

Annual Report 2017

Sustainability highlights

Making the world healthier and more sustainable

In 2017, we made further advances in the focal areas of access to care, circular economy and climate action, taking us closer to our goal of improving the lives of 2.5 billion people a year by 2030, including 400 million in underserved communities.

Climate action

- Philips achieved the highest result in the 2017 Carbon Disclosure Project (climate change A-list) for the fifth year in a row, supporting our climate strategy.
- In 2017, all Philips' US operations were powered with 100% renewable electricity. Philips also signed two long-term Power Purchase Agreements in the Netherlands: when these windfarms are fully operational, Philips' Dutch operations will be 100%-powered by wind energy.

Circular economy

- As part of our Circular Economy program, we have introduced 160 grams recycled plastic in our top-selling SENSEO→Æ Original coffee machine. In addition, the packaging is made of 90% recycled cardboard, and PVC has been phased out from all internal wiring.

Access to care

- At the United Nations in September Philips made an extended commitment to improve the lives of 300 million people in underserved healthcare communities by 2025.

Other highlights

- Lives Improved increased to 2.2 billion, driven by all segments, with strong growth in China, India and North America.
- Philips was named Industry Leader in the Diversified Industrials category in the 2017 Dow Jones Sustainability Index for the third year in a row, achieving best-in-class scores in several categories, including corporate governance, climate strategy and operational eco-efficiency.
- Green Revenues at 60% of total sales, Circular Revenues at 11%.
- Philips signed an agreement for a new EUR 1 billion Revolving Credit Facility with an interest rate that is dependent on the company's year-on-year improvement in its sustainability performance.
- In this Annual Report, Philips has published its first Environmental Profit and Loss account, indicating an environmental impact of EUR 200 million in its own operations.

