

## Becoming a supplier

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Philips' strategy focuses on leveraging our brand and core competencies in Healthcare, Lifestyle and Technology to grow in selected categories and geographies. We aim to deliver products of the highest quality at attractive prices.

### **How we select suppliers**

We will select suppliers based on competencies and competitiveness in all relevant areas. We also have legal and ethical requirements, alongside our expectations for quality and cost-effectiveness.

When you become a Philips supplier, you will be required to sign a General Purchase Agreement (GPA) and comply with our General Business Principles, the Philips' Supplier Declaration on Sustainability and our banned substances list. (We select only companies with ISO 9000-2000 and / or ISO 14001 certification.)

All our suppliers are audited on a regular basis by Philips or third-party auditors. Our program of global certification audits verifies that our suppliers are meeting their obligations under their purchasing agreements with Philips (including compliance with our Declaration on Sustainability).

The audits are conducted by trained specialists and we constantly monitor performance and results via a Philips-wide Supplier Certification process. This enables us to provide immediate feedback to internal and external stakeholders.

Relationships between us and our suppliers are also governed by the Supply Management Code of Ethics.

### **eSourcing**

Philips Supply Management is increasingly adopting eSourcing. Where appropriate, we will invite prospective suppliers to take part in eSourcing events, which allow them to compete for sourcing projects in a fair and transparent way.

- ✓ General Business Principles
- ✓ Philips Supplier Declaration on Sustainability
- ✓ Purchasing Codes of Ethics