

# Environment, Social and Governance (ESG) dimensions that guide our actions

## Environment



We act responsibly towards our planet in line with UN SDGs 12 and 13

## Social



Our purpose is to improve people's health and well being through meaningful innovation, in line with UN SDG 3

We act responsibly towards society and partner with our stakeholders

## Governance



We aim to deliver superior long-term value for our customers and shareholders, and we live up to the highest standards of ethics and governance in our culture and practices

# Doing business responsibly and sustainably

Our key ESG commitments



Environment	Social	Governance
<p>We will maintain <a href="#">carbon neutrality</a> and use 75% renewable energy in our operations by 2025. We will reduce CO<sub>2</sub> emissions in our entire value chain in line with a 1.5 °C global warming scenario (based on Science Based Targets).</p>	<p>We aim to improve the health and well-being of <a href="#">2 billion people</a> per year by 2025, including 300 million people in underserved communities.</p>	<p>Our management structure and <a href="#">governance</a> combines responsible leadership and independent supervision.</p>
<p>We will generate 25% of our revenue from <a href="#">circular products, services and solutions</a>, offer a trade-in on all professional medical equipment, and take care of responsible repurposing, by 2025.</p>	<p>It is our strategy to lead with innovative solutions along the <a href="#">health continuum</a> – helping our customers deliver on the Quadruple Aim (better health outcomes, a better experience for patients and staff, lower cost of care) and helping people take better care of their health.</p>	<p>The <a href="#">Philips Business System</a> is our integrated operating model. It defines how we work together to delight our customers and achieve our company goals, leveraging our global scale and capabilities.</p>
<p>We will embed <a href="#">circular practices</a> at our sites and put zero waste to landfill by 2025.</p>	<p>We aim to be the <a href="#">best place to work</a> for our employees, providing opportunities for learning and development, embracing diversity and inclusion, and assuring a safe and healthy work environment. We pay at least a living wage and aim for employee engagement above the high-performance norm.</p>	<p>We are committed to delivering the <a href="#">highest-quality</a> products, services and solutions compliant with all applicable laws and standards.</p> <p>Our remuneration policy is designed to encourage employees to deliver on our purpose and strategy and create stakeholder value, and to motivate and retain them. Our executive long-term incentive plan includes environmental and social commitments.</p>
<p>All new product introductions will fulfill our <a href="#">EcoDesign</a> requirements by 2025, with ‘Eco-Heroes’ accounting for 25% of revenues.</p>	<p>Through our <a href="#">supplier development program</a> we will improve the lives of 1,000,000 workers in our supply chain by 2025.</p>	<p>We ensure ethical behavior through our <a href="#">General Business Principles</a>, with a strong compliance and reporting framework.</p>
<p>We work with our <a href="#">suppliers</a> to reduce the environmental footprint of our supply chain in line with a 1.5 °C global warming scenario (based on Science Based Targets).</p>	<p>We actively engage with and support the communities in which we operate, e.g. through volunteering, internships, STEM (Science, Technology, Engineering, Mathematics) initiatives. We contribute to the <a href="#">Philips Foundation</a>, which aims to provide access to quality healthcare for disadvantaged communities.</p>	<p>Our <a href="#">risk management</a> is designed to provide reasonable assurance that strategic and operational objectives are met, legal requirements complied with, and the integrity of the company’s reporting and related disclosures safeguarded.</p>
<p>We engage with our stakeholders and other companies to drive sustainability efforts addressing the United Nations Sustainable Development Goals.</p>	<p>We consider our <a href="#">tax</a> payments as a contribution to the communities in which we operate, as part of our social value creation.</p>	<p>We are transparent about our plans, activities, results and contributions to society (e.g. tax reporting), and engage with shareholders, customers, business partners, governments and regulators through a variety of platforms.</p>