



Human Rights Policy

May 2025

Purpose and scope

Purpose: Our purpose is to improve people's health and well-being through meaningful innovation, in line with UN Sustainable Development Goal 3. We use this Human Rights Policy to guide our actions, to identify, prevent, and mitigate adverse human rights. In addition to this policy, our General Business Principles and Supplier Sustainability Declaration are part of the reference framework for Philips' core values regarding human rights. Our General Business Principles 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 Supplier Sustainability Declaration outlines the expectations for standards and behaviors from our suppliers and their suppliers.

Scope: This policy is mandatory for all organizations across Philips, as it directly applies to the activities of the Philips group, including all 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 what is reasonable and practical, and we actively partner with our stakeholders to achieve our aspirational goals and targets, while acknowledging and weighing practical and economic constraints and other external factors that may limit our ability to control environmental and social impacts, in particular beyond our own operations. Certain aspects of this policy may be subject to local laws, regulations, or government directives; to the extent this policy conflicts with local legal requirements we will comply with the latter.

We respect and protect human rights

We act responsibly towards society and partner with our stakeholders by respecting and protecting 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 also follow the guidance given in the United Nations Guiding Principles on Business and Human Rights (UNGPs) 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.

We thereby make it imperative to address the welfare of vulnerable groups. These groups encompass children, migrants, minorities, indigenous populations, refugees, and persons with disabilities, among others. They face various risks, such as child and forced labor, inadequate working conditions including long hours and unsafe environments, as well as discrimination. In line with the approach towards vulnerable groups in our own operations, Philips aims to actively address the unique challenges faced by vulnerable groups within its value chain.

Our presence in any given country provides us with an opportunity to engage with local stakeholder groups

We engage with internal and external stakeholders to pursue and foster an open, meaningful, effective, and informed dialogue regarding our activities and our internal and external stakeholders' needs, concerns and expectations. Stakeholder engagement is thereby part of the methodology of our human rights impact assessment. Please also 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.

Our due diligence approach is aligned with our own learnings and industry best practices

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. Following the UNGP Reporting Framework, our identification of 'human rights areas of severe impact' (or 'salient human rights issues') is 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 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. We aim to periodically review and strengthen our due diligence approach in alignment with our learnings, industry best practices and relevant laws and regulations.

The due diligence programs for third parties we engage with are risk-based, considering regional, industry and material specifics. 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 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.

Monitoring and continuous improvement – External Reporting

We report on human rights in our Annual Report in accordance with applicable reporting rules and standards, including those under the EU Corporate Sustainability Reporting Directive. These human rights related disclosures are audited by our external auditor. We also publish regular updates on our Human Rights efforts, including 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 periodically reviewed and may be updated. The policy is available to all external and internal stakeholders via the Philips website.

Further policies, standards guidelines, or procedures

This enterprise-wide policy may be supported through more specific policies, standards guidelines, or procedures which are maintained by the enabling function(s) provided that such derivatives remain substantively aligned with and do not exceed the parameters established by this enterprise-wide policy.



Policy Owner: Chief ESG & Legal Officer
Approved by the Board of Management
Royal Philips (Koninklijke Philips N.V.)
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