

Sustainability performance

Approach to sustainability reporting

In 1999 we published our first environmental annual report. We expanded our reporting in 2003 with the launch of our first sustainability annual report, which provided details on our social and economic performance in addition to our environmental results.

Now, for the first time, Philips is reporting on its annual financial, social and environmental performance in a single, integrated report. This approach reflects the progress we have made to embed sustainability in our way of doing business.

Reporting standards

In compiling the sustainability performance covered in this report, we have followed relevant best practice standards and international guidelines. Most important are the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines.

In keeping with G3 we have sharpened our focus on the principles of materiality, stakeholder inclusiveness, sustainability context and completeness. As a result, with regard to the GRI Application Levels system, we see ourselves currently positioned at the B+ level. We cover a large part of the G3 Core Indicators, while our Management Approach is explained in this report and in our previous sustainability reports. A detailed overview of these Core Indicators is provided at the end of this section.

We signed on to the United Nations Global Compact in March 2007, joining thousands of companies from all regions of the world, international labor and civil society organizations to advance 10 universal principles in the areas of human rights, labor, the environment and anti-corruption. Our General Business Principles, Sustainability and Environmental Policies, and our Supplier Sustainability Declaration are the cornerstones that enable us to live up to the standards set by the Global Compact. This is closely monitored and reported, as illustrated throughout this report.

Trends

We continuously follow external trends to determine the issues most relevant for our company and those where we can make a positive contribution to society at large. In addition to our own research, we make use of a variety of sources, including the World Bank, World Business Council for Sustainable Development, World Economic Forum and World Health Organization. As a member of organizations like the World Business Council for Sustainable Development and the Electronic Industry Code of Conduct, we participate in meetings and task forces, bringing new learning to bear. Our work also involves tracking topics of concern to governments, regulatory bodies and non-governmental organizations, and following the resulting media coverage.

Stakeholder input on innovations

We also engage directly with stakeholders to gain additional outside perspective. One of the most important platforms is our Sustainability Innovation Day held during our annual Corporate Research Exhibition (CRE).

At the 2008 CRE in May stakeholders from governmental and non-governmental organizations viewed our innovations designed to meet the global energy and climate change challenge as well as other environmental topics. The event was designed to encourage participants to listen to each other and begin an ongoing dialogue to envision innovative solutions to these challenges. They learned about projects on zero standby power, Organic LEDs, green urban living, air quality sensing and the Compact UV for safe drinking water, among others.

Launched in 1959 as an internal event intended to help researchers from different labs find synergies in their work, in 2001 Philips businesses began bringing strategic customers to CRE and extending invitations to other key external stakeholders in the following years.

Material issues and our focus

Based on our trend analysis and stakeholder input, we identify the key material issues for our company. Using the materiality matrix approach, we have mapped relevant issues on a scale from low to high in terms of the:

- level of concern to society at large and stakeholders, versus impact on Philips, or
- level of control or influence we can have on an issue through our operations and products/solutions.

This is a dynamic process, as we continuously monitor the world around us. Currently we consider the following items as material, making a distinction between clear risks and opportunities.

Key material issues	opportunity	risk
Health		
- Rising healthcare costs	✓	
- Chronic diseases in developing world	✓	
- Lack of access to affordable healthcare	✓	
- Infectious diseases in developing world	✓	
- Employee health and safety		✓
Business		
- Demand and credit crisis		✓
- Offshoring/outsourcing		✓
- Business integrity		✓
Societal		
- Aging population in developed world	✓	
- Rising attention for human rights		✓
Environmental		
- Climate change	✓	
- Energy management	✓	
- Clean technologies	✓	
- Collection and recycling	✓	✓

Based on this, we develop our strategy and vision, as well as the programs and policies to drive the implementation of our strategy. Our primary focus has been on business opportunities in energy efficiency and healthcare. We also have programs in place to manage risk, including our General Business Principles, Sustainability Policies and Supplier Sustainability Involvement Program.

Sustainability programs and targets

All of our programs are guided by the Philips General Business Principles, which provide the fundamental principles for all of our business decisions and actions.

With our longstanding commitment to reducing the environmental impact of our products and processes, we have been establishing four-year action programs with measurable targets since 1994. We are currently running two programs – EcoVision III, which covers the years 2006-2009, and EcoVision4, which runs through 2012.

EcoVision III is focused primarily on reducing the environmental footprint of our manufacturing processes spanning a broad range of parameters (full details on the program can be found at www.philips.com/sustainability). After EcoVision III was launched in 2005, two major developments affected the scope and relevance of this program. Internally, the divestment of our Semiconductors sector in September 2006 significantly reduced the overall environmental impact of most of the program's parameters. Outside the company, the issue of energy efficiency emerged strongly at the global level.

These events drove us to create the complementary, more focused EcoVision4 program. Launched in September 2007, this latest EcoVision program focuses on reducing the energy consumption of our products and facilities. With EcoVision4 we have committed to:

- generate 30% of total revenues from Green Products (up from 15% in 2006)
- double our investment in Green Innovations to a cumulative EUR 1 billion
- further increase the energy efficiency of our operations by 25% and reduce our operational carbon footprint by 25%, both compared with the base year of 2007.

We are reporting on the results of both programs versus targets and will continue to do so until each program concludes.

In addition to our environmental initiatives we have been running programs in other areas. Our employee programs include engagement, diversity and inclusion, and health and safety. Through our Supplier Sustainability Involvement Program we have been embedding sustainability into our supply management processes since 2003. Further, we have a targeted approach to our social investment program that reflects our business. In keeping with this we direct our efforts toward projects to upgrade lighting, particularly in schools, and to healthcare projects that focus on children.

Scope of sustainability reporting

The scope of our sustainability performance reporting encompasses the consolidated Philips Group activities, following the consolidation criteria detailed in this section.

The consolidated selected financial information in this sustainability performance chapter has been prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP).

Comparability and completeness

For comparability reasons, all economic, environmental and social performance data exclude the former activities of the Semiconductors sector, which was divested in September 2006.

Environmental data are measured for those manufacturing sites with more than 50 industrial employees. Integration of newly acquired manufacturing sites is scheduled according to a defined integration schedule, in principle for the first full reporting year after the year of acquisition. Data for activities that are divested during the reporting year are not included for the full-year reporting.

Social data cover all employees, including temporary employees, but exclude contract workers. Reporting of health and safety data by new acquisitions must start in the first year after acquisition. Data for activities that are divested during the reporting year are not included for the full-year reporting.

Data definitions and scope

Green Products

Green Products offer a significant environmental improvement in one or more Green Focal Areas: Energy efficiency, Packaging, Hazardous substances, Weight, Recycling and disposal, Lifetime reliability. In addition, the life cycle approach is used to determine a product's overall environmental improvement. It calculates the environmental impact of a product over its total life cycle (raw materials, manufacturing, product use and disposal).

Green Products need to have a score in at least one Green Focal Area that is significantly better (at least 10%), compared to the reference product, which can be a competitor or predecessor product in the particular product family. Because of the different product portfolios, sectors has specified additional criteria for Green Products.

Green Innovations

Green Innovations comprise all R&D activities directly contributing to the development of Green Products or Green Technologies. A wide set of additional criteria and boundaries have been defined, as the basis for internal and external validation.

Environmental data

All environmental data from manufacturing operations are reported on a half-year basis in our intranet-based EcoVision reporting and validation tool, according to defined company guidelines that include definitions, procedures and calculation methods.

Internal validation processes are followed to ensure consistent data quality. The sector validation officers provide support to the data collectors at site level and regularly conduct audits to assess the robustness of data reporting systems.

Tracking and reporting these EcoVision data from manufacturing is conducted to measure progress against our EcoVision III program targets.

Reporting on ISO certification is based on actively reporting manufacturing units.

Operational carbon footprint

The Philips operational carbon footprint includes:

- Industrial – manufacturing and assembly sites
- Non-industrial – offices, warehouses, IT centers and R&D facilities
- Business travel – lease and rental cars, and airplane travel
- Distribution – air, sea and road transport.

All conversion factors used to transform input data (for example, amount of ton-kilometers) into CO₂ emissions are from the Greenhouse Gas Protocol, except for business travel, where the providers supplied CO₂ data based on their own methodology. The Greenhouse Gas Protocol distinguishes three scopes, the first two of which are mandatory to report on.

- Scope 1 – direct CO₂ emissions – is completely reported on with direct emissions from our industrial and non-industrial sites. Emissions from industrial sites, which consists of direct emissions resulting from processes and fossil fuel combustion on site, are reported in the EcoVision reporting system. Emissions from industrial sites that are not yet reporting in EcoVision following recent acquisitions are calculated based on average CO₂ emissions per square meter of comparable sites in the same sector.
- Scope 2 – CO₂ emissions resulting from the generation of purchased electricity for our premises – is completely reported on with electricity use from industrial and non-industrial sites. As reported in the EcoVision reporting system, this consists of indirect emissions from purchased electricity, steam and heat. As with Scope 1, emissions from industrial sites that are not yet reporting in the EcoVision database following recent acquisition are calculated based on average CO₂ emissions per square meter of compatible sites in the same sector.
- Scope 3 – other CO₂ emissions related to activities not owned or controlled by the Company – is reported on for our business travel and distribution activities. Commuting by our employees, upstream distribution (before suppliers ship to us), outsourced activities and emissions resulting from product use by our customers are not included. The calculations for business travel by lease and rental cars are based on actual fuel usage. Emissions from business travel by airplane are calculated by the supplier based on airplane-specific emission factors, the number of take-off and landing movements, and the amount of climb, cruise and descent activities. Further, emissions from air freight for distribution are calculated based on the amount of ton-kilometers transported between airports (distinguishing between short, medium and long hauls). For sea transport, only data on transported volume were available so an estimate had to be made about the average weight of a container. Transportation to and from ports is not registered. This fore and aft part of air and sea transport was estimated to be around 3% of the total distance, consisting of a mix of modalities, and was added to the total emissions accordingly. CO₂ emissions from road transport were also calculated based on ton-kilometers. If data were incomplete, the emissions were estimated based on spend. Return travel is not included in the data for sea and road distribution.

Health and safety

Health and safety data are reported monthly and validated on a half-yearly basis. The focus is on reporting work-related injuries, which predominantly occur in manufacturing operations. The annual number of cases leading to at least one lost workday is reported per 100 FTEs (full-time equivalents).

KPI (Key Performance Indicator) targets are defined yearly to drive improvement.

Supplier audits

Supplier audits are primarily focused on identified risk suppliers, based on identified risk countries and on spend of more than EUR 100,000.

- Based on the Maplecroft Human Rights Risk Indexes, risk countries for Supply Management in 2008 were: Belarus, Brazil, China, South Korea, Mexico, Malaysia, Philippines, Russia, Taiwan, Thailand, Ukraine and Vietnam.
- Suppliers of new ventures are included to the extent that the integration process of these ventures has been finalized. Normative integration period is two years after closure of the new venture.

External assurance

KPMG has provided limited assurance on whether the information in this section Sustainability performance is fairly stated. We refer to KPMG's independent assurance report on page 189 of this Annual Report.

Economic indicators

This section provides summarized information on contributions to the most important economic stakeholders as a basis to drive economic growth. For a full understanding of each of these indicators, please refer to the financial statements and notes in this report.

Distribution of direct economic benefits	
in millions of euros	
	2008
Suppliers: goods and services	17,890
Employees: wages and pensions	5,098
Shareholders: dividend	720
Government: corporate income taxes	286
Capital providers: net interest	106

The total amount of purchased goods and services totaled EUR 17.9 billion, representing 68% of total revenues of the Philips Group. Compared with 2007, spending both in absolute terms and as a percentage of sales increased, reflecting the trend to outsourcing and sub-contracting.

in billions of euros			
	2006	2007	2008
Total supply spend	18.4	17.6	17.9

In 2008 the salaries and wages totaled EUR 5.1 billion. The increase versus 2007 relates particularly to restructuring charges. In addition, the acquisitions at Healthcare and Lighting had an upward effect.

in millions of euros			
	2006	2007	2008
Total salaries and wages	4,613	4,607	5,098

Total dividend paid to shareholders amounted to EUR 720 million. This reflects the increase in dividend per share from EUR 0.60 to EUR 0.70 per common share, paid in 2008.

in millions of euros			
	2006	2007	2008
Dividend paid	523	659	720

Corporate income taxes decreased significantly in 2008, mainly due to substantially lower income. For a full understanding, please refer to note 6.

in million of euros			
	2006	2007	2008
Corporate income taxes	166	619	286

Environmental indicators

EcoVision4: Green Product sales

Sales from Green Products increased 12.5% in 2008, contributing significantly to the total revenue stream. As a percentage of the company total, Green Product sales rose to 22.6%, up from 19.8% in 2007. Excluding the major new acquisitions in 2008 (Genlyte and Resprionics), the percentage increased to 24.9%. These acquisitions do not yet have a process in place to develop new products with significantly improved environmental performance. These will be included from 2009 onward.

Green Product sales			
in billions of euros			
	2006	2007	2008
Philips Group	4.0	5.3	6.0
as a percentage of total published sales	15.0	19.8	22.6
as a percentage of comparable total sales ¹⁾	15.0	19.8	24.9

¹⁾ adjusted for sales from new consolidations

Consumer Lifestyle contributed most to the overall increase with the introduction of 61 Green Products in 2008. Further progress was also achieved in the Lighting sector, where the share of Green Products increased.

Green Product sales per sector		
as a percentage of total sales ¹⁾		
	2007	2008
Healthcare	22	23
Consumer Lifestyle	8	13
Lighting	49	53
Philips Group	20	25

¹⁾ adjusted for sales from new consolidations

Overall, improvements are predominantly realized in our energy efficiency Green Focal Area.

New Green Products from each sector include the following examples.

Healthcare

The CliniScope mobile clinical assistant is designed to support nurses and physicians in making more informed clinical decisions at the point of care by using an ultra-ergonomic and always connected touch-screen device that integrates features needed to enhance patient safety and reduce administrative workload.

Compared to its predecessor, this Green Product's environmental benefits include a 7% reduction in energy use, 45% less packaging weight and an improvement of the environmental impact of the total life cycle of 21%.

Consumer Lifestyle

We signed an exclusive three-year agreement with Starwood Hotels and Resorts, Inc. to provide our latest range of SmartPower2 energy efficient hotel televisions to Starwood's 460 properties across North America. The deal will see these energy efficient televisions installed in new hotels and existing Starwood properties looking to convert to LCD TV technology for the first time.

This agreement is expected to save the hotel company more than EUR 9 million in energy costs over the seven-year lifetime of the equipment, and reduce energy consumption by up to 40% compared with the televisions currently in use.

We continue to lower the standby power of our televisions, and have brought it down to 0.15 watts in all of our TVs. Ten years ago some 8 to 9 watts were used for standby power.

Lighting

In the area of urban lighting, our new UrbanLine luminaire represents a breakthrough into functional outdoor LED lighting. UrbanLine delivers light in a sustainable and energy-efficient manner, while still fulfilling all the requirements in terms of safety and city identification.

Featuring high-power LEDs combined with smart optics, UrbanLine offers an environmentally friendly lighting solution – consuming up to 50% less energy than traditional street lighting – by exploiting the benefits of white light.

EcoVision4: Green Innovations

In 2008 Philips invested approximately EUR 282 million in Green Innovations – the R&D spend related to the development of new generations of Green Products and Green Technologies.

Healthcare

Philips Healthcare invested some EUR 54 million, concentrating on innovation projects that consider all of the Green Focal Areas and aim to reduce total life cycle impact. In particular the sector focuses on reducing energy consumption, weight and hazardous substances. One example is our holistic approach to radiation management called DoseWise.

DoseWise is a set of techniques, programs and practices that ensures optimal image quality, while protecting people in x-ray environments. Based on our ALARA (As Low As Reasonably Achievable) principle, this is a philosophy that is active in every level of product design. And it includes creative thinking in three areas: X-ray Beam Management, Less Radiation Time and More Dose Awareness.

Consumer Lifestyle

The Consumer Lifestyle sector invested about EUR 36 million in Green Innovations. The sector is dedicated to developing new Green Products with a sharp focus on further enhancing energy efficiency and closing material loops, for example by using recycled materials or offering better recyclability.

Lighting

The Lighting sector accounts for more than half of the total spend on Green Innovations, investing some EUR 151 million. The focus is on developing new energy-efficient lighting solutions, further enhancing current Green Products and driving toward technological breakthroughs, such as solid-state lighting.

Research

Within Corporate Technologies, Philips Research invested more than EUR 41 million, spread over Green Innovation projects focused on meeting global challenges related to water, air, waste and energy. One example is a patented technology in solid-state lighting.

For all the acknowledged benefits of power LEDs, including efficiency, sustainability and durability, one of the major challenges has been customer acceptance of white LED light for general lighting. Philips Lumileds Advanced Laboratories in San Jose and Philips Research in Europe have addressed this issue, jointly developing a new technology that ensures consistent delivery of uniformly high color-quality white LEDs. This Lumiram technology, patented by Philips, enables us to produce white LEDs that offer better controlled warm white light.

EcoVision4: Operational energy efficiency and carbon footprint

Determining our carbon footprint is a complex exercise. In the Philips Sustainability Report 2007, we reported our operational carbon footprint for the first time. Based on the available data, some of which were estimated or extrapolated, we calculated our total operational footprint to be approximately 2,350 kilotons CO₂ equivalents.

During 2008 we further improved the data by collecting more accurate figures and making less estimates and extrapolations. As a result, we have recalculated our total operational carbon footprint for 2007 to approximately 2,127 kilotons CO₂ equivalents, in order to get a reliable comparison between 2007 and 2008.

In absolute terms, total CO₂ emissions in 2008 remained virtually flat at 2,147 kilotons CO₂ equivalents, mainly due to the major acquisitions (Genlyte and Respireonics). Without these additions, the footprint would have decreased by nearly 5%.

Operational carbon footprint

in kilotons CO₂ equivalents

	2007	2008
Manufacturing	940	962
Non-industrial operations	260	242
Business travel	266	244
Distribution	661	699
Total Philips Group	2,127	2,147

Our total operational carbon footprint can also be expressed according to the three scopes of the Greenhouse Gas Protocol.

Operational carbon footprint by Greenhouse Gas Protocol scopes

in kilotons CO₂ equivalents

	2007	2008
Scope 1	460	484
Scope 2	740	720
Scope 3	927	943
Total Philips Group	2,127	2,147

Operational energy efficiency and carbon footprint: 2008 details

The 2008 results can be attributed to several factors:

- The major acquisitions (Genlyte and Respireonics) had a significant impact on our total operational carbon footprint, with an upward effect of nearly 6%. Without these additions, the footprint would have decreased by nearly 5%.
- Total CO₂ emissions from manufacturing increased 2% in absolute terms, but decreased 4% on a comparable basis, excluding the acquisitions. We doubled the percentage of electricity purchased from renewable sources – up to 16% in 2008 from 8% in 2007 – thereby reducing indirect CO₂ emissions. Further, optimized production reduced direct and indirect emissions. Additional details on CO₂ emissions from manufacturing operations are provided under EcoVision III performance.
- CO₂ emissions from non-industrial operations (offices, warehouses, etc.) decreased 7% in absolute terms, and 15% after eliminating the effect of new consolidations. We reduced facility space – decreasing total square meters by 9% – mainly by centralizing and re-allocating facilities.
- The total level of CO₂ emissions related to business travel, which represents 11% of the total, decreased 8% in absolute terms and 11% on a comparable basis, excluding the acquisitions. This reduction was achieved through our strict air travel policy and strong promotion of videoconferencing. While the number of lease cars increased 5%, particularly related to acquisitions, total emissions from lease cars remained virtually unchanged, as CO₂ emissions per car decreased 3%, attributable to our green lease car policy.

- Overall CO₂ emissions from distribution increased 6% nominally, and 1% on a comparable basis, excluding the acquisitions. Representing nearly half of these total emissions, air transport was up 1% nominally, but 2% lower on a comparable basis. Sea transport increased 19%, due to various reasons like a targeted shift from air to sea transport, new acquisitions and shipments moving into our scope definition, which includes all shipments for which Philips pays the transport. Road transport increased 2%, but decreased 7% on a comparable basis due to improved truck utilization and higher value density of some of our products.

Operational carbon footprint for distribution		
in kilotons CO ₂ equivalents		
	2007	2008
Air transport	306	310
Road transport	211	217
Sea transport	144	172
Total Philips Group	661	699

For comparison, the most relevant ratios for CO₂ emissions and energy efficiency are provided below.

Ratios on carbon emissions and energy use		
	2007	2008
Operational CO ₂ emissions in kilotons CO ₂ equivalents	2,127	2,147
Operational CO ₂ intensity in tons CO ₂ equivalents per million euro sales	79.40	81.37
Operational energy use in terajoules	34,953	34,924
Operational energy intensity in terajoules per million euro sales	1.30	1.32

EcoVision III manufacturing targets

Our EcoVision III environmental action program began in 2006 and will run through 2009. Focused on reducing the impact of our production processes, EcoVision III set reduction targets for all major environmental parameters in manufacturing compared to the base year 2005. Progress against our EcoVision III targets is detailed below.

EcoVision III: Energy use in manufacturing

Absolute energy usage amounted to 14,584 terajoules in 2008. Compared with 2007, energy consumption at Philips Group level decreased 4%. Further rationalization of production at Lighting resulted in a 5% decrease in this sector, representing nearly 80% of the total Group. In one of the major Lighting sites, the soda-lime furnace was shut down, resulting in less electricity use.

Total energy consumption in manufacturing				
in terajoules				
	2005	2006	2007	2008
Healthcare	1,539	1,569	1,600	1,609
Consumer Lifestyle	1,411	1,402	1,444	1,515
Lighting	12,131	12,086	12,090	11,426
I&EB	1,456	156	35	34
Philips Group	16,537	15,213	15,169	14,584

EcoVision III: CO₂ emissions in manufacturing

The Greenhouse Gas Emissions of our manufacturing operations totaled 825 kilotons CO₂ equivalents in 2008, 4% lower than 2007. Both direct and indirect CO₂ emissions related to energy use decreased. This is particularly attributable to the increased use of purchased electricity coming from renewable sources, which went up significantly from 8% to 16%.

Total CO ₂ emissions in manufacturing				
in kilotons CO ₂ equivalents				
	2005	2006	2007	2008
Direct CO ₂	335	326	321	302
Indirect CO ₂	551	473	465	434
Other greenhouse gases	144	40	40	61
From glass production	29	29	29	28
Total	1,059	868	855	825

The Lighting sector, which accounts for nearly 80% of total CO₂ emissions, achieved a 5% reduction.

Total carbon emissions in manufacturing per sector				
in kilotons CO ₂ equivalents				
	2005	2006	2007	2008
Healthcare	112	114	113	117
Consumer Lifestyle	65	63	65	65
Lighting	685	685	675	642
I&EB	197	6	2	1
Philips Group	1,059	868	855	825

EcoVision III: Water usage in manufacturing

Water is used primarily for domestic purposes, with the exception of Lighting where it is also used in manufacturing. Total water intake in 2008 was slightly below 4 million m³, 6% lower than in 2007. This decrease was primarily realized in Lighting. In this sector less cooling water was used, while water saving programs such as rain buffer water recycling (treating the water from rain for additional supply), installing stop valves for water taps etc. had a positive effect on water consumption.

Water intake				
in thousands m ³				
	2005	2006	2007	2008
Healthcare	497	406	369	370
Consumer Lifestyle	695	509	485	456
Lighting	3,094	3,217	3,350	3,134
I&EB	1,112	39	5	6
Philips Group	5,398	4,171	4,209	3,966

In 2008, 66% of water was purchased and 34% was extracted from groundwater wells.

EcoVision III: Waste in manufacturing

Total waste decreased from 128 kilotons in 2007 to 113 kilotons in 2008. Lighting (68%) and Consumer Lifestyle (25%) account for 93% of our worldwide total waste. The decrease was mainly realized by Consumer Lifestyle due to lower production.

Total waste in kilotons				
	2005	2006	2007	2008
Healthcare	8.6	8.3	7.9	8.2
Consumer Lifestyle	35.7	35.0	40.4	27.8
Lighting	82.9	80.6	79.2	77.3
I&EB	5.8	1.5	0.2	0.1
Philips Group	133.0	125.4	127.7	113.4

Total waste is made up of actual waste that is delivered for either landfill or incineration, comprising 17% non-hazardous and 7% hazardous waste, and recyclable waste. Materials delivered for recycling via an external contractor comprised 87 kilotons, which equals 76% of total waste.

EcoVision III: Restricted substances

Emissions of restricted substances totaled 1,118 kilos in 2008, a significant decrease of 18% versus 2007. With EcoVision III we are focusing on a selection of the most important substances in our processes.

Restricted substances in kilos				
	2005	2006	2007	2008
Benzene	20	6	52	1
Mercury	260	197	185	211
CFCs/HCFCs ¹⁾	2,758	160	157	213
Other restricted substances	2,158	1,738	977	693
Total	5,196	2,101	1,371	1,118

¹⁾ excluding cooling systems

Benzene

Lighting is the only sector that uses benzene in manufacturing. During the course of 2007, 52 kg of benzene was reported, and 1 kg reported in 2008. This significant decrease is the result of an emissions elimination program initiated during the year.

Mercury

Mercury is used exclusively by Lighting. Emissions increased from 185 kg in 2007 to 211 kg in 2008, due to a production increase along with a product mix change.

CFCs/HCFCs

In 2008 total emissions from CFCs/HCFCs increased to 213 kg from 157 kg due to a change in the production mix at a Healthcare site.

Other restricted substances

Emissions of other restricted substances totaled 693 kg in 2008, strongly decreasing from the year before, when 977 kg was emitted. The decrease relates particularly to the phasing out of certain substances at Lighting including the phasing out of dimethoxyethane. In addition, use of dichloromethane has been reduced at a major Healthcare site.

EcoVision III: Hazardous substances

For hazardous substances targets have been set on a selected number of substances and not for the total, as listed in the table.

Hazardous substances ¹⁾ in kilos				
	2005	2006	2007	2008
PFCs	6,030	1,461	1,534	1,858
Lead	4,297	4,257	3,958	8,074
Toluene	9,091	3,091	1,029	1,107
Xylene	4,022	4,493	4,166	3,358
Other hazardous substances	149,234	106,153	131,738	125,251

¹⁾ excluding PFCs and Non-ODP refrigerants for cooling systems, which are not added in totals

PFCs

The increase in 2008 is related to one site in Healthcare, due to increased production for certain components for which no alternatives are available.

Lead

The increase in 2008 is related to the addition of two new production lines in one major Lighting site, as well as the test of a new lead solder recycling process.

Toluene

The increase in 2008 is caused by a change in production mix in one major Lighting site.

Xylene

The decrease is attributable to the closure of a Lighting factory in Juarez, Mexico. In other Lighting sites, some product families were pruned and actions were taken to reduce wet painting and, thereby, xylene.

Other hazardous substances

Styrene decreased due to divestments in Lighting.

ISO certification

In 2008, 95% of reporting manufacturing sites were certified, in line with company policy.

ISO 14001 certification

as a % of all reporting organizations

	2005	2006	2007	2008
Philips Group	93	93	90	95

Incidents

In 2008, seven issues were reported in the following four categories. They were related to water (four), restricted substances (one), soil (one) and fire (one).

Social indicators

Engagement

In 2008, 90% of Philips employees took the Engagement Survey, giving their answers to 44 questions on leadership, management capabilities, alignment with the company's vision, identification with the brand, communication, reward and recognition, diversity and inclusion, and sustainability.

Engagement Index

The Employee Engagement Index (EEI) is the single measure of the overall level of employee engagement at Philips. It is a combination of perceptions and attitudes related to employee satisfaction, commitment and advocacy.

Employee Engagement Index				
	2005	2006	2007	2008
% favorable	59	61	64	69
% neutral	-	21	20	17
% unfavorable	-	18	16	14

The EEI rose to 69% in 2008, from 64% in the previous year. Our target for 2008 was to reach 67% favorable in our journey towards 70% favorable by the end of 2009.

In the coming years, we will continue to review and update our targets by using the High-Performance norm – the score achieved by the top 20% of companies from our partner Kenexa's database.

A look at the results

No less than 83% of the respondents say they feel proud to work for Philips – up from 72% in 2007. Another positive outcome is that many more people now feel that the company is making good use of their talents and abilities, and there is open and honest two-way communication within their organization. Other aspects that people clearly appreciate are our strong commitment to sustainability and a climate in which diverse perspectives are valued and where there are equal opportunities for all.

The scores also showed that we must pay more attention to some areas of key importance. For example, employees' confidence in the company's future decreased. To reverse this we are placing emphasis on connecting all of our people with the long-term ambition of Philips.

Creating a dialogue

Detailed reports of the survey results were sent to managers with a team of eight or more people. In 'Deep Dive' sessions beginning in November 2008, teams talked about their results, discussing strengths and weaknesses, and designing actions to leverage strengths and address areas of concern. These 'Deep Dives' will be tracked and monitored by specially trained HR generalists.

Diversity and inclusion

We continue to focus on increasing the opportunities for women and other under-represented groups in key positions, and on developing a diverse talent pipeline.

as a % of total executives				
	2005	2006	2007	2008
Female executives	5	6	8	10

We reached our diversity and inclusion (D&I) target for 2008, significantly increasing the percentage of women in executive positions. Women now comprise nearly 10% of executives across the global Philips organization, double the figure of 5% in 2005 and we aim to increase that number to 15% by 2012.

In 2008 the percentage of women in the top potential pool reached 23%, up from 20% in 2007.

Further, we want to get more talented local people into key positions in our growth markets. The percentage of executives from Asia Pacific stood at 8% at year-end 2008, versus 7% the previous year. The percentage of top potentials from Asia Pacific was 14%, a decrease from 16% in 2007.

As we move forward with our D&I initiative, new targets are being set to be achieved by 2012. More detailed attention will be given to growth markets and to increasing the numbers for top potential and executive positions. As a result we will focus on target setting for the BRIC countries, to monitor progress more closely.

Developing our people

Employees across the world can access detailed information about our Global Learning Curricula and register for courses online via our Global Learning Portal, Learning @ Philips.

number of employees participating				
	2005	2006	2007	2008
Core Curriculum programs	11,000	14,500	12,000	10,000

Our Core Curriculum offers learning opportunities in the areas of personal effectiveness, people management and business acumen. With nearly 10,000 employees participating in programs in the Core Curriculum during 2008, enrollment decreased compared with 12,000 the previous year. These decreases are a result of travel restrictions.

Our Functional Core Curricula includes courses in Finance, HRM, IT, Sales, Marketing, Project Management and Supply Management. Enrollment in the Functional Core Curricula was some 7,600 in 2008, a slight decrease from 8,000 in 2007. Many Functional Curricula are tied to mandatory learning plans designed to increase our organizational capability.

Talent pipeline curriculum

The Talent Pipeline Curriculum consists of systematic, accelerating and inspiring learning interventions for the Philips talent pool (from high potentials to executives).

Our advanced learning experience for high potentials, called Inspire, is designed to develop future leaders who are able to combine a thorough understanding of their business environment with excellent personal skills. The Octagon program is the accelerating development program for top potentials, offering participants the opportunity to use the strategic insight, knowledge and skills required to tackle a major (cross-sector/cross-regional/cross-functional) issue, and round out their Philips leadership behavior.

We upgraded the content of our Inspire program to stretch even further the development of our high potentials. In 2008, the Inspire program facilitated completion of seven project assignments, with seven more expected to be completed. One project explored potential business opportunities for consumers to move towards a more sustainable lifestyle by focusing on developed and emerging markets.

Eight Octagon projects were completed. The first class of 2008 showed the highest results in the past four years in quality and Net Promoter Score as measured by participants' evaluations. One of the projects the top potentials worked on looked at how to bring lighting devices into rural villages in India where electricity is not available.

Executive education

To help our executives to continue to develop their careers and strengthen their leadership skills, we have been offering a curriculum of internal and external programs. These offerings continue to be relevant to our executives. Participation remained at the same levels as 2007, with approximately 9% of executives and top potentials attending external business school programs.

After the 2007 redesign of our executive induction program for newly hired or recently appointed executives, results continue to show high quality levels for participants. In 2008, 13 new executives went through the session.

People Leadership Index

Because managers contribute significantly to the engagement of their employees, we have developed the People Leadership Index (PLI), which focuses on overall people leadership effectiveness. Our PLI – measuring 10 aspects relating to management capabilities – continued to increase, rising to 69% in 2008 from 64% in 2007. This is encouraging, as it shows that our efforts to improve our managers' leadership skills are working.

General Business Principles

In 2008 a total of 361 complaints were raised, compared with 389 in 2007; 392 in 2006; and 318 in 2005.

The number of complaints in 2006 and 2007 may have been affected by two developments: the global roll-out of the One Philips Ethics Hotline in 2006, and an updated version of the GBP Directives approved and adopted in 2007. The hotline offers improved access to reporting complaints, including employee anonymity and the ability to call from outside the office. The updated Directives reflect ongoing developments in codes of conduct and business integrity legislation. The main updates related to Philips' endorsement of the UN Global Compact, policy on HIV/AIDS, health and safety policy, integrity and ethics in advertising, and in particular directives on the giving of gifts.

As many of the alleged violations are currently still being investigated, it is not possible to determine exactly which – if any – of the Philips General Business Principles (GBP) have been infringed and to what extent. However, based on careful analysis, it is possible to draw some conclusions about those GBP that are most frequently called into question.

Breakdown of alleged violations GBP as a % of total				
	2005	2006	2007	2008
1 General commitment, total	4.3	7.2	7.0	5.2
1.0 General commitment	2.2	4.5	3.2	3.3
1.1 Human rights	–	–	–	–
1.2 Child, bonded and forced labor	–	–	–	–
1.3 Free market competition	–	–	0.5	0.5
1.4 Product safety	1.1	0.7	0.5	–
1.5 Privacy	0.5	1.7	2.8	1.4
1.6 Environmental protection	0.5	0.3	–	–
2 Commitment to customers, total	–	1.2	0.7	1.9
3 Commitment to shareholders, total	–	0.3	–	–
4 Commitment to employees, total	48.1	58.8	55.8	62.9
4.0 Commitment to employees	6.7	2.2	2.8	7.9
4.1 Right to organize	1.1	0.5	1.5	–
4.2 Health and safety	1.6	5.0	2.5	3.0
4.3 Equal and fair treatment	34.1	47.1	44.3	49.4
4.4 Wages and payment	4.6	4.0	4.7	2.6
5 Commitment to suppliers and business partners, total	8.9	5.7	2.3	2.2
6 Assets and information, total	24.2	15.6	17.0	9.9
6.1 Use and protection of assets	19.6	12.6	15.5	7.7
6.2 Improper disclosure	4.6	3.0	1.5	2.2
6.3 Insider trading	–	–	–	–
7 Business integrity, total	13.7	10.9	17.2	16.3
8 Observance of the General Business Principles, total	0.8	0.3	–	1.6
8.1 Sanctions	–	–	–	–
8.2 Whistleblower policy	0.8	0.3	–	1.6
8.3 Compliance	–	–	–	–
	100.0	100.0	100.0	100.0

In the table a breakdown of the newly filed alleged violations of the General Business Principles are given per year. For each category the number is expressed as a percentage of the total. More information can be found on www.philips.com/gbp.

All alleged GBP violations (and the status of the investigations) are considered by the Board of Management and the Audit Committee of the Supervisory Board, which assess any possible impact on Philips' businesses and compliance with applicable laws.

Working conditions

In 2005 the number of reported (alleged) violations related to GBP 4 (Commitment towards employees) stood at 48% of the total. This was followed by an increase to 63% in 2008.

Another point that stands out in 2008 is the sharp rise in the number of complaints relating to the general commitment towards employees principle (GBP 4.0). To a large extent these originated from employees of a number of recently acquired companies, where the pre-acquisition style of management was in many respects inconsistent with the underlying principles of business conduct defined in the Philips GBP.

In 2008 the GBP most associated with alleged violations was again GBP 4.3 (Equal and fair treatment). As in the previous two years, almost half of all reported complaints related to this principle (49.4% in 2008 compared with 44.3% in 2007 and 47.1% in 2006). More than two thirds of these complaints related to two issues: respectful treatment and discrimination. Some 35% of the complaints related to respectful treatment and 30% to discrimination issues.

Business integrity issues

With regard to reporting of the typical business integrity issues, the number of complaints remained fairly stable in 2008 compared to 2007.

Use and protection of assets

After having been the second most frequently received GBP complaint in 2007 at 15.5% of the total, there was a sharp fall in the number of complaints relating to GBP 6.1 (Use and protection of assets), with only 7.7% in 2008. A lot of attention has been devoted to this issue, both in the recent editions of the GBP Directives and in the latest Corporate IT Directives. It is possible that this has helped to bring about the necessary improvement in discipline with regard to the handling of confidential information and Philips assets and resources.

Supply management

The number of complaints relating to supply management was virtually the same in 2008 and 2007. Only eight complaints were lodged in 2008 in the GBP Complaints database as alleged violations of GBP 5 (Commitment to Suppliers and Business Partners), compared with nine in 2007. The vast majority of supply management allegations are related to the conduct of purchasing. For more information see the section on Supplier indicators that begins on page 188 of this Annual Report.

Health and safety

Philips strives for an injury and illness-free work environment, with a sharp focus on decreasing the number of injuries. This is defined as a KPI, on which we set yearly targets for the company and our individual sectors.

In 2008 we recorded 650 Lost Workday Injuries cases, occupational injury cases where the injured person is unable to work the day after the injury. This is an 18% decrease compared with 2007. The rate of Lost Workday Injuries also decreased substantially to 0.68 per 100 FTEs, compared with 0.81 in 2007.

Lost workday injuries per 100 FTEs				
	2005	2006	2007	2008
Healthcare	0.45	0.37	0.29	0.27
Consumer Lifestyle	0.69	0.66	0.61	0.44
Lighting	1.23	1.27	1.35	1.17
I&EB	0.34	0.23	0.12	0.12
Philips Group	0.78	0.78	0.81	0.68

Reductions were particularly realized in the Lighting sector, which initiated a dedicated action program two years ago to drive down injury levels. Consumer Lifestyle also achieved a lower injury rate.

Supplier indicators

Supplier sustainability training

In 2008 Philips Sustainability Officers held 15 training sessions in China, India and the United States, attended by more than 400 suppliers.

2008 supplier audits

Before a formal audit takes place, a quick scan of the supplier's site is conducted to identify critical issues where possible. This increases the supplier's understanding of our sustainability requirements and standards. In 2008 we performed more than 100 scans in our supply base.

A total of 572 audits of Bill of Material (BOM) and non-product related (NPR) identified risk suppliers were carried out in 2008, comprised of:

- 244 initial audits of new suppliers, including those from acquisitions, new sites or spend growth exceeding EUR 100,000
- 33 continual conformance audits at suppliers audited in 2005, and
- 295 resolution audits focusing on zero-tolerance issues (for example: child labor, continual seven-day work weeks, immediate life threatening situations, slave labor conditions and banned substances).

The majority (80%) of BOM-related audits were conducted in China.

Some 60% of initial audits were performed by specialized external auditing bodies for reasons of independence, professionalism and capacity.

Summary supplier sustainability audit results

% of newly audited BOM-sites where the following types of non-compliances were found

	zero tolerance	limited tolerance
Labor		
Freely chosen employment	1	11
Child labor avoidance	–	9
Working hours	15	26
Wages and benefits	–	26
Humane treatment	–	2
Non-discrimination	1	4
Freedom of association	–	–
Collective bargaining	–	–
Health and safety		
Occupational safety	22	11
Emergency preparedness	26	1
Occupational injury and illness	–	21
Industrial hygiene	14	22
Physically demanding work	–	–
Machine safeguarding	7	2
Dormitory and canteen	7	4
Environmental		
Environmental permits and reporting	15	2
Pollution prevention and resource reduction	–	2
Hazardous substances	20	29
Waste water and solid waste	9	3
Air emissions	1	4
Product content restrictions	5	2
Management system		
Company commitment	–	8
Management accountability	–	–
Legal and customer requirements	–	4
Risk assessment and management	–	13
Performance objectives	–	23
Training	–	5
Communication	–	5
Worker feedback and participation	–	2
Audits and assessments	–	14
Corrective action process	–	4
Documentation and records	–	5
Ethics		
Business integrity	–	–
No proper advantage	–	7
Disclosure of information	–	–
Intellectual property	2	–
Fair business, advertising and competition	6	1
Protection of identity	–	3

Supplier audit results

We implemented the EICC checklist for audits conducted in 2008. This has led to a marked increase in the number of issues recorded. Previously we focused primarily on social/labor-related issues, while the checklist includes a broader range of parameters. Management issues represent a major part of the increase in identified issues.

Findings identified during initial audits provide the base for the yearly issue overview, and continual conformance audit findings have also been included for the first time.

The vast majority of non-compliances (89%) were found in China.

The most frequently identified issues coming out of the 277 initial and continual conformance audits were as follows:

- Zero-tolerance – emergency preparedness (blocked fire exits); occupational safety (immediate threat to health and safety); working conditions (exposure to hazardous substances); working hours (continual seven-day work weeks); and lack of environmental permits.
- Limited-tolerance – improper handling/processing of chemical waste; working hours (above legal limits/60 hours a week); wages and benefits (below minimum wages and absence of legal overtime payment); environmental performance objectives do not meet legal requirements; lack of industrial hygiene (lack of personal protective equipment); occupational injury and illness (no medical treatment facility).

Increased speed in resolving zero-tolerance issues

At the Supply Leadership Meeting (a forum of the top 100 Philips supply managers) in May 2008 we focused on resolving zero-tolerance issues, leading to a breakthrough in resolution time. During the last four months of the year all zero-tolerance issues were solved within 105 days, down significantly from the average resolution time of 250 days in 2007. This represents a 60% increase in speed of resolution. At year-end there were no zero-tolerance issues older than three months, indicating that ownership within the Philips Supply Management community is now well engrained. Those remaining issues were identified during audits performed in November and December 2008.

Where no improvement could be established, 25 suppliers were phased out.

Tackling the most frequent zero-tolerances

The most frequently identified zero-tolerance issues related to occupational health and safety risks and continual seven-day work weeks. Health and safety issues can be resolved quickly, while dealing with working hours often entails installing extra shifts with additional personnel, which can take at least a month.

By helping our suppliers to see this as a business opportunity, more than 30,000 workers from our supply base average at least one day rest every week.

Resolving limited-tolerance issues

The top three open items for limited-tolerance concerns are the lack of management systems to track and trace site environmental pollution; environmental permits; reliable recording of working hours. Some dated back to 2007 due to long lead time for implementing required changes.

Independent assurance report

To the Supervisory Board and Shareholders of Koninklijke Philips Electronics N.V.:

Introduction

We have been engaged by Koninklijke Philips Electronics N.V. to provide limited assurance on the section Sustainability performance in this Annual Report. The Board of Management is responsible for the preparation and fair presentation of the Sustainability performance section. Our responsibility is to provide limited assurance on this information contained in this Annual Report.

Scope

Our engagement was designed to provide limited assurance on whether the information in the section Sustainability performance on pages 180 to 189 of this Annual Report is fairly stated.

Procedures performed to obtain a limited level of assurance are aimed at determining the plausibility of data and are less extensive than those for a reasonable level of assurance. Our procedures included reviewing systems and processes for data management, assessing the appropriateness of the accounting policies used, assessing the data collection and reporting process at a limited number of sites and evaluating the overall presentation of sustainability information within our scope.

We have also reviewed, to the extent of our competence, whether the section Sustainability on pages 62 to 67 is consistent with the information in the section Sustainability performance.

Reporting criteria

There are no generally accepted standards for reporting sustainability performance. Koninklijke Philips Electronics N.V. applies the Sustainability Reporting Guidelines of the Global Reporting Initiative (G3) together with internal corporate guidelines, as detailed in Approach to sustainability reporting in the section Sustainability performance on pages 180 to 182. It is important to view the performance data in the context of this explanatory information. We believe that these criteria are suitable in view of the purpose of our assurance engagement.

Standards

We conducted our engagement in accordance with the International Standard for Assurance Engagements (ISAE) 3000: Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board. Amongst others, this standard requires that the assurance team members possess the specific knowledge, skills and professional competencies needed to understand and review the information and that they comply with ethical requirements.

Conclusion

Based on our work described in this report, the information in the section Sustainability performance on pages 180 to 189 does not appear to be unfairly stated in accordance with the criteria described in Approach to sustainability reporting in the section Sustainability performance in this Annual Report.

We also report, to the extent of our competence, that the section Sustainability on pages 62 to 67 is consistent with the section Sustainability performance.

Amsterdam, 23 February 2009

KPMG Accountants N.V.

M.A. Soeting RA

Global Reporting Initiative (GRI): G3 performance indicators

The Philips Annual Report 2008 covers our financial, social and environmental performance in a single volume. This chart provides you with a view of performance indicators covered in the report. Because we report at Philips Group level, performance indicators on local issues are not addressed.

			not applicable	addressed	not addressed	page number
Economic						
Economic performance	EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments		✓		124-178
	EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change		✓		26-29, 180-185
	EC3	Coverage of the organization's defined-benefit plan obligations		✓		160-163
	EC4	Significant financial assistance received from government			✓	
	EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation			✓	
	EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation		✓		37, 64, 187
	EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement		✓		33, 65
Environment						
Materials	EN1	Materials used by weight or volume			✓	
	EN2	Percentage of materials used that are recycled input materials			✓	
Energy	EN3	Direct energy consumption by primary energy source			✓	
	EN4	Indirect energy consumption by primary source			✓	
Water	EN8	Total water withdrawal by source		✓		185
Biodiversity	EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	✓			
	EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	✓			
Emissions, effluents, and waste	EN16	Total direct and indirect greenhouse gas emissions by weight		✓		185
	EN17	Other relevant indirect greenhouse gas emissions by weight		✓		184
	EN19	Emissions of ozone-depleting substances by weight		✓		186
	EN20	NOx, SOx, and other significant air emissions by type and weight			✓	
	EN21	Total water discharge by quality and destination			✓	
	EN22	Total weight of waste by type and disposal method		✓		185
	EN23	Total number and volume of significant spills		✓		186
	EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation		✓		38-40, 183
	EN27	Percentage of products sold and their packaging materials that are reclaimed by category	✓			
Compliance	EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	✓			

			not applicable	addressed	not addressed	page number
Product responsibility						
Customer health and safety	PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures		✓		38-40
Product and service labeling	PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements			✓	
Marketing communications	PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship		✓		180
	PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	✓			
Labor practices and decent work						
Employment	LA1	Total workforce by employment type, employment contract, and region		✓		54-55
	LA2	Total number and rate of employee turnover by age group, gender, and region		✓		16-17, 187
Labor / Management relations	LA4	Percentage of employees covered by collective bargaining agreements			✓	
	LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements			✓	
Occupational health and safety	LA7	Rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities, by region		✓		189
	LA8	Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases			✓	
Training and education	LA10	Average hours of training per year per employee by employee category			✓	
Diversity and equal opportunity	LA13	Ratio of basic salary of men to women by employee category			✓	
	LA14	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity			✓	
Human rights						
Investment and procurement practices	HR1	Percentage and total number of significant investment agreements that include human rights clauses or that underwent human rights screening		✓		187-189
	HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights, and actions taken		✓		188-189
Non-discrimination	HR4	Total number of incidents of discrimination, and actions taken		✓		187-189
Freedom of association and collective bargaining	HR5	Operations identified in which the right to exercise freedom of association or collective bargaining may be at significant risk, and actions taken to support these rights		✓		187-189
Child labor	HR6	Operations identified as having significant risk of incidents of child labor, and measures taken to contribute to the elimination of child labor		✓		187-189
Forced and compulsory labor	HR7	Operations identified as having significant risk of incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor		✓		187-189
Society						
Community	SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting		✓		28, 32-33
Ethics	SO2	Percentage and total number of business units analyzed for risks related to ethics		✓		188-189
	SO3	Percentage of employees trained in organization's anti-corruption policies and procedures		✓		188-189
	SO4	Actions taken in response to incidents of ethics		✓		188-189
Public policy	SO5	Public policy positions and participation in public policy development and lobbying		✓		180
Compliance	SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations			✓	