

Annual Report 2021

Sustainability highlights

Making the world healthier and more sustainable

In 2021, 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

- At COP 26, Philips announced an [ambitious climate action](#) to drive significant reduction of greenhouse gas emissions in our supply chain, aiming to have at least 50% of our suppliers (based on spend) committed to science-based targets for CO₂ reduction by 2025.
- Philips was [recognized for its climate action leadership](#) by global environmental non-profit CDP. Thanks to our actions to cut emissions, mitigate climate risks, and develop the low-carbon economy, Philips secured a place on CDP's 'A List' for the ninth consecutive year.
- The Krammer windfarm, from which the Dutch wind consortium (Nouryon, DSM, Google and Philips) source renewable electricity, has generated 1 Terawatt since it came into operation, thereby avoiding 450,000 tons of CO₂ – equivalent to the annual carbon sequestration of more than 13 million medium-sized oak trees.

Circular economy

- Revenues from Circular Products and Solutions increased to 16% (15% in 2020).
- Philips' new [MR 5300 system](#), introduced at RSNA 2021, has received 510(k) clearance from the US Food and Drug Administration (FDA). With this introduction, the company's latest [BlueSeal](#) fully-sealed helium-free-in-operations MR scanner continues the advancement of a full helium-free operating portfolio of Philips MR solutions.

Access to care

- Philips and Dutch development bank FMO announced that they have signed a wider [partnership agreement](#) aimed at improving access to quality primary care in Africa.
- Some 100 public health facilities in Kenya are live on a remote equipment monitoring solution from our Connected Primary Care solutions venture, as part of a project of UNICEF and Philips Foundation to measure the impact of equipment availability and uptime.
- Philips received a [USD 15.4 million grant from the Bill & Melinda Gates Foundation](#) to develop an artificial intelligence (AI)-based application suite to improve the quality and accessibility of obstetric care in low- and middle-income countries, especially in underserved communities.
- Philips and Medical Credit Fund [announced a partnership](#) to improve access to quality healthcare in Africa. This partnership offers small and medium-sized private clinics in Africa access to financing for innovative medical technologies and services from Philips.
- Philips is [partnering with UNFPA](#) in Brazil to distribute the Pregnancy+ app to expectant mothers in underserved areas. The goal is to fill the knowledge gaps of future moms and their partners and provide reliable resources that help each woman feel better informed, prepared and confident about her pregnancy.

Other highlights

- Through our supplier sustainability engagement program, we improved the lives of 430,000 workers in the supply chain in 2021, reducing the risk of injury in the workplace, improving labor conditions, and lowering the environmental impacts made at our supply partners.
- Philips was again recognized as one of the leading companies for sustainability performance in the global [2021 Dow Jones Sustainability Indices](#) (DJSI) list, achieving a #2 ranking in the DJSI Health Care Equipment & Suppliers industry group.
- Philips received a score of 90 out of 100 in the Environmental, Social and Governance (ESG) assessment by [S&P Global Ratings](#), the highest score awarded to date.
- Philips published its [Human Rights Report 2021](#), providing an overview of our initiatives promoting respect for human rights, not only within Philips, but also across our value chain and the wider societies we serve.
- Philips was ranked 13th in the [2021 RepTrak list](#) of companies with the best reputation globally (up from 29th position in 2020). Philips earned the top spot in RepTrak's ranking for the Netherlands for the 14th consecutive year.

