

# PHILIPS

sense and simplicity

Energy Efficiency:  
Here & Now



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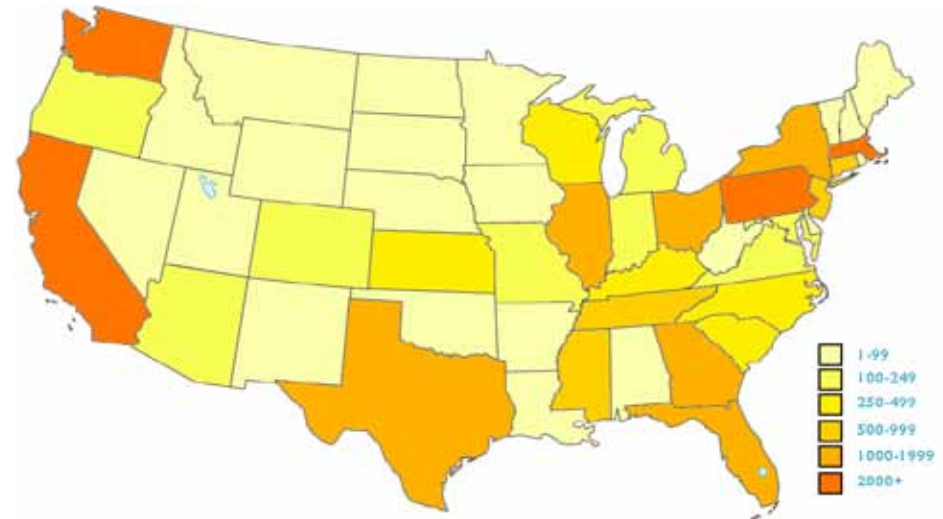
# Philips Overview

## Royal Philips Electronics

- Headquarters in Amsterdam, The Netherlands
- Founded in 1891
- Over \$30 billion sales
- Over 120,000 employees
- Three business sectors: healthcare, lighting, consumer lifestyle
- Global lighting market leader

## Philips in the US

- Philips U.S. HQ: Andover, MA
  - 26,000 employees
- Lighting HQ: Burlington, MA
  - 20 US manufacturing facilities
  - Most lighting products sold in US are made or assembled in the US



# Sustainability

## Externally...

- Bringing care to 500 million people by 2015
- Providing education on how individuals and corporations can improve their green footprint
- Empowering employees to engage their communities on green outreach programs
  - Simply Healthy @ Schools
- Defining innovative product development strategies to deliver solutions that promote health and well being



# Sustainability

## Internally...

- Setting manufacturing targets for waste elimination and process improvements
  - EcoVision
  
- Formalizing R&D processes to bring innovative Green products to market
  - EcoDesign
  - Improve energy efficiency of Philips products by 50% by 2015
  
- Increase manufacturing recycling and recycled materials in products by 2015

Improvements	Targets
<b>Product improvements</b>	
Yearly target set on number of Green flags by 2006	33
<b>Process improvements</b>	
Global Warming Potential (CO <sub>2</sub> equivalents)	
Energy reduction (direct CO <sub>2</sub> )	5%
PFC reduction	33%
Other greenhouse gas reduction	4%
Water	-7%
Total waste	-7%
Restricted substances benzene emissions	100%
Restricted substances mercury emissions	83%
Restricted substances CFCs/HFCs	94%
Other restricted substances (excluding CFCs from cooling systems)	100%
Hazardous substances PFC emissions	33%
Hazardous substances lead	100%
Hazardous substances silver	100%
Hazardous substances xylene	100%
Other hazardous substances	100%

\*Real reduction targets to double versus against the base year 2005



# Sustainability – Energy Conservation

## We need to Act Now

- **20% of Global Energy Consumption is for Lighting**
  - 25% residential
  - 75% commercial and municipal
- **2/3 of all Lighting in the World is based on Old Technology**
  - 75% of lighting in commercial buildings is inefficient
  - Only 1% of office lighting uses lighting controls
- **Most legislation & regulation focuses on new construction**
  - Biggest opportunity in retrofitting existing buildings

# Lighting can save up to 40%

**An achievable average energy saving of 40% on all the lighting currently installed globally would save:**



\$175 billion in energy costs



670 mln tons of CO<sub>2</sub>



Annual output of 642 medium sized power stations @ 2TWh/year



260 mln car emissions @ 10k mile/year

# The way we live & the industry are undergoing significant change

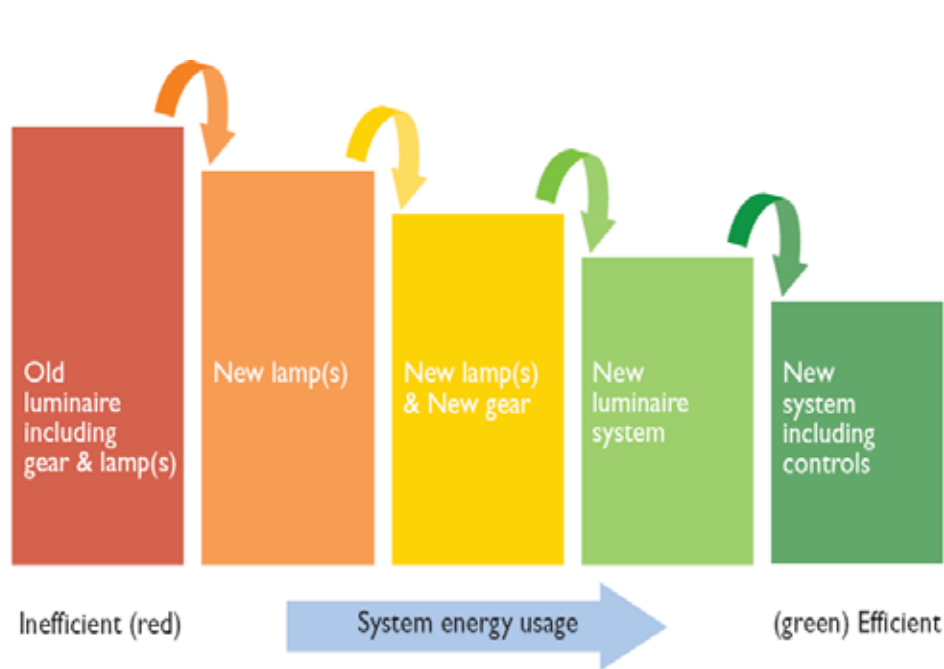
Cities will be central to the opportunity—urbanization & proximity will drive change



LED Lighting—Transforming the industry, unleashing new possibilities



# Full Range of Solutions for every Segment



# Energy Savings in the Home

- Replace the 4.4 billion medium screw base sockets with these and save consumers \$14 billion in energy costs annually!

Philips EcoVantage Bulbs



Halogená® Energy Saver Household "A-Shape"



Philips AmbientLED A19 Indoor Bulb



# Outdoor lighting – savings up to 75%

- One third of the world's roads, as well as a majority of parking areas, are still lit by technology dating back to the 1960's
- Today's outdoor lighting source solutions, including LED and advanced HID, combined with modern control technologies can save energy by up to **75%**
- Coming new generations of LED technology offer significant potential for greater future savings

Maritime Academy, MA



WoodBridge, NY



Liberty Park, NY



# Indoor Lighting for Work and Learning

## ANC/Cox Las Vegas office:

- Office upgraded with new fixtures & controls
- Quality, energy savings, and CO2 reduction—triple win for new tenants



## Hamburg, Germany school:

- Dynamic lighting mimicking daylight rhythms resulted in students
  - 75% calmer
  - Making 45% fewer mistakes
  - Reading 35% faster



# Energy efficient lighting: a triple win

- **End-users:** better quality light and life, safety, productivity
- **Environment:** lower energy usage, lower emissions
- **Economy:** lower costs, rapid return on investment, green jobs



