

# Human Rights Strategy Statement

This Human Rights Policy Statement applies to **Philips GmbH**, with business seat in Hamburg, Germany, **Philips Medical Systems DMC GmbH**, with business seat in Hamburg, Germany, and **Philips Medizin Systems Böblingen GmbH**, with business seat in Böblingen, Germany (hereinafter jointly referred to as "**Philips**"):

## Philips GmbH – Human Rights Strategy Statement

At Philips, our purpose is to improve people's health and well-being through meaningful innovation, with the aim of improving 2.5 billion lives per year by 2030. We 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.

## Commitment and policies

Our global [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.

Philips' Human Rights policy ratifies Philips' commitment to address any adverse human rights impacts that we might cause and should be seen in conjunction with other global policies. See below the relationship between our Human Rights Policy and our human rights-related policies, which are applicable to all our local subsidiaries:

Human Rights Policy	General Business Principles (GBP)	Available <a href="#">here</a> .
	Speak Up Policy	
	Privacy Rules	
	Policy on Anti-Bribery and Anti-Corruption	
	Fair Employment Policy	Available <a href="#">here</a> .
	Inclusion & Diversity Policy	
	Occupational Health & Safety	
	Sustainability Commitments	
	Supplier Sustainability Declaration (SSD)	Available <a href="#">here</a> .

## Human rights training and awareness

We ensure employees are aware of the Human Rights Policy through dedicated training and awareness programs. Throughout the company, we have a variety of communication and awareness programs in place, which educate our employees on our policy framework, including mandatory sign-off on the General Business Principles (GBP). On an annual basis, global internal communications programs are rolled out with the participation of the Executive Committee and the respective Sector, Area, and Market management.

A web-based GBP training tool is available to all employees with online access in 23 different languages. This tool is regularly updated. Also, dedicated training courses, both web and classroom-based, are offered to specific audiences and functional areas. Philips also implements a variety of

capability-building initiatives to suppliers, from trainings to sharing of best practices. These engagements aim to help our suppliers comply with overall Philips requirements as needed.

### **Governance and internal accountability**

Philips' commitment to respect human rights and protection of the environment is led by the Environmental, Social and Governance (ESG) Committee. This internal body is composed of Executive Committee members and senior executives from businesses and functions across Philips. As the highest governing ESG body within Philips and co-chaired by the Chief Executive Officer and Chief Legal Officer, the Committee is responsible for strategy and oversight of all company activities across the three ESG dimensions. The Committee also monitors progress and takes corrective action where needed.

Furthermore, responsibility for compliance with the General Business Principles rests principally with the management of each business. Every market organization and each main production site has a GBP Compliance Officer. Confirmation of compliance with the General Business Principles is an integral part of the annual Statement on Business Controls. The management of each business unit is required to issue such a Statement as part of a cascading process leading to CEO/CFO certification of the company's annual accounts.

### **Due diligence, risk analysis and - management; preventive measures and corrective actions**

Philips' commitment to do all that is reasonable and practicable to proactively identify and mitigate (potential) adverse human rights and environmental impacts in our operations and value chain is supported by different due diligence mechanisms. We periodically identify the environmental, social, and governance topics which we believe have the greatest impact on our business and the greatest level of concern to stakeholders along our value chain. Assessing these topics enables us to prioritize and focus upon the most material topics and effectively address these in our policies and programs. Our materiality assessment is based on an ongoing trend analysis, media search, and stakeholder input. It is reported annually via our Annual Report.

#### *Operations*

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 and at selected suppliers 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.

#### *Direct suppliers*

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. Depending on supplier classification, we develop a tailor-made approach that supports continuous improvements through training and sharing best practices.

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.

### *Responsible sourcing of minerals*

Our commitment to human rights extends to issues further down in our supply chains, to prevent human rights abuses in the extractives sector. Philips addresses the complexities of these minerals supply chains through a continuous due-diligence process in accordance with OECD guidelines, combined with multi-stakeholder initiatives for responsible sourcing. We recognize that from our position in the supply chain as a downstream company we can have an impact in addressing the sustainability issues related to mining of minerals also through a strong multi-stakeholder engagement. For this purpose, we actively engage in multi-stakeholder initiatives, such as the Responsible Business Alliance (RBA), Responsible Minerals Initiative (RMI), the Dutch Gold Sector IRBC Agreement, and as a strategic partner of the European Partnership for Responsible Minerals (EPRM).

### **Grievance mechanism**

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.

Third parties can file a complaint in Philips' Speak Up (Ethics line) (to be reached under [EthicsPoint - Philips](#)) 1) by telephone or 2) through a web intake form. In all countries where it is permitted by law, Philips' Speak Up (Ethics line) is available 24 hours a day, 7 days a week, and 365 days a year. The telephone number is available in most of the main local languages of the countries in which Philips operates. In most instances, if not legally prohibited, concerns can be raised anonymously. In any event, the report will be treated as strictly confidential and will only be shared with those responsible for handling the concern. For more information, refer to the Philips website.

In addition, stakeholders can use the email address [Conflict\\_Free\\_Minerals@Philips.com](mailto:Conflict_Free_Minerals@Philips.com) or existing industry grievance mechanisms like RMI and ITRI's Tin Supply Chain Initiative (iTSCi) to file complaints related to Tin, Tungsten, Tantalum, or Gold.

Hamburg, January 2024

#### **Philips GmbH**

Dr. Uwe Heckert

Chairman of the Management Board

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