

has had significant recognition for their program, and as a result there has been extensive interest – particularly from Japanese and Korean companies. Some major competitors in the consumer electronics field have copied Philips' program.

Although Philips' environmental policy has brought the company benefits, challenges exist. One such challenge is the issue of producer responsibility for the end of life situation of their products. This approach is being implemented in certain European countries (e.g., Germany, Austria, Sweden and the Netherlands). Producers in these countries must deal with the logistics for taking old products back from consumers or retailers and disassembling the products. An additional fee charged to the consumer to cover these costs leads to a level playing field issue where a "grey market" or "parallel imports" occur of similar products with no disposal fee (this is possible because there are no checks at borders within Europe).

#### Suppliers

Philips' international suppliers are concerned because Europe is at the forefront of environmental management systems. Philips' environmental requirements are perceived positively by suppliers, but these suppliers are concerned about market access. Japanese suppliers in particular are concerned that not having ISO 14001 could become a trade barrier and impede access to the European market.

#### Market Share

Some specific Philips products have enjoyed increased market share due to their particular environmental attributes. For example, Philips new low-mercury fluorescent lamp, the ALTO, has gained market share specifically on environmental grounds. This lamp was instrumental in the company being chosen the 1996 Green Lights

Manufacturer Ally of the Year by the US EPA. The ALTO is the first fluorescent lamp in the United States to pass the Environmental Protection Agency's test for non-hazardous waste. Philips' increased market share was also due to the fact that the EPA recognized these benefits and made buyers aware of them.

In addition to specific product market share, Philips has gained international recognition through awards and recognition of its environmental practices. The company has received numerous awards including the European Environmental Award for Environmental Management, the above-mentioned US EPA's Green Lights Award, and the 1998 WEC Gold Medal for International Corporate Environmental Achievement from the World Environment Center based in New York. Philips has also received external recognition from the United Nations Development Program because of the five major areas for improvement mentioned earlier, and because of its training program for employees in developing countries, and its offering of this training program to UN-affiliated governments and universities in developing countries. The company has also found that its involvement in the Covenants system has a positive image effect in other countries. The effects of these awards and recognition are harder to quantify