

Annual Report 2024

ESG by key country

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On the following pages we show how Philips performed in a number of key countries in 2024 on a subset of the WEF Core metrics, as well as a number of additional Philips-specific metrics that we consider fundamental to the strategy and operation of our business. In this section, revenues are on a stand-alone country basis (unconsolidated).

Brazil

Environment

Net operational carbon footprint	0 kilotonnes CO²-equivalent
Land use and ecological sensitivity	13 tonnes waste sent to landfill
Water withdrawal	5,918 m³
Circular revenues ^{*)}	15.9%

Social

Lives improved ^{*)}	125 million
Absolute number and rate of employment	1803 employees, 16.5% employee turnover
Training provided	100,570 hours
Wage level	EUR 84 million employee benefit expenses

Governance

Economic contribution	EUR 288 million revenues
	EUR 210 million cost of sales
Financial investment contribution	EUR 60 million tangible assets
	EUR 1 million capital expenditure
Total tax contribution	EUR 77 million

^{*)} Philips-specific metric

Main business activities

- Research and Development
- Holding and/or managing of intellectual property
- Purchasing
- Manufacturing
- Sales, marketing and distribution
- Administrative, management and support services
- Provision of services to unrelated parties
- Holding shares or other equity instruments

Customer impact and innovation

Philips celebrated 100 years in Brazil in 2024, highlighting the evolution of its integrated patient monitoring and AI solutions, and its commitment to offering integrated solutions to bring more clarity to the complex patient care journey.

Philips Foundation

Philips Foundation expanded its partnership with SAS Brasil, a non-profit organization, and since 2021, has benefited tens of thousands of people through mobile advanced telehealth units in Campos Belos and Cavalcante (GO), Preá (CE) and Santo Amaro (MA). In July 2024, a second phase was announced: the establishment of an innovation living lab dedicated to advancing digital health education, with a particular emphasis on maternal care, childcare, and oncology.

Stakeholder engagement

Philips has engaged with health authorities at the federal and state levels to discuss the digital transformation of health and the development of innovative projects. It also has been working closely with key trade associations, including board membership in two associations.

China

Environment

Net operational carbon footprint	0 kilotonnes CO₂-equivalent
Land use and ecological sensitivity	28 tonnes waste sent to landfill
Water withdrawal	151,157 m³
Circular revenues ^{*)}	10.7%

Social

Lives improved ^{*)}	525 million
Absolute number and rate of employment	6,757 employees, 13.3% employee turnover
Training provided	354,597 hours
Wage level	EUR 425 million employee benefit expenses

Governance

Economic contribution	EUR 2,125 million revenues
	EUR 1,505 million cost of sales
Financial investment contribution	EUR 380 million tangible assets
	EUR 36 million capital expenditure
Total tax contribution	EUR 316 million

^{*)} Philips-specific metric

Main business activities

- Research and Development
- Purchasing
- Manufacturing
- Sales, marketing and distribution
- Administrative, management and support services
- Provision of services to unrelated parties
- Internal Group Finance
- Holding shares or other equity instruments

Customer impact and innovation

At Beijing Fuwai, China's top cardiology hospital, Philips Ingenia Elition coupled with Philips Azurion will support the hospital in expanding the level and quality of care in cardiology and offer more precise and effective diagnosis and treatment to patients. JiuLongJiang Hospital, a recently established top-tier private hospital, will leverage Philips' offerings in CT, ultrasound, and others to quickly catch up with its peers and offer quality care in the Zhangzhou/South Fujian area.

Philips Foundation

Through a collaborative effort with the Chinese Red Cross Foundation, Philips Foundation has introduced high-risk pregnancy referral cards in rural China, with the aim of reducing neonatal mortality rates. These easy-to-understand visual aids – initially introduced in sub-Saharan Africa – empower expectant mothers to identify potential pregnancy risks and seek timely medical care. With this imaginative approach, Philips Foundation is making a meaningful difference by ensuring the well-being of mothers and newborns in rural communities in China.

Stakeholder engagement

Philips China collaborates closely with China's central and local government authorities, trade associations, and academic institutions to explore strategies for building a resilient and sustainable healthcare ecosystem. Committed to driving green transformation, Philips China actively engages with healthcare professionals on developing green hospitals while continuously promoting environmental sustainability within the healthcare community in China.

France

Environment

Net operational carbon footprint	0 kilotonnes CO₂-equivalent
Land use and ecological sensitivity	- tonnes waste sent to landfill
Water withdrawal	- m³
Circular revenues ^{*)}	27.4%

Social

Lives improved ^{*)}	42 million
Absolute number and rate of employment	900 employees, 14.7% employee turnover
Training provided	37,071 hours
Wage level	EUR 127 million employee benefit expenses

Governance

Economic contribution	EUR 383 million revenues
	EUR 226 million cost of sales
Financial investment contribution	EUR 47 million tangible assets
	EUR 3 million capital expenditure
Total tax contribution	EUR 101 million

^{*)} Philips-specific metric

Main business activities

- Research and Development
- Holding and/or managing of intellectual property
- Sales, marketing and distribution
- Administrative, management and support services
- Provision of services to unrelated parties
- Holding shares or other equity instruments

Customer impact and innovation

Based on a detailed environmental assessment, Philips and Rennes University Hospital found that three strategies – energy savings, circular upgrades and refurbishment – could reduce the environmental impact of the cath lab. As part of a five-year clinical partnership on technology and innovation, this effort demonstrates how healthcare institutions and industry providers can collaborate to reduce carbon emissions.

Volunteering

Support is provided to the association *Agir pour le Cœur des Femmes*, the mission of which is to raise awareness of and take action against cardiovascular diseases in women, the leading cause of death among women. Philips supports prevention initiatives and outreach efforts to populations with limited access to healthcare.

Stakeholder engagement

Philips developed a partnership with the startup *Dépist&vous* to allow employees to access better healthcare through a genuine prevention pathway.

Germany

Environment

Net operational carbon footprint	0 kilotonnes CO₂-equivalent
Land use and ecological sensitivity	9 tonnes waste sent to landfill
Water withdrawal	31,089 m³
Circular revenues ^{*)}	25.2%

Social

Lives improved ^{*)}	66 million
Absolute number and rate of employment	3,397 employees, 9.9% employee turnover
Training provided	152,580 hours
Wage level	EUR 429 million employee benefit expenses

Governance

Economic contribution	EUR 2,230 million revenues
	EUR 1,142 million cost of sales
Financial investment contribution	EUR 414 million tangible assets
	EUR 14 million capital expenditure
Total tax contribution	EUR 258 million

^{*)} Philips-specific metric

Main business activities

- Research and Development
- Holding and/or managing of intellectual property
- Purchasing
- Manufacturing
- Sales, marketing and distribution
- Administrative, management and support services
- Provision of services to unrelated parties
- Holding shares or other equity instruments

Customer impact and innovation

A successful partnership between Philips and Charité Berlin was extended seven years to continue to work together to create an immersive innovation ecosystem that positions patients and caregivers at the center. In developing scalable innovations developed as close as possible to reality, Philips and Charité share a goal to deliver future-oriented digital capabilities and technologies.

Philips Foundation

Philips Foundation supported the Breastcare App, a multilingual tool developed by Pink Ribbon Germany that empowers migrant women with vital information on early breast cancer detection. The app highlights the lasting impact of sustained access to critical examinations, offering free guidance (without ads) in seven languages and supported through relevant local partnerships.

Stakeholder engagement

Philips continues to engage with key stakeholders on advancing sustainability in healthcare. In 2024, Philips welcomed leaders from the German Association of University Hospitals (VUD) to its Innovation Campus, highlighting its health tech and sustainability solutions. Philips also joined the ZUKE Green network and the Hamburg Chamber of Commerce's Healthcare Sustainability Initiative, supporting the healthcare sector's journey toward net zero. Additionally, Philips' Hamburg plant was recognized with the 'Excellence in Sustainability' award at the Factory of the Year competition for its leadership in sustainable production.

India

Environment

Net operational carbon footprint	0 kilotonnes CO₂-equivalent
Land use and ecological sensitivity	0 tonnes waste sent to landfill
Water withdrawal	17,531 m³
Circular revenues ^{*)}	13.8%

Social

Lives improved ^{*)}	100 million
Absolute number and rate of employment	8,431 employees, 13.3% employee turnover
Training provided	440,006 hours
Wage level	EUR 304 million employee benefit expenses

Governance

Economic contribution	EUR 938 million revenues
	EUR 470 million cost of sales
Financial investment contribution	EUR 300 million tangible assets
	EUR 18 million capital expenditure
Total tax contribution	EUR 165 million

^{*)} Philips-specific metric

Main business activities

- Research and Development
- Purchasing
- Manufacturing
- Sales, marketing and distribution
- Administrative, management and support services
- Provision of services to unrelated parties
- Other

Customer impact and innovation

Philips India celebrated the one-year milestone of the launch of first-of-its-kind and the only dedicated Center of Excellence for echocardiography training in the country. The center offers clinicians the Experience Learning and Training in Echocardiography (ELiTE) course, an experiential offline training program, through which it has successfully upskilled 200 healthcare professionals, including cardiologists, physicians, intensivists, and sonographers over a span of 136 training hours.

Volunteering

As part of our commitment to community service, Philips India Ltd organized impactful volunteering drives in Chennai and Bangalore. Our employees participated in a half-day volunteering initiative at hospitals, where they were divided into groups to assist with various activities, contributing their time and effort to support healthcare staff and patients. Additionally, as part of the MIRA Women Empowerment Project, volunteers visited villages to spread awareness about essential maternal health practices and debunk pregnancy-related myths. This initiative aimed to educate and empower women to ensure better health outcomes for themselves and their families.

Stakeholder engagement

India, with its large, diverse, and democratic federal government, poses unique challenges and opportunities in stakeholder environment. Philips India has recently established a government and public affairs function, and strategic planning is underway for outreach to the Ministry of Health, the Department for Promotion of Industry and Internal Trade, and the Department of Pharmaceuticals. Key policy areas include localization, ease of doing business and value-based healthcare. Additionally, Philips India engages with key trade associations, such as NatHealth, Federation of Indian Chamber of Commerce and Industry (FICCI), AdvaMed, APACMed, and Nasscom, an association for India's tech industry.

Japan

Environment

Net operational carbon footprint	0 kilotonnes CO₂-equivalent
Land use and ecological sensitivity	- tonnes waste sent to landfill
Water withdrawal	- m³
Circular revenues ^{*)}	36.0%

Social

Lives improved ^{*)}	52 million
Absolute number and rate of employment	1,987 employees, 9.4% employee turnover
Training provided	66,252 hours
Wage level	EUR 125 million employee benefit expenses

Governance

Economic contribution	EUR 925 million revenues
	EUR 733 million cost of sales
Financial investment contribution	EUR 300 million tangible assets
	EUR 10 million capital expenditure
Total tax contribution	EUR 110 million

^{*)} Philips-specific metric

Main business activities

- Sales, marketing and distribution
- Administrative, management and support services
- Provision of services to unrelated parties
- Other

Customer impact and innovation

For the Japanese market, where cerebrovascular diseases are on the rise and place a heavy social burden on society, Philips has launched SmartCT 3.0, an application powered by AI and specialized for endovascular treatment with high image quality. Additionally, imaging utilizing Multi Nuclei imaging has started at Hamamatsu University Hospital, where the first MR 7700 3.0T has been installed in Japan. With high image quality and reduced scan time, it provides high accuracy, power, and endurance to support confident diagnoses.

Philips Foundation

Following the devastating Noto Peninsula Earthquake on January 1, 2024, Philips Foundation and Philips Japan joined forces to support relief efforts by providing AED equipment to Ishikawa Prefecture. The devices have been placed in areas with the highest impact, particularly where temporary housing has been set up to safeguard the health of affected communities.

Stakeholder engagement

Philips continues to engage with the Ministry of Health, Labor and Welfare on topics including reduction of healthcare professionals' working hours, healthcare diagnoses and reimbursement. Work with key trade associations includes European Business Council (EBC) and American Medical Devices & Diagnostics Manufacturers' Association. With the Japan Federation of Medical Devices Associations, Philips has organized a study group to make policy recommendations for medical device sustainability during disasters.

The Netherlands

Environment

Net operational carbon footprint	0 kilotonnes CO₂-equivalent
Land use and ecological sensitivity	3 tonnes waste sent to landfill
Water withdrawal	57,045 m³
Circular revenues ^{*)}	9.0%

Social

Lives improved ^{*)}	17 million
Absolute number and rate of employment	8,682 employees, 9.0% employee turnover
Training provided	286,776 hours
Wage level	EUR 997 million employee benefit expenses

Governance

Economic contribution	EUR 8,726 million revenues
	EUR 5,532 million cost of sales
Financial investment contribution	EUR 1,446 million tangible assets
	EUR 54 million capital expenditure
Total tax contribution	EUR 412 million

^{*)} Philips-specific metric

Main business activities

- Research and Development
- Holding and/or managing of intellectual property
- Purchasing
- Manufacturing
- Sales, marketing and distribution
- Administrative, management and support services
- Provision of services to unrelated parties
- Internal Group Finance
- Holding shares or other equity instruments

Customer impact and innovation

Philips has renewed its strategic partnership with Isala Hospital in Zwolle, focusing on innovation and affordable, sustainable healthcare. This renewed partnership is primarily aimed at the departments of radiology and cardiology. Additionally, Philips is proud to have been ranked second in the Top 30 R&D by the VNO-NCW, highlighting our commitment to innovate to enable better care for more people.

Philips Foundation

Philips Foundation is partnering with the Indoor Air Quality Society to explore how air pollution and socioeconomic factors influence cardiovascular disease risk in Amsterdam. In collaboration with the University of Amsterdam and Cardiology Centers Netherlands, the project uses data analysis and pollution mapping to guide targeted prevention strategies. This research is part of the Philips Foundation's wider commitment to improving healthcare access in the Netherlands, including collaborations with Stichting GelijkGezond and the Nouri Foundation.

Stakeholder engagement

Philips is a member of the European Round Table for Industry, which strives for a strong, open and competitive Europe, with the EU and its single market as a driver of inclusive growth and sustainable prosperity. Philips is on the board of, among others, employers organization VNO-NCW and trade association FME, as well as public-private committees on innovation, talent, AI, cybersecurity, and health. In addition, Philips maintains contacts with politicians and policymakers, as well as with regulatory bodies.

Poland

Environment

Net operational carbon footprint	0 kilotonnes CO₂-equivalent
Land use and ecological sensitivity	- tonnes waste sent to landfill
Water withdrawal	- m³
Circular revenues ^{*)}	14.7%

Social

Lives improved ^{*)}	27 million
Absolute number and rate of employment	2,024 employees, 12.9% employee turnover
Training provided	63,758 hours
Wage level	EUR 96 million employee benefit expenses

Governance

Economic contribution	EUR 299 million revenues
	EUR 152 million cost of sales
Financial investment contribution	EUR 27 million tangible assets
	EUR 3 million capital expenditure
Total tax contribution	EUR 67 million

^{*)} Philips-specific metric

Main business activities

- Sales, marketing and distribution
- Administrative, management and support services
- Provision of services to unrelated parties
- Holding shares or other equity instruments

Customer impact and innovation

A new state-of-the-art facility, the Philips Reference Center for Vascular Surgery, opened in Krakow in collaboration with the Bonifrac Medical Center. It features the Azurion FlexArm Hybrid OR, setting a new standard for advanced vascular surgery procedures. The center will also offer training opportunities for medical personnel.

Philips Foundation

Philips Foundation and Philips Poland, in partnership with the Polish Red Cross, have provided ultrasound technology to Gluchołazy Hospital after a devastating 2024 flood. As part of a local recovery initiative led by the Red Cross, this support helped restore critical diagnostic services and improve patient care. The effort reflects Philips Foundation's close collaboration with local Philips offices to understand each crisis and deliver the most appropriate healthcare support.

Stakeholder engagement

In March 2024, Philips Poland, together with 40 top Polish hospitals, universities and governmental organizations under the think tank Innowo, launched the Green Coalition for Health. A guidebook on sustainable medical technologies for hospitals was also prepared to support eco-friendly practices. In May 2024, Philips hosted 15 high-level representatives from hospitals and government administration at the Customer Experience Center in Best, the Netherlands, on a study-visit, sharing its vision for green transformation in healthcare. Additionally, Philips participated in the Economic Forum of CEE countries in Karpacz in September 2024, joining an international panel of experts and decision-makers as a key medtech voice on sustainable healthcare.

United Kingdom

Environment

Net operational carbon footprint	0 kilotonnes CO₂-equivalent
Land use and ecological sensitivity	- tonnes waste sent to landfill
Water withdrawal	- m³
Circular revenues ^{*)}	16.3%

Social

Lives improved ^{*)}	39 million
Absolute number and rate of employment	953 employees, 12.7% employee turnover
Training provided	38,775 hours
Wage level	EUR 100 million employee benefit expenses

Governance

Economic contribution	EUR 459 million revenues
	EUR 347 million cost of sales
Financial investment contribution	EUR 103 million tangible assets
	EUR 14 million capital expenditure
Total tax contribution	EUR 113 million

^{*)} Philips-specific metric

Main business activities

- Research and Development
- Holding and/or managing of intellectual property
- Purchasing
- Sales, marketing and distribution
- Administrative, management and support services
- Provision of services to unrelated parties
- Holding shares or other equity instruments

Customer impact and innovation

Durham and Darlington NHS Foundation Trust, one of the largest integrated care providers in the United Kingdom, has advanced radiology and cardiology care with Philips PACS. This new technology will provide a single view of patient records, providing more connected and coordinated care across not just the hospital sites, but the entire North East and Cumbria Region. This commitment marks yet another milestone in the 14-year partnership with the Trust.

Volunteering

Philips UK & Ireland's refugee program extended into 2024, expanding opportunities for refugees to access career workshops and soft-skills training at Philips' offices. The initiative continues to provide valuable job-search support, mentorship, and networking opportunities, facilitating connections between refugees and employees to exchange experiences. It also extended its reach into local schools and colleges, offering young people work experience opportunities across the business. Additionally, a number of STEM ambassadors from Philips visit schools, inspiring the next generation by educating students about future career opportunities in the science, technology, engineering, and mathematics fields. Employees also made a significant impact on communities through volunteering days, including helping at local care homes, participating in beach cleanups, and more. The Philips UKI Armed Forces Network remains a strong force in supporting our community, further reinforcing Philips' commitment to corporate social responsibility.

Stakeholder engagement

Philips remains at the forefront of health system transformation, engaging with the UK government, National Health Services (NHS), and industry stakeholders, such as AXREM and ABHI, to drive forward a future-proof health system that prioritizes innovation, sustainability, and efficiency. In a rapidly evolving healthcare landscape, Philips is focused on delivering medical solutions that not only meet the current demands of the NHS but also pave the way for long-term, sustainable improvements. Strong partnerships continue with key organizations, including the Association of British Health Technology Industries, the Office for Life Sciences, and leading academic institutions.

United States

Environment

Net operational carbon footprint	0 kilotonnes CO₂-equivalent
Land use and ecological sensitivity	66 tonnes waste sent to landfill
Water withdrawal	179,451 m³
Circular revenues ^{*)}	23.5%

Social

Lives improved ^{*)}	335 million
Absolute number and rate of employment	17,001 employees, 15.1% employee turnover
Training provided	951,544 hours
Wage level	EUR 2,929 million employee benefit expenses

Governance

Economic contribution	EUR 10,246 million revenues
	EUR 6,841 million cost of sales
Financial investment contribution	EUR 2,536 million tangible assets
	EUR 102 million capital expenditure
Total tax contribution	EUR 944 million

^{*)} Philips-specific metric

Main business activities

- Research and Development
- Holding and/or managing of intellectual property
- Purchasing
- Manufacturing
- Sales, marketing and distribution
- Administrative, management and support services
- Provision of services to unrelated parties
- Holding shares or other equity instruments

Customer impact and innovation

Bon Secours Mercy Health, one of the largest Catholic health systems in the US, standardized patient monitoring across its 49 hospitals on Philips solutions, integrating patient data and providing vital insights in a scalable, as a service platform that reduces costs and enables further re-investment in innovation. Putting clinicians in control, the collaboration will reduce the digital burden on staff and give them more time to spend with patients.

Philips Foundation

Driven by climate change, natural disasters are increasingly compromising access to care in the US. Philips Foundation, Philips North America and nonprofit organization MedShare will enable the building of necessary infrastructure and systems focused on disaster preparedness in the US. This program will focus on deploying ultrasound and maternal and childcare consumer products in the wake of natural disasters. It will serve as a pilot program to allow for testing and learning at a smaller scale before potentially growing to deploy additional, more complex technologies.

Stakeholder engagement

Philips continues to connect with government leaders and key stakeholders at the federal and state level to share how Philips technologies provide better care for more people, showcasing, in particular, our commitment to veterans' healthcare and maternal health.

