

2024 UK

Gender Pay Reporting

Summary



Introduction

This Report contains Philips Electronics UK Ltd legal disclosure of the gender pay gap for 2024 and additional commentary.

All companies with 250 or more employees are required to publish their gender pay gap under legislation. Employers have to publish the gap in pay between men and women on both a median and a mean basis. In addition, employers are required to disclose the distribution of gender by pay quarters by splitting the workforce into four groups (based on a list of eligible employees from the lowest paid to the highest paid) and showing the proportion of men and women in each group. For the purpose of the reporting, we have named the quarters: Lower Quarter, Lower Middle Quarter, Upper Middle Quarter and Upper Quarter. Employers are also required to disclose percentages of employees receiving bonuses by gender and the gender gap on bonuses.



Gender Pay Gap

The gender pay gap is the difference between the gross hourly rate of pay of male employees and female employees (as set out in the regulations), expressed as a percentage of the gross hourly pay rate of the male employees. The gender pay gap is reported on both a mean (average) and median (mid-point on a distribution) basis.

Equal pay

Equal pay deals with the pay differences between men and women who carry out the same jobs, similar jobs, or work of equal value. It is unlawful to pay people unequally because they are a man or a woman. For more information on Equal Pay or Gender Pay Gap reporting, please visit: www.acas.org.uk

Mean vs. Median

The Gender Pay Gap reporting regulations specifically require both the median and mean to be reported. These metrics are complementary and illustrate different aspects of the distribution of pay across an organisation. The median is a statistic commonly used in analysing both internal pay tendency and external market norms, because it looks at the central tendency of the market or sample, showing the middle-most salary of a sample. Calculating the median involves taking all salaries in a sample, lining them up in order from lowest to highest, and picking the middle-most salary. The mean is the overall average of the whole sample and thus can be subject to the influences of salaries at the top or bottom of the sample. In other words, the mean is much more subject to skewing by a small number of outliers.



Our Business

Royal Philips of the Netherlands, founded in 1891 in Eindhoven, is a leading health technology Company focused on improving people's health and wellbeing through meaningful innovation. Philips' patient- and people-centric innovation leverages advanced technology and deep clinical and consumer insights to deliver personal health solutions for consumers and professional health solutions for healthcare providers and their patients in the hospital and the home. Headquartered in the Netherlands, the Company is a leader in diagnostic imaging, ultrasound, image-guided therapy, monitoring and enterprise informatics, as well as in personal health. We aim to improve 2.5 billion lives per year by 2030.

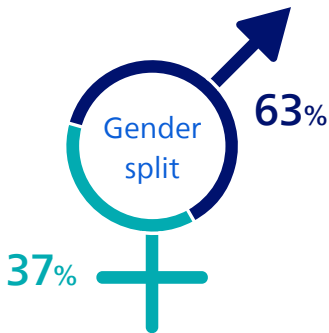
We have a multinational workforce of approximately 69,300 employees and are globally present with sales and services in more than 100 countries worldwide. Our culture is what makes us uniquely Philips. It guides how we work with each other to deliver impact with care – for patients, people and the planet. We can't truly have impact without care. And the way we care drives our impact.

Philips UK

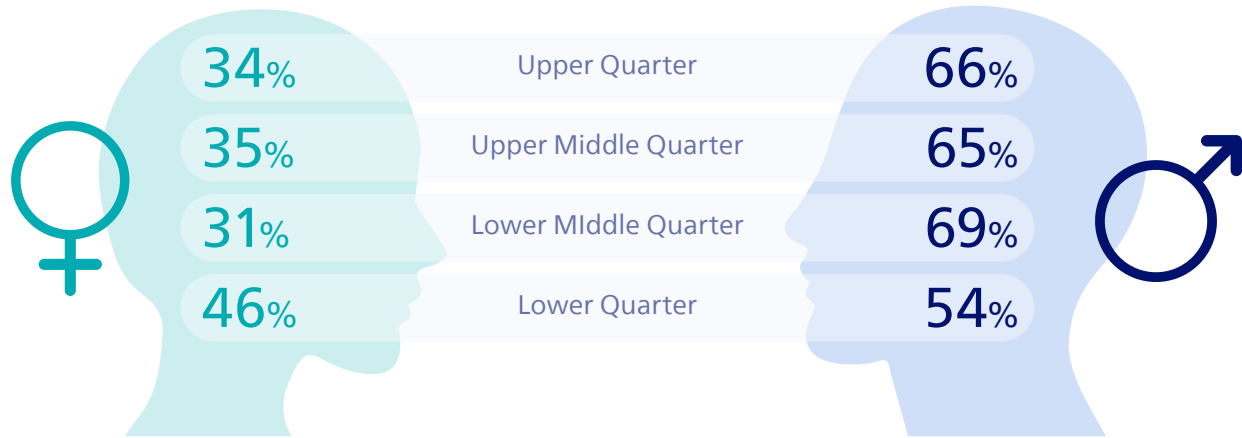
Philips UK is headquartered in Farnborough, Hampshire. This is home to our Commercial Health Systems, Sleep & Respiratory Care, Personal Health and Digital Plus business groups, along with UK corporate functions. Our goal is to become the UK and Ireland's leading health brand for hospitals, retailers, and consumers. In addition, we aim to be the preferred partner for NHS and strategic customers, offering long-term solutions. We employ a large field base of Medical Service Engineers, Account Managers and Project Managers for our commercial organisations.

Our Data

The total number of 'relevant' employees for the Gender Pay reporting in April 2024 was:



Pay reporting



Overall our pay differentials are:

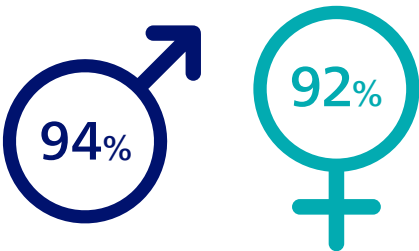
Mean Gender Pay Gap

6.7%

Median Gender Pay Gap

3.6%

Proportion of male and female employees receiving a bonus:

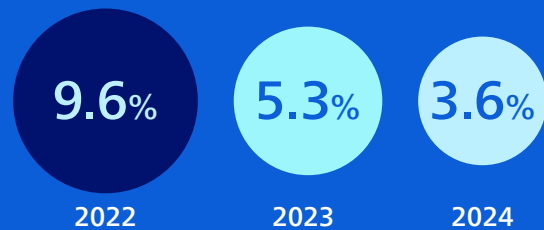


Women's **mean** bonus pay is **5.1%** lower than men's.

Womens **median** bonus pay is **17.4%** higher than men's.

Gender Pay Gap Summary

Philips operates across a number of industries. We have employees in medical devices and associated engineering which are historically, and currently, still male dominated industries and our workforce reflects this. In our consumer goods sector, we employ a greater number of females than males. Our percentage of male and female employees has not changed since last year and we continue the aim for further gender parity, recognising that this is a long-term ambition.



Our Statement

This report marks another consecutive year of decline in our gender pay gap. We are continuing the good practices we have established in the last 8 years, referenced in our previous reports and summarised below. We continue to keep Gender diversity as an active focus for our Leaders and the organisation as a whole.

Leadership Commitment

We remain dedicated to reducing our Gender pay gap and continue to discuss and review this topic. We frequently assess the programmes and support we have in place to support and promote females in the organisation. One such initiative is our Philips 'Women Lead' (PWL) Network in the UK, which has grown considerably since its launch in 2022. The mission is to empower women across Philips in their personal and professional growth. In 2024 they hosted a number of events focusing on topics including male allyship, supporting women in the workplace, and intersectionality.

Philips have also been acknowledged again by Forbes as a World's Best Employer on their 2024 list; ranked in the top 13% of employers worldwide and as #1 in the Healthcare & Services category. Some of the criteria were focused on salary and workplace diversity. Additionally, Philips CEO Roy Jakobs signed the Catalyst CEO Champions For Change pledge, committing to the acceleration of diversity, inclusion and gender equity in the workplace. The initiative brings together CEOs and senior leaders who want to drive change, including advancing the representation of women, particularly women from marginalised racial and ethnic groups, in senior level positions.

"As an innovation company helping to deliver better care for more people, Philips aims to be the best place to work for people who share our passion, promoting personal development, inclusion and diversity," said Roy Jakobs. "By joining the Catalyst CEO Champions For Change movement, we are committing to driving and reporting measurable results to advance gender equity."

Mark Leftwich,
Managing Director
Philips UK&I



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I'm proud of the strides we continue to make in narrowing our Gender pay gap at Philips. Our culture is rooted in delivering impact with care for patients, people, and the planet. By ensuring everyone feels supported and valued, we make a real impact. Gender equity is a key part of this, and we're committed to maintaining an inclusive and diverse environment. Together, we'll keep moving forward for a fairer future and supportive workplace for all. **//**

Workforce of the Future and Enabling Diverse Talent Acquisition

- We continue to provide hiring managers with our enhanced inclusive hiring training. This reminds both our Talent Acquisition partners and hiring managers to be aware of their cognitive biases which could arise during the hiring process and to use the interventions available to counter this in the decision making.
- We actively track our intake and outflow of employees by gender and continue to attract and hire female talent across all levels in the organisation. In 2024, 80% of our senior positions were filled by females.
- In line with our focus on diversity we have simplified job advertisements to focus on key requirements of the role, making it more accessible to applicants. As part of this we are also trialling AI to ensure the language that we use is gender neutral.
- We have worked hard to ensure that we have a diverse early careers talent pipeline as we see this as an important long-term factor in maintaining equity in gender pay. In 2024 we achieved a 65% female representation from across our Early Career programmes.
- Working with our STEM* Ambassadors and Early Careers team, we continue to provide young people with opportunities for insight into the Health Technology industry by involvement in STEM events and our structured Work Experience programmes. In 2024, over 40 students spent time at Philips on a Work Experience placement. (*STEM Science Technology Engineering Maths)

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It's inspiring to see our dedication to reducing the gender pay gap result in another consecutive year of progress.

Diversity of talent remains a key priority, and we have worked hard to build a strong, diverse early careers talent pipeline—an essential foundation for long-term gender pay equity.

We also continue to keep gender diversity front and center for our leaders, regularly assessing and enhancing the programs and support available to develop and promote female talent across our organization.

While we celebrate our achievements, we remain committed to continuous improvement, ensuring that equity, opportunity, and inclusion remain at the heart of everything we do."



Yasmeen Mahmoud
HPM Sales & Business
Leader UK&I



HR Policy Development

- In addition to our policy changes documented in previous reports, specifically an improvement to paternity leave in 2020/2021, we are delighted to have further enhanced our paternity leave policy once again. The enhancement allows greater flexibility to support fathers better balance their parental responsibilities and work, especially at the time of their child's birth. This is one part of our efforts to support flexibility in our workplace.
- We have increased our Holiday Trading options to allow employees to have more flexibility in managing work-life balance.
- We have engaged with our employees via focus groups to understand caring needs our employees are involved in and have taken some steps to facilitate more varied working patterns.



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At Philips Women Lead, we see equity in all areas as the foundation for innovation and growth; closing the gender pay gap is a positive step forward and we look forward to seeing this reach parity in the coming years."



Emily Napier
Chair of Philips
Women Lead 2024



