

Philips General Business Principles

your guide for integrity



CEO message

Our commitment to acting with integrity – always

Dear colleagues,

At Philips, we get to do the work of our lives to improve lives – everywhere – serving patients, customers and consumers, while working closely with our partners. Guiding our actions are our **General Business Principles**, which outline how we conduct business.

Regardless of your role or level in the company, you need to know and understand these principles and live them every day. **It's up to all of us** to ensure we are always doing the right thing.

I see our GBP as a roadmap, outlining clear standards and what's expected of each of us. A practical framework for ethical decision-making, enabling us all, including our business partners, to navigate complex situations with confidence and follow the principles that define our commitment to integrity, without compromise.

We can be proud of our work to improve lives and help shape the future of personal health and healthcare. As a health technology company, it's critical we remain mindful of the highly regulated industry in which we operate and strive to achieve the highest standards of integrity. This is how we can all contribute to our ambitious goal of **improving 2.5 billion lives a year by 2030**.

At the core of our success at Philips lies the trust we build with all our stakeholders. Our commitment to patient safety, quality and integrity helps us maintain and build that trust. Patients, customers, consumers and our partners trust us to deliver high-quality products and solutions, to be transparent and to protect sensitive information. Together, trust and integrity underpin our culture of impact with care and safeguard our license to operate.

To foster a trusting environment, each of us must feel safe to share ideas and voice concerns. At Philips, we want you to feel empowered to **speak up if you see something is not right**. When you speak up, we can act quickly, resolve issues and learn how we can do better. We will not tolerate retaliation against anyone who speaks up in good faith. Your voice matters, and we will listen.

Let's all live by our General Business Principles and continue doing the work of our lives – creating value with sustainable impact to deliver better care for patients, people and the planet. I thank you for your commitment to maintaining the highest standards of integrity.

Roy Jakobs
Chief Executive Officer

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While pursuing our business objectives, we aim to be a responsible partner in society, acting with integrity toward our customers and patients, our employees, business partners, and shareholders, as well as the wider community in which we operate.

Our commitment to always act with integrity

To patients and our customers

We are committed to improving people's lives through meaningful innovation. This means fulfilling our customers' unmet needs and expectations and keeping an unrelenting focus on patient safety and quality. We strive to maintain an ongoing dialogue with our customers as partners. We are committed to listening to and learning from them, so that we can design and deliver the solutions they really want and need with speed, quality, fairness and integrity.

To our employees

We value our employees and we encourage them to further their own personal development and make full use of their talents. We foster a healthy, safe and productive work environment, as well as an open and inclusive atmosphere in which fair employment practices extend to every member of the diverse Philips community. We hold each other accountable to always act with integrity.

To our business partners

We pursue mutually beneficial long-term relationships with our business partners. We award business to partners who are committed to acting fairly and with integrity, observing applicable laws, and respecting human rights.

To our shareholders

We are committed to conducting our business in accordance with internationally accepted standards of good corporate governance and to providing timely, regular and reliable information on our activities, structure, financial position and performance. We aim to achieve a satisfactory return on equity, while at the same time retaining sufficient funds in the company to generate sustainable growth.

To the wider community in which we operate

We are conscious of our responsibility toward society and the planet and continue to embed sustainability ever deeper in the way we do business to realize environmental and social impact. We support and respect human rights and strive to ensure that our activities do not cause or contribute to the infringement of these rights. We aim to make a global impact and deliver a more resilient and sustainable future by adopting and implementing our Environmental, Social and Governance (ESG) initiatives.

As a Philips employee,
we commit to always act with integrity. That means:



Living our General Business Principles (GBPs) means we hold each other accountable to act with integrity and SpeakUp in case of (potential) GBP violations.¹

¹ Where there is a difference between a legal requirement and the General Business Principles, we apply the stricter standard.

Philips' General Business Principles also apply to business partners.



As a Philips people leader:

- We role model integrity as defined by our GBPs, through words & actions.
- We sustain a culture in which ethical conduct is valued and ensure employees understand what it means to do business with integrity, through available trainings and team dialogues.
- We promote a safe and inclusive workplace for our teams, in which employees feel comfortable raising concerns without fear of retaliation.
- We take immediate action in case integrity issues are raised or identified.

Not sure what to do?

We all have an obligation to uphold the Philips General Business Principles. If you are ever in doubt about a course of action or whether you should SpeakUp about a situation, ask yourself these questions.



GBP

**Is it consistent
with the GBP?**



Law

**Is it legal and
in line with our
policies and
procedures?**



Conscience

Is it ethical?



Media

**Would I want to
read about this
in the media?**



Self

**Would I want
to be treated
this way?**

**If the answer
to any of these
questions is 'no',
do not take this
course of action.
SpeakUp if you
believe someone's
actions are not in
line with the above.**

SpeakUp

You are urged to report any (potential) violation of the GBP or any other concern that may constitute a direct threat to Philips' corporate integrity. You can always raise a concern with your people leader, HR or a GBP Compliance Officer. You may also opt to report your concern to Philips SpeakUp directly.



Reporting a concern will allow Philips to address and resolve the issue, ideally before it becomes a violation of law or a risk to health, security or safety. Further details on SpeakUp can be found in the Philips SpeakUp Policy.

If you report a concern in good faith, disclose information as part of an investigation, or in any other way have participated in an investigation, we shall not (attempt to) dismiss, demote, suspend, threaten, harass or in any manner retaliate against you for doing so.

Depending on the outcome of the investigation, appropriate follow-up action is taken. Follow-up action can be remedial and/or disciplinary in nature. Remedial action can vary from strengthening the business processes, training and coaching, to increasing awareness of the expected standard of business conduct. Disciplinary measures may include written warnings and termination of employment.



1 Respecting each other

1.1 Fair employment practices

For further guidance:

- Fair Employment Policy
- Occupational Health and Safety Policy
- Human Rights Policy

We maintain a healthy, safe and productive work environment and promote a workplace that is free from (physical and verbal) harassment.

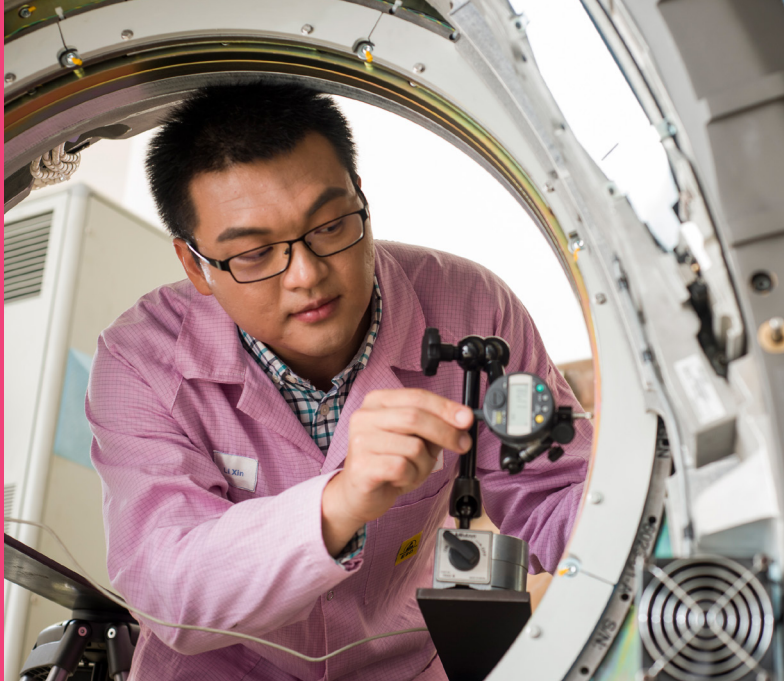
We do not tolerate any conduct that creates, encourages or permits an offensive, humiliating, hostile or intimidating work environment. We do not discriminate on the basis of race, color, age, gender, gender identity or expression, sexual orientation, language, religion, political or other opinions, disability, national or social origin, or birth.

1.2 Diversity and inclusion

We are committed to creating a diverse and inclusive work environment. We strive to attract employees from a wide range of backgrounds and provide employees equal opportunities to contribute to our company and advance their careers.

For further guidance:

- Inclusion and Diversity Policy



2 Conducting business with integrity

2.1 Patient safety and quality

For further guidance:

- Quality Policy

We place the customer first and uphold patient safety and quality standards. We design and deliver safe, effective, and reliable products, solutions and services, in compliance with applicable internal and external regulations and standards.

We do not tolerate actions or behaviors that undermine the quality or regulatory compliance of Philips or its products, solutions and services.

Where this requires testing and research with human participants, we exercise due care, with the aim to protect the rights, safety and well-being of those involved, in compliance with the relevant regulations and Philips standards. Where this requires testing and research using animals, we are committed to responsible usage, adhering to the principles of replacement, reduction, and refinement in the setting of humane care.

2.2 Fair and vigorous competition

We are committed to competing vigorously and fairly in a free market in order to give customers the widest possible choice of products and services at competitive prices.

We avoid contact with competitors, unless there is a clear justification for such contact, and such contact is in compliance with antitrust law. We do not restrict our customers' freedom to set their resale prices or restrict their sales channels in cases where such a restriction would violate antitrust law. In instances where Philips holds a leadership position in the market, we do not abuse this position.

For further guidance:

- Antitrust policy

2.3 Conducting business with honesty and integrity

We are open, honest, and ethical in all our dealings and operations, and do not employ corrupt practices or commit acts of bribery.

For further guidance:

- Policy on Anti-Bribery & Anti-Corruption

We do not attempt to influence healthcare professionals, patients, customers, government officials or other business partners through improper inducement. We do not give or receive – either directly or indirectly – anything of value (including any payment, benefit, gift or hospitality) in order to obtain or retain business, influence business decisions, or secure an improper personal or business advantage. We only offer and accept reasonable gifts and hospitality that are proportionate, given transparently and intended to strengthen or build a legitimate business relationship, without any expectations of reciprocity.

We do not engage in the practice of facilitation payments to speed up or secure the performance of a routine government action.

2.4 Business partner integrity

For further guidance:

- Policy on Anti-Bribery & Anti-Corruption
- Policy on Commission Payments

We follow a thorough process, using fair and objective selection criteria, to select and award business to business partners who are best placed to help us achieve our company's objectives and are committed to, and demonstrate, responsible business conduct.

We hold business partners accountable to conduct business in compliance with our GBPs. We ensure payments made to business partners are justified by clear and demonstrable services rendered by that business partner to Philips. We do not make cash payments to (or accept payments from) our business partners.

2.5 Business intelligence

For further guidance:

- Antitrust policy

We obtain information about our competitors in a fair manner. We do not make use of confidential information disclosed to us by a third party if we suspect that in so doing the discloser is violating an obligation of antitrust law or confidentiality.

2.6 Dealing responsibly with governments, political parties and politicians

For further guidance:

- Policy on Anti-Bribery & Anti-Corruption

We comply with public procurement rules that apply to government projects or contracts.

We do not make any contribution, in money or in kind, to political parties or organizations, or to individuals engaged in politics.

2.7 Prevention of money laundering

We do not engage in money laundering, and we take appropriate actions in case of suspicious transactions, such as payments between unknown entities through an excessive number of intermediaries, high-value cash transactions, or payments made or received by suspicious entities.

For further guidance:

- Policy on Anti-Bribery & Anti-Corruption

2.8 Export controls and sanctions regulations

We transfer, sell and purchase goods, software, technologies and services in compliance with all applicable export controls and sanction laws and regulations.

We adhere to these laws and regulations by implementing the restrictions applicable to countries, business partners and persons, and by classifying all goods, software, technologies and services in order to identify controlled status and possible restrictions on the export or transfer of these goods, software, technologies and services.

Before entering into any business relationship or transaction, we review and assess the applicable export controls and sanctions and determine if the relationship/transaction is allowed, or if an export authorization or approval is required from the relevant government agencies.

For further guidance:

- Policy on Export Controls

2.9 Environmental protection

We do all that is reasonable and practicable to minimize any adverse environmental impact of our activities and products over their lifecycle. We team up with our partners, including suppliers, to reduce their environmental footprint.



3 Protecting our company's integrity

3.1 Conflicts of interest

For further guidance:

- Policy on Conflicts of Interest

We avoid all potential conflicts of interest between work and personal affairs. Where this is not possible, or in cases of doubt, we proactively address any engagement outside Philips or any financial interest (direct or indirect via a family member or acquaintance) which could give rise to a potential conflict of interest by informing our manager or GBP Compliance Officer to address the issue or by registering the engagement. We use Philips' assets solely to pursue and achieve Philips' goals, and not for personal gain.

3.2 Philips' assets and intellectual property

We protect Philips' assets and resources against illegal, unauthorized or irresponsible use.

We safeguard Philips' proprietary information – including our patents, trademarks, copyrights, trade secrets and other forms of intellectual property – against potential loss, damage, destruction, theft, unauthorized use or improper disclosure.

We classify and secure Philips' proprietary information in accordance with the Philips security requirements.

We treat third-party assets that are in our possession and confidential information disclosed to us by a third party with the same level of care.

3.3 Privacy and data protection

We protect personal data and preserve the privacy of our customers, employees, business partners and other relevant individuals.

We handle all personal data with integrity and in compliance with applicable privacy and data protection regulations.

We process personal data fairly, for specified purposes and in line with individuals' reasonable expectations.

We use appropriate security measures to safeguard the confidentiality, integrity and availability of personal data entrusted to us.

For further guidance:

- Privacy and Data Protection Policy

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3.4 Accurate business and financial records and reports

For further guidance:

- Financial Code of Ethics
- Policy on Anti-Bribery & Anti-Corruption

We record and report information accurately, completely and honestly. We do not make misleading or false statements.

We keep records of transactions, funds and assets in a transparent, accurate, complete and timely manner, demonstrating the nature of the transaction, in accordance with Philips' accounting principles. We record all payments properly and fairly in appropriate books of account.

3.5 Inside information

For further guidance:

- Rules of Conduct with respect to Trading in Royal Philips Securities

We do not trade on or disclose non-public information, the publication of which would be likely to have a significant influence on the trading price of Philips securities or securities of companies that Philips is seeking to acquire ('inside information'). We hold inside information in strict confidence until such time as it is released into the public domain by authorized management.

Philips employees with access to inside information refrain from executing transactions in the securities of the company to which the inside information relates, directly or indirectly, and are prohibited from advising or encouraging other persons to do so.

3.6 Ethical use of technology

For further guidance:

- Artificial Intelligence Principles

We are committed to ethical and responsible use of technology. We design and develop technology-enabled solutions with the aim of benefiting the health and well-being of individuals. For AI-enabled solutions, we are committed to ensuring appropriate human oversight, as well as robustness, fairness and transparency of functions and features of our offerings.

3.7 Political engagement

We do not allow our personal political opinions to influence us in the performance of our job. We do not use Philips' assets, including our time at work, to further our own political activities or interests.

3.8 Social media

We use social media for internal and external communications in a responsible manner. When discussing or reviewing Philips or its products on social media or on other online platforms, we disclose our relationship to Philips and are respectful to our audience. We remain professional in our conduct, do not publish other parties' content without their permission, and do not use offensive or demeaning language. We do not comment on or discuss confidential information (including Philips financial information, Philips intellectual property and any undisclosed or otherwise confidential information), business plans, or information about employees or upcoming product-related announcements.

For further guidance:

- Social Media Guidelines

Scope and deployment of the Philips General Business Principles

The GBPs are not all-encompassing, but formulate minimum standards of behavior for our employees and our business partners. The underlying policies form an integral part of the GBPs. Function, business and country management are free to specify further rules of business conduct.

These GBPs have been adopted by the Executive Committee and approved by the Supervisory Board. They are reviewed on a regular basis and revised when necessary.

In order to ensure that the topic of business integrity is alive throughout the company, a worldwide communication and training program, including mandatory sign-off on the GBPs, has been put in place to heighten awareness of and compliance with the GBPs.

Compliance with the GBPs is monitored via a worldwide network of regional, country and business Compliance Officers, who regularly report to the Executive Committee and the Supervisory Board. Compliance processes and procedures are audited by Philips Group Internal Audit.

References

The following standards served as reference in the preparation of the Philips General Business Principles and may be a useful source of additional information.

- Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- The eight Fundamental Conventions of the International Labour Organization, nos. 87, 98, 29, 105, 138, 182, 100 and 111,
- UN Global Compact
- UN Convention against Corruption
- International Chamber of Commerce (ICC) Code of Advertising and Marketing Communication Practice
- OECD Guidelines on the Protection of Privacy and Transborder Flows of Personal Data
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- OECD Guidelines for Multinational Enterprises
- UN Security Council Resolutions on export controls



On the General Business Principles intranet site you have access to translated versions, underlying policies, cases, red flags, questions & answers, glossary, references and further guidance. Here you can also find the GBP Compliance Officers and information on SpeakUp.

Find our Philips General Business Principles at **intranet.philips.com**

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