Policy Influence Philips 2017

Acting with integrity is at the heart of our culture, and is part and parcel of our company's mission and vision.

While pursuing our business objectives, we aim to be a responsible partner in society, acting with integrity towards our employees, customers, business partners and shareholders, as well as the wider community in which we operate.

The Philips <u>General Business Principles</u> set the standard for acting with integrity at Philips. They govern all our decisions and actions throughout the world and apply equally to our group actions and to our conduct as individuals. Article 2.5 of the General Business Principles states:

"We comply with public procurement rules that apply to government projects or contracts. We do not make any contribution, in money or in kind, to political parties or organizations, or to individuals engaged in politics."

Our contributions in 2017

The focus and monetary amount of our contributions to trade and business associations of which we are a member, such as the World Economic Forum, the World Business Council for Sustainable Development, the Ellen MacArthur Foundation and the Dutch Sustainable Growth Coalition, are reported in the below table. We participate in such organizations to accelerate positive change in regulations towards sustainable growth and scale up action on the UN Sustainable Development Goals, for example related to access to care in underserved healthcare communities.

Year	2014	2015	2016	2017
Lobby spend*	€ 2,483,000	€ 2,400,000	€ 2,200,000	€ 1,767,000
Trade associations (includes membership of Responsible Business Alliance (formerly known as EICC), COCIR, and European Partnership for Responsible Minerals)	€ 100,000	€ 110,000	€ 140,000	€ 140,000
Others (includes membership of World Economic Forum, World Business Council for Sustainable Development, Ellen MacArthur Foundation (focused on Circular Economy)	€ 1,500,000	€ 1,500,000	€ 1,400,000	€ 1,400,000
Total	€ 4,083,000	€ 4,010,000	€ 3,740,000	€ 3,307,000

^{*}refer to the following link for the <u>USA</u> and the <u>EU</u>.

About Royal Philips

Royal Philips (NYSE: PHG, AEX: PHIA) is a leading health technology company focused on improving people's health and enabling better outcomes across the health continuum from healthy living and prevention, to diagnosis, treatment and home care. Philips leverages advanced technology and deep clinical and consumer insights to deliver integrated solutions. Headquartered in the Netherlands, the company is a leader in diagnostic imaging, image-guided therapy, patient monitoring and health informatics, as well as in consumer health and home care. Philips' health technology portfolio generated 2017 sales of EUR 17.8 billion and employs approximately 74,000 employees with sales and services in more than 100 countries. News about Philips can be found at www.philips.com/newscenter.

