



SAFE

Human Rights Report 2025

Amplifying impact for global health

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Introduction

Today, the healthcare sector faces multifaceted challenges driven by factors such as expanding and aging populations, rising prevalence of chronic diseases, and limited resources. Climate change and geopolitical instability further amplify health disparities, complicating efforts to provide access to care.

While health is a fundamental human right, access to healthcare remains out of reach for nearly half of the global population, highlighting the urgent need for innovative approaches and international collaboration.

As a purpose-driven healthcare innovation company, Philips is conscious of its responsibilities towards society.

Philips is committed to amplifying its impact on global health and upholding the fundamental rights of individuals. The company has published a dedicated Human Rights Report since 2018. In September 2020, Philips reinforced its leadership as a purpose-driven company with the announcement of its [Environmental, Social and Governance \(ESG\) framework](#) - an integrated and comprehensive framework designed to guide its operations toward responsible and sustainable business practices. Philips' ESG framework is fully aligned with the United Nations Sustainable Development Goals (SDGs), especially SDG 3 (good health and well-being), SDG 12 (responsible

consumption and production), SDG 13 (climate action) and SDG 17 (partnership for the goals).

This Human Rights Report showcases progress and improvement in key human rights domains in 2024. It demonstrates Philips' unwavering, and long-standing commitment to turning high-level human rights ambitions into meaningful impact together with employees, suppliers, stakeholders and public and private partners around the world.

Since the last Human Rights Report, the European Corporate Sustainability Reporting Directive (CSRD) has been introduced as part of the European Green Deal. As a result of the CSRD, most of the Philips Human Rights Report content has been integrated into Philips' Annual Report. Philips will continue to provide regular updates through its website and other external communications, while integrated reporting may alleviate the need for a standalone Human Rights Report going forward.



“We believe companies have both the responsibility to respect human rights and the ability to protect them. It’s important that we stay focused and keep a long-term view on amplifying our impact for global health and upholding the fundamental rights of individuals.”

Marnix van Ginneken,
Member of the Board of Management,
Royal Philips



Philips' approach to human rights

Philips believes that companies have both the responsibility to respect human rights and the ability to protect them. Philips' Human Rights Policy, General Business Principles, Supplier Sustainability Declaration and other relevant policies guide the company's actions, in line with the International Bill of Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

Philips also follows the guidance in the UN Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

Furthermore, Philips has been a signatory to the UN Global Compact since 2007.

Philips' [Human Rights Policy](#) reaffirms its commitment to identify, prevent and mitigate adverse human rights impact, and directly applies to the activities of the Philips group, including all of its businesses, regions and

functions. This policy extends to other parts of the company's value chain, affecting business partners, suppliers and customers. In addition to this policy, the General Business Principles (GBP) and Supplier Sustainability Declaration (SSD) are part of the reference framework for Philips' core values regarding human rights.

Philips' governance on human rights

The Philips Board of Management is ultimately responsible for setting the human rights strategy and managing human rights. It is supported by a cross-functional project team, with a human rights manager and

professionals from several functions, which drives initiatives with oversight from the Human Rights Steering Committee, consisting of senior leaders from Integrated Supply Chain, Legal, People and Group Sustainability.

Business integrity – General Business Principles

While pursuing business objectives, Philips aims to be a responsible partner in society, acting with integrity towards employees, customers, patients, business partners and shareholders, as well as the wider community in which it operates. The General Business Principles (GBP) – part of the Philips operating model – and their underlying policies incorporate and represent the fundamental principles by which all Philips Businesses and employees around the globe must abide.

They set the minimum standard for business conduct as a health technology company, for individual employees and for subsidiaries, and Philips rigorously enforces compliance. The GBP also serve as a reference for the business conduct expected from all business partners. The GBP and underlying policies, including the Financial Code of Ethics and Procurement Code of Ethics, are published on the company website at <http://www.philips.com/gbp>.

The GBP were updated in 2024 to include legal developments and input from stakeholders including internal Functions (e.g., Group Sustainability, People, Legal). The Universal Declaration of Human Rights, the UN Convention against Corruption and other standards served as a reference. The GBP include principles of doing business with integrity at work, integrity in the market, and professional integrity outside work. The GBP also include principles on conducting business with honesty and integrity, and they explicitly prohibit corrupt practices, acts of bribery and facilitation payments. More detailed guidance is included in the policy on [Anti-Bribery and Anti-Corruption](#), which is explicitly referenced and forms an integral part of the GBP.

The GBP form an integral part of labor contracts and business partner agreements. Translations of the GBP are available in 30 languages, allowing almost every employee to read the GBP in their native language. Detailed underlying policies, manuals, training, and tools are in place to give employees practical guidance on how to apply and uphold the GBP in their daily work environment. Each year, employees reconfirm their commitment to the code of conduct after completing their GBP e-learning, and there is an additional annual signed commitment for executives. A similar signed commitment is in place for finance and procurement staff for their respective codes of conduct. The Philips Supervisory Board is trained annually on Philips GBP through a dedicated online course.

The Executive Committee is responsible for the effective deployment of the GBP and for promoting a culture of compliance and ethics within the company. At least twice a year, the Executive Committee and Audit Committee of the Supervisory Board are informed about relevant GBP metrics, cases, trends and learnings. Furthermore, each quarter, all key Regions convene market compliance committees dealing with GBP-related matters

in the local context. They are also responsible for the design and execution of localized compliance plans that are tailored to their risks and organizational set-up, and they regularly review the relevant compliance metrics for their respective market through dashboards delivered by the legal compliance monitoring team. The GBP program office, together with a worldwide network of GBP compliance officers, supports the implementation of GBP initiatives.

As part of the continuous effort to raise GBP awareness and foster dialogue throughout the organization, each year a global GBP communications and training plan is deployed, including structured dialogues led by managers where quality, integrity and speaking up are discussed. This is part of a company-wide initiative aimed at reinforcing a culture of dialogue using ethical dilemma case studies that are relevant to the workforce. Philips also deployed the yearly GBP e-learning. All functions at risk (including those with customer-facing roles, such as sales and marketing, clinical and technical consultants, and employees that provide customer-facing training) also receive annual training via tailored case studies. The training includes content on anti-bribery and anti-corruption practices and healthcare compliance.



Philips' grievance mechanism process

Grievance mechanisms are an important pillar of the [United Nations Guiding Principles on Business and Human Rights \(UNGPs\)](#).

The [Philips SpeakUp Policy](#) and underlying SpeakUp mechanism, including annual SpeakUp dialogues, enable Philips' stakeholders (including third parties) to inform Philips about any concerns they may have (including human rights). This enables the company to take appropriate corrective action in accordance with principles 29 and 31 of the UNGP.

The Philips SpeakUp program, and its underlying policies and procedures, aligns with relevant legislation on whistleblowing to ensure reporters are protected from (attempted) retaliation. SpeakUp ensures standardized reporting and enables employees and third parties to escalate concerns 24/7. Concerns raised through this SpeakUp program are registered in a single database hosted outside of Philips servers to ensure confidentiality and security of identity and information. Further details on how Philips ensures the protection of reporters of potential GBP violations, and ensures an independent and impartial review of concerns, can be found in the Philips SpeakUp Policy. For more information, refer to the [Philips website](#).

Encouraging people to speak up through the available channels if they have a concern will continue to be a cornerstone of the Philips

GBP training, communications and awareness campaigns.

GBP compliance officers and SpeakUp investigators receive training on following up on SpeakUp concerns in line with Philips SpeakUp Policy and investigation guidelines. In 2024, Philips focused on increasing awareness about integrity and emphasized the importance of speaking up. This effort is built on the 2023 deployment of the biennial Business Integrity Survey. The next Business Integrity Survey will be deployed in 2025, along with an updated GBP e-learning.

The Annual Report discloses the total yearly number of cases reported, pending and closed, as well as information on types of cases per geography.

Philips also monitors and reviews complaints and public allegations relating to conflict minerals from news articles, public reports, industry associations, as well as direct information from suppliers, smelter or refiners (SORs), customers or other stakeholders. Philips uses the information to identify and assess conflict financing risk and other OECD Guidance Annex II risks associated with mineral country of origin (including transit and transportation), suppliers and/or smelters in supply chains.



Philips' SpeakUp is available 24 hours a day, seven days a week, and 365 days a year

Human rights due diligence across Philips operations

Philips conducts (risk-based) 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. Philips aims to periodically review and strengthen its due diligence approach in alignment with its own learnings and industry best practices.

Philips' respect for human rights is expressed in its [General Business Principles](#), [Human Rights Policy](#), [Supplier Sustainability Declaration \(Code of Conduct\)](#) and several other domain-specific policies. The General Business Principles monitoring and reporting program validates the implementation of the GBP and related policies, procedures, training

and communication worldwide. This program includes several human rights areas of severe impact, including, in no particular order, business integrity, freedom from child labor, forced labor and bonded labor, working hours, non-discrimination, respectful, equal and fair treatment, right to organize, collective bargaining and remuneration.



Philips' Human Rights Impact Assessment

In 2018, Philips initiated its first Human Rights Impact Assessment (HRIA) in its manufacturing site in Batam, Indonesia. The goal was to gain insights into potentially affected stakeholders, engage in constructive dialogue, and determine appropriate actions and management processes to effectively mitigate and address human rights risks. Additionally, the company wanted to validate the benefits of a HRIA within its own operations, alongside its current General Business Principles and human resource management approaches.

In 2020, Philips rolled out the approach to five manufacturing sites in China, and in 2023, assessments were done at sites in India and Brazil.

In 2024, Philips conducted re-assessments at its sites in China and Indonesia, living up to its commitment of conducting regular HRIAs at 100% of its at-risk sites. Philips intends to monitor the progress and findings from at-risk sites and guide them on a continuous improvement journey regarding human rights topics.

Although the HRIA of selected sites is primarily focused on Philips' own operations, a derived deep-dive approach for certain suppliers has been established since 2022. In 2024, a focused assessment on human rights was conducted for selected suppliers; this is distinct from the broader supplier sustainability assessment approach, which covers sustainability more holistically as indicated in [Supplier sustainability & Workers in the value chain](#).

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Philips' Human Rights Impact Assessment approach

Philips has a country risk assessment in place to identify locations that may have a higher risk of human rights violations. This assessment is updated periodically and considers open-source country analysis as well as global benchmarking reports (the International Trade Union Confederation report, for example) to determine at-risk sites. These elements are supplemented with internal parameters, such as the number of full-time equivalent employees at manufacturing sites and the number of reported GBP complaints.

Philips has educated its developers on the topics of bias, fairness and equity, and how these can be reflected in data and Artificial Intelligence.

Ensuring best practice

Leveraging due diligence practices used in Philips' supply chain, the Human Rights Impact Assessment (HRIA) approach consists of a desktop validation phase, with a self-assessment questionnaire supported by substantiating evidence. This approach enables subject-matter experts to perform remote validation grounded on predefined criteria.

The assessment includes direct and indirect employees, subcontractors, and local management teams. Representatives of these groups are invited for interviews during the on-site assessment. As part of the HRIA process, an anonymous worker survey is also conducted, providing workers with the opportunity to share their views and experiences confidentially.

After the observations and interviews with all relevant stakeholders have taken place, site managers are invited to validate and develop an action plan, which is monitored and supported by the company on a global level. Observations concerning policies beyond the site level (for example, for implementation at the country or global level) are taken to country/global leadership to develop harmonized solutions.

Human Rights and Responsible AI

At Philips, we are committed to the ethical use of Artificial Intelligence (AI). CEO [Roy Jakobs is co-chairing the US National Academy of Medicine's Steering Committee on AI Code of Conduct](#), which aims to provide a framework to ensure that AI solutions applied in healthcare perform accurately, safely, reliably and ethically. The Philips Responsible AI Office supports the organization in creating and adhering to best practices for using, designing, developing, deploying and monitoring AI solutions to ensure they adhere to this code of conduct.

Following GBP principle 3.6, Philips is committed to the ethical and responsible use of technology. Technology-enabled solutions are designed and developed to benefit the health and well-being of individuals.

For AI-enabled solutions, Philips is committed to ensuring appropriate human oversight, as well as robustness, fairness and transparency in the functions and features of its offerings. These commitments are reflected in the AI principles. The Responsible AI Office supports and guides the implementation of these principles through literacy and best practices, including requirements for AI governance and compliance.



Philips' commitment to suppliers

As part of its purpose to improve people's health and well-being, Philips will improve the lives of 1 million workers in its supply chain by 2025 through the supplier development program.

The [General Business Principles](#) and [Supplier Sustainability Declaration](#) form part of suppliers' contracts. The SSD sets out the standards and behaviors Philips requires from its suppliers, and it is based on the [Responsible Business Alliance \(RBA\) Code of Conduct](#), in combination with several additional Philips-specific expected behaviors. It covers topics such as Forced Labor, Child Labor, Human Trafficking, Health & Safety, Environment, Ethics and Management Systems. The RBA is the world's largest industry coalition dedicated to responsible business conduct in global

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supply chains. As a member of RBA, Philips is required to commit publicly to the RBA Code of Conduct and actively pursue conformance to the Code and its standards, which must be regarded as a total supply chain initiative.

Adherence is monitored in the Beyond Auditing Program, which was introduced in 2016 to replace Philips' former Supplier Auditing Program. The Beyond Auditing Program focuses on:

- A systematic process to support the sustainability of its supply chain through continuous improvement against a set of recognized and global references.
- Preventing adverse impacts via improved ESG maturity.
- Mitigating and remediating adverse impacts via collaboration, increased transparency, clear commitment and agreed targets.
- Encouraging suppliers, industry peers, and cross-industry peers to adopt the approach.

Philips defines six Zero Tolerances, which relate to adverse ESG impact in the supply chain:

- Fake or falsified records.
- Child and/or forced labor.
- Immediate threat to the environment.
- Immediate threat to worker health and safety.

- Failure to comply with regulatory and/or Philips requirements.
- Workers' monthly income (covering salary for regular hours and overtime, tax deductions, social insurance) failing to meet regulatory requirements.

If a Zero Tolerance is identified, immediate action is taken. The supplier is required to:

- Propose a corrective action plan to mitigate and/or resolve the identified Zero Tolerance(s),
- Commit to structurally resolving the Zero Tolerance,
- Prove regular updates and evidence, and
- Avoid quick-fixing to prevent recurrence.

For workers covered by the Supplier Sustainability Performance program, labor conditions have improved, the risk of serious injury has been reduced, and the negative environmental impact of suppliers has been lowered. The results of the assessments are shared in the Philips Annual Report ([Supplier sustainability & Workers in the value chain](#)), including a breakdown of improvements realized per category and the status of implementation of mitigation measures.

Championing sustainable practices with stakeholder dialogue

At Philips, we are committed to driving sustainable consumption and production throughout our value chain, in line with the United Nations Sustainable Development Goals. Engaging with a diverse group of stakeholders is important for understanding ESG challenges from multiple perspectives.

In 2024, we hosted the Philips Supplier Sustainability Stakeholder Dialogue Meeting, bringing together companies, experts, and representatives working on human rights and environmental topics, including those from NGOs, academia and government bodies.. Through interactive sessions, we covered topics such as responsible sourcing and supply chain decarbonization, sharing valuable insights on maximizing positive impact in the supply chain.

The outcome was a clear path forward, identifying future trends, and aligning on overcoming ESG risks to achieve a healthier, more sustainable world. The group suggested actionable steps, including providing a self-assessment tool for companies to improve sustainability performance and expand raw material mapping. Enhancing transparency in sourcing and emphasizing the importance of carbon emissions into tendering processes were also recommended.

Since introducing stakeholder engagement in 2015, Philips has remained open to dialogue and improvement, continually

deepening our sustainability engagement. One clear result has been widespread enthusiasm among participants about the importance of stakeholder dialogues and a goal to expand these dialogues across the value chain. Several other strategies have emerged from these conversations, including a recommendation to adopt an intersectional perspective that considers the interlinkages between human rights and environmental issues. Another suggestion was to implement a child-specific lens in risk assessments, considering the unique challenges and vulnerabilities that children face, particularly in remote regions.

We see significant value in the recommended approaches and will continue to create space for feedback and reinforce the importance of transparency in all future stakeholder dialogues.

It is valuable to discuss sustainability issues with business and their stakeholders. Philips shows that environmental and social sustainability issues are well integrated in the entire design and production cycle. The

stakeholder discussions allow for recurrent assessments of risks and opportunities and pro-active mitigation. This is important to create positive social impact, and this is clearly the pathway for the sustainable industry that we all need to safeguard the well-being of future generations.

“We look forward to supporting Philips’ continuous efforts for stakeholder engagement at all levels and specifically for the development of health solutions in low- and middle-income countries.”

Pauline Neefjes, Senior Advisor Better Business for Children, UNICEF



Human rights areas of severe impact

Since 2018, Philips has sought to better identify potential and actual human rights impacts throughout its operations and value chain. It has listed its human rights areas of severe impact, based on its understanding of emerging issues, common risks in its sector, and experience from other industries ([see list in appendix](#)). Furthermore, it has engaged experts from various functions and obtained relevant input from external stakeholders.

This process has helped the company to better understand its impact and the need to develop additional mitigating and remediating measures, following the UNGP Reporting Framework.

Philips’ human rights areas of severe impact are part of its due diligence commitment. The following topics represent, in no particular order, the current focus areas. It is not an

exhaustive list of all human rights issues that the company addresses. It highlights specific policies and programs in place, which are also supported by the General Business Principles. It is important to note that some approaches are more mature and, therefore, offer more material on which to report. Others are more complex and require more time to address.

Freedom from child, bonded and forced labor

As stated in its [Fair Employment Policy](#), Philips is committed to being free from forced, bonded or child labor. The company addresses the issue of modern slavery through its [Supplier Sustainability Performance – ‘Beyond Auditing’](#) program. Philips employees are protected from exploitative conditions and are not required to lodge financial deposits or hand over original government-issued identification, passports or work permits as a condition of employment.

Every year, Philips shares the steps it has taken to identify, assess and manage the risks of modern slavery and human trafficking in its

product supply chain. The Philips Modern Slavery and Human Trafficking Statement is available [online](#).

Non-discrimination

The Philips Fair Employment Policy details the ethical and social principles that govern the company’s relationship with its employees and other workers worldwide. It states that Philips does not discriminate on the basis of race, color, ethnicity, 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 the recruitment, hiring, training, promotion, compensation or employment practices.

Respectful, equal and fair treatment

As stated in its Fair Employment Policy, Philips promotes a workplace that is free from physical, verbal and sexual harassment or abuse. It does not tolerate any conduct that creates, encourages, or permits an offensive, humiliating, hostile or intimidating work environment. To ensure constant awareness and to empower its employees to speak up, a holistic communication approach and various training programs are in place.

Open to all employees, Employee Resource Groups provide an inclusive space for employees to support and care for

As stated in its Fair Employment Policy, Philips promotes a workplace that is free from physical and verbal harassment.



one another, develop skills, experience meaningful cultural connections, expand their knowledge, all while strengthening relationships among the Philips community.

We monitor compliance with local rules and regulations, as they may change from time to time, including, for example, with regard to leadership development through nondiscriminatory means.

Remuneration

Philips' commitment, part of its Fair Employment Policy, is to ensure that all employees receive at least a living wage, calculated in accordance with best practices and external experts.

Philips believes that every individual, regardless of gender, age, ethnicity or background, should receive equal opportunities and recognition for their work, with pay being just one aspect where fairness and equity are upheld. Globally, Philips continuously reviews and assesses compensation structures for current and new hires to ensure pay parity is consistently maintained. This commitment to fairness is not just a policy but a reflection of the company's core belief that everyone deserves to feel valued, respected and rewarded for their contributions.

Working hours

Philips' Fair Employment Policy determines that working weeks are not to exceed the maximum set by local law. In any given week, working hours should not exceed 60 hours, including overtime, except in emergency or exceptional circumstances with the employee's consent to meet short-term business demand. Philips recognizes the risks that excessive working hours pose to its employees' physical and mental health. Thus, working hours are monitored at the country level and regularly reported to ensure compliance and promote well-being and a healthy work-life balance.

Right to organize and collective bargaining

Respect for freedom of association and collective bargaining is part of Philips' Fair Employment Policy as well as its Supplier Sustainability Declaration, and is monitored through internal assessments and the Supplier Sustainability Performance program.

Philips recognizes and respects the freedom of its employees to associate with any employee organization of their own choosing under local law without fear of reprisal, intimidation or harassment. Where employees are represented by a legally recognized union, it establishes a constructive dialogue and engages in negotiations or consultation as required with their freely chosen representative with a view to reaching agreement on employment conditions.



Workplace health and safety

Philips prioritizes a healthy and safe working environment for every employee. The company promotes health and safety standards company-wide to protect its people and foster a respectful, supportive workplace. Caring for people is at the heart of the company's health and safety efforts.

In 2024, the company expanded the deployment of ergonomics programs in manufacturing and commercial organizations and increased its focus on machine safety.

Ergonomics: Global experts worked together with local teams to address concerns using Philips Ergonomic Job Analysis process. Experts identified high-risk areas and determined corrective actions to reduce risks. They also conducted training for Ergonomic Champions to equip other employees with in-depth ergonomic knowledge and support local efforts.

Machine safety: Leading experts collaborated with health and safety professionals, and line and maintenance managers, to observe machine operations. They identified hazards and created action plans for improvements and innovations. They ensure that proper documentation (e.g., manuals, inspection reports, etc.) is in place as required, set up Factory Acceptance Tests with suppliers, and keep stakeholders informed while addressing concerns.

Philips takes proactive and innovative steps towards maintaining high health and safety standards. Experts conduct inspections, run

campaigns, offer training, and implement solutions to minimize risks. Philips fosters a culture where employees feel comfortable speaking up about hazards and suggesting improvements. Some of its recent innovative approaches include:

Technological innovations

- **Deployment of new health and safety technology:** Philips is moving from semi-automated tracking of limited health and safety data to robust tracking and advanced performance reporting and analytics.
- **Digitalization of visual dashboards:** Philips is enhancing the way it publishes key performance indicators (KPIs) to drive safety, quality and productivity through advanced digital dashboards.

Proactive and innovative steps

- **Implementation of Automated Guided Vehicles (AGVs):** AGVs are used for material handling to enhance efficiency and safety within factories and warehouses.
- **Use of Collaborative Robots (Cobots):** Cobots are integrated into shared workplaces, working safely alongside operators to enhance operations.
- **Collaboration with a tiger team of experts:** A dedicated team of Health and Safety specialists works with local teams to focus on continuous improvement and address specific tasks.

- **Well-being and Vitality at Work program:** Philips aims to enhance employee health and well-being through employee vitality – ensuring employees are happy, healthy, energized, passionate and engaged. This contributes to long-term health and a safer, more efficient workplace.

Health and safety are integral to Philips' business commitment to human rights.

Privacy and data protection

Just as being able to process personal data is necessary for Philips to operate and manage its business, protecting personal data and preserving privacy are equally crucial. Philips is committed to protecting personal data and preserving the privacy of individuals in compliance with applicable privacy and data protection laws and regulations.

This includes, for example, considering the right to data protection when developing products and services (principles of data protection by design and by default) and being clear and transparent with data subjects about the processing of personal data.

Philips has established a Privacy compliance framework, which includes policies, standards and procedures, with the aim of ensuring and demonstrating compliance with applicable privacy and data protection laws and regulations.

For more information, please visit www.philips.com/privacy.



Case study: Pune traineeship program

Building a Progressive Workforce: The journey of MR coil manufacturing at Philips

Manufacturing MR coils requires precise electronic work and soldering, and business demand fluctuates throughout the year. When Philips decided to transfer its MR coil manufacturing from Florida to Pune, India, in 2019, we planned a workforce strategy with these challenges in mind.

During our industry benchmarking, we discovered the Progressive Workforce Model, which aligned well with our business needs, offering the flexibility to scale operations as required. To build a strong talent pipeline, we hired recent graduates from diploma engineering colleges across the state of Maharashtra, and after a rigorous selection process, we hired our first cohort of students in 2020 from a socio-economically and otherwise diverse talent pool.

Meanwhile, the world came to a standstill due to the COVID-19 pandemic. With patient safety and quality at the heart of everything we do, we had to ensure timely delivery.

To safely onboard our Diploma Apprentice Trainees (DATs), many of whom were 19-20 years old and relocating to a new city for the first time, we devised a comprehensive plan that included engaging with their families. We offered relocation benefits, covering travel, initial accommodation, and assistance in finding long-term housing, along with safe transportation to the workplace to ensure their well-being during the pandemic.

To prepare these new employees for the shop floor, we designed a robust six-week training program that covered industry-specific expertise and soldering, and oriented with Philips' purpose and values.

In 2021, we introduced the High-Performance Team (HPT) model to foster creativity, accountability and excellence. Unlike in the traditional manufacturing setup, managers serve as coaches rather than supervisors. This model aligns well with Gen Z's preference for autonomy and ownership.

HPTs are supported by cultural interventions to ensure engagement and discipline, including:

- The Human Value Action Team addresses and resolves shop-floor discipline issues.
- Employee-led town halls and recognition programs ensure engagement and a sense of ownership.
- Each HPT owns the team deliverables with the help of team captains, quality star cap, morale star cap, safety star cap maintenance star cap and planning and delivery star cap.
- Collaborative problem-solving encourages teamwork and innovation.

We also introduced a Higher Education Policy to help employees pursue further studies from India's top engineering institute. This helps to retain and grow talent in Philips.

Through this program, the site has boosted productivity with zero coils on back order. Over 33,000 coils have been shipped with the defect rate reduced by 60% and engagement scores over 90%. Patients have benefited too: with MRI systems requiring seven or eight coils for diagnosing conditions in different parts of the body, this increase in productivity widens access to care, helping patients receive faster referrals and treatment.

After three years, our first cohort of DATs completed the program. To mark this milestone, we invited their parents to the factory for a special celebration. The employees themselves organized the event, proudly showcasing their work and conducting a factory tour for their families. Many parents expressed gratitude to Philips for the transformation they had witnessed in their children.



“Watching these young individuals grow into confident and technically skilled professionals has been incredibly rewarding. Our commitment to building a progressive, high-performing workforce remains strong, and we look forward to further expanding this initiative.”

Sachin Hujare, Plant Manager, Philips

Partnering for impact

Philips recognizes the importance of collaboration and collective efforts to drive meaningful impact. That is why working with public and private partners plays such an important role in delivering on Philips' purpose and ESG commitments.

In alignment with the United Nations Sustainable Development Goal 17, Philips is engaging with relevant stakeholders on an ongoing basis to exchange information and explore potential collaborations. Such partnerships can address shared challenges in the promotion of human rights across Philips' own operations and across its supply chain.

Towards equitable and accessible healthcare

Health is a fundamental human right, yet according to the World Health Organization, half the world's population lacks access to essential health services. The growing burden of aging populations, chronic diseases, and environmental impacts highlights the urgent need for sustainable and resilient health systems..

Philips is committed to dismantling barriers to healthcare, particularly for marginalized and underserved communities, who are often the hardest hit by global challenges. The digitalization of healthcare is key to expanding access to care and achieving universal health coverage. Through innovative healthcare solutions, Philips aims to deliver better care to more people, when and where it's most needed. Additionally,

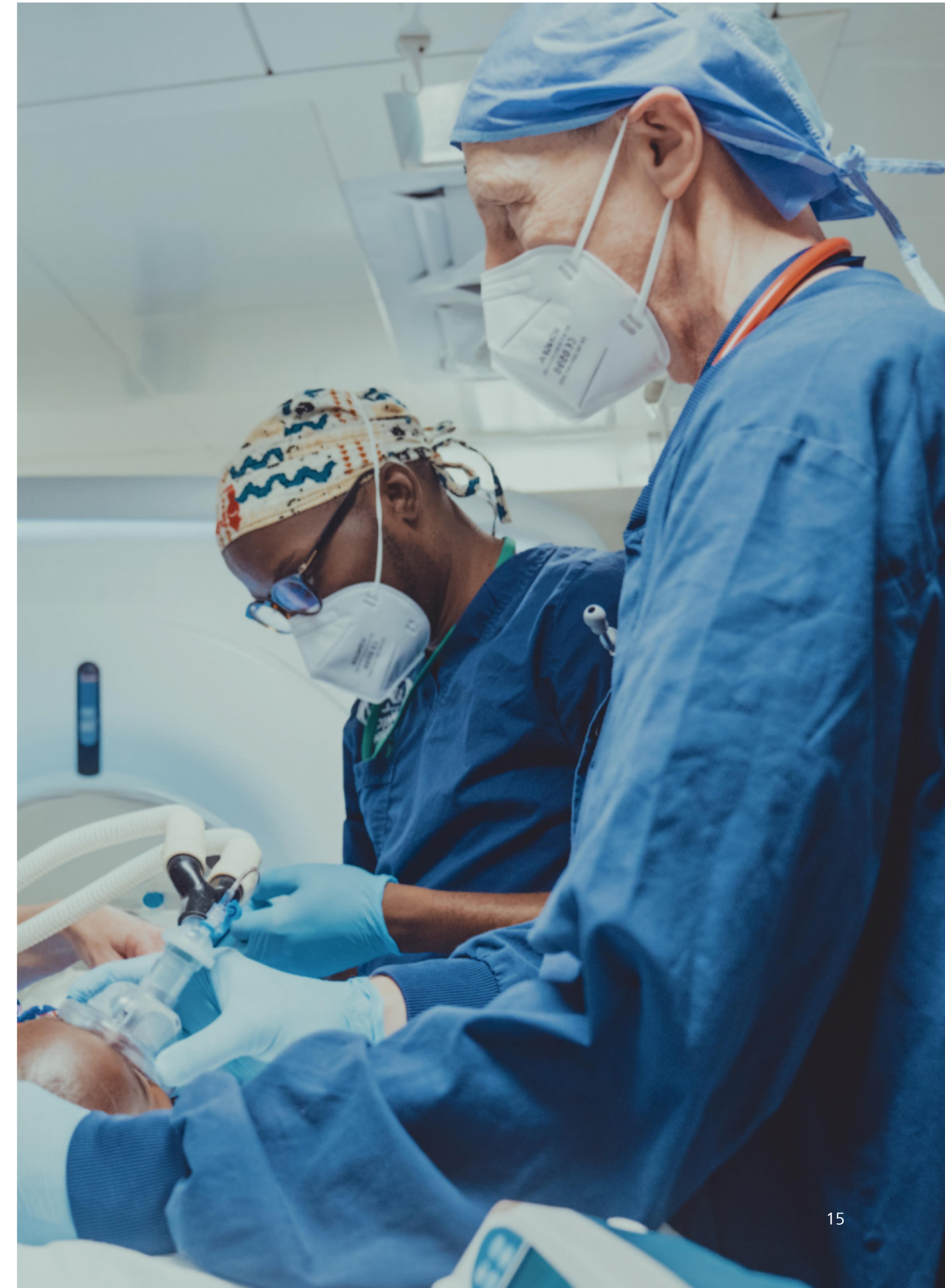
Philips teams up with customers and partners that offer complementary skills and networks to accelerate digital health efforts.

The Partnership for Maternal, Newborn, and Child Health (PMNCH) - the world's largest alliance for the health and well-being of women, children and adolescents, continues to be an important platform for Philips. Together with PMNCH, Philips seeks to advocate and collaborate for affordable access to high-quality maternal care during pregnancy and after childbirth, to bring care close to those who need it most.

In 2024, Philips remained an active Steering Committee member of the Health Finance Coalition (HFC), a coalition of leading health donors, investors, and technical partners seeking to scale blended finance solutions to help achieve SDG3 and Universal Health Coverage in Africa. The Transform Health Fund, where Philips engaged as a co-shaper together with HFC and as an anchor investor, achieved its final close above target at USD 111.5 million. The first investments have been made, focusing on supply chain transformation and innovative care delivery models serving low-income patients in Africa.

Through its participation in the Digital Connected Care Coalition, Philips brings digital health and business expertise to the VODAN project (Virus Outbreak Data Network). Deployed in 88 health facilities across nine African countries, VODAN makes secure and reliable health data infrastructure available in difficult to reach and unconnected areas. This helps expand access to care and build an early warning system for epidemics.

Philips also partners with the Philips Foundation to improve access to care in some of the most underserved and financially vulnerable communities globally. In 2024, the Philips Foundation celebrated its 10th anniversary. Refer to the [Philips Foundation](#) to learn more.



Partnering to re-build health systems in Ukraine

Ukraine has faced a humanitarian crisis since Russia’s invasion in February 2022, with thousands of civilian casualties, millions displaced, and numerous medical and educational institutions damaged or destroyed. Access to basic healthcare is difficult for many people, exacerbated by a combination of rising costs, logistical challenges and dysfunctional infrastructure.

Philips and Philips Foundation have worked closely with both international organizations and partners on the ground to support the country’s healthcare infrastructure and provide access to vital medical services.

Over 20 projects have been initiated to improve access to medical equipment for doctors, maternity clinics, and local humanitarian institutions, such as [UA Brokers Without Borders](#) and Zdorovi Agency.

In one project, Philips Foundation collaborated with Lviv Regional Healthcare Administration to provide 90 mobile ultrasound machines, 65 patient monitors, and five mobile digital radiography systems, for hospitals in the Lviv region. These machines help provide access to diagnostics during power shortages, allowing faster, accurate diagnosis when no other medical services are available. Hospitals in Kharkiv and Kyiv have also been equipped with cardiovascular, obstetric and gynecology diagnostic machines to address pregnancy and cardio complications caused by occupation and attacks.

During minimally invasive procedures, mobile image-guided systems have also been crucial to detect and remove foreign objects caused by mines, shrapnel and blasts. The C-arms in these systems help neurosurgeons and traumatologists see details from various angles, enabling the safe removal of metal fragments, improving fracture identification and facilitating complex surgery, helping patients recover faster.

Philips employees globally and in Ukraine have contributed significantly towards these efforts, while Philips has provided extensive training for local medical staff to ensure the life-saving equipment can be used to its full potential.

To help alleviate some of the pressure on Ukraine’s healthcare system due to the escalating number of wounded people and displaced older people, Philips Foundation has also provided thousands of free MRI exams, as well as thousands of personal products for mother and childcare.

These collective efforts to support Ukraine’s medical capabilities continue. In June 2024, Philips signed a Memorandum of Understanding with the Minister of Health for Ukraine, pledging further collaborative

efforts to support the country’s infrastructure, facilitating access to healthcare and distribute advanced medical equipment to support the life-saving work in hospitals and rehabilitation centers.

What began as a simple collaboration to explore portable ultrasound technology in the field has grown into a broader and impactful advocacy program. The learnings from this initiative will strengthen the mission of Philips and Philips Foundation to provide access to quality healthcare for underserved communities globally.

Over 20 projects have been initiated to improve access to medical equipment for doctors, maternity clinics, and local humanitarian institutions



“It has been devastating to see the impact of the war on communities in Ukraine. As part of our commitment to improve access to healthcare for medically underserved communities, we are playing our part in providing vital medical equipment and training, to enhance medical services where they are most needed.”

Olesya Struk, Senior Director Sustainability and Access to Care program leader, Philips

Case study: Gates Foundation

AI-Obstetric Application Suite transforms access to maternal and antenatal care

In rural areas, women and newborns are at risk due to long distances to clinics, limited access to medical equipment for pregnancy monitoring, and a shortage of trained midwives, doctors and nurses. Approx 92% of all maternal deaths occurred in low- and lower middle-income countries in 2023, with Sub-Saharan Africa accounting for around 87% of these.¹ Most of these deaths could have been prevented with skilled healthcare professionals.

In line with the World Health Organization's goal of improving maternal health, Philips is collaborating with the Gates Foundation and Aga Khan University to improve access to quality pregnancy care in rural areas through the latest health technology and training, helping to reduce premature and preventable maternal and infant deaths.

A USD 60 million investment from the Gates Foundation is accelerating the expansion of AI-enabled obstetric application suite capabilities on the Philips Lumify Handheld Ultrasound device. AI can support frontline health professionals in detecting key antenatal parameters to identify higher-risk pregnancies and recommend the right care pathway.

Once available, the Philips-developed solution will support midwives and nurses in acquiring maternal and fetal information through algorithms in the Lumify handheld ultrasound. The current prototype identifies key parameters, such as gestational age and amniotic fluid pocket size, to assess the health of both mother and baby.

The software and AI make the tools easier and faster to use, providing critical information. And the portable device can be plugged into a tablet, paving the way for greater access to care. The customizable software can meet specific regional requirements, amplifying its equitability and sustainability, and offering the potential to drive impact globally.

Over the past year, a pilot project in Kenya has shown positive results, with the technology aiding better-informed decision-making for pregnant women in rural, underserved communities.

Public-private partnerships, like the collaboration with the Gates Foundation, are crucial for driving sustainable innovation and impact in healthcare. Private sector partners bring expertise in product development, supply chains, and scalable delivery models, while public sector partners provide (on-the-ground) infrastructure, regulatory frameworks, and access to communities in need. Success depends on aligning incentives, overcoming challenges together, and developing models that work across both

low- and high-income countries. This shared commitment enables lasting, high-impact solutions.

The focus now is on ensuring access to the technology for nurses and midwives across other countries in Africa and beyond. Understanding their needs and challenges helps us to refine and develop the product, making it more accurate and user-friendly.

This innovation enhances health outcomes, improves healthcare delivery, creates economic opportunities, and boosts the professional experience for those working in healthcare systems. Expanding skillsets and career opportunities empowers local midwives and nurse practitioners to build a better future for their communities.

¹ Source: [WHO Maternal mortality](#)



“Public-private partnerships are the essential ecosystem ‘glue’ to develop and implement sustainable solutions. Working together with stakeholders to change policy and guidelines is crucial to overcome issues in the healthcare ecosystem and unlock access to high-quality maternal care in an affordable way.”

Ari Moskowitz, Deputy Director, Medical Devices & AI,
Gates Foundation

Responsible sourcing of minerals

The [Position Paper on Responsible Sourcing of Minerals](#) specifically addresses human rights issues related to the extraction of minerals. Philips' efforts to respect human rights extend to issues further up the supply chain, for instance to prevent human rights abuses in the extractives sector, especially related to conflict minerals and cobalt. Philips is committed to not purchasing raw materials, subassemblies or supplies known to contain conflict minerals from conflict-affected and high-risk areas, including the Democratic Republic of the Congo and adjoining countries, among others.

Philips does not directly source minerals from mines, which are typically several tiers removed from direct suppliers. Nevertheless, Philips recognizes that based on its position in the supply chain as a downstream company, it can have an impact in addressing the sustainability issues related to mining of minerals through implementation of due diligence mechanism and robust multi-stakeholder engagement. Philips fully supports and complies with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance).

Philips addresses the complexities of minerals supply chains through a continuous due diligence process combined with multi-stakeholder initiatives to promote the responsible sourcing of minerals.



Driving employee safety with data and digital transformation

Caring for people is at the heart of what we do. Our employees are our greatest asset, and we strive to provide a healthy, safe and productive work environment for our global workforce and anybody working for, or on behalf of Philips.

In 2024, we launched a global Environment, Health and Safety (EH&S) data management platform to optimize employee health and safety performance. The multilingual interface allows employees to report health and safety issues without language barriers, fostering a safer, more inclusive environment. Key features include easy-to-use mobile forms, QR code scanning for easy reporting, offline capabilities for remote work areas, and customizable dashboards. Built-in AI capabilities highlight prior incidents and injuries, prompt questions and provide guidance to improve data entry quality.

The data provides insights that help us anticipate and proactively address potential risks that could lead to injuries or illness. Philips promotes a culture of respect and transparency in reporting. To contribute to a safer work environment, we encourage all employees to report any near-misses, dangerous situations or unsafe acts.

Our people leaders work with the EH&S team to prevent injuries and illness, and to learn from accidents, through root cause analysis and trend tracking. The application provides a consistent framework for completing

effective root cause investigation, data trending and analysis, and driving sustainable preventive and corrective actions. The action tracker module provides a robust system for managing all EH&S improvement actions, non-conformances, and concern reporting, with clear assignment of responsibilities and status updates.

A core project team collaborates closely with the vendor for successful execution and ongoing enhancement of the platform. The Global EH&S application is part of a five-year strategy. Modules for incident management and corrective action closure have been launched, with further modules on chemical management, ergonomics, audit and inspections in development.

The Sleep & Respiratory Care (SRC) Business Unit tested and used the platform at five locations. External auditors have recognized SRC for its leading approach to managing health and safety using the platform. SRC benefits from real-time data to identify trends and develop strategies for continuous improvement. In 2024, the tool facilitated approximately 5,000 interactions across the sites.

The Safety Committee uses the tool to discuss and review meaningful data and figures. Actions agreed upon during the meetings are tracked in the tool to ensure progress. For example, based on a trend analysis, the committee determined that employee behavior contributed to ergonomic issues and launched a campaign to raise awareness among employees and improve ergonomic working conditions.

At Philips we are committed to regularly updating and refining the EH&S platform to leverage new technological innovations and navigate the increasingly complex regulatory landscape. This commitment underscores our dedication to maintaining a safe and productive workplace for all employees.



“Our unified digital platform helps accelerate our journey towards operational excellence, giving us the opportunity to reach and engage all our employees worldwide.”

Caroline Serra, Head of Health and Safety, Philips

Appendix

Table: Human rights areas of severe impact

Human rights areas of severe impact, in no particular order, as published in Philips’ Human Rights Report and Philips Annual Report, linking them to the corresponding internationally recognized human rights, its activities, affected stakeholders and most vulnerable groups.

Human rights areas of severe impact at Philips	Internationally recognized human rights	Activities (affected stakeholders) Possible impacts	Most vulnerable groups Possible impacts
Non-discrimination	Freedom from discrimination (UDHR art 1 and 2) / Equal pay for equal work (UDHR art 23.2) / Freedom of belief and religion (UDHR art 18) / Rights of minorities (ICCPR art 27)	Operations/Supply chain/Other activities (Employees/workers and local communities)	Women, LGBTI, minorities, persons with disabilities, local communities (including Indigenous peoples)
Respectful treatment	Freedom from degrading treatment (UDHR art 5) / Right to just and favorable working conditions (UDHR art 23.1) / Right to equal treatment (UDHR art 1 and 2) / Freedom of expression (UDHR art 19)	Operations/Supply chain (Employees/workers)	Women, LGBTI, minorities, persons with disabilities
Freedom from child labor	Freedom from child labor (ICCPR 24 – ICESCR 10.3) / Right to education (UDHR art 26) / Right to a family life (UDHR art 16.3)	Operations/Supply chain/Other activities (Employees/workers, local communities)	Children
Freedom from forced and bonded labor	Right not to be subjected to slavery, servitude or forced labor (UDHR art 4 and 5) / Freedom of movement (UDHR art 13)	Operations/Supply chain/Other activities (Employees/workers)	Migrant and temporary employees/workers
Equal and fair treatment	Equal pay for equal work (UDHR art 23.2) / Right to just and favorable working conditions (UDHR art 23.1)	Operations/Supply chain (Employees/workers)	Women, LGBTI, minorities, persons with disabilities
Remuneration	Right to a just remuneration (UDHR art 23.3)	Operations/Supply chain (Employees/workers)	Women, Migrant employees/workers
Working hours	Right to just and favorable working conditions (UDHR art 23.1)	Operations/Supply chain (Employees/workers)	Migrant employees/workers
Right to organize and collective bargaining	Right to belong to a trade union and bargain collectively (UDHR art 23.4) / Freedom of association (UDHR art 23.1) / Right to strike (ICESCR art 8.1 [d])	Operations/Supply chain (Employees/workers)	Employees/workers (in general)
Workplace health and safety	Right to health (ICESCR art 12.1) / Right to life (UDHR art 3)	Operations/Supply chain (Employees/workers)	Pregnant women, night workers, workers in dormitories and young workers
Privacy and data protection	Right to privacy (UDHR art 12)	Operations/Other activities (Employees/workers, consumers/customers)	Employees/workers, consumers/customers (in general)
Product safety (addressed in Philips Annual Report)	Right to health (ICESCR art 12.1) / Right to life (UDHR art 3)	Throughout the product lifecycle (Consumers/customers)	Consumers/customers (in general)
Business integrity (addressed in Philips Annual Report)	Right to protection by the rule of law (UDHR art 7) / Right to fair public hearing (UDHR art 10) / Right to remedy by a competent tribunal (UDHR art 8) / Right to meeting the just requirements of morality, public order and general welfare in a democratic society (UDHR art 29)	Operations/Other activities (Local communities)	Local communities (in general)
Environmental impacts (addressed in Philips Annual Report)	Right to self-determination, right to natural resources, right to subsistence (ICCPR 1 – ICESCR 1) / Right to an adequate standard of living (UDHR art 25.1) / Right to health (ICESCR art 12.1) / Right to life (UDHR art 3) / Right to access to sufficient water supply and sanitation (Resolution A/RES/64/292. United Nations General Assembly, July 2010)	Operations/Supply chain/Other activities (Local communities)	Local communities (in general)

Important information

Nothing in this Human Rights Report should be read or construed to represent or imply a guarantee or any other legally enforceable obligation vis-à-vis our stakeholders. We do what is reasonable and practical, and we actively partner with our stakeholders to achieve our aspirational goals and targets, while acknowledging and weighing economic and practical constraints and other external factors that may limit our ability to control environmental and social impacts, in particular beyond our own operations. It is furthermore noted that our ESG efforts and our globally applying aspirational goals and targets, including but not limited to those related to diversity, inclusion and well-being, are subject to our compliance with local rules and regulations, some of which may conflict across jurisdictions.

Feedback and suggestions can be sent to human.rights@philips.com or philips.sustainability@philips.com

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