

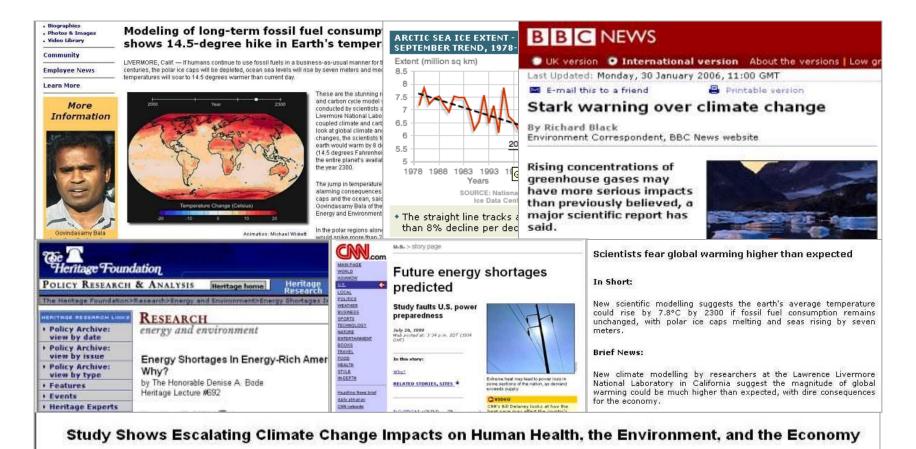


Breakthrough innovation in energy technologies

- The bigger picture
- Philips Lighting: our journey
- The Energy Efficiency domain
- Speeding-up breakthrough energy innovation



The bigger picture: The World in 2005/6



NEW YORK-November 1, 2005-The Center for Health and the Global Environment at Harvard Medical School, along with co-sponsors Swiss Re and the United Nations Development Programme, today released a study showing that climate change will significantly affect the

health of humans and ecosystems and these impacts will have economic consequences.



The bigger picture: a Paradigm Shift



 Lifecycle value Economical Ecological Social Circular Society Resource efficiency Energy; Materials · Water; Food Quality of Life

Shaping the LED Lighting Revolution

Lighting is evolving beyond offering products

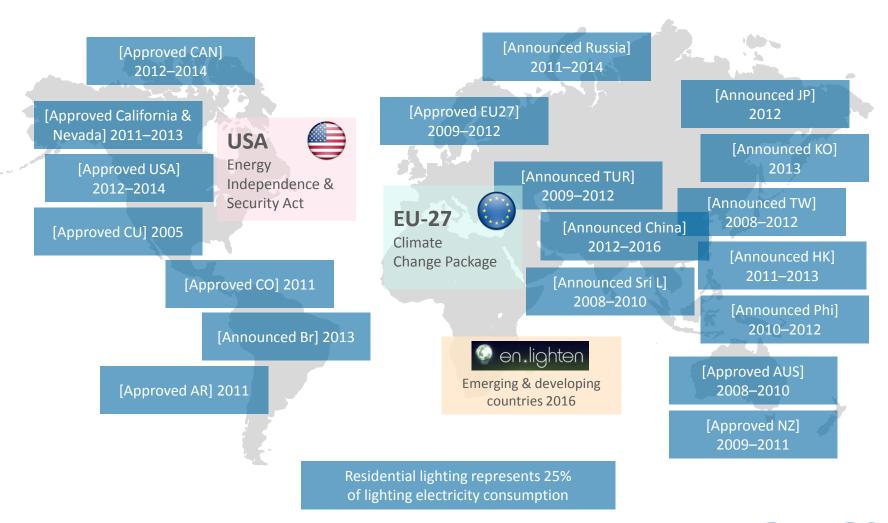


- Analog / Lamps
- Stand-alone / 'Dumb'
- Products / Replacement sales

- Digital / LEDs
- Connected / 'Smart' IoT
- Systems & Services / Circular / Projects



Global phase-out incandescent lamps





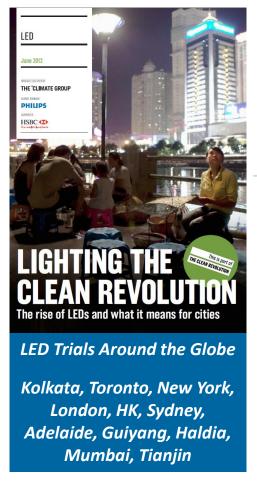




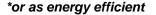
THE CLIMATE GROUP

Partnership with The Climate Group

Focus on Cities – Call for large scale LED adoption









New York City switches all streetlights to LED



New York City is set to upgrade all 250,000 of its streetlights to LED over the next few years. This is part of the city government's PlaNYC to cut its carbon footprint by 30 per cent by 2017.

The current high pressure sodium streetlights need to be replaced every six years and consume a lot of energy resulting in huge bills for the city. The LED lanterns are expected to require far less maintenance and last up to years, saving the city around LIS\$8 million (65 million) a year in expenses. New York helieves this retrofit which Home: What we do - News and Bloos - Scotland proposes switch to 100% LED lighting

Home » LED street-lighting pilot program begins in Kolkata, India

LED street-lighting pilot program in Kolkata, India

Kolkata, the Climate Group and HSBC have launched an outdoor LED lighting project that will cu

The Kolkata Municipal Corporation (KMC), international NGO The Climate Group and HSBC have launched India's largest LED street-lighting pilot program in Kolkata. This LED pilot project will undertake a comprehensive trial of over 270 lights installed on several of the city's arterial roads.



Installing LED street lights

The project, first announced back in April 2010, will help the KMC under could make substantial cuts in urban emissions and savings on energylighting over the next few years. The insight gained will be shared with o internationally.

The project will be carried out by KMC in joint collaboration with the Gov Bureau of Energy Efficiency (BEE), the West Bengal State Electricity Di (WBSEDCL), and the West Bengal Pollution Control Board (WBPCB), v

The Climate Group. The project cost is equally shared between BEE and KMC.

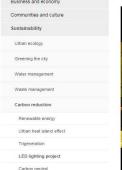






Towards 2030 Sustainability Carbon reduction LED lighting project

Sustainable Sydney 2030 ▼ Towards 2030 Business and economy



LED lighting project



THE CLIMATE GROUP

#10YEARS OF INNOVATION & LEADERSHIP

WHAT WE DO THE CLEAN REVOLUTION SUPPORT US 10 YEARS OF ..

This is part of THE CLEAN REVOLUTION

Kong joined Sydney in another LED onal environment collective, the Climate

veved by the City said they found the e-guarters said the LEDs improved

C40 global cities climate network

SCOTLAND PROPOSES SWITCH TO 100% LED LIGHTING

LONDON: All of Scotland's street lighting could be switched to low carbon light-emitting diodes (LEDs) as part of the Scottish Government's bold emissions reductions plans.

The government's LED upgrade plan is to be considered for funding by the UK's Green Investment Bank (GIB), as one of £500 million worth of low carbon nationwide proposals that are being reviewed by the Bank.

Edinburgh, Richard Lochhead, Rural Affairs and

Environment Secretary, said: "By working closely with the GIB, converting Scotland's street lighting to LED is a program the Scottish Government has identified which would be ideal

for potential GIB funding. Payback time is estimated at around seven to nine years, which is an outstanding spend to save case based on energy savings of as much as 40-60%. It is an excellent example of how investing in low carbon projects can have long term savings as well as helping to protect the environment.

Lighting currently accounts for 19% of the world's electricity consumption, but pilot studies that The Climate Group has carried out with city governments around the world show that it is possible for cities to benefit from 50-70% energy savings by replacing their outdoor lighting with LEDs.

Mask Kenher, CEO, The Climate Group, said: <u>'Last year set glade on</u> cities and regional governments to switch their street lighting to LECE by 2/203. Schooling has taken up this challenge and its fast becoming a prime region for too carbon investment from businesses around the world – bold moves like its ambitious emission reduction targets and his innovative LED plighing roll out. It is green light for investors. As our girty gligist have shown. LED street lighting is energy savings can yield huge reductions in a city's operational costs. Scotland has long demonstrated its climate leadership and The Climate Group is prout to work with its Government as part of our <u>States and Regions Allance</u>.

Explore our LED work:

Lighting the clean revolution: The rise of LEDs and what it means for cities

Global outdoor LED trials

Infographic - Lighting the Clean Revolution: The rise of LEDs and what it means for cities

Mome > News > Technology > Efficiency

London switches on to LED lighting revo

£11m project to switch 35,000 street lights to LEDs should save £1.85m a year and reduce energy consumption by 40 per cent

By BusinessGreen staff More from this author

03 Dec 2013 3 Comments



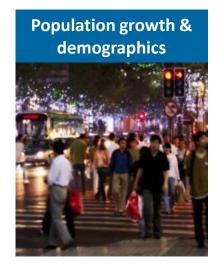
London is set for the largest-ever single investment to modernise its street lighting in a move that should reduce energy consumption by 40 per cent.

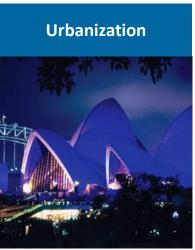
Around 35,000 of the capital's 52,000 street lights will be replaced by energy-efficient LEDs by 2016, while a new system will also be introduced to remotely manage and control lighting levels in line with traffic flows and road usage.



COP21: Philips Messaging

Global trends => Need to double the rate of EE improvement









Energy demand growing 2x fast (3% p.yr) as rate of EE improvement (1.5% p.yr)

- 1. Energy efficiency and the need to accelerate renovation of existing infrastructure, primarily in developed counties
- 2. Energy efficiency and the need to **leapfrog** to the most efficient and clean tech solutions for emerging and developing countries
- 3. At Philips, we will become **carbon neutral** by 2020
- 4. At Philips, we will continue to strongly lead the Global Lighting Sector Transition



Philips to become carbon neutral by 2020

"Leadership by example"

Achim Steiner,
 Executive Director
 UNEP

"This is great!"

Robert Orr, Under
 Secretary General, UN Executive Office of the
 Secretary General

"Philips leadership offers the real possibility of extending sustainable energy to all. Efficiency is at the heart of a new pathway of low carbon growth that leaves no one behind - it's a solution for climate change and inequality."

 Rachel Kyte, VP World Bank and designated CEO and Special representative to the UN SG on Sustainable Energy for All (SE4All)

"What a great announcement!"

Mark Watts, Executive
 Director, C40 Cities Climate
 Leadership Group

"Wow, that is fantastic and so consistent with Philips' reputation for leadership! Congratulations from all of us!"

 Kathy Calvin, President & Chief Executive Officer UN Foundation "This very timely and relevant commitment from Philips. It is not a surprise because of the company long experience in promoting energy efficiency and innovative low carbon technologies on the global market.

Congratulations to Philips!"

 Benoit Lebot, Executive Director, IPEEC (Int'l Partnership Energy Efficiency Coalition)

"Great to see Philips continuing to lead"

Nigel Topping, CEO We Mean Business

"Thank you very much for sharing this exciting news - and a very warm congratulations on this ambitious goal! Of course, Philips is a forerunner on the matter, and I really admire your efforts to push this forward. I will happily share this within my networks."

Jennifer Lenhart, IISD (the media reporting organization of all global UN events)

"This is indeed excellent news! It is a big step and a step that surely will inspire others to follow. We are very happy to have Philips with us in Climate Neutral Now!!"

Niclas Svenningsen, Manager
 Strategy & Relationships, UNFCCC

"Doubling the annual rate of energy efficiency improvement using available technologies would deliver half the emission reductions needed to meet the 2°C climate goal. Philips can play a major role in achieving this by tackling its corporate carbon footprint, and by strengthening its innovation across all markets"

 Amory B Lovins, Chief Scientist & Co-Founder, Rocky Mountains Institute























2.5 planets

The world is currently consuming over 2.5 times the amount of resources than the Earth can sustainably support

Our Commitment

Carbon neutral by 2020

Our commitment

We are committed to carbon neutrality for our global operations by 2020, including combustion in operations, purchased electricity, logistics and business travel

Drivers of becoming carbon neutral by 2020

- Drive down carbon emissions in own operations, logistics, and business travel by becoming more energy efficient
- Purchase our energy from renewable sources and compensate remaining emissions via carbon credits

Our progress

- Since 2007 we reduced our carbon footprint by 41%
- We increased our use of renewable energy from 8% in 2007 to 54% in 2015
- We became member of the <u>RE100 program</u>



UN SE4All Partnership

Global Energy Efficiency Accelerator Platform

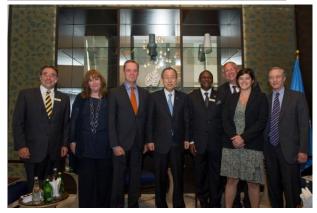
Launched @UN Climate Summit NYC

EE Accelerators

- Buildings
- Lighting & Appliances
- District Heating
- Transport

Partnership for global progress

- UN (UNF; UNEP; SE4AII; UNFCCC)
- Sub-national governments



Achim Steiner (UNEP), Sarah Watson (FIA), Harry Verhaar (Philips), Ban Ki Moon (UN), Kandeh Yumkella (SE4All), Clay Nesler (JCI), Amanda Eichel (C40), Reid Detchon (UNF)





Energy Efficiency Accelerators

Stimulating Innovation = Stimulating Energy Efficiency

EE capabilities are a European strength

Lighting



Appliances & Equipment













Vehicle Fuel Efficiency



Buildings



District Energy



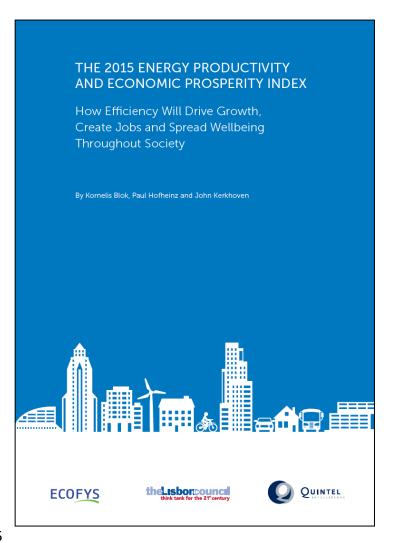
Industry





Speeding-up breakthrough energy innovation

Benefits of doubling the rate of EE improvement (from 1.5 to 3% p.yr)



EU Impact

- Reduction of energy expenditure by one third
- 2. Improved security of energy supply
- 3. Job creation 1.2 million by 2020 (renovation; innovation)
- 4. Quality of life
- 5. Competitiveness / Trade



Speeding-up breakthrough energy innovation

Revision Energy Efficiency Directive

ART 1 Subject matter and scope

 Our key ask: Reduce opt-outs/flexibility clauses and adopt a streamlined legislation to improve enforcement at national level

ART. 2: Energy efficiency target

 Our key ask: Align the EE target with the Paris Agreement supporting an EU 40% EE target for 2030 in both primary and final energy consumption

ART. 6: Purchasing by public bodies of EE buildings, goods and services

 Our key ask: EED aligned with art. 67 PPD (i.e. life cycle cost approach) and extension to all public authorities to cover all public contracts

ART. 7: Energy Efficiency Obligation Schemes

- Our key asks: keep art 7!; remove sunset clauses;
- Doubling of EE improvement rate to >=3% p.yr (>2020)



Speeding-up breakthrough energy innovation

Barriers and solutions

Ambition without Policies = Dreaming Policies without Ambition = Sleepwalking

1. <u>Technology innovation</u>

- R&D investment at 3%
- Stimulating development & uptake new (smart) technologies

2. Policy innovation

- Energy neutral infrastructure by 2050
 - Accelerated renovation (buildings 3% p.yr)
 - Net zero energy new built
- EE Ambition >=40% by 2030; leverage EED; EPBD; EuP

3. <u>Financing innovation</u>

- Performance based ('Green') procurement
- Off-balance sheet financing mechanisms (IFRS)

4. <u>Communication / Partnership innovation</u>

- Engaging narrative (mobilizing the 'eco-majority')
- Horizontal: Sectoral programs; Vertical: Public Private Partnerships

