

Getinge Global Policy

## Global Trade Compliance Policy

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### 1. Summary

Getinge is a global company and its products are sold and traded worldwide. Getinge is committed to complying with all applicable and relevant laws in the countries in which it operates.

Getinge's products are subject to various countries' trade laws, including customs, sanctions and export control laws. To ensure that everyone within Getinge, involved in cross-border or export transactions, has sufficient understanding and instructions to comply with applicable trade laws, this policy establishes Getinge's Trade Compliance Policy (**Trade Compliance Policy** or **Trade Policy**).

This Policy and the trade requirements in section 5 apply to all Getinge entities and employees, regardless of the country of operation.

Senior management of each Getinge business unit is responsible for ensuring that this Trade Policy is fully implemented in their organization.

### 2. Definitions

**Risk countries** – those countries that generally present higher risks of violating trade sanctions and export control laws and are subject to a not insignificant risk level due to sanctions, as well as countries not subject to sanctions, but that are associated with risk of circumvention attempts or transshipment (See section 11 below). If new restrictions are implemented or the list is updated, this will be communicated by Ethics and Compliance.

**High-risk countries** – those countries that are subject to more comprehensive sanctions and trade compliance risks than the risk countries. Specific Getinge restrictions may apply to these countries from time to time (See section 11 below).

**EC No 2021/821** – governs the EU's export control regime, which includes (amongst others):

- Common export control rules, including a common set of assessment criteria and authorisations (individual, global and general)
- A common EU list of dual-use items

**CLL** – US Department of Commerce's Control List, which is the US export control list equivalent to the dual-use list in the EU

**EAR** – The US Export Administration Regulations, which are the laws in the US governing export control or CCL and EAR99 items

**ECCN** - are a five character alpha-numeric designations used on the Commerce Control List to identify dual-use items for export control purposes.

**EAR99** – The US export control code for items which are not on the CCL, nor on the US Munitions List

**BPRM Team** – Business Partner Risk Management team located in Getinge Shared Services Center, Krakow Poland that provides compliance screening services upon requests

**Getinge entity** – Getinge entities involved in cross-border trade or exports on behalf of Getinge

**SSU** – Getinge Sale and Service Units responsible for sales and service on behalf of Getinge

### 3. Scope and Objective

This Policy is valid for all Getinge companies, its subsidiaries and joint operations (jointly “Getinge”) and applies to all our employees, as well as consultants and agency personnel who work at Getinge premises or under the direction of Getinge (all referred to in this policy as “employees”).

The objective of this Policy is to ensure a group-wide understanding of basic legal requirements in the area of customs, export control and sanctions, in particular in the EU and the US, that all Getinge companies and employees involved in cross-border trade and exports need to be aware of.

It also sets out group-wide trade requirements, which serve to mitigate risk exposure and facilitate compliance. All entities and employees, regardless of location, have to comply with these trade requirements.

This Trade Policy is complemented by additional directives and other documents, in particular

- Global Sanctions Screening Directive
- Global Export Control Directive

The Global Sanction Screening Directive and the Global Export Control Directive are available at Getinge Intranet (in GetBasics). All Getinge entities involved in cross-border trade or exports are required to implement these procedures (see section 6 on Implementation below).

In addition to this Policy, all Getinge entities have to be aware of and ensure compliance with local national trade laws.

Compliance with applicable trade laws is fundamental for the Getinge group. Failure to comply with trade laws could result in administrative fines, criminal penalties, reputational damage or other negative consequences. In many cases, penalties can exceed several million dollars, as well as imprisonment for individuals. Getinge could also suffer severe consequences, such as losing access to financing.

## 4. Overview of trade sanctions, export control and customs

### Sanctions – general principles

The United Nations (UN), the European Union (EU), the United Kingdom (UK) and the United States (US) frequently use trade sanctions to advance national security and foreign policy interests. Sanctions are often referred to as economic or financial sanctions.

Sanctions may target individuals, companies, governments and organizations as well as trade in certain goods or services with a sanctioned country. Trade with sanctioned countries will always involve some risk. Some sanctioned countries face more compressive trade restrictions than others and are therefore often considered as high-risk markets (see Section 11 below - List of Risk Countries).

Some sanction programs do not target specific countries, but specific illegal activity (chemical weapons or malicious cyber activity).

#### Listed persons

Most sanctions will freeze assets and prohibit trade with certain targeted individuals, companies and organizations (listed persons) in the targeted country. Sanctions may list companies in all sectors of the economy, including the banking sector. Thus, if a bank is listed, it is unlawful to use that bank in transactions involving otherwise legitimate transactions.

In the US, listed persons are often referred to as Specially Designated Nationals (SDNs) or Denied Parties.

There are many potential reasons for a listing. Sometimes persons are listed because they support a particular targeted regime or they may be associated with weapons proliferation, human rights abuses or terrorism.

An overview of the EU's, UK's and the US's sanctions lists are available on the internet, for example <http://www.sanctionsmap.eu> , <https://www.gov.uk/guidance/uk-sanctions> and <https://www.export.gov/consolidated-screening-list>.

To avoid trading with a listed person, Getinge should implement sanctions screening when dealing with certain risk markets (see further sections 5 and 6 below).

#### Subsidiaries of listed persons

Any company that is owned or otherwise controlled by a listed person should be treated as also being listed. As a general rule, a company that is owned to 50% or more by a listed person is considered owned by the listed person and thus also listed. However, also smaller ownership shares may mean the subsidiary is controlled by the listed person. Any company owned to 25% or more by a listed person should be considered by Getinge as also being a listed person for the purpose of this Policy. The listed person may also exercises control for example through a shareholder agreement, board member representation or other management control functions.

Additionally, any entity (regardless of its ownership or control) could be acting on behalf of a listed person. It is important to understand whether a business partner is engaging in a transaction on someone else's behalf.

For these reasons, the Getinge screening procedure also needs to focus on who owns or controls a business partner. If the owner is a listed person, there is a significant risk that the transaction is prohibited by law.

#### Indirect business

Sanctions prohibit both direct and indirect business with listed persons. Business made indirectly – for example, sales to a distributor who in turn resells the product to a listed person – may violate sanctions.

If a Getinge SSU sells a product to a distributor or end-user in a (non-sanctioned) country, and that distributor or end-user re-exports the product to a country targeted by sanctions, there is a risk of violation. Getinge SSUs which normally deal with low risk markets or domestic sales only, may encounter attempts by domestic buyers to acquire Getinge products for re-export to a final destination in a high-risk sanctioned market.

It is therefore important to apply a risk-based approach to avoid *any* indirect transactions with listed persons or in violation of sanctions. For example, SSUs in high-risk regions, will need to implement due diligence and screening procedures to ensure knowledge of final destination, for example through end-use certificates or written undertakings from distributors, and be required to share such information within the Getinge group.

#### Sanctions restrictions on certain goods, services or sectors

In some cases, sanctions may be focused on certain goods, services or sectors. Transactions may therefore be prohibited even if no listed persons are involved. For example, Country A may impose sanctions on Country B's oil and gas sector by restricting the ability of companies in Country A to provide services related to oil and gas projects. The supply of technical and financial services or support to such restricted products is generally also prohibited.

### **Scope of EU sanctions**

EU sanctions apply to:

- any individual who is a national of an EU member state, anywhere in the world, regardless of where they are resident or employed;
- any entity incorporated or constituted under the laws of an EU member state; and
- All individuals and entities in respect of any business done in whole or in part within the EU.

### **Scope of UK sanctions**

UK sanctions apply to:

- the whole of the UK, including Northern Ireland
- any individual who is a national of the UK. This includes anyone in the UK (including its territorial waters), UK nationals outside of the UK and bodies incorporated or constituted under the law of any part of the UK.

## Scope of US sanctions

### Primary sanctions

US primary (or direct) sanctions apply to:

- companies organized under the laws of the US, their non-US branches, and – with respect to certain sanctions programs – their non-US subsidiaries;
- branch offices or subsidiaries of non-US companies that are located in the US;
- all US citizens (including dual citizens) and permanent residents (commonly referred to as “green card holders”) anywhere in the world, regardless of where they are resident or employed; and
- Any non-US person while in the territory of the US.

However, US primary sanctions may also apply to non-US persons outside the territory of the US, for example:

- when payments have been made in US dollars;
- when the goods or services exported have been made in the US (and therefore are subject to the US export administration regulations); and
- when company employees that are US persons have been involved in the decisions making or execution of the transaction.

In short, if there is a connection or nexus between a transaction and the US, US primary sanctions may apply.

Because many Getinge entities produce and trade in US goods or quote orders in US dollars, it is important for all Getinge entities, and in particular SSUs dealing in high-risk markets, to understand whether, in a given sales transactions, there is a US nexus, for example a re-export of a US product or a US dollar transaction.

It is equally important for Getinge entities that produce goods in the US to inform SSUs that their products could trigger a US nexus and US sanctions, and therefore should not be sold to certain risk markets.

### Secondary sanctions

Some US sanctions are more severe and have a very broad reach. Most notably, for Iran and Russia, the US employs “secondary” (or indirect) sanctions, which the US may apply even if there is no US connection. In other words, the US threatens to use secondary sanctions against non-US companies, in order to influence the behavior of non-US companies acting *outside* of the US and without any US connection or nexus.

Engaging in activity covered by US secondary sanctions could, in the worst case, result in a company losing access to the US market, having its bank assets in the US frozen and other banking relations terminated. Thus, if Getinge SSU sells a product to a Russian or Iranian listed persons, this could have severe consequences for the entire Getinge group.

### EU Blocking Statute

In order to mitigate the effects of US secondary sanctions, the EU has adopted a so-called Blocking Statute law that prohibits EU companies and persons from complying with some US sanctions against Cuba and Iran. Other countries may also impose similar blocking or boycott laws.

If a Getinge entity encounters a conflict of law in relation to a transaction, please consult Ethics and Compliance Office.

## Export control

The EU and its member states, the UK, the US and many other countries regulate and control the export or transfer of certain sensitive products, software and technology. Generally, the controls depends on:

- what are the technical characteristics of the product; where it is going;
- who the end-user is; and
- what the end-use may be

### Controls on arms and weapons

Weapons and other defense-related items are especially sensitive and strictly regulated. These are usually referred to as military goods.

### Dual use items

Most countries also control the export and transit of other sensitive “dual-use” items. These are specifically listed goods, technology or software (including information security and encryption software) that have both an ordinary commercial/civil as well as a military applications. Such items are identified by a reference to their Export Control Classification Number (ECCN).

Exports from the EU are regulated by the [EU dual-use regulation](#), which in Annex I, lists all dual use items. The UK has a [consolidated list](#) of strategic military and dual use items and the US has a similar list (the [US Commerce Control List](#) (“CCL”). However, the US sometime controls non-listed items, commonly referred to as EAR99 goods.

In some cases, unlisted items may be subject to control. The EU applies a so-called “catch all” rule to countries against which there is a weapons embargo or for goods that can be used to produce chemical or biological weapons. The US has similar rules, controlling exports for certain specific uses.

Because the export control lists are regularly updated, it is important to monitor the updates as well a product development to understand whether Getinge products are, or become, controlled.

### US re-export rules

The US export control rules are far-reaching. Even goods produced outside the US, but which contain more than a certain, *de minimis*, value of US material, are considered to fall under the US export control laws and may either require an authorization, be banned to certain countries or certain listed persons (e.g. US Denied Parties).

To mitigate Getinge’s exposure, all Getinge entities with US production shall inform other Getinge entities, SSUs in particular, of goods with US origin and all Getinge entities shall be aware of US re-export rules. This is also why implementing a screening procedure is important.

## Customs

Customs laws have several different areas of application, and one of the main purposes is the correct collection of customs duties when a product crosses a border.

Customs laws will regulate procedures for import or export and set rules for how to identify the product (customs classification), where it is from (customs origin) and how much it is worth (customs value). These parameters will determine how much customs duties are to be levied upon import.

Other customs rules allow for the suspension or relief of customs duties, for example customs transit or bonded warehousing.

The risks exposure for incorrect customs operations include:

- if incorrect duties are paid at import, customs authorities may claim retroactive customs duties, plus penalties, fines and in some cases, lead to criminal charges;
- additional VAT charges being levied;
- over-paying duties, where duty reductions in free trade agreements exist; and,
- Incorrect customs origin and classification, which in turn increases exposure to export control and sanctions violations in the company's supply chain.

Many companies outsource customs operation to a logistics provider or customs agent instead of using in-house competence. However, the importer or exporter remains legally responsible for unpaid or incorrect duties.

All Getinge cross-border shipments and exports shall be correct as regards customs classification, customs valuation, origin, value added tax (VAT), goods and services tax (GST) and licenses. Getinge employees responsible for customs therefore need to be sufficiently trained to be able to provide clear and correct descriptions of all items being traded. Any time customs operations are outsourced, Getinge entities should have written agreements and procedures in place to ensure compliance by the broker, agent or logistics provider.

## 5. Trade Requirements

All Getinge businesses have to comply with the following decisions, regardless of geographical location.

### Procedures for trade with countries on the List of Risk Countries

No Getinge business area or SSU is permitted to engage in direct or indirect trade with a country on the List of Risk Countries (See section 11 below), unless it has:

1. Submitted a **screening request** to Business Partner Risk Management (TPRM) team located in Getinge Shared Services Center, Krakow Poland and received the necessary recommendation; and complied with the classification, transaction screening, and export license requirements laid down in the Global Export Control Directive.

The requirements above apply to all Getinge entities engage in direct trade.

Thus, if a Getinge production unit receives an order from an SSU to produce and deliver a product to a risk country, the SSU need to submit a screening request to Business Partner Risk Management (BPRM) team in Shared Services Center. The production unit can ask SSU to confirm if the request was submitted to BPRM team and clearance is received .Production unit and SSU may collaborate to exchange information on end-user, origin and content of the product (e.g. US origin) etc .If the production entity is engaged in direct sale, they should send the request to BPRM team for screening.

Upon request from a Getinge entity, BPRM team will use a screening software tool to complete and document a screening procedure, which at minimum, implements the requirements set out in the Getinge Screening Procedure (Section 5 of the Global Sanction Screening Directive). In case of no hits, BPRM team can give green report to submitting entity.

If the screening procedure results in any risk indications or suspicions, BPRM team should confer with Regional Ethics & Compliance Officer prior to deciding whether to give green report or to provide recommendation on risk related with the transaction. Although BPRM team is conducting screenings on behalf of the Getinge entities and, together with Regional Ethics & Compliance Officer, decides whether or not to give green report, the responsibility for trade compliance remains with each Getinge entity. All products shipped to high risk countries must have been classified as described in the Export Control Directive and all required export licenses must be in place before shipment.

See further: Global Sanction Screening Directive and Global Export Control Directive

### **No trade with listed persons**

No Getinge entity, business area, SSU, employee or other shall engage in any direct or indirect trade or other business with any person listed on an US, EU, UN, UK or other EU member state sanctions or trade control list.

This decision is taken to simplify and streamline compliance monitoring and applies regardless of country of operation. In exceptional cases, Group Ethics and Compliance may grant a waiver for a specific transaction if the transaction otherwise is in compliance with all applicable trade laws.

## **6. Implementation steps**

Each Getinge entity is required to implement this Policy and the Trade Requirements through a risk-based approach.

### **1. Identifying risks of direct and indirect trade to countries on List of Risk Countries**

Each Getinge entity shall assess to what extent it is directly or indirectly (through a Getinge SSU) involved in cross-border trade or export and the extent to which such trade concerns countries on the List of Risk Countries.



## 2. Implement an adequate screening procedure

All Getinge entities that engage in exports directly or indirectly (through an SSU) with a country on the List of Risk Countries have to implement instructions to ensure that screening requests are sent to BPRM team and to obtain a report in relation to all direct and indirect trade with countries on the List of Risk Countries.

SSUs dealing with countries on the List of Risk Countries are required to ensure that information about distributors and end-users is collected in the required form and shared with BPRM team and, upon request, with other Getinge entities, in order to ensure group-wide compliance with the trade requirements in section 5 above.

See further: Global Sanction Screening Directive

## 3. Product classification and compliance with authorization requirements

Each production unit is responsible for ensuring that its products are correctly classified according to export controls (including US origin), sanctions and customs rules. This classification shall be maintained up to date and shall be shared, upon request, with other Getinge entities, and in particular SSUs dealing with high-risk countries.

Any Getinge entity that produces and exports controlled goods is required to implement additional procedures to ensure authorization requirements are met. These requirements may apply to more countries than those on the List of Risk Countries, and therefore have to be managed separately.

See further: Global Export Control Directive

## 4. Contractual clauses

All Getinge entities should ensure that third party contracts contain trade compliance clauses.

## 5. Keeping records

Each Getinge entity shall ensure that it maintains records of compliance activities, in particular those required by this Policy, i.e. risk analysis and that correct information is passed on to other Getinge entities upon request. Screenings will be documented by BPRM team on the requesting Getinge entity's behalf. Records shall be kept for at minimum five years or longer if required by local laws or conditions set out in authorizations or licenses. Records may become subject to audit by Getinge Group internal audits and Ethics & Compliance.

## 6. Organization and functions for trade compliance

Each Getinge entity shall ensure adequate internal organization and resources to be able to implement and comply with this Policy and applicable laws. This includes appointing a Entity Trade Compliance Responsible for ensuring that screening requests are submitted when prior screening from BPRM team is necessary and that products sold are not subject to restrictions in sanctions or export control laws. This local lead can be part of sales organization or order confirmation organization having a clear visibility of all sales conducted through that entity to

ensure that no sales to countries on the List of Risk Countries is cleared without following the trade compliance procedure according to this policy.

## 7. Training

Each Getinge entity shall provide awareness training to its board members and management on trade law compliance, as well in-depth training to all employees involved in cross-border and export transactions. Training shall be repeated at regular intervals. Training materials and trainers are coordinated by the Head of Trade Compliance.

## 7. Breaches against the Policy – Speak Up

Do not hesitate to raise a concern. Any Getinge employee who suspects violations of this Policy is expected to speak up and raise the issue to their line manager, to Ethics and Compliance, or to use the Getinge Speak Up Line. The Getinge Speak Up Line is available on Getinge internal and external webpages. At Getinge we do not accept any form of retaliation against someone who speaks up, expressing concerns or opinions.

See further: Global Speak Up and Non Retaliation Directive

## 8. Roles and Responsibilities

All Getinge employees are individually responsible for reading, understanding and complying with this Policy. Each employee is responsible for acting in accordance with this Policy,

Senior management of each Getinge business unit is responsible for ensuring that this Trade Policy is fully implemented in their organization.

Senior managers at each Getinge entity are responsible for ensuring compliance and implementation of this Policy through:

- allocating resources;
- procuring access to the necessary internal and external tools such as, legal assistance for classification, training and other assessments;
- ensuring cooperation with other Getinge units for exchange of compliance information;
- taking appropriate action if breaches of applicable law or this Policy are suspected and/or identified; and,
- reporting to Ethics and Compliance on trade compliance matters upon request.

Implementation shall be risk-based and may vary depending on the business unit's own exposure and for the Getinge group as a whole. For example, some Getinge Sale and Service Units ("SSUs") business areas producing and exporting globally may need to implement more stringent trade compliance measures than others which sell only to the domestic or to low risk markets.

Violations against the Policy can result in disciplinary action, up to and including termination.

## 9. Framework

This Policy is part of Getinge's Governance Framework, which includes:

- Code of Conduct, Strategic framework, Policies approved by the Board of Directors, Directives approved by CEO or direct reports to the CEO as well as local instructions
- Decisions made by the CEO or otherwise under the Delegations of Authority as approved by the CEO
- The Ethics and Compliance Office is responsible for ensuring that the latest version of this Policy is published and available to all employees on GetBasics.
- This Policy will be reviewed every other year or as needed.
- The original language of this Policy is English.

## 10. Guidance and Assistance

If you have questions on this Policy or you are uncertain which rules apply, please contact Ethics & Compliance.

Questions concerning specific trade or export transactions should be handled primarily by Regional Ethics & Compliance Officer.

## 11. List of Risk Countries

Trade sanctions frequently change based on global geopolitical developments and national politics. As a result, there is no durable, static list of persons or countries that adequately covers all persons who are sanctions targets. However, a list of countries, serves to identifying countries associated with particular risks.

There is a list of countries which generally present higher risks of violating trade sanctions and/or export control laws.

High-risk countries are those subject to comprehensive sanctions and/or trade compliance risks.

Risk countries are those subject to a not insignificant risk level due to sanctions, as well as countries not subject to sanctions, but that are associated with risk of circumvention attempts or transshipment.

The list of Risk countries is published separately and the document is subject to regular revisions. The documents can be found in GetBasics. For the latest risk country list always refer the list published on GetBascis.

**Useful Links:**

[Getinge Code of Conduct](#)

[Global Sanction Screening Directive](#)

[Sanction Screening Data Sheet](#)

[Global Export Control Directive](#)

[Global Export Control Classification Instruction \(EU\) Global](#)

[Export Control Classification Instruction \(US\)](#)