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Ecodesign:
Energy & Resource Efficiency

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Philips - Consumer Lifestyle
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Philips: A strong diversified industrial group leading in health and well-being

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Businesses[1, 2]

Healthcare	Consumer Lifestyle	Lighting
		
44%	19%	37%

Geographies[1]

Western Europe	North America	Other Mature Geographies	Growth Geographies[3]
			
25%	31%	9%	35%

Since 1891
Headquarters in Amsterdam, the Netherlands

€23.5 Billion
Sales in 2012. Portfolio consists of ~70% B2B businesses

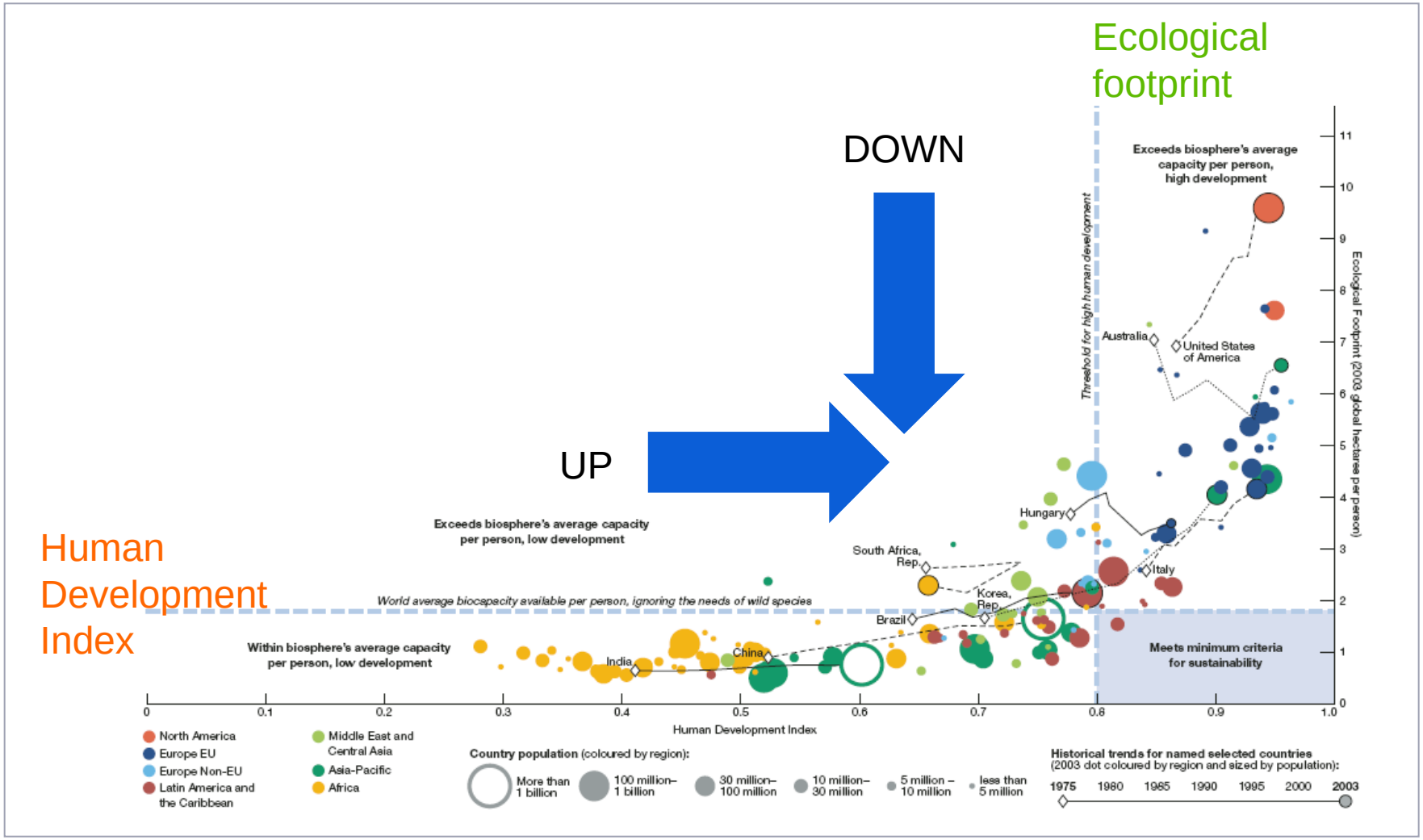
~116,000
People employed worldwide in over 100 countries

$9.1 Billion
Brand value in 2012

8% of sales invested in R&D in 2012
59,000 patent rights,
35,000 trademark rights,
81,000 design rights

[1] Last twelve months March 2013
[2] Excluding Central sector (IG&S)
[3] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R,and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

Sustainability in a nutshell



Source: WWF Living Planet Report 2006

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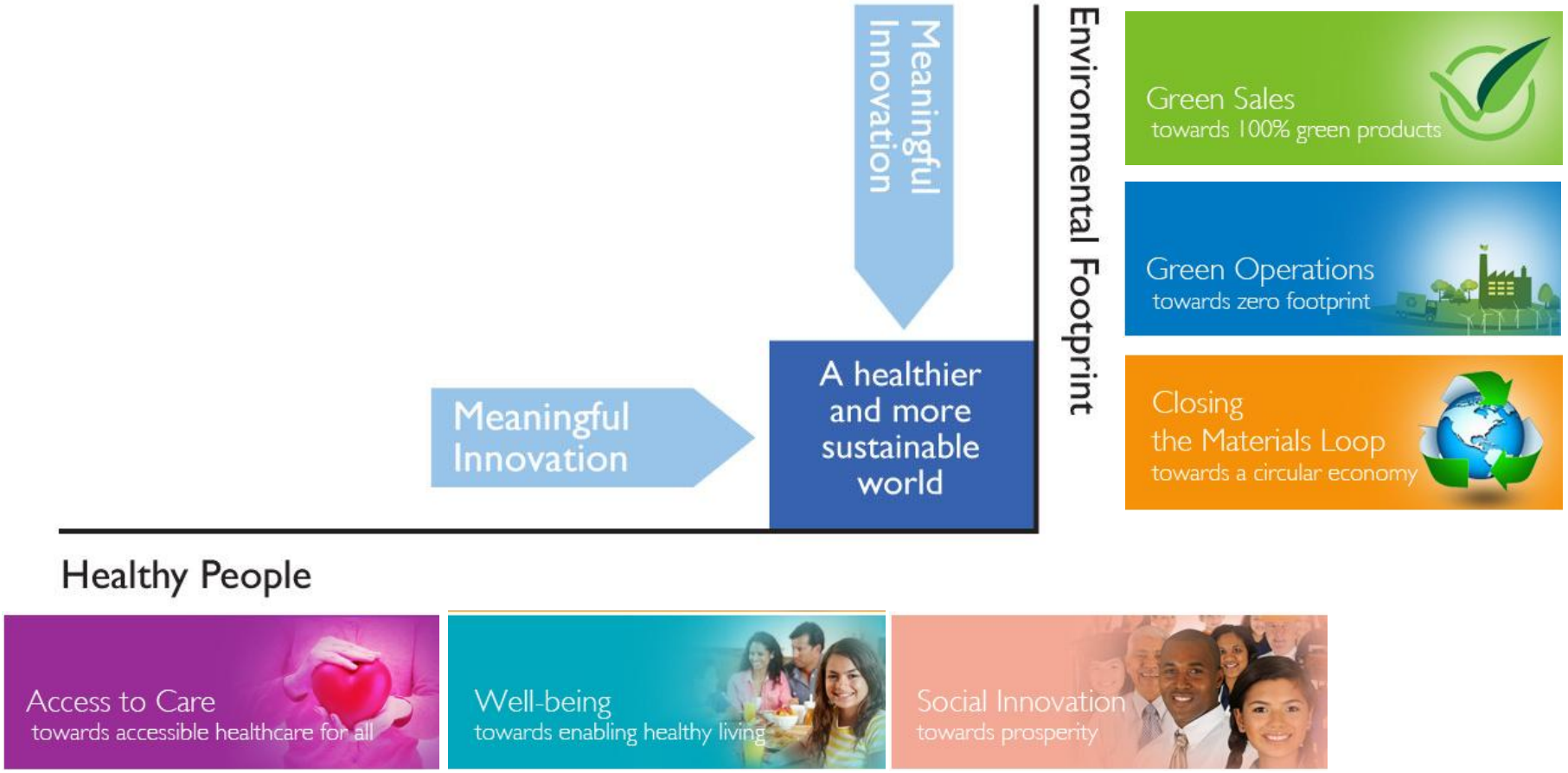
Improving people's lives through meaningful innovation

Philips core sustainability programs



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Overview of current EU ErP regulations

- These product groups represent ± 50 % of total energy consumption in EU
- 'Hot spot' in all regulations adopted so far: energy efficiency during use phase
- Savings up to 1000TWh per year by 2020

DG ENERGY	Product group
1	Boilers and combiboilers
2	Water heaters
3	PC:s and servers
4	Imaging equipment
5	Televisions
6	Standby and off-mode losses of ErPs
7	Battery chargers and external power supplies
8+9	Tertiary Lighting
10	Room air conditioning appliances
10	Residential ventilation and kitchen hoods
11	Electric motors
11	Ventilation fans
11	Circulators in buildings
11	Electric pumps
12	Commercial refrigerators and freezers
13	Domestic refrigerators and freezers
14	Domestic washing machines
14	Domestic dishwashers
15	Solid fuel small combustion installations
16	Laundry driers
17	Vacuum cleaners
18	Complex set-top boxes
18a	Simple set-top boxes
19	Domestic lighting (general lighting equipment)
19	Directional lighting
20	Local room heating products
21	Central heating products (other than CHP)
22	Domestic and commercial ovens
23	Domestic and commercial hobs and grills
24	Professional wet appliances and dryers
25	Non-tertiary coffee machines
26	Networked standby losses
27	Uninterruptible power supplies
28	Pumps for waste waters
29	Large pumps and pumps for pools, fountains, aquariums
30	Special motors
31	Compressors

DG Enterprise	
1	Refrigerating and freezing equipment
2	Distribution and power transformers
3	Sound and imaging equipment
4	Industrial ovens
5	Machine tools
6	Tertiary Air Conditioning
	Medical imaging equipment

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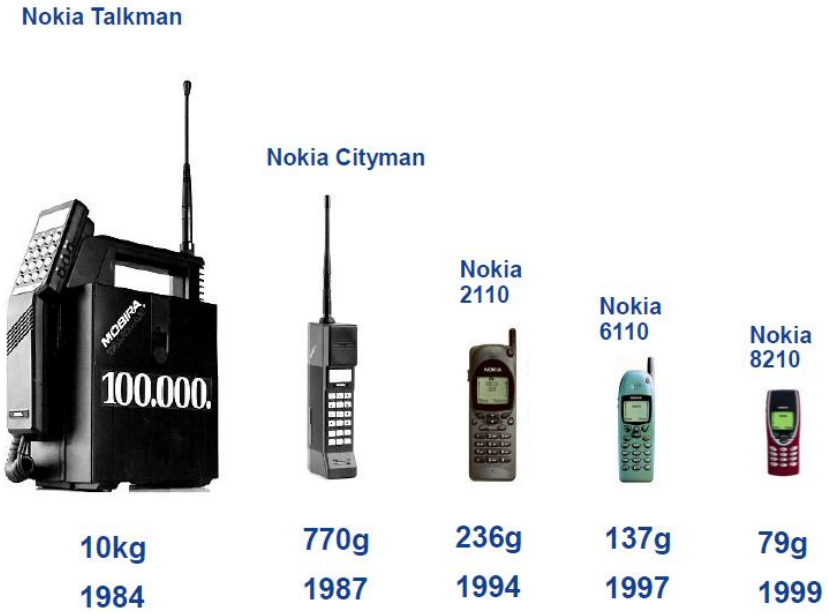
Evolution of Mobile phones



99% weight reduction in 15 years

Convergence of devices + dematerialization by replacing physical products

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Evolution of televisions

2002
CRT
60kg

LCD

2012
LED
10kg

85% weight reduction in 10 years

Energy consumption/year:
180kwh/year

60kWh/year

>60% reduction in 10 years

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Revision ecodesign EC/642/2009 – (Televisions/Displays)

- More stringent Energy Efficiency requirements
- EU Commission study (JRC) embedding waste management and resource efficiency criteria into ecodesign
- EU Commission proposal for “non energy” requirements
  - Extraction of key components: PCB <180 seconds
  - Marking of plastics > 200 gram
  - Material selection: minimum recyclability rate of plastic parts 80%

Materials	Recyclability rate after selective extraction
Polypropylene (PP)	94%
Polypropylene (PP) with natural fibers	0%
Acrylonitrile butadiene styrene (ABS)	94%
…	94%
Other polymer	0%

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Resource Efficiency in Ecodesign

- Hot spot for ecodesign is energy efficiency
  - EE should be key driver for setting requirements
- Resource Efficiency:
  - Industry driven achievements in past decade, and willingness to further contribute to RE
  - However embedding mandatory RE requirements into ecodesign these requirements should:
    - Have clear environmental benefits with tangible results
    - Not hamper innovation:
      - Manufacturers: E.g. How does a display look like in 10 years from now?
      - Recyclers: what is the incentive for recyclers to improve existing processes?
    - Not result in quality, safety or durability issues.
    - Be measurable, enforceable, relevant, competiveness proofing


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