

MODERN SLAVERY COMPLIANCE STATEMENT

JUNE 2018

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 (“the Act”) in relation to the financial year ending on 31 December 2017.

We are fully committed to compliance with the requirements of the Act and the elimination of any form of modern slavery and human trafficking from any part of our business and supply chain.

As part of the Philips group of companies, sustainability and fair employment practices are embedded in our organisation.

Sustainability

We take a systematic approach to sustainability, through programmes and policies designed to improve the performance of our supply chain. Our Supplier Sustainability Declaration, endorsing the Electronic Industry Citizenship Coalition Code of Conduct (EICC Code), sets out the standards and behaviours we require from our suppliers, and their suppliers, to improve conditions for workers and promote a cleaner environment for local communities. Our suppliers must adhere to the Declaration and deploy it upstream to their suppliers. The full version of the Declaration is available here: <http://www.philips.com/about/company/suppliers/supplier-sustainability/our-programs/supplier-sustainability-assessment.html>. Compliance with the Declaration is monitored through our Sustainability Audit Program.

Fair Employment Practices

Our General Business Principles set the standard for acting with integrity at Philips. They govern all our decisions and actions throughout the world and apply equally to our corporate actions and to our conduct as individuals. The full version of our General Business Principles is available here: <http://www.philips.com/c-dam/corporate/about-philips/investor-relations/General-Business-Principles-June2014.pdf>

Our General Business Principles ensure integrity at work through the adoption of fair employment practices, including the following commitments:

- * We promote a workplace that is free from physical and verbal harassment.
- * We do not tolerate any conduct that creates, encourages or permits an offensive, humiliating or intimidating work environment.
- * We do not make use of child labor or forced labor.
- * We recognize and respect the freedom of our employees to associate with any employee organization of their own choosing without fear of reprisal, intimidation or harassment.
- * We aim to maintain a healthy, safe and productive work environment.

All Philips employees are expected to act with integrity – at all times and in all situations. Compliance with General Business Principles forms part of each contract of employment.

Approval

This Statement has been approved by the board of Directors of the Company, with respect to the financial year ending on 31 December 2017.

A handwritten signature in black ink, consisting of several vertical strokes followed by a horizontal line that loops back to the left.

Neil Mesher
CEO / Director
Philips Electronics UK Ltd
2 July 2017