

Sustainability Report 2022

Sustainable solutions & sustainable impact

Table of contents

Leadership

03 Message from the CEO

2022 overview

06 Our memberships and
sustainability ratings

Our commitment to the environment

08 Goals for 2022-2025
09 The six principles of future proof
product thinking
10 Reduce
11 Re-use & Refurbish
11 Repair

Our social investments

13 TPV Cares
15 Mercy Ships
16 The Explorers' Foundation
18 Wings For Life
20 KLABU
22 CUFA

Our governance

24 ESG Governance
25 Anti-corruption and bribery
25 Data Privacy

About this report

27 Reporting period and approach
27 Other ESG policies



Message from the CEO

Responsible and sustainable businesses are needed more than ever

Nobody could have known just how unpredictable 2022 would be but, while uncertainty still dominates, we still believe it is more critical than ever that responsible organisations move to put sustainability at the heart of their operations.

TPV and Philips share a vision of truly sustainable businesses, something we have already publicly committed to while actively encouraging the direct participation of our employees, partners and customers. An initial step in 2020 was for TPV to become one of the first organisations to officially commit to integrating the ten principles of the UN Global Compact – including human rights,

labour, anti-corruption and protecting the environment – directly into the business strategy, guaranteeing the overall integrity of all areas of our operation.

We went further in 2021 by publishing our first Sustainability Report and by beginning work on our own 'Future Proof Manifesto' which identified ways to minimise the environmental impact of our business on all elements of both the 'planet' and 'people'.

As part of that manifesto, an early initiative has been the switch to brown packaging for all TV & Sound products in 2022, while we have also committed to all TV packaging being 100% reusable, recyclable or compostable by the end of 2023.

TPV Cares

TPV Cares was another new initiative we launched in 2022. Available now in all countries in which TPV is present (including EMEA, APAC, ASIA and North America), the platform has been created to provide a variety of volunteer, financial and in-kind support for deserving community projects around the globe, each selected by their ability to have a lasting and positive effect on society.

Recent projects have included support for: Mercy Ships, the Explorers' Foundation, KLABU and the Wings For Life World Run

Continuing with a new approach

I believe that our approach to both sustainability and CSR is still unique in our industry. We are actively contributing to the economy by both improving our high-quality products and services while also committing to being a responsible business, directly contributing to the sustainable development agenda.

We have made excellent progress already and I'm delighted to be able to confirm that TPV has also recently achieved the prestigious gold rating from EcoVadis – the world's largest and most trusted provider of business sustainability ratings. We are committing to more in 2023, as part of moving forwards on our path towards a fully sustainable future.

Kostas Vouzas
CEO TP Vision (Philips TV & Sound)
Europe & Americas

2022 Overview

2022 Overview

Golden EcoVadis medal

TPV received a Golden EcoVadis medal in June. It's a very valuable result for TPV and a recognition of all our efforts. It is also proof that we are creating long term value for our employees, customers, suppliers and communities. EcoVadis now rates TPV as being in the top 6% of companies in the Manufacture of Consumer Electronics Industry.



Human Rights risk assessment

In order to get a better understanding of our potential risks as an employer regarding human rights, TPV has implemented a risk assessment within all of our own operations. Based on the input of all factories, the assessment analyses several topics such as preventing child labour, forced labour and other mitigating measures.

ESG-platform

TPV has developed an ESG-platform in order to collect the data for our annual ESG-Report. This will make our data more auditable. All our business entities will be asked to be open and ready to accept audits by PwC and to submit relevant ESG-data per month, in order to structure the process of data collection.



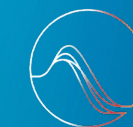
Climate Disclosure Project



The CDP Score Report allows companies to better understand their score and indicates which categories require attention to reach higher scoring levels. The report enables companies to progress towards environmental stewardship through benchmarking and comparison with their peers. TPV continues to make progress and, based on the 2021 ESG Report, we received an A- for Supplier Engagement, a B for Water Security and a B- for Climate Change.

SBTI

Science Based Targets were approved in September and are as follows: TPV Technology Limited commits to reduce absolute scope 1 and 2 GHG emissions 42% by FY2030 from a FY2020 base year. TPV Technology Limited also commits to reduce absolute scope 3 GHG emissions from the use of our sold products by 42% within the same timeframe.



SCIENCE
BASED
TARGETS

Our memberships and sustainability ratings

Memberships



We support the United Nations SDGs and remain committed to driving progress in our chosen key areas.



We are committed to the UNGC corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption.



We continue to support the SBTi, driving sustainable growth by setting ambitious, science-based emissions reduction targets.



We support and have joined the Responsible Minerals Initiative (RMI), helping to ensure positive contributions to social economic development globally.

Sustainability ratings



Bold environmental action must begin with an accurate, transparent assessment of environmental impact and progress, which CDP scoring makes possible.

B-Climate
Change**B**Water
Security**A-**Supplier
Engagement

Our EcoVadis gold rating places us, as a part of TPV, within the top 6% of display manufacturing companies rated by EcoVadis across the World.



Our commitment to the environment

Themes

Environment



Goals for 2022–2025

- Step-by-step introduction of sustainable packaging in 2022.
- Development of roadmap to eliminate plastics and Styrofoam.
- Eliminating plastic from consumer product packaging by the end of 2024 (Sound).
- All TV packaging material is 100% reusable, recyclable or compostable by the end of 2024.
- Our TV products contain on average >25% post-consumer recycled plastic or >25% post-industrial/post-consumer recycled plastics by the end of 2023 (TV).
- Development of a ‘green’ television/audio product with sustainable components and new energy saving features by 2025.
- Implementing air bags for bigger sized models than 43 inch.
- Implementing FSC-certified carton for packaging.
- Implementing paper bags for remote controls.

Social Investments



- Partnership with at least three NGOs with a clear link to our products, material topics and SDGs.
- Further development of TPV e-learning system.
- Introduction of TPV Cares.

Governance



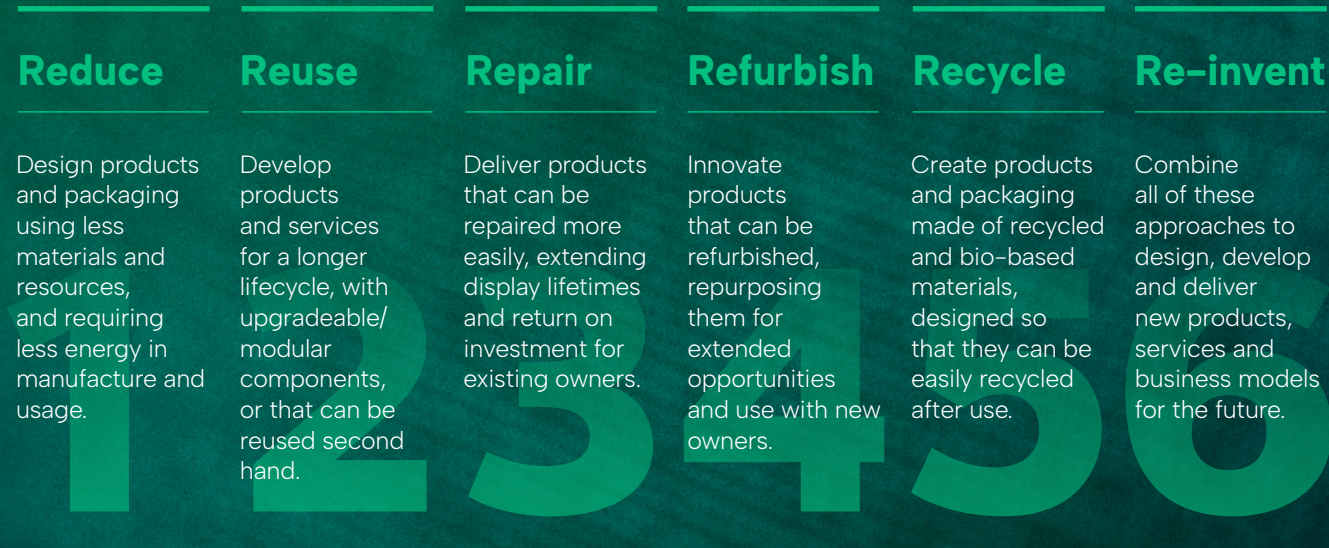
- Development and implementation of Human Rights Policy, including a UK Modern Slavery Act with TPV.
- Development of Science Based Targets with TPV.

■ Finalised ■ Almost finalised ■ Partially started

The six principles of future proof product thinking

At TP Vision, we believe that, in everything we do, we must always balance business benefits (customer value) with societal benefits (ecological value). Only by continuously placing this as a core value we can build a healthy and growing business at the same time as making a positive impact on the planet.

Future Proof thinking follows the principles of the circular economy: an economy that uses resources in a closed loop without value loss. We distinguish six principles that help to minimise unnecessary use of resources and reduce unnecessary landfill.



Reduce

Carbon footprint analysis packaging

During 2022, eco packaging has been introduced to showcase our commitment to sustainability. By conducting a carbon footprint analysis, we have focused on the entire life cycle of the packaging, from raw material extraction to final disposal.

As an example, when compared to our 2021 TV packaging, the 2022 TV packaging has a weight reduction of 16% and a CO₂-reduction of 18%.

Examples of the key changes introduced were the use of soy-based ink and the replacement of Expanded Polystyrene (EPS) by air buffers for smaller sized TV's. Based on the efforts previously mentioned – and the optimisation of other material and processes – a reduction of 3,202 (3.202.000 KG) tons CO₂-eq has been achieved across our operational footprint. This reduction is the equivalent of the CO₂ generated by 6,068 flights from Amsterdam to New York.

An additional project compared two 2021 headphones models – the TAA7306 and TAA6606 – with their 2022 successors – the TAA7507 and TAA7607.

The project resulted in a weight reduction of 43% and a CO₂-reduction of 72%. This high reduction is mainly the result of phasing out virgin plastics, using 90/100% recycled cardboard and reducing the volume of packaging.



Life Cycle Assessment TAH8507

To gain more insight into the carbon footprint of our headphones we asked an external agency for a Life Cycle Assessment (LCA).

The scope of the LCA was 'Cradle to Shelf' and took into account materials (headphone, accessories, carry case and outer transportation packaging), energy use of production and distribution.

The assessment indicated that the carbon footprint of the TAH8507 headphone is 6,81 KG CO₂ eq which is comparable to the combustion of 0,25-liter gasoline. These calculations give us a clear insight into where we can implement more sustainable solutions and materials to have an even lower impact on the environment. The LCA, the emissions reduction plan, which must result in a mandatory, emissions reduction each year, and offsetting, are verified by a third party against the strict criteria of the Climate Neutral Certification* Standard with a positive result. The TAH8507 headphones are thereby 'climate neutral certified'.



* Results are based on the IPCC 2013 Impact assessment method (global warming potential).

* www.climate neutracertification.com

Re-use & Refurbish

In the case of a consumer with a product defect involving a replaceable part, our call center will provide a new part. This relates only to consumer replaceable parts such as stands, remote controls, adapters etc where the process is that the dealer contacts the call center to submit an order to Gorzow.

In the case where a product cannot be repaired, the product will be taken back and a new or refurbished set will be shipped. The process here is that the customer calls the call center. The call center will perform remote troubleshooting. If no remote solution is possible, the call center creates a work order for the repair center. The repair center picks up the device (or performs an onsite repair). If no repair is possible the repair center submits a request for an exchange unit.

TPV will approve or reject the request based on an established set of criteria. If approved, a new/refurbished set is sent from Gorzow to the repair center. The repair center collects the defective set and provides the replacement to the customer. The repair center sends the defective set to Gorzow where the defective set is either refurbished or scrapped, with good parts taken back into stock.

Repair

All companies that sell TVs, among other products, in the European Union will need to ensure that those appliances can be repaired for up to ten years to help reduce electrical waste.

The 'right to repair', as it is sometimes called, is part of a broader effort to cut the environmental footprint of manufactured goods by making them more durable and energy efficient.

We launched our online spare parts [web shop](#) in March 2021.



PHILIPS

Our social investments



At TPV Europe we believe in the power of technology to create amazing and meaningful visual and sound experiences. Our products and our people are at the heart of all we do, and together we continuously explore meaningful ways to help people and communities reach their full potential – every single day.

TPV Cares is the home of our social and environmental impact initiatives. Powered by our business units AOC, MMD, PPDS and TP Vision, TPV Cares makes our visual and sound experience products – as well as financial and volunteer support – available to deserving community projects.

Mission & Vision

It is TPV Cares' mission to help unlock the full potential of people and their communities, whether it's to facilitate state-of-the-art eLearning solutions direct to people or via fundraising in support of finding a cure for spinal cord injuries.

We want to help all people to be able to get the most out of their situation in life and to help improve their health, wellbeing and education.

The projects we support are long term relationships with lasting impact. We support partners and initiatives that are intrinsically linked to our business, our products and our focus on the UN Sustainable Development Goals regarding Good Health & Well-being (SDG 3) and Quality Education (SDG 4). ➤

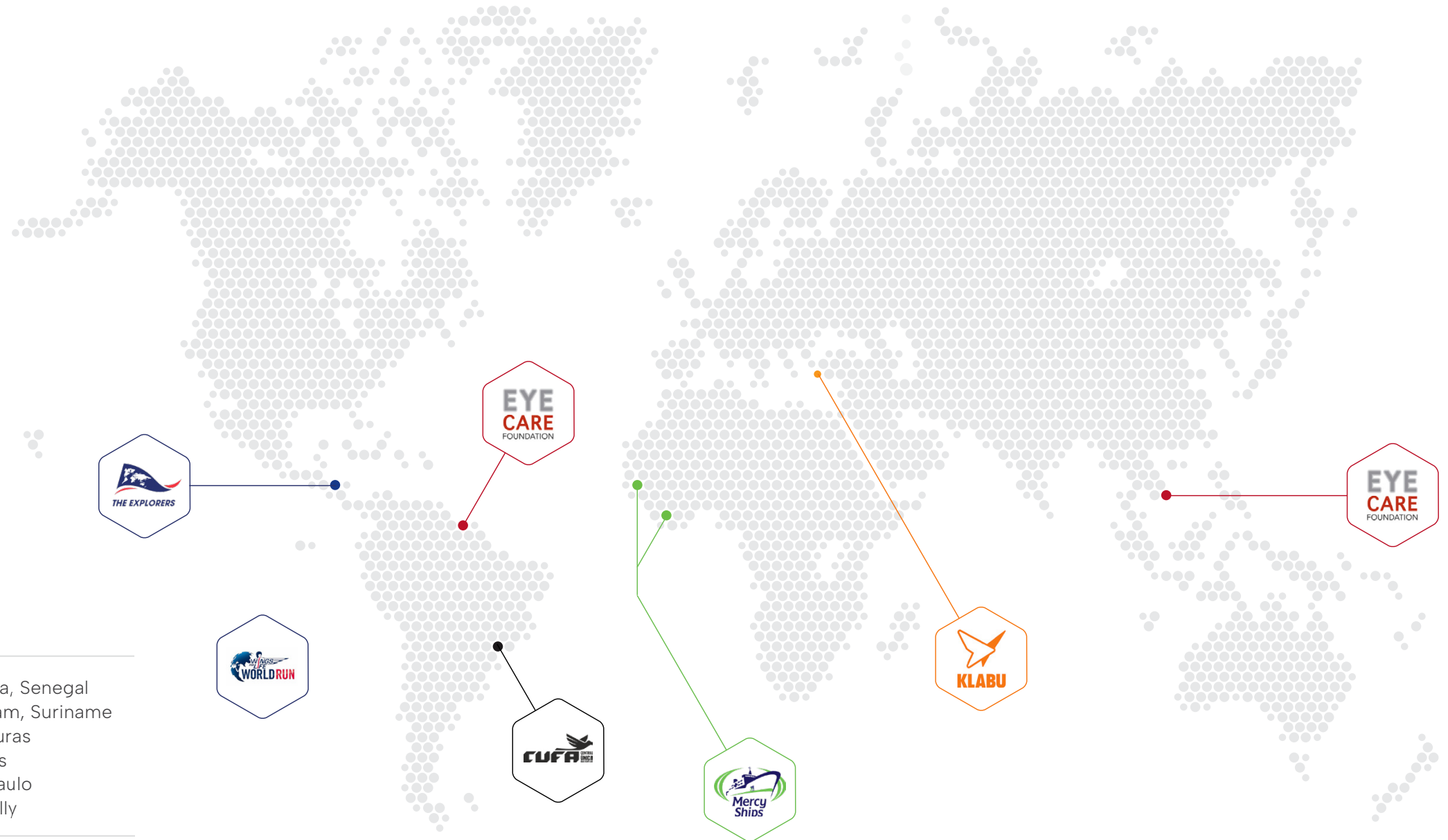
As our products evolve and become more sustainable over the coming years, TPV Cares may also in the future look into expanding its initiatives by contributing to the more environmentally focused areas covered by the Responsible Consumption and Production (SDG 12) and Climate Action (SDG 13).

With our global footprint we see great opportunity in supporting local initiatives on a worldwide scale.

By 2027, TPV Cares aims to have further strengthened and expanded its initiatives, contributing to the UN's Sustainable Development Goals via our products, our financial support and our people.

Our aim is to encourage 80% of our team to actively support, or to have had the opportunity to support, a local initiative through volunteer work.

● Mercy Ships	Guinea, Senegal
● Eye Care Foundation	Vietnam, Suriname
● The Explorers Foundation	Honduras
● KLABU	Lesvos
● CUFA	Sao Paulo
● WFL	Globally





New project in Senegal

In Senegal, there are only 200 dentists for a population of more than 17 million people.

Adding to the lack of dental professionals, dental care centers are also not easily accessible by the population living outside of big cities and most of the time treatments are unaffordable. As a result, 70% of the population suffers from dental decay. (source WHO Africa).

In 2022, we partnered with Mercy Ships and the Improve Foundation in Senegal to support the dental care federation UCMPS.

The program aims at significantly improving the access to oral care in Senegal, by enrolling and training 20 dental professionals over the coming four years and setting up or improving ten dental clinics in the country.

This year, three students have started the program to become dental professionals. Also, Philips televisions have been installed in the waiting rooms of the dental clinics, showcasing dental care prevention programs on screens for the numerous patients awaiting to be treated.



Update of project in Guinea

- Eleven students have completed the post-graduate program at the Gamal University in 2022
- Eleven students have started the program starting with intensive simulation training.

There are now over 30 dentists that have completed the 18-month training program with Mercy Ships. The Gamal Dental Clinic is increasingly becoming the place to go in the region and students also come from neighboring countries like Niger, Djibouti and Cameroon. Because of the newly educated dentists thousands of people will be provided access to dental health care.

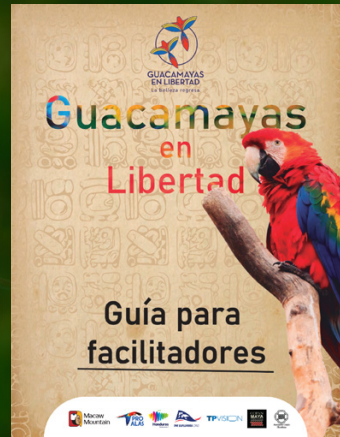


TP Vision has announced a multi-year partnership with UNESCO partner The Explorers, to raise awareness for nature conservation across the globe.

With the motto 'Know better to protect better', The Explorers set themselves the goal to realise the Earth Inventory of the natural, cultural and human heritage, and to share the world's natural treasures through high quality images, drawing, photography and video 8K HDR (using the most developed technical means) which are then made available on Philips Ambilight TVs, potentially reaching millions of households worldwide.

Beyond the expeditions all over the world and the highlight of the Earth's exceptional wonders, The Explorers' ambition is also to concretely contribute to the preservation of this world heritage, with The Explorers' Foundation. ➤





Update of the Scarlet Macaw project

- In total, 24 Macaw chicks were born in 2022. Eight of them were raised in the Breeding Center, five were born in the Archaeological Site and the rest in other artificial nests placed throughout the Sacred Valley of the Scarlet Macaw. The team is already preparing for the 2023 breeding season, nests are being hung all over the Valley and special food formula for hand raised parrot chicks has been secured.
- On 26 June 2022, 8 Scarlet Macaws were born in the breeding center and released into the wild. Pro-Alas also decided to save 15 birds from last year for the first release in La Ceiba, that will take place in the second trimester of 2023.
- During the last Scarlet Macaw release in June 2022, a group of team leaders from NGOs Guaruma and One World came to Macaw Mountain for an introductory course and hands on learning experience of Pro-Atlas work and on how to take care of the birds, including meal preparation. These NGOs are of key importance to help deliver the education program locally in The Cangrejal River basin.
- Educational material with information about Scarlet Macaws, their diets, habitat and other important information has been shared with key local players at the Cangrejal.
- In 2023 the team will collaborate with the NGOs on site to deliver the educational program through educational workshops and trainings in five schools, reaching 300 children and teens.

- As part of TP Vision's commitment to climate action, the partnership supports The Explorers' Foundation's mission for biodiversity conservation, and especially the Protection and Restoration of Scarlet Macaw Wild Populations in Honduras, a project led by Macaw Mountain and the association Pro-Atlas. In Central America, Ara Macaw populations are dramatically declining.

TP Vision started to support a Scarlet Macaw project in Honduras aiming to protect and restore this local bird population. These birds are facing the destruction of their natural habitat and are also hunted to be sold as pets. Consequently, the species may be extinct in some areas of its range.

Created in 2001, the Macaw Mountain and Bird Park Reserve, with its local and international partners, have implemented a care center for confiscated and injured birds. Encouraged by these first results, Macaw Mountain started a release program in 2010 into natural protected environments – combined with public awareness actions – especially in the archaeological site of Copán, listed as a UNESCO World Heritage site.

Since 2018, over 100 Ara Macaw birds have flown safely around the area now known as "The Sacred Valley of the Scarlet Macaw".

On the basis of these results and in order to accomplish these actions at the national and international level, Macaw Mountain created Pro-Alas, an NGO dedicated to expand the Macaw Mountain program and its efforts into other areas of Honduras to reinforce Ara Macaw wild populations in other territories.

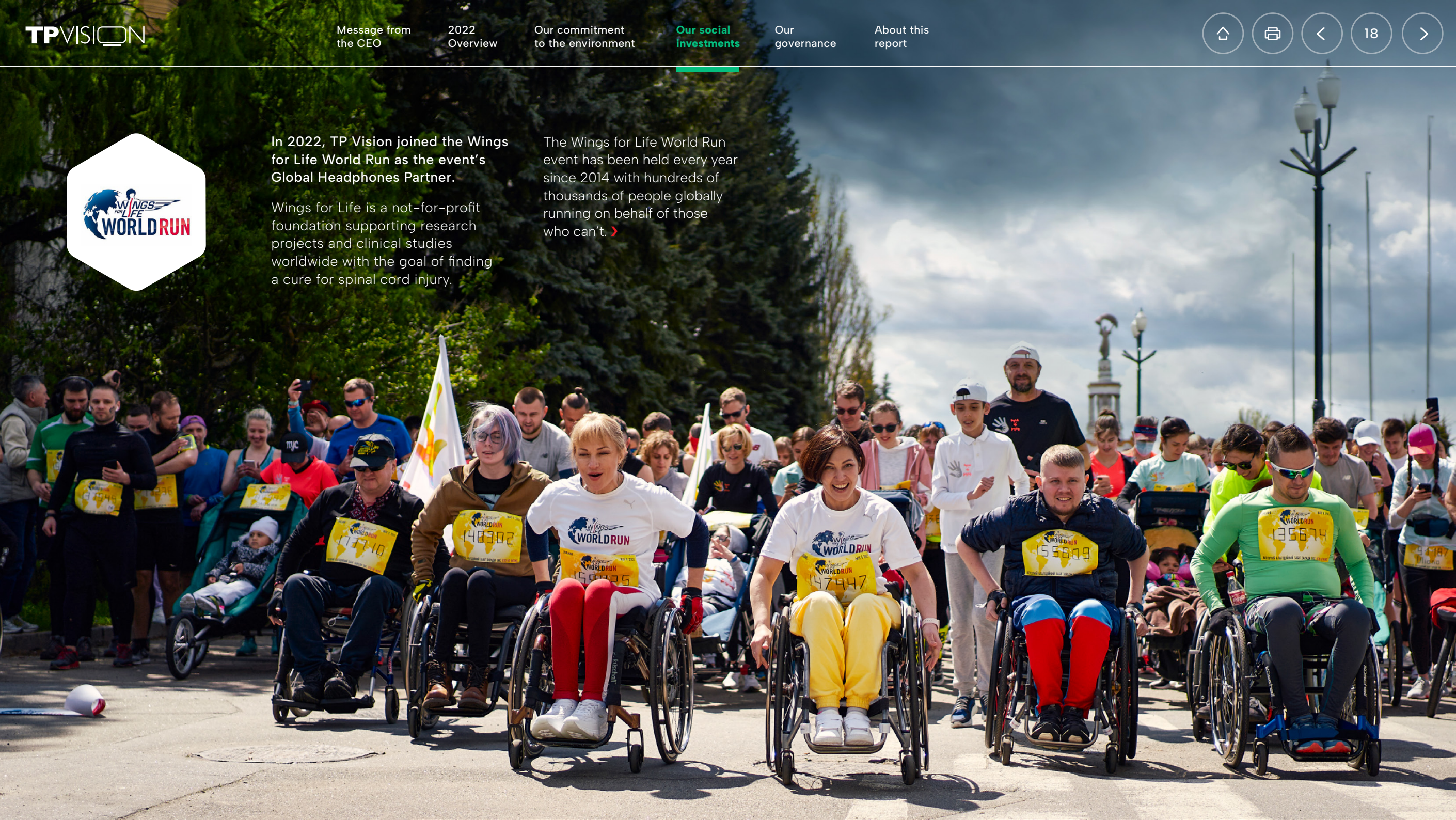




In 2022, TP Vision joined the Wings for Life World Run as the event's Global Headphones Partner.

Wings for Life is a not-for-profit foundation supporting research projects and clinical studies worldwide with the goal of finding a cure for spinal cord injury.

The Wings for Life World Run event has been held every year since 2014 with hundreds of thousands of people globally running on behalf of those who can't. >





› The 2022 event saw 161,892 participants from 192 nations running in 165 countries all around the world, raising an impressive 4.7 million euros for this cause. As Global Headphones Partner, purchasers of a Philips Sport headphone model between February and May 2022 were encouraged to enter the race, and had their fees covered by TP Vision, with 100% of all entry fees going directly to spinal cord research.

TP Vision also actively participated in the run with its own team of over 395 runners – including 335 employees and 60 participants from partner companies. Partnering with like-minded organisations such as Wings for Life – and sponsoring their biggest running event – is a key step in our social impact journey.



We believe this partnership encompasses a perfect mix of social awareness and positive investment. Both TP Vision and the Wings for Life World Run share the common goal of encouraging a healthier life for all, at all ages.

The 2023 Wings for Life World Run will take place on May 7. For more information on the run please visit: www.wingsforlifeworldrun.com
To know more about the important work of the Wings for Life Foundation, please check their [website](#).





For the next two years, TP Vision will support the KLABU Foundation in its mission: to use sports as a powerful tool to support the undefeatable spirit of refugees by sparking hope and joy in refugee camps.

TP Vision will contribute financially and will also provide KLABU clubhouses with Philips TV & Sound products, including Ambilight TVs, headphones, sound bars and Bluetooth speakers. KLABU clubs are unique safe spaces located in refugee camps where children, teenagers and their families can unlock the power and joy of (e) sports, music and community.

To run the clubhouses, KLABU developed a smart library system. Local managers lend sports equipment and games. The clubhouses also offer access to solar powered Wi-Fi / connectivity, broadcasted TV games, music and more sources of entertainment and education. Philips TV & Sound products will contribute to the community experience in KLABU clubhouses.

Philips Ambilight TV screens are mounted in the KLABU clubhouses for education purposes as well as to play e-sports and watch football matches, while Philips Sound products offer a superior music experience.



Update of KLABU in Lesvos

- **Launched:** September 2022
- **Location:** Mavrovouni Camp, Lesvos, Greece
- **Project elements:** Two clubhouses (one next to sports courts and one in the residential area of the camp)
- **Focus group:** young asylum seekers (under 30) from 18 countries
- **Main age group of members:** 18 to 25
- **Reach:** 1,500 camp residents including 200 regular weekly participants in sports activities and many indirect beneficiaries from the music and television
- **Activities offered:** sports library, football, basketball, running, live matches & music

Two years after the Moria refugee camp in Lesvos was ravaged by fire, people are still arriving every week seeking asylum. There are currently 1,500 adults and children in the new Mavrovouni camp.

Many are dealing with trauma and frustration, and their days are often filled with uncertainty and fear. They all share one dream: to spread their wings for a safer future and to rebuild their lives.

In the Summer of 2022 KLABU established a sports clubhouse in Mavrovouni in partnership with Movement on the Ground, the Dutch NGO, to help make life in the camp slightly more bearable.

Working on a grassroots basis with the residents of the camp, KLABU opened two sports clubhouses to provide access to equipment, music and television. The clubhouses are run by resident volunteers who oversee the borrowing of sports equipment as well as plan the match screenings. They are also responsible for the music that is played around the clubhouses to create a positive atmosphere.





CUFA (Central Única das Favelas) is a Brazilian non-governmental organisation with more than 20 years of social work in favelas (slums) by implementing cultural, artistic, sports and educational projects.

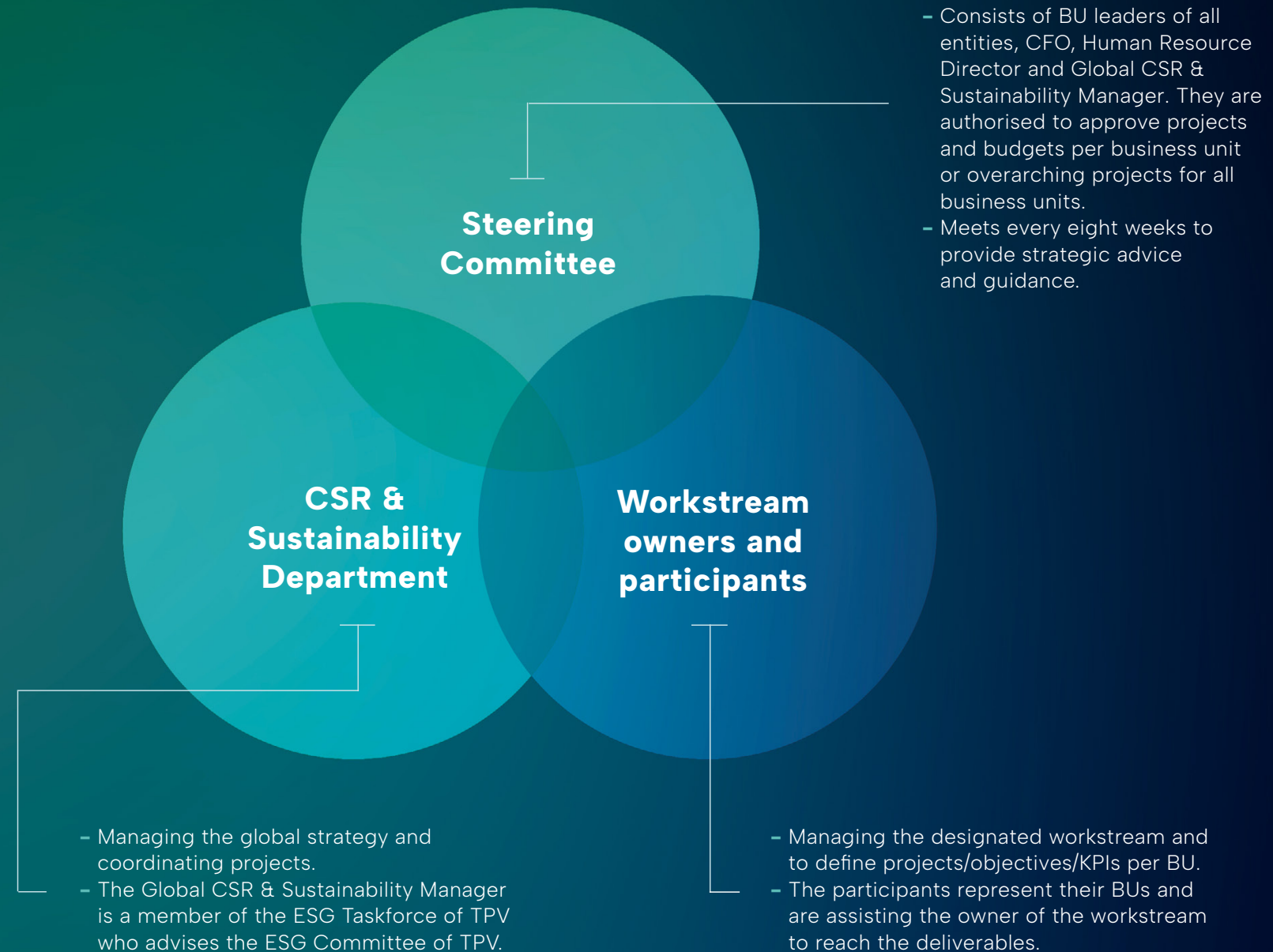
As a part of TPV Cares' goal to support Quality Education, TPV Brazil has decided to join forces with CUFA in supporting the creation of an educational center and the sponsoring of multiple activities at the end of 2022.

The idea is to bring tangible benefits to the community and to be a vector of social integration & inclusion to empower the people in the favelas. The project has two pillars: Education – the development of an educational center, with equipment from AOC and Philips, includes monitors and free courses leading to professional diplomas.

Culture and Sport – bringing people together by organising cultural and sport events to support the local community “Cai Cai” in São Paulo and the sponsoring of their local football team.



Our governance



Anti-corruption and Bribery

TP Vision and its supply chain conducts its business in strict compliance with applicable laws and regulations, including national and international anti-bribery laws, and we expect the same from our business partners. Bribes are illegal payments or other types of compensation made to influence and gain profit from an individual, company or government official.

TP Vision and its employees shall not, and shall not attempt to, influence government policy or obtain or retain business or an advantage in the conduct of our business by offering or accepting illegal payments, bribes, kickbacks or other illegal methods.

Anti-bribery laws including national laws adopted pursuant to the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the US Foreign Corrupt Practices Act and the UK Bribery Act 2010 prohibit, in general, the payment, offer or authorised gift of anything of value, either directly or through a third party to other persons or to government officials, political parties, politicians, or political candidates, public officers in state owned enterprises, officials of a public international organisation or holders of a legislative, administrative or judicial position of any kind with the intent to obtain or retain business, direct business to any person, obtain an improper business advantage or influence an official act or decision of such other person or government official.

These anti-bribery provisions apply not only to companies but also to individuals, such as employees. If an employee has actual knowledge of bribery or if bribery is suspected, it is mandatory to report such information to TP Vision's independent compliance officer. The number of cases and reports regarding anti-corruption and bribery was zero in 2022.

Data Privacy

Data privacy is an important consideration in the workplace and when conducting a business. We respect customers' data privacy and their rights to the personal information gathered via our products and services. Data and privacy protection procedures are in place and communicated to our employees through regular trainings. All collected personal data is accessible only by authorised personnel and the data is handled in a confidential manner.

During the development of our products we use 'privacy by design' to limit the amount of personal data that is needed and to inform our customers about how their personal information is used. In May 2018, the General Data Protection Regulation (GDPR) was implemented in the EU. This is applicable for all companies that control and process personal information, which is subject to several requirements. These include having the right policies in place and entering data processing agreements with other organisations that process personal data on our behalf.

About this report

About this report

Reporting period and approach

Thank you for reading TP Vision's 2022 Sustainability Report. The report covers TP Vision's key activities and accomplishments during fiscal year 2022 related to the legal entities TP Vision Europe BV and TP Vision Holding. This report covers TP Vision's 2022 fiscal year, January 1 2022 through December 31 2022.

Other ESG policies

- Code of Conduct
- Human Rights Policy
- CSR Supplier Code of Conduct
- Modern Slavery Statement
- Environment Protection Policy
- Conflict Minerals Report

You can access these policies [here](#)

Keep up-to-date with TP Vision

Visit our website www.tpvision.com.

We are keen to improve the value of our reporting and therefore welcome comments on this document, and our sustainability information on the website. Please contact our Global CSR & Sustainability Manager Stefan van Sabben, stefan.vansabben@tpv-tech.com

TPVISION