

**PHILIPS**

Policy document

# Inclusion & Diversity Policy

February 2021

# Our commitment to inclusion and diversity

At Philips, we believe a diverse workforce and an inclusive work environment are essential for a thriving, purpose-led innovative business. We can better understand our customers and better identify their needs when we have a diverse workforce that mirrors our worldwide customer base.

We believe that an inclusive culture allows our 120-plus nationalities to bring a rich diversity of capabilities, opinions and perspectives to our decision-making processes, thus driving innovation, enabling faster, targeted responses to market changes, and supporting sustainable improvements in business performance. We want to be the best place to work for people who share our passion, promoting personal development and helping them look after their health and well-being, and each other. We commit to promoting equality of opportunity by continually strengthening our anti-discriminatory policies and practices. We strive to build a culture of inclusion by increasing (self) awareness, education and by stimulating an ongoing dialogue with employees at all levels.

This Inclusion & Diversity Policy should be seen in conjunction with our General Business Principles (GBP), Human Rights Policy and Fair Employment Policy.

## Workforce diversity

Leaders throughout Philips are expected to actively recruit, promote and retain diverse talent in their teams and to demonstrate, through their behavior, a commitment to fostering a workplace where people feel included, valued and empowered to contribute.

We value the diverse thinking, skills, experience and working styles of everyone in our company. All employees are expected to demonstrate teamwork and respect for their colleagues. We do not discriminate on the basis of race, color, age, gender, gender identity or expression, sexual orientation or identity, marital status, language, background, religion, health status, pregnancy, political or other opinions, disability, national or social origin/birth or any other status in our recruitment, hiring, training, promotion, compensation or employment practices.

Philips actively supports the growth of our Employee Networks (including Women, Millennials, Black employees, LGBTQ+, Parents and Veterans, where pertinent) in order to secure their involvement in realizing our strategy through consultation on employee policies and marketing practices, to defend their rights, and to drive collaboration, growth and networking across Philips. We are increasingly providing opportunities for remote and on-site working arrangements that help to accommodate the diverse needs of different people at different stages of their career and life.

## Recruitment and development

We are committed to equal opportunities, including pay. We strive to employ on the basis of role requirements and in keeping with local laws. We select people for roles in light of their qualifications, skills and experience. Any distinctions should be determined on an objective basis and should take account of individual capabilities, not perceptions of the capabilities of particular types of people or groups. We continually assess and adjust our practices, offering appropriate levels of support and resources to achieve a fair outcome for those involved.

We offer training on unconscious bias to increase awareness and inclusion. Our recruitment, employment, reward and development practices, as well as our approach to working arrangements, are designed and regularly assessed to attract and retain diverse talent and to accommodate individual needs at different career and life stages.

# Internal and external communications

We are continuously working to ensure that all internal communications reflect the diversity of our employees in the language and images we use. In the same way, we strive to ensure that our external communications also reflect the diversity of our customers, business partners, and shareholders.

## Artificial intelligence

We have defined a set of guiding principles for the responsible use of AI in healthcare and healthy living. We believe that the development and validation of AI solutions must be based on data that accurately represent the diversity of people in the target group. When AI is applied to a different target group, it should be revalidated – and possibly retrained – first.

## Stakeholder dialogue

By leveraging our international presence and respecting different cultures, our goal is to increase awareness and trigger a better understanding and a richer, ongoing dialogue. Thus, where national legislation falls short of this policy, we will seek to uphold a higher standard. We develop strong relationships with diverse stakeholders, including customers, communities, governments, employees, suppliers and shareholders.

