

Philips International B.V.

Philips Supply Management

Re: Sustainability Agreement

Date:

Dear Supplier:

Today, businesses are expected to actively manage and report not only economic performance, but environmental and social performance as well. In the conduct of its business, Philips is committed to Sustainability, which we define as “meeting the needs of the present generation without compromising the ability of future generations to meet their own needs”. To continuously improve our Sustainability performance, Philips requires supplier cooperation and collaboration through active risk analysis, management and mitigation.

The Royal Philips Supplier Sustainability Declaration has recently been updated to reflect our adoption of the Electronic Industry Code of Conduct (EICC – www.eicc.info). In collaboration with peer electronic companies in the EICC, Philips is establishing a industry-wide approach and standard to supplier Sustainability, thereby fostering simplicity for all stakeholders involved.

Philips requires that our suppliers sign and adhere to the Royal Philips Supplier Sustainability Declaration-EICC as part of the Philips General Purchasing Agreement. In addition, suppliers are advised to perform a Sustainability self-assessment based on the Electronic Industry Code of Conduct guidelines. If a supplier’s Sustainability risk is perceived to be high, Philips may then require a full Sustainability audit conducted by a Philips certified auditor or by an outsourced Philips approved (certified) external audit company.

The current Royal Philips Restricted and Relevant Substances Lists for Products have also been updated in line with legal requirements and Philips’ Sustainability strategy.

Please **review** the attached Sustainability Agreement. Please note that the Agreement requires each supplier to indicate in Annex 1 any deviations from the Philips Supplier Sustainability Declaration-EICC and the presence of Restricted and Relevant substances above the permitted thresholds, and to list Products or materials to be purchased by Philips that are manufactured in Certain Countries. After you have completed Annex 1, please sign the Agreement and mail it to XXXXXXXX.

Philips looks forward to your cooperation in this important matter. By enhancing our Sustainability performance we will improve our mutual business relationship and further our Sustainability goal. If you need any further information please contact your Philips account manager, XXXXXXXX.

Yours sincerely,
Royal Philips Electronics

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