



# Transition towards a Circular Economy at Philips

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innovation  you

# Philips offers variety of **products and services**

## Large medical Equipment



## Smaller medical Professional equipment



## Personal Health & Household appliances





# Philips action plan **supports the UN's SDGs**

**Make the world healthier and more sustainable through innovation  
Improve the lives of 3 billion people a year by 2030**

## Healthy people, Sustainable planet

**Health and well-being for all (SDG 3)**

**Sustainable consumption and production (SDG 12)  
Climate action (SDG 13)**

### Financially sustainable care

- Value-based care
- Prevention
- Move to digital
- From products to solutions

### Access to care for the underserved

- Locally relevant innovations
- CLC roll-out
- Prove impact to local governments

### Sustainable use of materials

- Circular product and service design
- Green portfolio
- Close loops
- No landfill

### Sustainable use of energy

- Reduce emissions (logistics and travel)
- Energy efficiency
- Green electricity
- Carbon offsetting



# Our ambitious circular economy objectives for 2020

**15%**

of sales from circular products and services

**90%**

of operational waste recycled

**zero**

waste to landfill

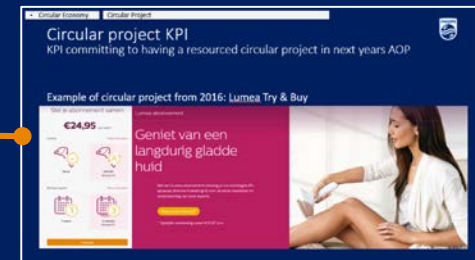
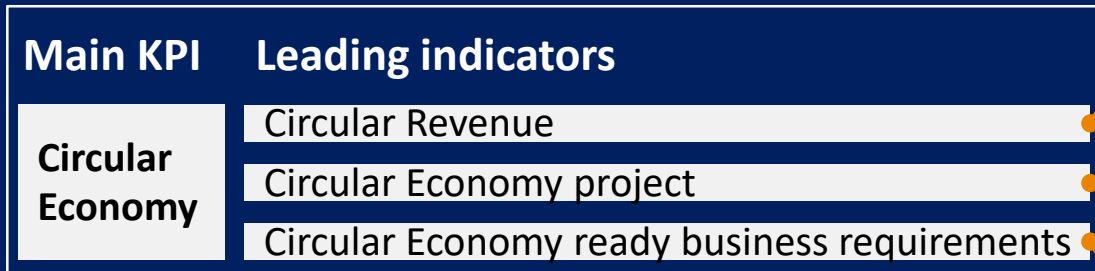
## Close the loop

on large medical systems equipment that becomes available to us, and **extend circular practices to *all* medical equipment by 2025**

# Two targets/KPIs on sustainability in 2019

Further detailed and cascaded to the different businesses

## 7a. Sustainability index



## 7b. Close loops for large medical equipment





# Philips defined 8 circular revenue categories



**Performance Bridge** is a flexible suite of services that provides analytics enabling efficiency in use of resource-intensive hardware devices.

Digital ECG sensors that remove the need for dedicated monitor hardware.

**Lumify** is a flexible subscription service providing access to transducers, app and online ecosystem. The subscription service reduces upfront costs to help clinicians improve patient care.

**Philips SmartPath** is an economical way to enhance existing Philips systems to current technology or increased capacities. Key components are upgraded so that the system is like new.

Every year, 1 million products are returned from dealers or consumers - Personal Health has developed capabilities to resell and refurbish (if needed) these returns, aiming to combine sustainability and consumer experience.

The **Diamond Select program** offers refurbished healthcare systems where customers can benefit from state-of-the-art technology at a more affordable price.

**RAPID\*** program reuses 50-70% parts / materials from returned X-ray tubes.

**Performer Ultimate vacuum cleaner** contains 36% recycled plastics\*\*

\*RAPID stands for Returns, Analysis, Parts recovery, Improvement and Data collection; \*\* Compared to total plastics content



# Circular project KPI

KPI committing to having a resourced circular project in next years AOP

## Example of circular project from 2016: Lumea Try & Buy

Stel je abonnement samen

**€24,95** per maand

Conditie [Meer informatie >](#)

<p>Nieuw</p>	<p>Gebruikt Bespaar €5</p>
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Minimale looptijd [Meer informatie >](#)

<p>1 maand</p>	<p>3 maanden Bespaar €5</p>
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[Volgende](#)

Lumea abonnement

## Geniet van een langdurig gladde huid

Met een Lumea abonnement ontvang je ons krachtigste IPL-apparaat (Intense Pulsed Light) voor de beste resultaten én ondersteuning van onze experts.

[Start je abonnement\\*](#)

*\* Tijdelijke aanbieding vanaf €24,95\* p.m.*



# Circular ready requirements

Circular ready requirements	Circular software		Circular service		Circular hardware			
	Optimizing resource use	From analogue to digital	Performance and access	Upgrades	Commercial returns	Refurbishing	Parts harvesting	Recycled content
1. Easy to clean, sterilize and restore aesthetic state			Critical	Critical	Critical	Critical		
2. Secure and private exchange	Critical	Critical	Minor impact	Critical	Critical	Critical	Critical	
3. Easy to assess and track performance	Some impact	Some impact	Critical	Some impact	Some impact Packaging only	Some impact	Some impact	
4. Easy to disassemble, repair and re-assemble			Critical	Some impact		Critical	Critical	
5. Modular design for forward and backward compatibility	Critical	Critical	Some impact	Critical		Some impact	Some impact	
6. Standard, durable element selection	Some impact	Some impact	Some impact	Some impact		Some impact	Critical	Some impact
7. Sustainable material selection								Critical
8. Easy to dismantle back into pure materials								Critical

■ Critical
 ■ Some impact
 ■ Minor impact





# Product requirements for circular ready solutions

With these business requirements we can improve business models, for example by lowering operation costs

## Safety

- |   |                                 |
|---|---------------------------------|
| 1. Easy to clean, sterilize and restore aesthetic state | 2. Secure and private exchanges |
|---|---------------------------------|

## Performance

- |   |  |
|---|--|
| 3. Easy to assess and track performance | 4. Easy to disassemble, repair and re-assemble |
|---|--|

## Obsolescence

- |  |  |
|--|--|
| 5. Modular design for forward and backward compatibility | 6. Standard, durable element selection |
|--|--|

## Material stewardship

- |                                   |   |
|-----------------------------------|---|
| 7. Sustainable material selection | 8. Easy to dismantle back into pure materials |
|-----------------------------------|---|

Circular Environmental Conscious Design



Safety

# 1 Easy to clean, sterilize and restore aesthetic state

## Objective

Protecting users from infection (objective) and maintaining high hygienic perception (subjective). Easy for Philips partners to disinfect and restore aesthetic quality.

## Rationale

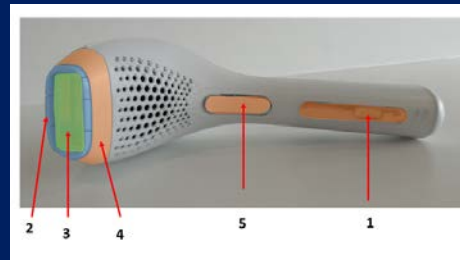
Pertains to user safety. As a health tech company, we cannot risk transmitting infections as we enable product re-use over multiple cycles. From a consumer point of view, aesthetic performance is a proxy for hygiene. This need concerns both the objective and subjective need to restore user confidence of hygiene.

## Guiding sub-questions

Will future (subsequent) users of the solution feel confident of the hygiene and safety? Will future (subsequent) users accept the aesthetic look of the product?  
How efficiently can the product be cleaned? How efficiently can it be disinfected? How does the product grace with age? How efficiently can aesthetic or hygienic look be restored?



Examination



Natural contamination analysis

