials in products by 2015 compared to 2009. **More information.** The methodology behind this target is outlined. **More information.** In 2010 the baseline for recycled materials in Philips products was established at 75,000 tons. See p.33, **Sustainability Section, Annual Report 2010**. 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.** In 2011, Philips introduced the **SENSEO Viva Café Eco**, the first product in its category to be made from 50% recycled plastics.	1/3
Product life cycle	Philips **StyliD Performance and LuxSpace Accent accent lighting** for supermarkets and fashion retailers have a long system lifetime. The Philips EcoDesign process aims to create products that have significantly less impact on the environment during their whole life cycle - mostly realized in energy efficiency. See p.46, **Sustainability Section, Annual Report 2010**. 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.** Philips gives examples of four products with warranties of 2 years, although it is not known if these are its four best-selling products. Spare parts availability is not provided. Example **1, 2, 3** and **4**. Philips needs to publicly disclose the length of warranty and spare parts availability for its best selling products. 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.	0/3

Sustainable Operations		8/21
Chemicals management and advocacy	Philips' definition of the Precautionary Principle identifies the need to take preventative measures without full scientific certainty. **More information.** Philips does not provide any evidence of advocacy for strong chemicals legislation. It has not submitted case studies demonstrating the substitution of hazardous chemicals of concern to the Substitution Support Portal (Subsport). **More information.** 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.** Philips Regulated Substances List, Version B, reflects commitments to phase out PVC and BFRs (**see Table 6**). Substances in Processes document refers to a Classified Substance List; however, it's not clear if this list is publically available. **More information.** **Framework document.** 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.** **BOMcheck List of Restricted and Declarable Substances, August 2012.**	3/5
Policy and practice on sustainable sourcing of fibres for paper	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.** Philips mentions biodiversity in its Annual Report 2010 but does not refer to deforestation. See p.22, **Sustainability Section, Annual Report 2011.** **Philips gives an example of 90% recycled cardboard packaging. (Green Products and Green Innovation).** 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.	0/3
Policy and practice on avoidance of conflict minerals	Philips provides extensive information on its efforts to trace and track minerals back to the mine of origin. **More information.** Its position paper on conflict minerals. **More information.** 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. 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.	4/5
Provides effective voluntary take-back where there are no EPR laws	Philips aims to double the collection and recycling of its end-of-life products by 2015. **More information.** Philips has a voluntary take-back programme in India and provides three phone numbers for televisions, mobile phones and monitors. **More information.** Pilot projects have started in Brazil and Argentina but have not been expanded further. Philips is helping with the development of a national WEEE programme in Thailand and for lamps in South Africa. It is Philips intention to help establish **global collection and recycling systems**, and monitors can be recycled in **Canada and New Zealand.** In the US, Philips participates in the MRM programme as well as MP3 player recycling via **specified retailers.** Philips provides general advice to customers on recycling and contacts for recyclers in the EU. Philips needs to institutionalise the pilot projects and expand its take-back programme to other countries. **Background** about the calculation of recycling data in Europe. The amount of collection and recycling for 2010 was calculated at 35,000 tons; there was a decrease in recycled lighting products. Philips no longer reports its recycling rate as a percentage of past sales. (**Closing the material loop**).	1/8