

Philips Lighting

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Subject: Conflict Minerals

Date: (Feb) 2017

Dear Mr., Mrs.,

Philips Lighting acknowledges the issues concerning working conditions at the base of the supply chain, specifically in the extractives sector for metals such as tin, tantalum, tungsten and gold. In particular, we are concerned about the situation in the east of the Democratic Republic of Congo (DRC), where proceeds from the extractives sector are sometimes used to finance rebel conflicts in the region. Philips Lighting is committed to address this issue, even though it does not directly source minerals from the DRC. The supply chain for the metals of concern consists of many tiers, including mines, traders, exporters, smelters, refiners, alloy producers and component manufacturers, before reaching Philips Lighting's direct suppliers.

Although Philips Lighting does not directly source minerals from the DRC and the mines are typically seven or more tiers removed from our direct suppliers, we address the issue through leveraging our influence on our supply chain and participating in the [Conflict Free Sourcing Initiative](#) (CFSI). Philips Lighting believes that an industry-wide approach is necessary to address this issue and therefore we actively participate in the CFSI, a joint effort founded by a coalition of leading electronics companies from the industry organizations [EICC](#) and [GeSI](#). Over 350 companies participate in this initiative today, and we have formed partnerships with other leadership groups from across industries, government and civil society. The CFSI provides information on conflict-free smelters and refiners, common tools and standards to collect supply chain information, and forums for exchanging best practices. It is a multi-sector, multi-stakeholder network, and reduces the need for duplication of efforts across the many sectors that are using conflict minerals.

Philips Lighting will fully comply with the Dodd Frank Act section 1502 on 'Conflict Minerals' and will not to purchase raw materials, subassemblies, or supplies which we know contain conflict minerals that directly or indirectly finance or benefit armed groups in the DRC or an adjoining country. Philips Lighting works towards the following goals:

- Minimize trade in conflict minerals that benefit armed groups in the DRC or an adjoining country
- Enable legitimate minerals from the region to enter global supply chains, thereby supporting the Congolese economy and the local communities that depend on these exports.

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We are requesting our suppliers to use the CFSI Conflict Minerals Reporting Template to inform Philips Lighting about their due diligence measures and disclose the smelters in their supply chain. This is a long and complex process and we anticipate it will take time for this information to be conveyed through the supply chain. We have combined all information received from all Philips Lighting suppliers about the country of origin and supply chain due diligence into one Philips Conflict Minerals Declaration. This declaration also includes a list of smelters identified in the Philips supply chain that are used to process these metals. Since 2012 we have published this declaration and smelter list on our internet website.

The scope of our declaration continues to be at the company level, which is the industry standard. To be able to report on a product level we would need to have information from all suppliers that supply components for that specific product. These suppliers would need to have 100% completed information in CFSI Conflict Minerals Reporting Templates from their suppliers, including identification of all smelters that contributed to that specific product. Given Philips Lighting's large product portfolio, collecting supply chain information on a product level is not a workable solution. Hence our approach is to conduct supply chain due diligence and reporting on the company level, allowing us to focus our efforts on building, maintaining, and improving a robust due diligence program.

As described in our [Position paper on Conflict Minerals](#) we do not want to boycott the entire DRC region. We do want to enable legitimate minerals from the region to enter global supply chains, thereby supporting the Congolese economy and the local communities that depend on these exports. Responsibly sourced minerals from DRC and the region are part of Philips Lighting's supply chain on a business as usual basis.

Philips Lighting will continue to work cooperatively with our suppliers, industry, Non-Governmental Organizations (NGOs), and other stakeholders to improve the transparency and traceability of tantalum, tin, tungsten and gold used in our products.

Kind regards,



Carla Neefs

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More information:

- Public reporting about our conflict-free program and results on [Philips Lighting website](#) and the Philips [Annual Report](#)
- [Philips Lighting Conflict Minerals Declaration](#)
- [Philips Lighting Position Paper on Conflict Minerals](#)
- [Conflict Free Sourcing Initiative](#)