Philips’ Response to "Tragedies of Globalization: The Truth Behind Electronics Sweatshops"

Dear Mr Qiang,

I am responding to your letter sent to Mr F. van Houten on 8 July 2011. Thank you for sending us a copy of the China Labor Watch Report Tragedies of globalization: the truth behind the electronics sweatshops and your suggestions on how to reform the electronics manufacturing industry in China and improve working conditions.

Allow me to inform you on our policy with regard to Philips suppliers. We request all our Suppliers to comply with our Supplier Sustainability Declaration, which is available on our website, and we conduct audits of our suppliers in accordance with this declaration. We will also investigate any alleged non-conformity which is brought to us by internal or external stakeholders, such as the case with your report. Next to that we support and train our suppliers where needed, to help them to improve and take ownership of their responsibilities. We invite you to read about our supplier sustainability activities in our annual report.

With regards to your report, we confirm that we are doing business with the Tyco Electronics site in Dongguan mentioned in your report. Unlike your report claims, we are not conducting any business with Flextronics Zhuhai.

We have contacted the relevant site in Dongguan and the headquarters of Tyco Electronics and asked for a response to the findings in your report. The company has informed us that they were not aware of your report, and they did not have any contact with your organization or have been asked to provide comments on your findings. At our request, they analyzed the report and provided us with comments and explanations. They are of the opinion that most of your findings are inaccurate. They have also taken some steps to correct some of the issues you found.

Please note that each of the companies you have investigated has a duty themselves to act as a responsible company and they must adhere to legislation and develop, implement and control their own code of conducts. We would therefore encourage you to approach these companies directly and appeal to their responsibilities. We have found in working with other NGOs that providing suppliers the opportunity to correct any possible non-conformities, while keeping the brands they supply to informed, is often the most efficient and effective way of improving working conditions and further mature the supply chain. If this approach does not lead to a satisfactory resolution we can always take further action as Philips.

I would also like to refer you to an innovative program, initiated by the Dutch Sustainable Trade Initiative, which Philips supports. Through this program, Chinese suppliers and local NGOs work together, to improve conditions for Chinese employees. I invite you to read more about the project on idhsustainabletrade.com/electronics and follow its progress.

Regards,

Jan-Willem Scheijgrond