



To: Irene Pietropaoli
Business & Human Rights Resource Centre
1-3 Charlotte Street, third floor
London, W1T 1RD, UK

Subject: Philips response activities Myanmar

Date: 2015-02-25

Dear ms. Pietropaoli,

Thank you for allowing us extra time to prepare a response on the questions you posted to us with regards to our presence in Myanmar. You will find our answers below. Please do not hesitate to contact me for more information.

With kind regards,

Louis van den Bogaard
Secretariat of the Review Committee General Business Principles

- 1. Does your company have investments or operations in Myanmar or is it seriously considering investing or operating there? If so, please provide information on the nature of these investments, and which geographic areas and communities they will affect.**

For the past couple of years, Philips used a network of screened distributors to sell its products in Myanmar, with operations being managed from the Singapore office. In 2014, the decision was made to incorporate a legal entity in Myanmar and establish a local presence. This plan will probably materialize over the course of 2015 and will support Philips' HealthTech activities in the country.



- 2. Do you have policies and procedures in place to prevent your business activities or investment from contributing to human rights abuse and social conflict in Myanmar (including, for example, human rights due diligence measures)? Please specify whether these policies and procedures apply to your company in general, or specifically to your Myanmar investment. If you have human rights policies and procedures regarding investing or operating in Myanmar, are you willing to share them for posting on our website? If so, please send them as a Word or PDF file, or, if available, as a hyperlink.**

The Philips Code of Conduct, our [General Business Principles](#) set the standard for the way we operate. One of Philips four core behaviors is “Always acting with integrity”, in which we recognize the rights for our employees, our customers, our business partners, our investors and, most certainly, the wider community in which we operate. We support and respect human rights and strive to ensure that our activities do not cause or contribute to the infringement of these rights. Consistent with our commitment to sustainable development, we do all that is reasonable and practicable to minimize any adverse effects of our activities on the environment.

Philips also endeavors to adapt to local situations in order to take the most appropriate approach to possible problems within the bounds of applicable law and responsible conduct. In preparation of the decision to establish a local presence in Myanmar, Philips drafted additional internal guidelines on Responsible Business in Myanmar. Philips recognizes the sensitivities with respect human rights abuse in Myanmar, and is committed to ensuring that our business takes place in a manner fully sensitive to these realities. As such, Philips has also developed country-specific internal Responsible Business Guidelines in Myanmar (RBGM) to ensure that the same high business conduct standards and ethics are given effect in Myanmar. These internal guidelines are intended to enhance and supplement Philips General Business Principles and related policies.

Furthermore, Philips has established a framework for a formal grievance mechanism in Myanmar in order to provide the public and other stakeholders with an accessible and effective method to contact Philips and submit concerns regarding suspected violations of the company’s Responsible Business Guidelines. The grievance mechanism is equally focused on ensuring that concerns brought to Philips’ attention result in appropriate action – being duly recognized, recorded and investigated in a consistent and professional manner. Philips will publicize the existence of this grievance mechanism, its scope, and its use to stakeholders. The company is also committed to conduct trainings with its distributors and employees in order to ensure that its grievance mechanism is recognized, understood, and, if necessary, used by stakeholders along the entire business chain. The company will also encourage its contractors to develop their own grievance mechanisms in order to address grievances that may potentially arise from activities both within and outside their scope of work for Philips.

3. Who in your leadership is responsible for ensuring compliance with the policies and procedures in no. 2?

Within Philips, the Review Committee General Business Principles carries primary responsibility over our code of conduct and related policies. Represented in the Review Committee are our Chief Legal Officer, our Chief HR Officer, our Chief Market Leader, Head of Internal Audit and various other business representatives. Our General Business Principles have been adopted by the Executive Committee and approved by the Supervisory Board. Every employee at Philips has the obligation to uphold the Philips General Business Principles.

4. If you do not yet have human rights policies and procedures in place, do you have plans to develop them? If so, what efforts are you currently engaged in or plan to engage in on this regard?

Please refer to question 2.

5. How does your company try to prevent or mitigate conflicts that affect its operations or the surrounding communities (including armed conflict, inter-communal conflict and violence, etc.)? Could you please list your policies, procedures or concrete activities in this regard, including community engagement and dialogue measures and revenue sharing agreements?

Philips recognizes the important role civil society entities and NGO's play in building a strong societal foundation to sustain progress in Myanmar. With the establishment of a local presence, Philips plans to step-up its engagement with these stakeholders to demonstrate feasibility of operating a sustainable and responsible business approach in Myanmar. Philips expects to deliver long-term positive contribution to local communities as result of Philips engagement and business activity (e.g. through education and training in particular).

Philips is a member of the Electronic Industry Citizenship Coalition and is represented in the EICC's board of directors. Philips' Supplier Sustainability program uses the EICC Code of Conduct as a basis for our Supplier Sustainability Declaration, a document which we expect our suppliers to sign and to comply with.

6. Who should communities or civil society groups contact if they have questions or concerns about your investment or operations in Myanmar? Please provide their contact information.

Generic questions can be raised with:

Franziska Zimmerman

Head of Government Affairs ASEAN & Pacific

Mobile: +65 978 89 001

E-mail: Franziska.zimmermann@philips.com

Louis van den Bogaard

Secretariat of the Review Committee General Business Principles

Mobile: +31 652 073 516

E-mail: Louis.van.den.bogaard@philips.com

In the near future, concerns about possible violations with our General Business Principles can be reported to a Grievance Officer, either in person or through a secure e-mail or telephone connection. Once the Myanmar Grievance mechanism is in place, details about it will be communicated to the wider community.

7. We further invite you to respond to questions specific to your industry. Does your company have policies and procedures in place to address each of the following areas? If so, please provide details:

- a. Freedom of association and collective bargaining
- b. Workplace health and safety
- c. Child labour
- d. Forced labour
- e. Anti-discrimination (whether based on race, gender, religion, nationality, etc.)
- f. Environment
- g. Land rights
- h. Privacy and freedom of expression

All these topics are addressed in the [Philips General Business Principles](#) and in its related policies, either explicitly or inexplicitly (Land rights & privacy and freedom of expression). 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. (please see next page)

GBP 1.1 – Fair employment practices

- We believe a diverse workforce and an inclusive work environment are essential to a thriving innovative business. We strive to attract employees from a wide range of backgrounds. We do not discriminate on the basis of race, color, age, gender, gender identity or expression, sexual orientation, language, religion, political or other opinions, disability, national or social origin or birth.
- 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 under local law without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, we establish a constructive dialogue and engage in negotiations or consultation as required with their freely chosen representatives.
- We aim to maintain a healthy, safe and productive work environment.

Furthermore, Philips was one of the key stakeholders in developing NPR 9036 - Corporate social responsibility – Guidance for the integration of due diligence in existing risk management systems. A draft preview is available via http://www.nen.nl/pdfpreview/preview_198090.pdf under auspice of both NEN (Dutch Normalization Body) and SER (Social Economical Council).

For more information, also refer to:

- [Philips General Business Principles](#)
- [Philips Environmental Policy](#)
- [Philips Social Investment Policy](#)
- [Philips Occupational Health & Safety Policy](#)
- [Philips Supplier Sustainability Program](#)

Part of the General Business Principles are also

- Philips Fair Employment Policy
- Philips Inclusion & Diversity Policy