Human Rights Policy

February 2021
Our commitment to human rights

Philips’ purpose is to improve people’s health and well-being through meaningful innovation, and to deliver superior, long-term value to our customers and shareholders, while acting responsibly towards our planet and society, in partnership with our stakeholders. We therefore strongly believe that businesses have the responsibility to respect human rights and the ability to contribute positively to human rights.

Philips supports and respects human rights as set out in the International Bill of Human Rights and the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. We are committed to implementing the United Nations Guiding Principles on Business and Human Rights (UNGP), as well as the OECD Guidelines for Multinational Enterprises. Philips has been a signatory to the UN Global Compact since 2007.

Our Human Rights Policy ratifies our commitment to identify, prevent, and mitigate any adverse human rights impacts we might cause by our activities or business relations with our employees, business partners, suppliers, and the wider community in which we operate. Our efforts extend to issues further down in our supply chain, for instance to prevent human rights abuses in the extractives sector, especially related to conflict minerals.

This Human Rights Policy should be seen in conjunction with our General Business Principles (GBP), Fair Employment Policy and Inclusion & Diversity Policy. We ensure employees are aware of the Human Rights Policy through dedicated training and awareness programs.

Philips is committed to acting responsibly towards our planet and society, and living up to the highest standards of governance. Our fully integrated approach to doing business responsibly and sustainably links our Environmental, Social and Governance (ESG) performance to business strategy and financial and operational performance, reflecting our commitment to the United Nations’ Sustainable Development Goals (SDGs), especially SDGs 3, 12, 13 and 17.

Due diligence

Philips’ commitment to do all that is reasonable and practicable to proactively identify and mitigate (potential) adverse human rights impacts in our operations and value chain is supported by different due-diligence mechanisms. We aim to continuously review and strengthen our approach to addressing human rights in line with our own learnings and industry best practices.

Following the UNGP Reporting Framework, we have identified ‘human rights areas of severe impact’ for Philips (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. Our human rights areas of severe impact are continuously evolving and are part of our due-diligence commitment, with progress monitored annually. We have related policies and procedures in place, as well as holistic measures to address and mitigate some of their root causes.

We perform human rights impact assessments in our operations as part of an overall human rights due-diligence process. This approach allows us to assess and proactively prevent or mitigate actual or potential adverse impacts. Consultation with internal and external stakeholders is part of the methodology of our human rights impact assessment.

Furthermore, as a basis for cooperation, we hold our business partners to similar standards as we hold ourselves. We follow a thorough selection process and award business to partners who are committed to, and demonstrate, responsible business conduct. We execute a risk-based due-diligence program for the third parties we work with. Finally, we assess our suppliers against the highest standards, basing our approach on the OECD Guidelines, UNGP, International Bill of Human Rights and ILO’s fundamental Conventions. We drive continuous improvement in a structural and collaborative way through dedicated programs.
Stakeholder dialogue

We believe that our presence in any given country – even in those where the encouragement of human rights might be not fully embraced – holds the greatest promise of promoting human rights, especially in the medium and long term. Engagement with local stakeholder groups is key to leveraging our company’s presence to support respect for human rights and enables us to undertake appropriate due diligence in order to minimize human rights risk.

We value the involvement of external stakeholders to aggregate knowledge and improve our human rights strategies. We aim to maintain continuous engagement with potentially affected stakeholders (or their representatives), our business partners, governments, expert (non-) governmental organizations, and other stakeholders in order to exchange information and explore potential partnerships to address shared challenges in the promotion of human rights.

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.

Remediation and reporting

In accordance with principles 29 and 31 of the UNGP, Philips’ GBP reporting policy and underlying Speak Up (Ethics line) mechanism enable internal and external stakeholders to inform Philips of any concerns, also in relation to human rights. Philips will take appropriate action to prevent, mitigate and, where appropriate, remediate human rights grievances that we have caused or contributed to. Finally, we are committed to working with our suppliers to mitigate or remedy adverse impacts that are directly linked to our operations, products or services.

In our drive for continuous improvement, we will track and publicly report our progress on an annual basis. We will use this as input to our dialogues with internal and external stakeholders who could potentially be affected by our actions.