PES Seminar
Stakeholder Engagement
Philips Innovation Services
Environment & safety
July 5, 2016
Position in Philips

Royal Philips

Business clusters

Innovation & Strategy

Design
Group Sustainability
Research
Philips Innovation Services

Other customers
A short introduction

Philips Innovation Services

Development, realization & consultancy
(inside & outside Philips)

~1,000 experts

10,000 m² infrastructure
test & prototyping facilities, cleanrooms, labs

Globally operating

Certified for

ISO 13485
ISO 9001
ISO 14001

End-to-end

NPS >50%
Customer satisfaction of 4.5/5

Simple mission: to accelerate your innovation
A short introduction

**Environment & safety**
Proud to serve...
Services

Environment & safety

ESH consultancy
- Machine safety
- Risk inventory and evaluation (RI&E)
- Behavior based safety
- Nano technology
- Environmental park management

Dangerous goods
- Managing safety data
- Managing dangerous goods

Sustainability
- Circular economy
- Ecodesign and life cycle analysis
- Corporate sustainability strategy

Radiation protection & dosimetry
- Radiation protection
- Dosimetry
Sustainability Team
Philips Environment & Safety

Willy Enzing
Managing consultant

Michela van Kampen
Senior Consultant Sustainability

Wout Migchelbrink
Consultant Sustainability

Saskia Verbunt
Senior Consultant Sustainability

Juliette Herin
Consultant LCA and Ecodesign

Maikel van Niftrik
Business Developer
PES Seminar 2016

Program

16:00  Opening and introduction participants
       Willy Enzing, managing consultant Environment & Safety, Philips Innovation Services

16:15  Setting the scene – the spectrum of stakeholder engagement
       Saskia Verbunt, senior consultant sustainability, Philips Innovation Services

16:25  Conversation with 3 panelists
       – Stakeholder dialogues, by Martin de Jong, sustainable business manager, Vodafone
       – Partnerships, by Judith Smit, global market development manager, DSM
       – Partnerships, by Jan-Willem Scheijgrond, head of international partnerships, Philips

17:25  Breakout sessions
       interactive sessions on strategic partnerships, stakeholder dialogue and stakeholder engagement approach

18:15  Key take-aways and closing

18:30  Drinks & light dinner
Spectrum of stakeholder engagement

Saskia Verbunt
Philips Environment & safety
July 5, 2016
Stakeholders and stakeholder engagement

*Primary and secondary stakeholders*

“A **stakeholder** is someone who affects or is affected by your company’s products or activities. As stakeholder can be either within or outside your organization”

“**Stakeholder engagement** is the process by which an organization involves people who may be affected by the decisions it makes or can influence the implementation of its decisions.”
Stakeholder engagement over the last decades

*From shareholder to stakeholder to partner; due to changing role of business in society*
Importance of stakeholder engagement

*Essential to foster more responsible and sustainable practices and contribute to profitability*

“Companies that succeed at integrating external engagement into their businesses see it as a critical contributor to profitability, not as some woolly qualitative activity. They manage it like any other business function, using the three core tools of great management: creating capabilities, establishing processes, and measuring outcomes.”

(McKinsey, 2015)

...and a requirement for an effective sustainability strategy
Evolution of engagement and sustainability

*Increasing trust, credibility, proactivity, commitment and time*

Source: *Orchestrating Change, SustainAbility, 2016*
PES services on stakeholder engagement

- Value Mapping Tool
- Stakeholder Engagement Strategy and Plan
- Support in stakeholder engagement activities (facilitation, co-creation)
Martin de Jong
Sustainable business manager
Vodafone

Judith Smit
Global market development manager
DSM

Jan-Willem Scheijgrond
Head of international partnerships
Royal Philips
Partnering & Sustainability as a Driver for Business

Judith Smit
Nutrition Improvement Program

5 July 2016, Eindhoven
DSM Nutrition Improvement Program

Develops effective nutrition solutions to improve public health for 4 billion people at the base of the pyramid.

Humanitarian think tank to eliminate malnutrition by advancing research, sharing best practices, and mobilizing support.

NGOs
- World Vision
- Save the Children
- PATH
- Mercy Corps
- IRD

International organizations
- World Food Programme
- UNICEF
- gain
- Scaling Up Nutrition
- World Health Organization

Private sector partners globally & Locally; incl. social enterprises
Business model spectrum

Non-profit structure → Non-profit with income → Social enterprise → Business with social impact → Business

Social return ← Non-profit structure → For-profit structure ← Financial returns

Philanthropic capital ← Social return → Commercial capital ← Financial returns

The Partnering Cycle

1. Scoping needs & options
2. Identifying potential partners
3. Building relationships
4. Mapping & planning
5. Governance & structures
6. Deepening engagement
7. Delivering projects
8. Measuring results
9. Reviewing efficiency & value
10. Revisiting & revising

Adapting from: The Partnering Toolbook
Prejudices, Preconceptions & Assumptions
How sectors typically characterise each other...

<table>
<thead>
<tr>
<th>Government</th>
<th>Business</th>
<th>Donors/UN</th>
<th>Community</th>
<th>NGO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bureaucratic</td>
<td>Profit driven</td>
<td>Arrogant</td>
<td>Demanding</td>
<td>Unprofessional</td>
</tr>
<tr>
<td>Buck passing</td>
<td>Quick fix</td>
<td>Latest ‘fad’</td>
<td>Lazy</td>
<td>Point scoring</td>
</tr>
<tr>
<td>Dogmatic</td>
<td>Hard-nosed</td>
<td>Overpaid</td>
<td>Uneducated</td>
<td>Self-righteous</td>
</tr>
<tr>
<td>Short-term</td>
<td>Self-centred</td>
<td>Wasteful</td>
<td>Difficult</td>
<td>Narrow focus</td>
</tr>
<tr>
<td>Inflexible</td>
<td>Greedy</td>
<td>Insensitive</td>
<td>Hot-tempered</td>
<td>Unrealistic</td>
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<tr>
<td>Controlling</td>
<td>Inconsiderate</td>
<td>Imposing</td>
<td>Weak-willed</td>
<td>Unaccountable</td>
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If we can’t (and if we can’t persuade others) to get beneath stereotypes there is little chance of building genuine partnerships
Inputs:
- Combined resources
  minus
- Transaction costs

Partnership’s Value Add
- Access to new resources
- Innovation
- Quality
- Legitimacy
- More integrated solutions
- Appropriateness
- Likelihood of Implementation
- Scale
- Sustainability

Outputs:
- Achievement of project targets
- Delivering Individual member’s objectives

Additional benefits:
- Attitude change
- Networking
- Technical transfer
- Spin off activities
- Wider influence on policy & practice
- System change
- Capacity building of partners

Adapted from: The Partnering Initiative
WFP-DSM Partnership

**ENHANCING WFP’S ROLE IN THE DELIVERY OF NUTRITION**
- Product development and improvement (HIV and Focus on Rice Fortification)
- Food Quality and Safety
- Nutrition Capacity Building
- Nutrition and Partnership Advocacy

**WFP**

**DSM**

- Staple food fortification (incl. rice fortification)
- Nutrition Capacity Building
- Food Quality & Safety
- Exploration of social business/BoP models
- Women of childbearing age, PLW

**sight and life**

- Understanding local context
- Implementation science
- Support in moving through value chain
- Nutrition leadership development

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*Page*
Combined Resources = Larger Impact

**DSM provides**
- Scientific Knowledge, R&D and Product Development
- Human Resources and Capacity Building
- Funding
- Respected Brand linked to Quality Products
- Private Sector Contacts

**WFP provides**
- Footprint in 80+ Developing Countries
- Logistical Expertise and Distribution Network
- Understanding of Local Cultures & Needs
- Respected and Trusted Worldwide Brand
- Local Governmental & Civil Society Contacts
- (Social) Media Reach

**Outcomes are**

Both partners contributing to the partnership based on their resources and expertise.

So far we have conducted 30 projects in 15 countries and reached 25.1 million WFP beneficiaries with improved nutrition.
WFP-DSM Partnership Support across Supply Chain - Food Quality & Safety

- Specifications
- R&D
- Packaging
- Supplier Capacity Strengthening
- Food fortification
- Lab Services Management
- Inspection Services Management
- Recall Strategy
- Compliance Testing
- Food Basket Design
- Food Processors / Traders
- Supplier Selection
- Food Purchase
- Transportation & Storage
- Distribution
- Household Storage
- Traceability
- Training & Awareness
- Communication

Support to Operations
Africa Improved Foods

Partnering to fight malnutrition:

- Manufacturing SuperCereal+ in Africa, using locally-sourced grains, to international standards
- Commercialization and distribution to poorest on behalf of Government of Rwanda to combat stunting
- Support local small farmers and job creation

Impact and Performance

- By 2017 the company aims to reach more than 1 million people annually with adequate nutrition.
- 230 jobs supported as well as indirect employment in service industries in and around the plant.
- Additional income opportunities for approximately 9,000 farmers in Rwanda.
- Support to agri-manufacturing and related value chains in Africa.

Investment Information

- Total Project Size: US$59 mn
- FMO Investment: US$13 mn
- Year of Investment: 2015
- Financial Products Used: Senior debt and equity
- Tenor: 8 years

Rwanda

26,338 km²
12,337,138 citizens
Working Together Successfully in Partnerships

Success! = Common Goal + Trust + Shared Risk + FUN!
Thank you!

To get in touch:

judith.smit@dsm.com
Strategic Partnerships for SDGs

5 July 2016, PES Seminar, Eindhoven

Jan-Willem Scheijgrond
Head of International Partnerships
Royal Philips
At Philips, we strive to make the world healthier and more sustainable through innovation. Our goal is to improve the lives of 3 billion people per year by 2025.

2.0 billion Lives Improved per year in 2015

Healthy people

Meaningful innovation

Human Development Index > 0.8 (High)

Sustainable planet

A healthier and more sustainable world

inspired by WWF Living Planet Report
Philips targets for UN engagement

1. Increase revenues of UN related business
2. Improve Philips reputation with UN
3. Develop strategic insights
SDGs: 17 goals, 169 targets

SDG 3: ensure healthy lives and promote well-being for all at all ages

**Goal 3. Ensure healthy lives and promote well-being for all at all ages**

- 3.1 by 2030 reduce the global maternal mortality ratio to less than 70 per 100,000 live births
- 3.2 by 2030 end preventable deaths of newborns and under-five children
- 3.3 by 2030 end the epidemics of AIDS, tuberculosis, malaria, and neglected tropical diseases and combat hepatitis, water-borne diseases, and other communicable diseases
- 3.4 by 2030 reduce by one-third pre-mature mortality from non-communicable diseases (NCDs) through prevention and treatment, and promote mental health and well-being
- 3.5 strengthen prevention and treatment of substance abuse, including narcotic drug abuse and harmful use of alcohol
- 3.6 by 2020 halve global deaths and injuries from road traffic accidents
- 3.7 by 2030 ensure universal access to sexual and reproductive health care services, including for family planning, information and education, and the integration of reproductive health into national strategies and programmes
- 3.8 achieve universal health coverage (UHC), including financial risk protection, access to quality essential health care services, and access to safe, effective, quality, and affordable essential medicines and vaccines for all
- 3.9 by 2030 substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination
- 3.a strengthen implementation of the Framework Convention on Tobacco Control in all countries as appropriate
- 3.b support research and development of vaccines and medicines for the communicable and non-communicable diseases that primarily affect developing countries, provide access to affordable essential medicines and vaccines
- 3.c increase substantially health financing and the recruitment, development and training and retention of the health workforce in developing countries, especially in LDCs, and BSDS
- 3.d strengthen the capacity of all countries, particularly developing countries, for early warning, risk reduction, and management of national and global health risks

UN bodies:
- WHO
- UNICEF
- UNFPA
- UNDP
- UNAIDS
- UNWOMEN
- UNOPS
- World Bank

Global health agenda

Technical assistance to MSs

Implementation of Health programs (mainly with NGOs)

Finance
- Mobilize ODA*
- UN procurement**

* 95% of 150 Billion US$ of ODA/yr is aligned with UN goals
**UN organisations procured 550m US$ in medical equipment, accessories and supplies in 2013
Making the case for private sector engagement

- **SDG 3:** Ensure Healthy Lives and promote well-being for all at all ages

- **Maternal, child adolescent health**
- **Communicable Diseases**
- **NCDs**

**Enablers:** Health System Strengthening, Universal Health Coverage, Health workers, Data management of health risks

**UN:** WHO, UNICEF, UNFPA, UNAIDS, UN WOMEN, World Bank, UNDP, UNOPS

**Global platforms/funds:** PMNCH/GFF, GAVI, Global Fund, NCD Alliance

**Main country donors (30):** USA (USAID), UK (DFID), Sweden (SIDA), NL (BUZA), Canada (GGC), Norway (MOFA), EU (EDF)

**Main country recipients:** Low (34), lower middle income countries (50), and upper middle income countries

**NGOs:** Gates, PATH, Save the Children, World Vision, Cordaid, AMREF, PharmAccess, CARE, CMMB
Philips priorities for SDG Health goals

UN SDG 3: Ensure Healthy Lives and promote well-being for all at all ages

- Women, children, adolescents
- Communicable Diseases
- NCDs

Enablers: Health System Strengthening, Universal Health Coverage, Health workers, Data management of health risks

74 high burden countries

Addressable HC market:
1. 35-75 US$ HC/p.c.
2. 10-15% increase/yr
3. 50% private sector HC
4. ODA HC = 20-70%
5. Up to 70% Out of Pocket

ODA sources:
- 30 richest donor countries
- Multilateral Development Banks (WB, AfDB, ADB,...)
Philips priorities engagement partners

- WHO
- UNFPA
- UNICEF
- UNOPS
- World Bank
- USAID
- Min Buza
- GAVI
- Global Fund
- Global Finance Facility in support of Every Women Every Child
# Sustainable Development Goals – relevance for Philips

<table>
<thead>
<tr>
<th>Goal 1</th>
<th>End poverty in all its forms everywhere</th>
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<tbody>
<tr>
<td>Goal 2</td>
<td>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</td>
</tr>
<tr>
<td>Goal 3</td>
<td>Ensure healthy lives and promote well-being for all at all ages</td>
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<tr>
<td>Goal 4</td>
<td>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</td>
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<td>Goal 5</td>
<td>Achieve gender equality and empower all women and girls</td>
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<tr>
<td>Goal 6</td>
<td>Ensure availability and sustainable management of water and sanitation for all</td>
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<tr>
<td>Goal 7</td>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all</td>
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<tr>
<td>Goal 8</td>
<td>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</td>
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<tr>
<td>Goal 9</td>
<td>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</td>
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<tr>
<td>Goal 10</td>
<td>Reduce inequality within and among countries</td>
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<tr>
<td>Goal 11</td>
<td>Make cities and human settlements inclusive, safe, resilient and sustainable</td>
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<tr>
<td>Goal 12</td>
<td>Ensure sustainable consumption and production patterns</td>
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<tr>
<td>Goal 13</td>
<td>Take urgent action to combat climate change and its impacts*</td>
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<tr>
<td>Goal 14</td>
<td>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</td>
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<tr>
<td>Goal 15</td>
<td>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</td>
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<tr>
<td>Goal 16</td>
<td>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</td>
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<tr>
<td>Goal 17</td>
<td>Strengthen the means of implementation and revitalize the global partnership for sustainable development</td>
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Martin de Jong
Sustainable business manager
Vodafone

Judith Smit
Global market development manager
DSM

Jan-Willem Scheijgrond
Head of international partnerships
Royal Philips
Breakout sessions
Join your group for the break out session!

Group 1  Strategic partnerships: business imperative + up-scaling
Group 2  Strategic partnerships: business imperative + role of influences
Group 3  Stakeholder dialogue
Group 4  Stakeholder engagement approach: challenges
Group 5  Stakeholder engagement approach: new forms
Thank you for your participation

Please don’t forget to fill in the evaluation form