

Philips Group Procurement

Subject: Conflict Minerals supply chain investigation

Date: 1.07.2020

Dear Supplier,

The intent of this letter is to inform you about Philips' requirements for suppliers related to responsible sourcing of minerals, as stipulated in [Philips Supplier Sustainability Declaration](#).

We ask you to undertake the following immediate action:

- Within 5 days, please confirm that you have received this letter as well as that you are the person responsible for the conflict minerals topic in your company. If not, please provide contact details of the correct person.
- In case products/components supplied to Philips do not contain any tin, tungsten, tantalum, and/or gold (3TG metals), please confirm this to us.

Next steps after you determined that your products contain 3TG metals :

- If your products contain *3TG metals*, please adopt or maintain a publicly available responsible minerals sourcing policy, consistent with the [OECD Guidance](#) Annex II Model Policy.
- Identify all smelters in your supply chain that supply the 3TG metals. If you do not source directly from smelters, please pass on this request to your suppliers (and they may have to pass it on to their suppliers).
- Cascade the request to only source from smelters validated to be in conformance with Responsible Minerals Assurance Program (RMAP) to your suppliers and ask them to do the same with their next tier partners. In addition, we rely on your support to request non-audited smelters to be audited.
- Download, complete, and send us the [Conflict Minerals Reporting Template](#) (CMRT).

Philips position on responsible sourcing of minerals

Responsible sourcing of minerals is an important part of Philips supplier sustainability commitment. It is our intention to do our utmost to ensure that the products and components in our supply chain do not contain metals, which have contributed to conflict or serious human rights abuses in the Democratic Republic of Congo (DRC) or other Conflict-Affected or High-Risk Areas (CAHRAs) as defined in the OECD Guidance. We support responsible sourcing from the DRC or other CAHRAs via smelters/refiners validated against standards consistent with the OECD Guidance as can be read in our [Position Paper](#). Philips expects its suppliers to adopt a similar policy.

We require our suppliers to perform supply chain due diligence, identify smelters, and provide this information to us upon request regardless of whether suppliers are subject to the SEC requirements.

Additionally, we expect you to review the due diligence information received from your suppliers against your company's expectations and take corrective actions if needed.

Philips expects suppliers to steer their supply chain towards using only smelters validated via RMAP (or equivalent). A list of validated RMAP conformant smelters is available on the [RMI](#) website. We request all suppliers using smelters that are not yet validated via RMAP to address these smelters with a request to participate in the RMI smelter audit program (or equivalent), or otherwise switch to an already audited smelter.

Training and support

Philips offers training on this topic. Support to you and your suppliers is available via our Conflict Minerals Support Center:

Email: conflict_free_minerals@philips.com

Phone: +48 66 55 58 136

We count on your full cooperation in this important matter.

Sincerely,

Tom Scholte
High Tech Campus 51, 5656 AE Eindhoven, the Netherlands