



Human Rights Policy

March 2024

1. Objectives and scope of this policy

Philips has a clearly defined purpose, to improve people's health and well-being through meaningful innovation, and has adopted a fully integrated approach to doing business responsibly and sustainably. Our framework comprises a comprehensive set of key commitments across all the Environmental, Social and Governance (ESG) dimensions that guide execution of the company's strategy. It includes ambitious targets and detailed plans of action.

Philips is committed to supporting and respecting human rights, as set out in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We also follow the guidance given in the United Nations Guiding Principles on Business and Human Rights (UNGP) and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. Furthermore, Philips has been a signatory to the UN Global Compact since 2007.

This Human Rights Policy reaffirms our commitment to identify, prevent, and mitigate adverse human rights, and directly applies to the activities of the Philips group, including all of its businesses, regions, and functions. Our commitment to human rights extends to other parts of our value chain, affecting our business partners, suppliers and customers. We do all that is reasonable and practicable and actively partner with our suppliers and our customers to achieve our commitment and goals, while acknowledging and weighing the economical and practical constraints and other external factors that may limit our ability to control human rights impacts beyond our own operations.

In addition to this policy, our General Business Principles (GBP) and Supplier Sustainability Declaration (SSD) are part of the reference framework for Philips' core values regarding human rights. Our GBP set the standard for acting with integrity at Philips, committing ourselves to our employees and to the wider community in which we operate, and includes fair employment

practices. The SSD outlines the expectations for standards and behaviors from our suppliers and their suppliers.

2. Stakeholder engagement

We believe that our presence in any given country provides us with an opportunity to promote human rights, and engagement with local stakeholder groups is key. Our stakeholder engagement is closely aligned with the company's purpose and strategy. The purpose of our engagement efforts is to pursue and foster an open, meaningful, effective, and informed dialogue regarding our activities and our internal and external stakeholders' needs, concerns and expectations. Please refer to the Philips Stakeholder Engagement Policy, available on our website.

We acknowledge and respect the work of human rights defenders. We do not tolerate or contribute to threats, intimidation, attacks or any constraints of the lawful actions of human rights defenders linked to our operations. We expect the same commitment from our business partners.

3. Due diligence

We conduct our human rights due diligence by identifying, prioritizing and addressing impact areas, conducting assessments at selected company sites and implementing targeted multi-tier supplier sustainability programs. We aim to periodically review and strengthen our due diligence approach in alignment with our own learnings and industry best practices.

Following the UNGP Reporting Framework, we have identified 'human rights areas of severe impact' (or 'salient human rights issues') based on our understanding of emerging issues, risks that are common in our sector, experience from other industries, and input from relevant functions and external stakeholders. Consultation with internal and external stakeholders is part of the methodology of our human rights impact assessment. Our severe impact areas are continuously evolving, with progress monitored annually. Conducting human rights impact assessments in our operations as part of an overall human rights due-diligence process allows us to assess and helps us to mitigate or address actual or potential adverse impacts.

The due diligence programs for third parties we engage with are risk-based, considering regional, industry and material specifics. We hold our business partners to similar standards as we hold ourselves, following a thorough selection process and awarding business partners who are committed to, and are able to demonstrate responsible business conduct. We engage with our suppliers in maturity-based improvement assessments of their compliance with our Supplier Sustainability Declaration, as well as dedicated human rights impact assessment for certain suppliers. Additionally, we engage in responsible sourcing programs and assess our suppliers against the highest standards for sourcing of minerals. We drive improvement in a structural and collaborative way through our dedicated programs.

4. External reporting and periodic review

We report on human rights in our Annual Report in accordance with applicable reporting rules and standards (including those under the Corporate Sustainability Reporting Directive). These human rights related disclosures are audited by our external auditor. We also publish a Human Rights

Report, which contains detailed information regarding our progress, targets, and plans for continuous improvement.

Following global trends, stakeholder input and company strategy, we continue to develop our ESG strategy, commitments, programs, and value propositions. As an outcome of that process, this policy will be regularly reviewed and may be updated. The policy is available to all external and internal stakeholders via the Philips website.



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