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Sustainability requirements to sub-contractors

Seminar on "Support on Environmental Information and ISO 14001 Environmental Management System (EMS) for Electrical & Electronic Sector SMEs"

Jan Roodenburg
Senior Vice President, Operation and Industry
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Setting the scene

Royal Philips Electronics Q3 2004

Divisions	部门	: 5
Turnover	营业额	: 30 billion Euro (300亿欧元)
Businesses	事业部	: 60
Countries	国家	: 180
Locations	营业地点	: 700
Products	产品	: 25,000
Suppliers	供应商	: 50,000
Patents	专利	: 100,000
People	员工	: 165,000

New brand positioning as guiding principle





Sustainability, the big picture
可持续发展，一幅大美景

Philips & Sustainability 飞利浦与可持续发展

“We recognize the need to perform not only against a single, financial bottom line, but against a triple bottom line. This involves the simultaneous pursuit not only of economic prosperity, and environmental quality, but of social equity as well.”



“我们认识到一种需求,不仅要追求单一财政底线,而且要追求三位一体底线.这涉及到同时追求物质财富,环境保护以及社会品质.”

Gerard Kleisterlee
President & CEO of Royal Philips Electronics

What is sustainability (3P's)?

什么是可持续发展?



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**ENVIRONMENTAL
CARE**关心环境
(**PLANET**行星)

**ECONOMIC
VIABILITY**
经济发展能力
(**PROFIT**利润)

SOCIAL EQUITY
社会公正
(**PEOPLE**人)

SUSTAINABLE可持续发展
Covering the triple bottom line
涵盖这三个底线

Why Sustainability?为什么要可持续发展？

- Value of a company comes from: 公司的价值来自于：
 - Business and physical assets
生意和有形资产
 - Intangibles – up to 75% of total value ('The Brand')
无形资产 – 可占总价值的75% (“品牌”)
- Changing roles on supranational level: 在超国家层面上的角色转变：
 - Limited control of governments
政府的影响有限
 - Growing influence of business
企业的影响在扩大
- Transparency and accountability are becoming paramount
透明度和责任正变得极为重要

Sustainability as business driver

持续发展作为业务推动力

Traditional main critical success factor 传统的重要成功因素

- Return On Investment 投资回报
- Measurement tool: \$\$ 考核工具

Additional main critical success factor 附加的重要成功因素

- Social Return On Investment 投资的社会回报
- Measurement tool: project dependent but in any case related to the company strategy:
考核工具:根据项目有所不同,但无论如何与公司战略有关
 - Measurable improvement of Quality of life 提高生活品质
 - Right to Health and Education in our environment
有健康和教育的权利

What are we talking about – the definitions 定义:

Sustainability is defined as “meeting the needs of the present generation without compromising the ability of future generations to meet their own needs”

可持续发展 的定义为: 满足当代人的需求,但不是以损害下代人满足他们需求的能力为代价

Sustainable development is the path to sustainability

可持续的发展 是通向可持续发展的道路

Sustainable entrepreneurs

are companies pursuing this path

可持续发展的企业

是走这条通向可持续发展道路的企业



Philips Sustainability Policy 飞利浦可持续发展政策

Sustainability policy

The Philips Sustainability Policy is a core element for the operations of the entire Philips organization. Sustainable development is a priority for the Board of Management, which has formulated guidelines for sustainable performance. This policy and resulting action programs are regularly reviewed and updated to meet stakeholder needs.

Philosophy

Since Philips was founded in 1891, it has worked to improve social equity and environmental quality, proving that responsible business is good business. Operating this way, the company has been able to improve economic prosperity for itself, its stakeholders and society at large. With its tradition of integrating economic, environmental and social issues, Philips understands that sustainable development is one of the most challenging issues facing the world.

Commitment

Philips adheres to the Business Pledge for Action adopted by the world business community at the 2002 Johannesburg World Summit for Sustainable Development:


- Sustainability is the opportunity we embrace.
- Responsibility is the standard by which we should expect to be judged.
- Accountability is the obligation we assume.
- Partnership is the pathway we pursue.

Therefore, Philips will:

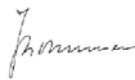
- Develop meaningful technology driven by the needs of society.
- Behave responsibly, living up to the Philips values, brand promise and General Business Principles.
- Continue to build and maintain trust through transparency and accountability.
- Depend on and work with stakeholders inside and outside the company.

Policy


- Philips maintains and strengthens a culture of sustainable entrepreneurship, in line with its sustainability policy.
- Philips invests in its employees and creates a work environment that enables them to reach their full potential.
- Philips optimizes its innovations, business strategy and operations by setting financial and non-financial targets and maintaining constructive relationships with stakeholders.
- Philips expects its business partners to be committed to sustainable development.
- Philips is active in the community, supporting initiatives to improve people's lives, and is focusing on education and healthcare, particularly for the underprivileged.
- Philips measures and verifies its sustainability performance and publishes results annually.
- Philips engages governments, non-governmental organizations (NGOs) and companies to explore new businesses and emerging markets to improve quality of life.




Gerard Kleisterlee




Jan Houtman



Arthur van der Post



A.C. Huijzer



Gerthied Outine

Sustainability is defined as "meeting the needs of the present generation without compromising the ability of future generations to meet their own needs." Sustainable development – which is considered the path to sustainability – is the simultaneous pursuit of economic, prosperity, environmental quality and social equity. Companies that pursue this path are known as sustainably enterprising.

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“Philips expects its business partners to be committed to sustainable development”

“飞利浦期望它的商业合作伙伴也致力于可持续发展”

Philips Philosophy on Sustainability

飞利浦可持续发展的理念

Since Philips was founded in 1891, it has worked to improve social equity and environmental quality, proving that responsible business is good business.

自飞利浦1891年成立以来，它一直致力于提高社会公正和环境质量，证明负责的企业是好企业。

Operating this way, the company has been able to improve economic prosperity for itself, its stakeholders and society at large.

以这样的方式运营，飞利浦公司能够最大限度地提高本公司，其利益相关人和社会的经济繁荣。

With its tradition of integrating economic, environment and social issues, Philips understands that sustainable development is one of the most challenging issues facing the world.

凭借飞利浦公司整合经济，环境和社会问题的传统，公司相信可持续发展是全球面临的最挑战的课题。

Philips Commitments

飞利浦的承诺

Develop meaningful technology driven by the needs of society
以社会需求为推动力开发有意义的技术

Behave responsibly, living up to the Philips values, brand promise and General Business Principles.

行为负责，提升飞利浦的价值，品牌承诺和总体经营原则

Continue to build and maintain trust through transparency and accountability.
继续依靠透明度和责任建立和保持信任

Depend on and work with stakeholders inside and outside the company.
依靠并与公司内部和外部的利益相关人合作

Our customers are asking and requiring full compliance.
Walmart, Nike, Coca Cola, HP, DELL, Carrefour, Shell etc..
我们的客户要求我们的供应商完全符合要求
沃尔玛，耐克，可口可乐，惠普，戴尔，家乐福，壳牌等

Roll out of EcoVision 2002-2005 program 推行EcoVision 2002-2005计划

Highlights program:

Baseline is 2001:

Comparable changes

30 % in energy and CO2

19 % in total waste

15 % in water

64 % in restricted substances

56 % in hazardous substances

>100 Green Flagships on the market

100% of manufacturing ISO 14001

集锦

(2001年为基线)

(reductions降低):

能源和二氧化碳

废物

水

限用物质

危险物质

市场上的绿色旗舰产品

生产厂ISO14001认证

EcoVision 2002-2005
Environmental
action program

Product improvements

Philips product developers follow EcoDesign principles and focus on one or more of the following Green Focal Areas:

	Mandatory target	Recommended target
EcoDesign ¹	Level 6 on maturity grid	Level 8 on maturity grid
Green Flagship products ²	One per product division per year	One per business per year
Packaging	Maintain performance	10% reduction
Supplier management ¹	Level 6 on maturity grid	Level 8 on maturity grid

Process improvements

	Mandatory target	Recommended target
Energy	10%	20%
Waste	20%	30%
Water	15%	20%
Emissions to air and water		
Restricted substances (category I)	70%	90%
Hazardous substances (category II)	30%	50%
Environmentally relevant substances (category III)	15%	30%
Packaging	Maintain performance	10% reduction
Supplier management ¹	Level 6 on maturity grid	Level 8 on maturity grid
ISO 14001 certification	All manufacturing sites	All facilities

¹ Reported grid range is 0 to 10, with 10 representing world class.
TUE, NL targets are to be achieved by 2003, compared to baseline year 2001.
except where noted. Targets are relative and might have been corrected for production fluctuations.

² A Green Flagship is defined as a product or product line that meets original EcoDesign criteria and after investigation is shown to more of the Green Focal Areas, has proven to offer better environmental performance than or more of these areas compared with its predecessors or closest commercial competitors.

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March 2003

**First
Sustainability
Annual
Report 2002**

**第一份
可持续发展年报
2002**

Philips leverages technology to create products that are seductive to the individual, valuable to society, friendly to the environment and profitable for the business.



Sustainability Report 2002

PHILIPS



March 2004

**Sustainability
Annual
Report 2003**

**可持续发展
年报 2003年**

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Philips Supplier's Sustainability
Requirements

飞利浦可持续发展供应商标准

PCE world is increasingly aggressive; “following is lagging”
飞利浦消费电子所处的环境日益竞争; “跟从即滞后”

Winning is essential for survival. PCE should also implement a “leading mindset” for environment like:

赢是为了生存. 飞利浦消费电子也应当在环境方面实行“领先概念”：如

- **Energy-saving products** 节约能源的产品
- **Sustainability** 可持续发展
- **Lead-free products and components** 无铅产品及元器件

General requirement 总则

Suppliers will be committed to act fairly and with integrity towards its stakeholders and will duly observe the applicable rules of the law of the countries it operates in.

供应商承诺公平和诚实信用地对待所有有关方并遵守所有适用的当地法律和法规。

Supplier standard on Sustainability

有关可持续发展的供应商标准

Minimum baseline

- All suppliers are compliant to Philips ILO derived guidelines
- Environment (Banned Substances) & ISO 14001 or equivalent EMS
- Health and Safety related issues
 - Safe working environment
 - Training on H&S
- Other ILO related issues
 - No child labour
 - No forced labour
 - The right of association
 - Bargaining
 - No discrimination

最低底线

所有供应商都要符合飞利浦根据国际劳工组织的要求制定的方针

环境(禁用物质) & ISO 14001
或 同等水平环境管理

健康和安全问题
安全的工作环境
有关健康与安全的培训

其它国际劳工组织相关的问题
没有童工
没有强迫劳动
结社的权利
集体谈判
没有歧视

Supplier Sustainability measurement tool (Aug 2004)





**Philips cares for a
better world**

飞利浦关注一个更美好的世界

