

# Philips Conflict Minerals Report

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This Conflict Minerals Report for Koninklijke Philips N.V. (hereafter “Philips”, “we”, “us” or “our”) covers the reporting period from January 1st to December 31st, 2014, and is presented in accordance with the Securities Exchange Act of 1934, Rule 13p-1 (the “conflict minerals law”) and the requirements of Form SD.

This Conflict Minerals Report is filed as Exhibit 1.01 to our Specialized Disclosure Report on Form SD and is also posted on the Philips [conflict minerals website](#).<sup>1</sup>

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<sup>1</sup> KPMG will verify that this Conflict Minerals Report is filed as Exhibit 1.01 to Philips Specialized Disclosure Report on Form SD and is also posted on the Philips conflict minerals website.

<sup>2</sup> The due diligence framework and measures, as set forth in Section 4 of this report have been audited by KPMG, our independent private sector auditor. The audit report is set forth as Exhibit A in this Conflict Minerals Report.

## 1. Introduction

The Democratic Republic of the Congo (DRC) and its adjoining countries have significant reserves of tin, tantalum, tungsten and gold (known as “3TG” or “conflict minerals”). All of these minerals are commonly used in the manufacturing of products for the consumer and professional markets. Various parties, including the United States Congress, have concerns that the exploitation and trade of conflict minerals by armed groups is helping to finance conflict in the DRC region and is contributing to an emergency humanitarian crisis. The DRC produces 19% of the world tantalum production and less than 2% of the world production for tin, tungsten and gold (source: U.S. Geological Survey – Minerals Commodity Summaries 2014).

In 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”) was enacted. Section 1502 of the Act specifically relates to conflict minerals and, as implemented by Rule 13p-1 under the Securities and Exchange Act 1934, requires registrants (issuers of securities that are required to file annual and quarterly reports with the United States Securities and Exchange Commission (SEC)) to make disclosures, for each calendar year, if conflict minerals are necessary to the functionality or production of a product manufactured by the registrant or contracted by the registrant to be manufactured. If the registrant determines, for a calendar year, that conflict minerals are necessary to the functionality or production of a product manufactured by the registrant or contracted by the registrant to be manufactured, the SEC registrant is required to file a Form SD with the SEC for that calendar year. If, after conducting a good faith, reasonable country of origin inquiry, the SEC registrant determines, or has reason to believe, that any of the 3TG used in connection with the products for which it is responsible may have originated in the Democratic Republic of Congo or an adjoining country, or did not come from recycled or scrap sources, the registrant is required to conduct due diligence on the source and chain of custody of its conflict minerals, following a nationally or internationally recognized framework. If, based on this due diligence, the registrant determines that, or is unable to determine whether, its conflict minerals originated from the Democratic Republic of Congo or an adjoining country, then the registrant is also required to file a Conflict Minerals Report.

Philips has concluded, in good faith, that:

- Philips has manufactured and contracted to manufacture products as to which conflict minerals are necessary to the functionality or production of our products; and
- Based on our reasonable country of origin inquiry, Philips knows or has reason to believe that a portion of its necessary conflict minerals originated or may have originated from the Democratic Republic of Congo or an adjoining country and knows or has reason to believe that those minerals may not be solely from recycled or scrap sources.
- Based on our due diligence measures on the source and chain of custody of those necessary conflict minerals, Philips is unable to determine whether its conflict minerals originated from the Democratic Republic of Congo or an adjoining country.

As a result, Philips is filing this Conflict Minerals Report with our Form SD to comply with the requirements of Rule 13p-1 of the Securities and Exchange Act 1934.

## 2. Philips conflict-free minerals program

### Philips

Koninklijke Philips N.V. (NYSE: PHG, AEX: PHIA) is a diversified technology company, focused on improving people's lives through meaningful innovation in the areas of Healthcare, Consumer Lifestyle and Lighting. The company is a leader in cardiac care, acute care and home healthcare, energy efficient lighting solutions and new lighting applications, as well as male shaving and grooming and oral healthcare. Philips business groups cover a wide product portfolio, including thousands of different products for the professional and consumer markets. In 2014 the company was organized around the following three sectors and business groups:

- For the sector Healthcare: Imaging Systems, Customer Services, Healthcare Informatics, Solutions & Services, and Patient Care & Monitoring Solutions
- For the sector Consumer Lifestyle: Personal Care, Domestic Appliances, and Health & Wellness
- For the sector Lighting: Light Sources & Electronics, Consumer Luminaires, Professional Lighting Solutions, Automotive Lighting, and Lumileds<sup>3</sup>

### Supply chain characteristics for 3TG

The supply chain for 3TG consists of many tiers. Before reaching Philips' direct suppliers, 3TG typically will go from mines to traders, exporters, smelters or refiners (collectively referred to in this report as smelters), alloy producers and component manufacturers, and sometimes intermediate suppliers. One or more of the 3TG metals are contained in the vast majority of Philips products, typically in small quantities. The majority of Philips suppliers also use these metals in their products. Philips sources products and components from approximately 10,000 first tier suppliers globally. First tier suppliers are those suppliers that Philips selected and with whom we have a direct business relationship. These first tier suppliers select their suppliers (second tier suppliers), which in turn have their own group of suppliers (third tier), and so on. In a typical case, there may be seven or more tiers in the supply chain between a 3TG mine and Philips' first tier suppliers. Philips works with and through its first tier suppliers to investigate the deeper levels of our supply chain, in an effort to determine the origin of 3TG contained in Philips products.

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<sup>3</sup> As of April 1<sup>st</sup> 2015 the combined businesses of Lumileds and Automotive Lighting are discontinued operations. In this 2014 conflict minerals report the businesses of Lumileds and Automotive are still included.

Simplified supply chain for Philips products:



Typically 7+ tiers between mine and end-user

## Philips due diligence program

Due to Philips' position in the supply chain and limited insight in and leverage over the deeper levels of the supply chain, we engage and actively cooperate with other industry members. As encouraged in the second edition of the *Organization for Economic Co-operation and Development Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (including its supplements on 3TG, referred to in this report as "OECD Guidance"), the internationally recognized standard on which our company's system is based, we support an industry initiative that uses an independent third-party audit to identify smelters and refiners that have systems in place to assure sourcing of only conflict-free materials. That industry initiative is the *EICC and GeSI's Conflict-Free Sourcing Initiative* (CFSI).

The data on which we relied for certain statements in this report was obtained through our membership in the CFSI, using the CFSI Reasonable Country of Origin Inquiry report<sup>4</sup> (CFSI membership number "PHIL"). We use the tools and programs developed by the CFSI, especially the *Conflict Minerals Reporting Template* (CMRT) and the *Conflict Free Smelter Program* (CFSP).

Philips designed its conflict minerals supply chain due diligence program with reference to the OECD Guidance and the five steps described in the supplements on 3TG.

### OECD Step 1: Company Management system

Philips adopted a [Position paper on responsible sourcing in relation to conflict minerals](#)<sup>5</sup>, posted it on the company website and communicated it to all priority suppliers (see below section "OECD Step 2" for definition of priority suppliers). Philips has committed not to purchase raw materials, subassemblies, or supplies which we know contain conflict minerals that directly or indirectly finance or benefit armed

<sup>4</sup> This list provides country of origin information for smelting and refining facilities that are validated through the Conflict-Free Smelter Program. This data is based on the results of the independent third-party audits is available to CFSI member companies only. The audit standard is developed according to global standards including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act.

<sup>5</sup> The content of any website referred to in this Conflict Minerals Report is included for general information only and is not incorporated by reference in the Conflict Minerals Report or Form SD

groups in the DRC or an adjoining country. Philips program goals as described in the position paper are to encourage the development of European Union initiatives that would:

- Minimize the trade in conflict minerals from mines that directly or indirectly finance or benefit armed groups anywhere in the world.
- 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.

Philips created an internal conflict minerals team to manage the implementation and progress of our due diligence efforts. The internal team consists of representatives from Procurement at group and sector level, Sustainability, Finance and Control, Legal and the Ethics Office.

Philips established a system of controls and transparency over its 3TG supply chains by creating a process to engage a group of first tier priority suppliers (as defined below) and request them to submit information to Philips using the CMRT. The CMRT is a survey tool developed by the CFSI to standardize collection of due diligence information in the supply chain. The information submitted by priority suppliers includes information gathered by those suppliers about the smelters identified in their own supply chains. The information was used by Philips to assess due diligence efforts implemented by suppliers, and to identify smelters.

The Philips [Supplier Sustainability Declaration](#) (SSD) includes a provision about conflict minerals. The SSD is part of the general conditions of purchase, and of the purchasing agreements signed with suppliers. It requires suppliers to have a policy to reasonably assure that their 3TG does not directly or indirectly finance or benefit armed groups that are perpetrators of serious human rights abuses in the DRC or an adjoining country, and to exercise due diligence on the source and chain of custody.

For first tier suppliers in risk-countries Philips has a supplier sustainability audit program in place, in which implementation of the SSD is assessed. Conflict minerals is one of the topics reviewed in these audits. In case non-conformances are identified during the audit, suppliers are requested to make a corrective action plan and Philips monitors the implementation of this plan until the non-conformance is closed.

Multiple communication channels exist to serve as grievance mechanisms for early-warning risk awareness. Internally, Philips has a hotline available to its personnel to report anonymously possible violations of Philips General Business Principles and other policies. Externally, concerns can be reported via the Philips website and via existing industry grievance mechanisms like ITRI's Tin Supply Chain Initiative (iTSCI).

## **OECD Step 2: Risk identification and assessment**

Given the size and diversity of our supplier base, we choose to focus our efforts on a group of first tier priority suppliers and work with them to identify the smelters in our supply chain. Priority suppliers are selected based on:

- Purchasing spend  
The selected priority suppliers cover the top 80% spend of the commodity groups identified by Philips as relevant. Philips uses a system to classify suppliers in commodity groups, for example

plastics, packaging, and metals. Philips excluded from the set of “relevant commodity groups” any suppliers in commodity groups for which it is unlikely that one or more of the 3TGs is contained in the products, for example, software suppliers and packaging suppliers.

- Usage of 3TG  
Suppliers with products that contain a high quantity of 3TG were selected as priority suppliers regardless of the purchasing spend with these suppliers. For example solder suppliers: since the main component of solder is tin, all solder suppliers are selected as priority suppliers.

All identified priority suppliers receive a letter formally requesting them to:

- Adopt a policy to reasonably assure that the 3TG in their products does not directly or indirectly finance or benefit armed groups in the DRC or an adjoining country
- Identify all 3TG smelters in their supply chain
- Report back to Philips by filling in the CMRT

A Philips conflict minerals helpdesk is available to increase awareness amongst priority suppliers and to help them meet our expectations. Different background materials, a list of frequently asked questions and trainings are made available to suppliers. Webinars are organized for suppliers in both English and Chinese.

Philips reviews all received supplier CMRTs and assesses whether it meets our acceptance criteria related to completeness, whether supplier has adopted a conflict-free policy, data collection from next tier suppliers, and smelter identification and disclosure. Suppliers with a CMRT that does not meet the acceptance criteria are requested to take corrective actions and update their CMRT accordingly.

We review the supplier CMRTs to determine if there are any findings that indicate a need to conduct further due diligence and gather more detailed information. An example of such a finding is when suppliers indicate that their 3TG metals originate from the DRC or adjoining countries.

Philips evaluates the smelters identified in the supplier CMRTs based on the information available. Philips uses the CFSP compliant smelter list (CFSP recognizes and includes smelters from other lists such as the London Bullion Metal Association (LBMA) and Responsible Jewelry Council (RJC) lists for gold). If available, we will also use other sources of information to assess potential risk, for example, publicly available reports and direct information that Philips may have about a smelter’s sourcing practices.

Philips relies on industry programs like the CFSP to carry out smelter assessments, and we rely on the CFSP compliant smelter list to determine whether smelters performed due diligence.

### **OECD Step 3: Strategy to respond to identified risks**

Progress and findings of the supply chain risk assessment are reported to senior management quarterly and monthly. The risk management plan adopted by Philips is in accordance with its policy to ultimately discontinue doing business with any supplier found to be purchasing tungsten, tantalum, tin or gold material which directly or indirectly finances or benefits armed groups in the DRC or adjoining countries, after attempts at corrective actions are not successful.

To monitor and track performance of risk management efforts, Philips relies on supplier CMRTs and updates of the CFSP compliant smelter list. The status is discussed internally in monthly reviews with the conflict minerals team and reported to senior management.

We request priority suppliers to update and resend their CMRT when additional information becomes available. When updates are received, the CMRT review step as described above is repeated to assess and mitigate risks.

#### **OECD Step 4: Audits of smelter due diligence practices**

The fourth step in the OECD guidance is to carry out independent third-party audits of supply chain due diligence at identified points in the supply chain. Philips relies on information provided by the CFSI for this step, and uses the CFSI RCOI report to identify the minerals country of origin and conflict-free status of smelters.

Philips contributes to the CFSI as a member company, and encourages smelters to participate in the CFSP through direct communication and smelter outreach communication, as well as by signing on to industry letters that are sent to smelters.

#### **OECD Step 5: Report annually on supply chain due diligence**

Since 2014, Philips reports annually on supply chain due diligence by filing with the SEC a Form SD and Conflict Minerals Report. Philips has been including certain disclosures about the use of conflict minerals since 2009, even before the SEC's rules first became effective. A dedicated conflict minerals website with information for consumers, customers and suppliers is available. In 2012 Philips was the first company to publish its smelter list, and will continue to regularly update this list as more information becomes available.

### **3. Reasonable Country of Origin Inquiry results**

As described above, if, after conducting a good faith, reasonable country of origin inquiry, the SEC registrant determines, or has reason to believe, that any of the 3TG used in connection with the products for which it is responsible may have originated in the Democratic Republic of Congo or an adjoining country, or did not come from recycled or scrap sources, the registrant is required to conduct due diligence on the source and chain of custody of its conflict minerals, following a nationally or internationally recognized framework.

Philips identified 411 priority suppliers and used the data provided by these suppliers in their CMRTs to identify the smelters in the Philips supply chain and that therefore may have been used to process 3TG metals contained in Philips products.

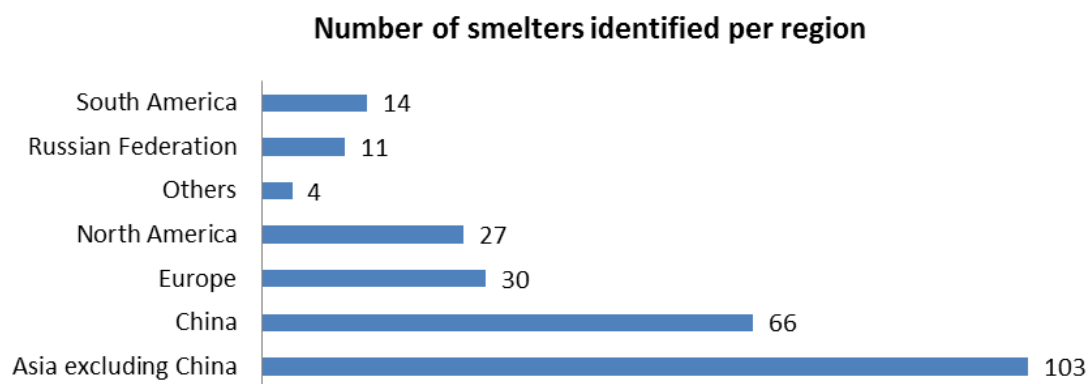
92% of the priority suppliers submitted a CMRT and 81% were meeting or exceeding the Philips 2014 minimum acceptance criteria. Names of 3,432 different entities were provided to us by priority suppliers as part of their smelter lists.

However, not all of those entities named by the priority suppliers in fact appear to be smelters. We used the "CFSI smelter reference list" as a reference to determine whether these named entities are

recognized as smelters. Out of the names identified to us, we have identified a total of 255 recognized smelters in the supply chain. The remaining 3,177 entities named to us were not recognized as smelters. A number of these 3,177 entities clearly were not smelters (for example, in some cases, home supply stores were named) but in other cases, we were unable to identify the entity at all. A majority of the suppliers reported that they use metals from multiple smelters, and the average number of entities that suppliers reported on their smelter lists was 104.

Below, we provide information about the 255 recognized smelters. All entities that were not recognized as smelters on the CFSI smelter reference list have been excluded.

The majority of the smelters identified by our priority suppliers are located in Asia, with 66 smelters in China, followed by Indonesia (42) and Japan (28).



**Results RCOI (Reasonable Country of Origin Inquiry)**

	Gold	Ta	Tin	Tungsten	Sum
Smelters known to source from the <b>DRC</b>	0	10	1	0	11
Smelters known to source from the <b>DRC adjoining countries</b> (not from the DRC itself)	0	4	1	2	7
Smelters known to process only <b>recycled or scrap</b> materials	3	7	1	0	11
Smelters known to source from <b>outside the DRC</b> or adjoining countries	8	16	24	8	56
Smelters that disclosed mineral country of origin to auditors only	50	0	0	0	50
Smelters with <b>unknown</b> mineral origin	47	3	46	24	120
<b>Total</b>	<b>108</b>	<b>40</b>	<b>73</b>	<b>34</b>	<b>255</b>

For the 255 identified smelters, we used the CFSI Reasonable Country of Origin Inquiry report. This country of origin data is available for smelters that successfully completed a CFSP audit and chose to disclose their sourcing countries to the CFSI. 50 of the identified CFSP compliant smelters – all gold smelters – chose to disclose their mineral country of origin to the auditors only and *not* make it available for CFSI members. The table below shows the results of our RCOI.

In the CMRTs received, 147 suppliers indicated that their products contain 3TG metals that originated from the DRC or adjoining countries. We requested these suppliers to disclose to us which smelters were supplying the related minerals, and to provide additional information to confirm the conflict-free



status of their supply chains. Several suppliers stated that they had received information from next-tier suppliers that certain minerals originated from the covered countries, without disclosing the related smelters. By April 2015:

- 143 suppliers disclosed the names of all smelters known to them to process the 3TG originating from the DRC or adjoining countries, and all these smelters were CFSP compliant.
- 4 suppliers did not identify the smelters sourcing from the DRC or adjoining countries

## 4. Due diligence framework & measures<sup>6</sup>

### Framework

Our conflict minerals due diligence measures for the reporting period of calendar year 2014 have been designed to conform to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, Second Edition (2013), as applicable for downstream companies.

### Measures

Below is a description of the measures we performed to exercise due diligence on the source and chain of custody of the necessary conflict minerals contained in our products.

- Philips adopted the [position paper on responsible sourcing in relation to conflict minerals](#)
- The conflict minerals team met once a month to review progress and results of supplier data collection, supplier due diligence and smelter identification
- In total 9 progress reports were shared with senior management and the main topics addressed included:
  - o Progress of CMRT collection from priority suppliers
  - o Status of supplier CMRTs meeting our acceptance criteria
  - o Observed bottlenecks and resolution paths in getting suppliers to meet our CMRT acceptance criteria
- We reached out to priority suppliers via a supplier letter, explaining our expectations and requesting suppliers to fill out the CMRT. The supplier letter is posted on the company [conflict minerals website<sup>5</sup>](#) and was communicated to all priority suppliers.
- We invited all priority suppliers to attend webinar trainings that we provided in English and Chinese. The goal of the webinars was to raise awareness, explain Philips' expectations towards suppliers regarding conflict minerals, and help suppliers in setting up their own conflict minerals program.
- We requested priority suppliers to investigate their supply chain and report back to Philips using the CMRT. When lack of progress was observed in supplier CMRT collection we followed-up with suppliers and sent out multiple reminders via email and phone.
- We reviewed all received supplier CMRTs to evaluate whether it met our acceptance criteria related to completeness, adoption of a conflict-free policy, data collection from next tier suppliers, and smelter identification and disclosure. Suppliers with a CMRT that did not meet

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<sup>6</sup> The due diligence framework and measures, as set forth in Section 4 of this report have been audited by KPMG, our independent private sector auditor. The audit report is set forth as Exhibit A in this Conflict Minerals Report.

the acceptance criteria did not provide complete information or provided information that was potentially inaccurate, were requested to take corrective actions and update their CMRT accordingly.

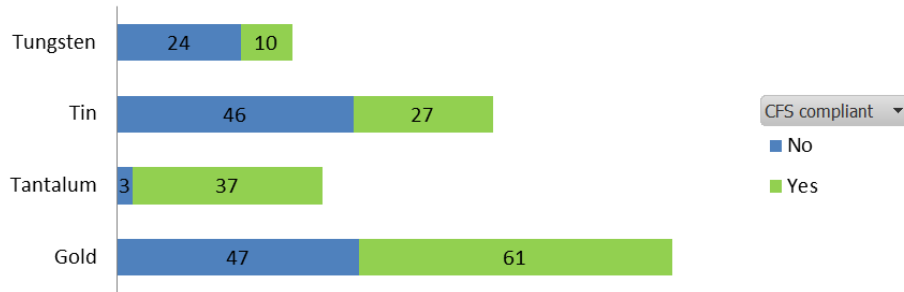
- We reviewed the received supplier CMRTs to determine if there were any findings that indicated a need to conduct further due diligence and gather more detailed information.
- We compared smelters identified in supplier CMRTs against the list of smelters that have received a “conflict free” designation from the CFSP or other independent third party audit program.
- As a member of the CFSI, we leveraged the due diligence conducted on smelters by the CFSI’s Conflict-Free Smelter Program (CFSP). This program uses independent third-party auditors to audit the source and chain of custody of the conflict minerals used by smelters that agree to participate in the CFSP.
- We contacted smelters and refiners that had not received a “conflict free” designation to encourage their participation in the CFSP or other independent third party audit program
- We published the “Philips Conflict Minerals Declaration” on the company’s [conflict minerals website<sup>5</sup>](#), including a list of all smelters identified by our first tier suppliers during 2014.
- We filed with the SEC our Conflict Minerals Report (and the Exhibits thereto) for the reporting period 2013 and 2014 as Exhibit 1.01 to Form SD and made the report available on our [conflict minerals website<sup>5</sup>](#).

## 5. Due diligence outcomes

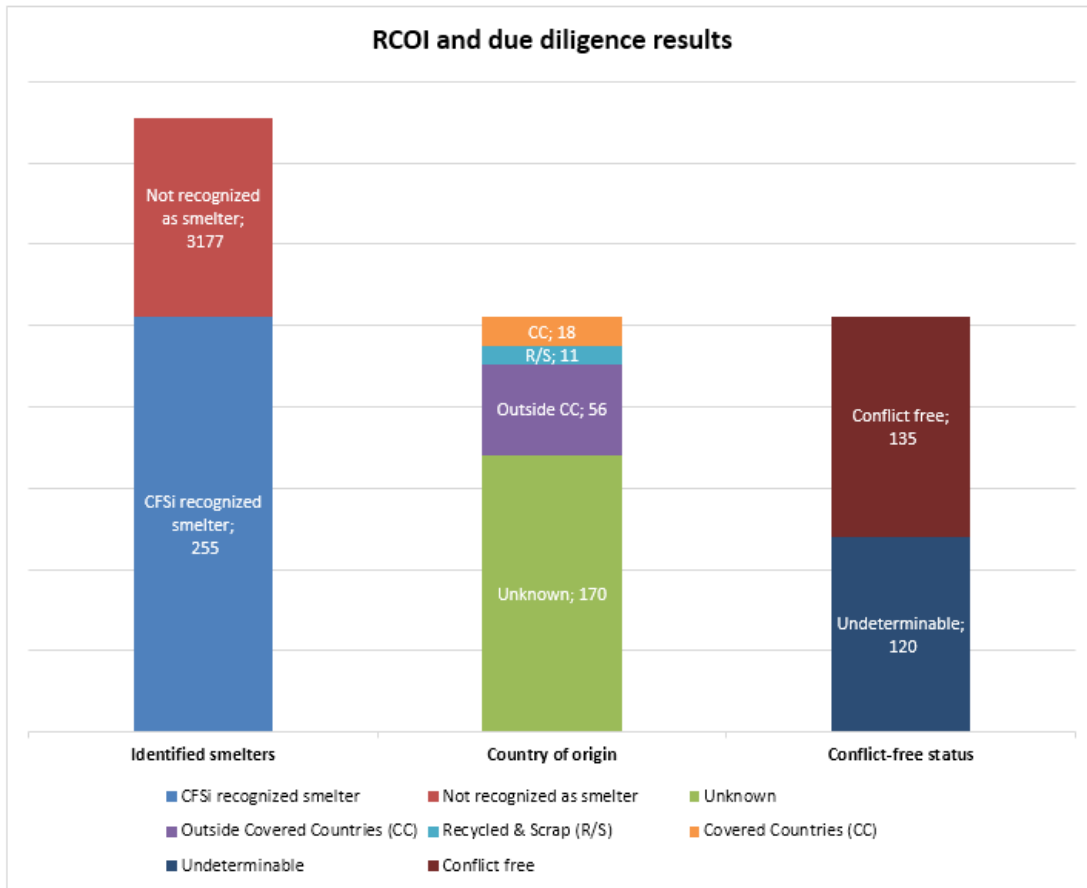
To the best of our knowledge, none of the smelters identified in our supply chain are known to source minerals that benefit armed groups in the DRC. Philips did not discontinue business with suppliers because we did not have a reason to believe that any of our suppliers was purchasing 3TG which directly or indirectly finances or benefits armed groups in the DRC or adjoining countries.

135 (53%) of the identified smelters successfully passed the CSFP or equivalent audit, thereby confirming their conflict-free status under those standards. The remaining 120 identified smelters did not complete an independent third party audit to confirm their conflict-free status. Accordingly, the conflict-free status of these 120 un-audited smelters is reported in this conflict minerals report as undeterminable.

**Number of smelters identified**



**RCOI and due diligence results**



## 6. Determination

We have not been able to confirm the identification of and conflict-free status under the CFSP standards for all smelters used in our supply chain. None of the smelters identified in our supply chain is known to us as sourcing 3TG that directly or indirectly finances or benefits armed groups in the DRC or adjoining countries.

As a result of the due diligence measures performed, Philips provides below the known smelter facilities that may have been used to process 3TG metals contained in Philips products, and their conflict-free

status. The conflict-free status is based on the CFSI RCOI report which the CFSI provides to its members. Below list of smelter facilities includes all 255 entities that were recognized as smelters.

This conflict minerals report covers Philips’ entire product portfolio. Given Philips’ large product portfolio and extensive supplier base, Philips does not have component level information from all of our 10,000 first tier suppliers, and we therefore do not report for each of the many specific Philips products. Our approach is to conduct supply chain due diligence and report on the company level for our entire product portfolio, which allows us to focus our efforts on building, maintaining, and improving a robust due diligence program that makes a difference for the communities in the DRC or adjoining countries.

## 7. Steps to improve future due diligence

For the next reporting year, Philips plans to

- Continue our engagement with industry programs and groups to encourage further adoption, improvement and reliability in relevant programs, tools and standards.
- Continue to reach out to smelters that are not yet CFSP compliant, with the aim of increasing the number of smelters on the list of CFSP compliant smelters.
- Continue our work with priority suppliers to
  - help them understand and satisfy Philips conflict-free expectations
  - investigate their supply chain and identify smelters
  - confirm the conflict-free status of identified smelters
- Communicate to priority suppliers our expectation that they steer their supply chain towards CFSP compliant smelters only
- For priority suppliers using tantalum, request them to confirm that they source from conflict-free tantalum smelters only. In case they are unable to confirm this, we will request these suppliers to develop, share and implement a mitigation plan to source from conflict-free smelters only in the future.  
As sufficient number of tantalum smelters has been audited (CFSP or equivalent) as conflict-free, therefore we can start to implement this requirement now for tantalum. It is our intention to do this for the other metals as well, as soon as sufficient validated smelters become available.

## 8. List of smelter facilities

The table below represents a consolidated list of smelters (255 in total) identified by Philips’ priority suppliers. The results are based on:

- Information provided by our priority suppliers in their CMRTs
- RCOI report provided by the CFSI - version February 28<sup>th</sup> 2015

List of known smelter facilities processing conflict minerals for DRC Conflict Undeterminable Products		
Metal	Facility Name	Conflict-Free Status <sup>7</sup>
Gold	Advanced Chemical Company	Undeterminable

<sup>7</sup> This categorization is based on the CFSP standards. All CFSP compliant smelters are listed here as conflict-free.

Gold	Aida chemical industries Co.,LTD.	Undeterminable
Gold	Allgemeine Gold-und Silberscheideanstalt A.G.	Conflict-free
Gold	Almalyk Mining and Metallurgical Complex (AMMC)	Undeterminable
Gold	AngloGold Ashanti Córrego do Sítio Mineração	Conflict-free
Gold	Argor-Heraeus SA	Conflict-free
Gold	Asahi Pretec Corporation	Conflict-free
Gold	Asaka Riken Co.,Ltd.	Undeterminable
Gold	Atasay Kuyumculuk Sanayi Ve Ticaret A.S.	Conflict-free
Gold	Aurubis AG	Conflict-free
Gold	Bangko Sentral ng Pilipinas (Central Bank of the Philippines)	Undeterminable
Gold	Bauer Walser AG	Undeterminable
Gold	Boliden AB	Conflict-free
Gold	C. Hafner GmbH + Co. KG	Conflict-free
Gold	Caridad	Undeterminable
Gold	CCR Refinery – Glencore Canada Corporation	Conflict-free
Gold	Cendres & Métaux SA	Undeterminable
Gold	Chimet S.p.A.	Conflict-free
Gold	China National Gold Group Corporation	Undeterminable
Gold	Chugai Mining	Undeterminable
Gold	Colt Refining	Undeterminable
Gold	Daejin Indus Co. Ltd	Undeterminable
Gold	Daye Non-Ferrous Metals Mining Ltd.	Undeterminable
Gold	Do Sung Corporation	Undeterminable
Gold	Doduco	Undeterminable
Gold	Dowa	Conflict-free
Gold	ECO-SYSTEM RECYCLING CO., LTD.	Conflict-free
Gold	FSE Novosibirsk Refinery	Undeterminable
Gold	Gansu Seemine Material Hi-Tech Co Ltd	Undeterminable
Gold	Guangdong Jinding Gold Limited	Undeterminable
Gold	Hangzhou Fuchunjiang Smelting Co., Ltd.	Undeterminable
Gold	Heimerle + Meule GmbH	Conflict-free
Gold	Heraeus Ltd. Hong Kong	Conflict-free
Gold	Heraeus Precious Metals GmbH & Co. KG	Conflict-free
Gold	Hunan Chenzhou Mining Industry Group	Undeterminable
Gold	Hwasung CJ Co., Ltd	Undeterminable
Gold	Inner Mongolia Qiankun Gold and Silver Refinery Share Company Limited	Undeterminable
Gold	Ishifuku Metal Industry Co., Ltd.	Conflict-free
Gold	Istanbul Gold Refinery	Conflict-free
Gold	Japan Mint	Conflict-free
Gold	Jiangxi Copper Company Limited	Undeterminable
Gold	Johnson Matthey Inc	Conflict-free

Gold	Johnson Matthey Ltd	Conflict-free
Gold	JSC Ekaterinburg Non-Ferrous Metal Processing Plant	Conflict-free
Gold	JSC Uraelectromed	Undeterminable
Gold	JX Nippon Mining & Metals Co., Ltd	Conflict-free
Gold	Kazzinc Ltd	Conflict-free
Gold	Kennecott Utah Copper LLC	Conflict-free
Gold	Kojima Chemicals Co., Ltd	Conflict-free
Gold	Korea Metal Co. Ltd	Undeterminable
Gold	Kyrgyzaltyn JSC	Undeterminable
Gold	L' azurde Company For Jewelry	Conflict-free
Gold	Lingbao Gold Company Limited	Undeterminable
Gold	Lingbao Jinyuan Tonghui Refinery Co. Ltd.	Undeterminable
Gold	LS-Nikko Copper Inc	Conflict-free
Gold	Luoyang Zijin Yinhuai Metal Smelt Co Ltd	Undeterminable
Gold	Materion	Conflict-free
Gold	Matsuda Sangyo Co. Ltd	Conflict-free
Gold	Metalor Technologies (Hong Kong) Ltd	Conflict-free
Gold	Metalor Technologies (Singapore) Pte. Ltd.	Conflict-free
Gold	Metalor Technologies SA	Conflict-free
Gold	Metalor USA Refining Corporation	Conflict-free
Gold	Metalurgica Met-Mex Peñoles, S.A.	Conflict-free
Gold	Mitsubishi Materials Corporation	Conflict-free
Gold	Mitsui Mining and Smelting Co., Ltd.	Conflict-free
Gold	MMTC-PAMP India Pvt. Ltd.	Conflict-free
Gold	Moscow Special Alloys Processing Plant	Undeterminable
Gold	Nadir Metal Rafineri San. Ve Tic. A.Ş.	Conflict-free
Gold	Navoi Mining and Metallurgical Combinat	Undeterminable
Gold	Nihon Material Co. LTD	Conflict-free
Gold	Ohio Precious Metals, LLC	Conflict-free
Gold	Ohura Precious Metal Industry Co., Ltd	Conflict-free
Gold	OJSC "The Gulidov Krasnoyarsk Non-Ferrous Metals Plant" (OJSC Krastvetmet)	Conflict-free
Gold	OJSC Kolyma Refinery	Undeterminable
Gold	PAMP SA	Conflict-free
Gold	Penglai Penggang Gold Industry Co Ltd	Undeterminable
Gold	Prioksky Plant of Non-Ferrous Metals	Undeterminable
Gold	PT Aneka Tambang (Persero) Tbk	Conflict-free
Gold	PX Précinox SA	Conflict-free
Gold	Rand Refinery (Pty) Ltd	Conflict-free
Gold	Royal Canadian Mint	Conflict-free
Gold	Sabin Metal Corp.	Undeterminable
Gold	Samduck Precious Metals	Undeterminable

Gold	SAMWON METALS Corp.	Undeterminable
Gold	Schone Edelmetaal	Conflict-free
Gold	SEMPSA Joyería Platería SA	Conflict-free
Gold	Shandong Zhaojin Gold & Silver Refinery Co., Ltd	Conflict-free
Gold	So Accurate Group, Inc.	Undeterminable
Gold	SOE Shyolkovsky Factory of Secondary Precious Metals	Undeterminable
Gold	Solar Applied Materials Technology Corp.	Conflict-free
Gold	Sumitomo Metal Mining Co., Ltd.	Conflict-free
Gold	Tanaka Kikinzoku Kogyo K.K.	Conflict-free
Gold	The Great Wall Gold and Silver Refinery of China	Undeterminable
Gold	The Refinery of Shandong Gold Mining Co. Ltd	Conflict-free
Gold	Tokuriki Honten Co., Ltd	Conflict-free
Gold	Tongling nonferrous Metals Group Co.,Ltd	Undeterminable
Gold	Torecom	Undeterminable
Gold	Umicore Brasil Ltda	Conflict-free
Gold	Umicore Precious Metals Thailand	Conflict-free
Gold	Umicore SA Business Unit Precious Metals Refining	Conflict-free
Gold	United Precious Metal Refining, Inc.	Conflict-free
Gold	Valcambi SA	Conflict-free
Gold	Western Australian Mint trading as the Perth Mint	Conflict-free
Gold	YAMAMOTO PRECIOUS METAL CO., LTD.	Undeterminable
Gold	Yokohama Metal Co Ltd	Undeterminable
Gold	Yunnan Copper Industry Co Ltd	Undeterminable
Gold	Zhongyuan Gold Smelter of Zhongjin Gold Corporation	Undeterminable
Gold	Zijin Mining Group Co. Ltd	Undeterminable
Tantalum	Changsha South Tantalum Niobium Co., Ltd.	Conflict-free
Tantalum	Conghua Tantalum and Niobium Smeltry	Conflict-free
Tantalum	Duoluoshan	Conflict-free
Tantalum	Exotech Inc.	Conflict-free
Tantalum	F&X Electro-Materials Ltd.	Conflict-free
Tantalum	Global Advanced Metals Aizu	Conflict-free
Tantalum	Global Advanced Metals Boyertown	Conflict-free
Tantalum	Guangdong Zhiyuan New Material Co., Ltd.	Conflict-free
Tantalum	H.C. Starck Co., Ltd.	Conflict-free
Tantalum	H.C. Starck GmbH Goslar	Conflict-free
Tantalum	H.C. Starck GmbH Laufenburg	Conflict-free
Tantalum	H.C. Starck Hermsdorf GmbH	Conflict-free
Tantalum	H.C. Starck Inc.	Conflict-free
Tantalum	H.C. Starck Ltd.	Conflict-free
Tantalum	H.C. Starck Smelting GmbH & Co.KG	Conflict-free
Tantalum	Hengyang King Xing Lifeng New Materials Co., Ltd.	Conflict-free

Tantalum	Hi-Temp	Conflict-free
Tantalum	Jiujiang Jinxin Nonferrous Metals Co., Ltd	Conflict-free
Tantalum	Jiujiang Tanbre Co., Ltd.	Conflict-free
Tantalum	Kemet Blue Metals	Conflict-free
Tantalum	KEMET Blue Powder	Conflict-free
Tantalum	King-Tan Tantalum Industry Ltd	Undeterminable
Tantalum	LSM Brasil S.A.	Conflict-free
Tantalum	Metallurgical Products India (Pvt.) Ltd.	Conflict-free
Tantalum	Mineração Taboca S.A.	Conflict-free
Tantalum	Mitsui Mining & Smelting	Conflict-free
Tantalum	Molycorp Silmet A.S.	Conflict-free
Tantalum	Ningxia Orient Tantalum Industry Co., Ltd.	Conflict-free
Tantalum	Phoenix Metal Ltd	Undeterminable
Tantalum	Plansee SE Liezen	Conflict-free
Tantalum	Plansee SE Reutte	Conflict-free
Tantalum	QuantumClean	Conflict-free
Tantalum	RFH Tantalum Smeltry Co., Ltd	Conflict-free
Tantalum	Shanghai Jiangxi Metals Co. Ltd	Undeterminable
Tantalum	Solikamsk Metal Works	Conflict-free
Tantalum	Taki Chemicals	Conflict-free
Tantalum	Telex	Conflict-free
Tantalum	Ulba	Conflict-free
Tantalum	Yichun Jin Yang Rare Metal Co., Ltd	Conflict-free
Tantalum	Zhuzhou Cement Carbide	Conflict-free
Tin	Alpha	Conflict-free
Tin	China Rare Metal Materials Company	Undeterminable
Tin	CNMC (Guangxi) PGMA Co. Ltd.	Undeterminable
Tin	Cooper Santa	Undeterminable
Tin	CV Gita Pesona	Undeterminable
Tin	CV JusTindo	Undeterminable
Tin	CV Makmur Jaya	Undeterminable
Tin	CV Nurjanah	Undeterminable
Tin	CV Serumpun Sebalai	Undeterminable
Tin	CV United Smelting	Conflict-free
Tin	Dowa	Conflict-free
Tin	EM Vinto	Undeterminable
Tin	Estanho de Rondônia S.A.	Undeterminable
Tin	Fenix Metals	Undeterminable
Tin	Gejiu Kai Meng Industry and Trade LLC	Undeterminable
Tin	Gejiu Non-FerrousMetal Processing Co.Ltd.	Conflict-free
Tin	Gejiu Zi-Li	Undeterminable



Tin	Guangxi China Tin Group Co., LTD	Undeterminable
Tin	Huichang Jinshunda Tin Co. Ltd	Undeterminable
Tin	Jiangxi Nanshan	Undeterminable
Tin	Linwu Xianggui Smelter Co	Undeterminable
Tin	Magnu's Minerais Metais e Ligas LTDA	Conflict-free
Tin	Malaysia Smelting Corporation Berhad	Conflict-free
Tin	Melt Metais e Ligas S/A	Conflict-free
Tin	Metallo Chimique	Undeterminable
Tin	Mineração Taboca S.A.	Conflict-free
Tin	Minsur	Conflict-free
Tin	Mitsubishi Materials Corporation	Conflict-free
Tin	Novosibirsk Integrated Tin Works	Undeterminable
Tin	O.M. Manufacturing (Thailand) Co., Ltd.	Undeterminable
Tin	O.M. Manufacturing Philippines, Inc.	Undeterminable
Tin	OMSA	Conflict-free
Tin	PT Alam Lestari Kencana	Undeterminable
Tin	PT Artha Cipta Langgeng	Undeterminable
Tin	PT ATD Makmur Mandiri Jaya	Conflict-free
Tin	PT Babel Inti Perkasa	Conflict-free
Tin	PT Babel Surya Alam Lestari	Undeterminable
Tin	PT Bangka Kudai Tin	Undeterminable
Tin	PT Bangka Putra Karya	Conflict-free
Tin	PT Bangka Timah Utama Sejahtera	Undeterminable
Tin	PT Bangka Tin Industry	Conflict-free
Tin	PT Belitung Industri Sejahtera	Undeterminable
Tin	PT BilliTin Makmur Lestari	Undeterminable
Tin	PT Bukit Timah	Conflict-free
Tin	PT DS Jaya Abadi	Conflict-free
Tin	PT Eunindo Usaha Mandiri	Conflict-free
Tin	PT Fang Di MulTindo	Undeterminable
Tin	PT HP Metals Indonesia	Undeterminable
Tin	Pt Inti Stania Prima	Undeterminable
Tin	PT Karimun Mining	Undeterminable
Tin	PT Koba Tin	Undeterminable
Tin	PT Mitra Stania Prima	Undeterminable
Tin	PT Panca Mega Persada	Undeterminable
Tin	PT Pelat Timah Nusantara Tbk	Undeterminable
Tin	PT Prima Timah Utama	Conflict-free
Tin	PT Rajwa International	Undeterminable
Tin	PT Refined Banka Tin	Conflict-free
Tin	PT Sariwiguna Binasentosa	Conflict-free

Tin	PT Seirama Tin investment	Undeterminable
Tin	PT Stanindo Inti Perkasa	Conflict-free
Tin	PT Sumber Jaya Indah	Undeterminable
Tin	PT Supra Sukses Trinusa	Undeterminable
Tin	PT Tambang Timah	Conflict-free
Tin	PT Timah (Persero), Tbk	Conflict-free
Tin	PT Tinindo Inter Nusa	Undeterminable
Tin	PT Tommy Utama	Undeterminable
Tin	PT Yinchendo Mining Industry	Undeterminable
Tin	Rui Da Hung	Undeterminable
Tin	Soft Metals Ltda	Undeterminable
Tin	Thaisarco	Conflict-free
Tin	White Solder Metalurgia e Mineração Ltda.	Conflict-free
Tin	Yunnan Chengfeng Non-ferrous Metals Co.,Ltd	Undeterminable
Tin	Yunnan Tin Company Limited	Conflict-free
Tungsten	A.L.M.T. Corp.	Undeterminable
Tungsten	Chenzhou Diamond Tungsten Products Co., Ltd.	Undeterminable
Tungsten	Chongyi Zhangyuan Tungsten Co Ltd	Undeterminable
Tungsten	Dayu Weiliang Tungsten Co., Ltd.	Undeterminable
Tungsten	Fujian Jinxin Tungsten Co., Ltd.	Undeterminable
Tungsten	Ganxian Shirui New Material Co., Ltd.	Undeterminable
Tungsten	Ganzhou Huaxing Tungsten Products Co., Ltd.	Conflict-free
Tungsten	Ganzhou Jiangwu Ferrotungsten Co., Ltd.	Conflict-free
Tungsten	Ganzhou Nonferrous Metals Smelting Co Ltd.	Undeterminable
Tungsten	Ganzhou Seadragon W & Mo Co., Ltd.	Conflict-free
Tungsten	Global Tungsten & Powders Corp.	Conflict-free
Tungsten	Guangdong Xianglu Tungsten Industry Co., Ltd.	Undeterminable
Tungsten	H.C. Starck Smelting GmbH & Co.KG	Undeterminable
Tungsten	HC Starck GmbH	Undeterminable
Tungsten	Hunan Chenzhou Mining Group Co	Undeterminable
Tungsten	Hunan Chun-Chang Nonferrous Smelting & Concentrating Co., Ltd.	Conflict-free
Tungsten	Japan New Metals Co Ltd	Conflict-free
Tungsten	Jiangxi Gan Bei Tungsten Co., Ltd.	Undeterminable
Tungsten	Jiangxi Minmetals Gao'an Non-ferrous Metals Co., Ltd.	Undeterminable
Tungsten	Jiangxi Richsea New Materials Co., Ltd.	Undeterminable
Tungsten	Jiangxi Tonggu Non-ferrous Metallurgical & Chemical Co., Ltd.	Undeterminable
Tungsten	Jiangxi Xincheng Tungsten Industry Co., Ltd.	Undeterminable
Tungsten	Jiangxi Yaosheng Tungsten Co., Ltd.	Undeterminable
Tungsten	Kennametal Fallon	Undeterminable
Tungsten	Kennametal Huntsville	Undeterminable
Tungsten	Malipo Haiyu Tungsten Co., Ltd.	Conflict-free

Tungsten	Nui Phao H.C. Starck Tungsten Chemicals Manufacturing LLC	Undeterminable
Tungsten	Tejing (Vietnam) Tungsten Co., Ltd.	Undeterminable
Tungsten	Vietnam Youngsun Tungsten Industry Co., Ltd	Conflict-free
Tungsten	Wolfram Bergbau und Hütten AG	Undeterminable
Tungsten	Wolfram Company CJSC	Undeterminable
Tungsten	Xiamen Tungsten (H.C.) Co., Ltd.	Conflict-free
Tungsten	Xiamen Tungsten Co., Ltd	Conflict-free
Tungsten	Xinhai Rendan Shaoguan Tungsten Co., Ltd.	Undeterminable

**Known Countries of origin for the minerals processed by above smelters**

Angola, Argentina, Australia, Austria, Belgium, Bolivia, Brazil, Burundi, Canada, Central African Republic, Chile, China, Colombia, Côte D'Ivoire, Czech Republic, Djibouti, Egypt, Estonia, Ethiopia, France, Germany, Guyana, Hungary, India, Indonesia, Ireland, Israel, Japan, Kazakhstan, Kenya, Laos, Luxembourg, Madagascar, Malaysia, Mongolia, Mozambique, Myanmar, Namibia, Netherlands, Nigeria, Peru, Portugal, Republic of Congo, Russia, Rwanda, Sierra Leone, Singapore, South Africa, South Sudan, Suriname, Switzerland, Taiwan, Tanzania, Thailand, Uganda, United Kingdom, United States of America, Vietnam, Zambia, Zimbabwe.

## 9. Independent private sector audit

We obtained an independent private sector audit of whether the design of our due diligence framework (as described in section 4) conforms to a recognized due diligence framework and whether our description of the due diligence in the Conflict Minerals Reports (as described in section 4) is consistent with the due diligence measures we undertook. This report is set forth in Exhibit A to this report.

## 10. Data sources used

- CFSI Reasonable Country of Origin Inquiry report - version February 28<sup>th</sup> 2015
- CMRTs received from priority suppliers until April 2015
- CFSI smelter reference list, as included in the CMRT - version 3.02 (November 7<sup>th</sup>, 2014)

## 11. Abbreviations

Abbreviation	Term
3TG	Tin, tantalum, tungsten, and gold
CFSI	Conflict Free Sourcing Initiative
CFSP	Conflict Free Smelter Program
CMRT	CFSI Conflict Minerals Reporting Template
EICC	Electronics Industry Citizenship Coalition
Form SD	Specialized Disclosure Form
GeSI	Global e-Sustainability Initiative
OECD	Organization for Economic Cooperation and Development
RCOI	Reasonable Country of Origin Inquiry

SEC	Securities and Exchange Committee
SSD	Supplier Sustainability Declaration

## Exhibit A

### Independent Accountants Report

To the Supervisory Board and Shareholders of Koninklijke Philips N.V.:

We have examined:

- whether the design of Koninklijke Philips N.V (the “Company”) due diligence framework as set forth in paragraph “Framework” of section 4 Due diligence framework & measures of the Conflict Minerals Report for the reporting period from January 1 to December 31, 2014, is in conformity, in all material respects, with the criteria set forth in the Organisation of Economic Co-Operation and Development *Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas*, Second Edition 2013 (“OECD Due Diligence Guidance”), and
- whether the Company’s description of the due diligence measures it performed, as set forth in paragraph “Measures” of section 4 Due diligence framework & measures of the Conflict Minerals Report for the reporting period from January 1 to December 31, 2014, is consistent, in all material respects, with the due diligence process that the Company undertook.

Management is responsible for the design of the Company’s due diligence framework and the description of the Company’s due diligence measures set forth in the Conflict Minerals Report, and performance of the due diligence measures. Our responsibility is to express an opinion on the design of the Company’s due diligence framework and on the description of the due diligence measures the Company performed, based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and, accordingly, included examining, on a test basis, evidence about the design of the Company’s due diligence framework and the description of the due diligence measures the Company performed, and performing such other procedures as we considered necessary in the circumstances. We believe that our

examination provides a reasonable basis for our opinion.

Our examination was not conducted for the purpose of evaluating:

- The consistency of the due diligence measures that the Company performed with either the design of the Company's due diligence framework or the OECD Due Diligence Guidance;
- The completeness of the Company's description of the due diligence measures performed;
- The suitability of the design or operating effectiveness of the Company's due diligence process;
- Whether a third party can determine from the Conflict Minerals Report if the due diligence measures the Company performed are consistent with the OECD Due Diligence Guidance;
- The Company's reasonable country of origin inquiry (RCOI), including the suitability of the design of the RCOI, its operating effectiveness, or the results thereof; or
- The Company's conclusions about the source or chain of custody of its conflict minerals, those products subject to due diligence, or the DRC Conflict Free status of its products.

Accordingly, we do not express an opinion or any other form of assurance on the aforementioned matters or any other matters included in any section of the Conflict Minerals Report other than section 4 Due diligence framework & measures.

In our opinion,

- the design of the Company's due diligence framework with respect to the reporting period from January 1 to December 31, 2014, as set forth in paragraph "Framework" of section 4 Due diligence framework & measures of the Conflict Minerals Report is in conformity, in all material respects, with the criteria set forth in the OECD Due Diligence Guidance that the Company used, and
- the Company's description of the due diligence measures it performed as set forth in paragraph "Measures" of section 4 Due diligence framework & measures of the Conflict Minerals Report with respect to the reporting period from January 1 to December 31, 2014, is consistent, in all material respects, with the due diligence process that the Company undertook.

Amsterdam, The Netherlands

May 12, 2015

/s/ KPMG Accountants N.V.