



sense and simplicity

January 19, 2007.

Dear Mr. Simas:

We read with interest and sympathy the letter addressed to you by Mrs. Arsene Van Nierop and we feel it is our responsibility as representatives of Philips before the border community of Ciudad Juarez – El Paso to inform you, Mrs. Van Nierop, the Dutch public and the public opinion at large some of the programs, actions and commitments that Philips has supported and developed in this region to address the concerns that Mrs. Nierop expresses in her letter to you.

We sympathize with the sensible loss that Mrs. Nierop suffered as we sympathized with other women that have suffered violence. This unspeakable violence and crimes have to be put in the context of an urban community of over a million and a half inhabitants, and if we add the surrounding communities of El Paso, Las Cruces and other townships in the Mexican side of the border the total population of this area is close to three million people. It is evident that the Ciudad Juarez community suffers from lack of infrastructure, financial resources to invest in education and safety and has a high rate of immigration from people who are looking for better opportunities either working in the Maquiladora industry or venturing across the border into the United States. The social milieu in the border is not simple, on the contrary it consists of complex economic, educational and social issues that convey the complexity of the Mexican nation in general and the peculiarities of a region where two cultures and two economies collide.

Yet for all of its social, economic and safety problems, Ciudad Juarez is also a dynamic and entrepreneurial community. It is a dynamo of industry and the establishment of hundreds of foreign owned ventures known as maquiladoras, has provided hundreds of thousands (250 thousand to be more specific) of women and men with paying jobs. This jobs are paid well over the minimum wage mandated by Mexican Law and include benefits such as two hot meals per shift, transportation, educational opportunities (open primary, secondary and preparatory studies), expense coupons that can be exchanged for groceries, clothes, toys, etc., cash bonuses for production, punctuality, and others. Granted that these wages and benefits are not comparable to those of developed countries such as the United States or Holland, but the alternative is no job at all or emigration to the other side of the border. We can say without hesitation that the jobs Philips has in its industrial plants in Ciudad Juarez are decent, fair and above the minimum provided by the law.

Philips has a strict code of conduct, and all our administrative and supervisory personnel sign in their contracts their commitment to abide by it. This code precludes and sanctions sternly any conduct that may be deemed as sexual harassment or abuse of any employee. Simply stated these behaviors are not tolerated and any one found engaging in sexually abusive behavior of any kind will be dismissed. We respect the dignity of all workers and behaviors such as those mentioned above have no room in our border operations.

Following are some programs, actions and commitments that Philips has supported in the border region as steps towards the protection, improvement and well being of its workers and the community in general:

- Philips has close collaboration with municipal and state police authorities and has supported their work with specific actions such as;
 - Donation of six squad cars to patrol maquiladora parks and areas by the municipal police.
 - Donation of safety equipment to the police and fire departments such as helmets, radios, and other items utilized in police and firemen work in the maquiladora parks and areas.
 - Participation in training and community awareness programs that promote women safety in coordination with the municipal police.
 - Donation of lighting hardware such as lighting ballasts and public lamps for the lighting of streets near or around maquiladora parks and areas.
- Support and funding for sports activities geared towards the integration of family activities and healthy diversions for our and other maquiladora workers that have included:
 - Health related training for women and men
 - The Philips Cup an intra-company tournament that includes competition in soccer, volleyball, basketball and other sport disciplines.
 - Donation of sports uniforms and sports equipment and gear.
 - Matrogymnastics a discipline geared toward female workers and their children where together they participate in calisthenics and other exercise activities.
 - The Philips summer camp for Philips worker employee's children.
 - Active coordination with the municipal government and the maquiladora association in sports activities.
- Collaboration with the Maquiladora Association in crime awareness and training of female workers to avoid possible dangerous situations and how to react in case of attacks.
- Donation of Philips products to different community actions projects such as clinics and hospitals.

- Coordination and work with the Chihuahua Entrepreneurial Association (FECHAC).
- Coordination and work with FEMAP, the family planning and woman organization in the border.

These are only some of the activities that Philips has promoted, supported, funded and has close commitment with. We are a responsible citizen of our community and we believe that our engagement and participation are beneficial to our company but most of all promote the well being and safety of our workers and all of the community.

We have entered in contact with the managing director of the Casa Amiga, Mrs. Esther Chavez and we have started a coordinated effort to support this organization and its programs and plans. In a meeting we had with Mrs. Chavez we dialogued about our mutual concerns and we agreed to explore ways in which Philips can assist this organization in mutual efforts to promote and improve the safety of women in Juarez. In the next few days and weeks we'll find ways to support Mrs. Chavez efforts in a tangible and coordinated way.

Finally it is important to note that the lamentable and horrible cases of murder of women in Juarez have declined in the past two years. The maquiladora industry and Philips in particular have urged and demanded from the local authorities a solution to this problem. And in many ways the authorities have responded. Problems remain and unfortunately the problem of violence and crime is not isolated to Juarez or even to Mexico. We believe that the solution lies in education, strengthening of values, better infrastructure and training for police and citizens. Ciudad Juarez is a dynamic city, with many problems, but also with many opportunities and potential. We who were born and grew in this city can not help but to hope, hope in a better future, hope that our hurt community can grow and overcome and to show the world that our people are good, are eager to work and can rise to the best levels of work, quality and enthusiasm.

Philips is committed to the community and we will continue to work with the private and public sectors to build a better environment for women and for all. If you have any questions regarding particulars of our involvement with the community and of our programs we will more than happy to provide more information.

Sincerely,

Ramona Garcia

Human Resources Manager
Philips Lighting Electronics Juarez Opns.