

# code of conduct

## annex – sanctions and export control

Aalberts is committed to investigate any concerns on severe adverse human rights impacts and in case these are discovered Aalberts will act appropriately without delay.

### further explanation

International business is subject to various export control laws and sanction programs. Violation of such laws and programs may result in significant fines and may cause substantial reputational harm. This Annex – Sanctions and Export Control concentrates on EU, UN and US export control laws and sanction programs. Export control laws and sanction programs of other countries may also be applicable in concrete situations. The below description provides a high-level guidance of very complex regulations and in case of doubt prior legal advice should be obtained. For questions you should contact your manager or Aalberts.

In addition, special care should be taken in relation to any potential direct or indirect business with companies or persons in Crimea, Cuba, Iran, North-Korea, Sudan or Syria. You should in such case always first contact your manager and Aalberts before any other actions are taken.

### practical application

As a general rule, the following steps should be taken before products or services are sold abroad:

- determine (a) the characteristics of the products or services involved as well as their (possible) applications, (b) the destination of the products or services involved (country and end-user);
- determine which employees / customers / suppliers / agents of Aalberts are involved (their nationality may trigger the applicability of their home country's sanctions programs) and which intermediaries and banks (they may be sanctioned and/or their assets may be frozen);
- determine whether and which export controls and/or sanction programs apply;
- determine whether the transaction can proceed and under which conditions; and
- contact Aalberts if you are uncertain if export restrictions are applicable.

### export control laws

EU and US export control laws prohibit or regulate the export, the re-export and transit of certain goods, technology, services, knowledge and software (a) with specified potential end-users, (b) to specific end-users (such as with terrorists associated individuals) and (c) to sanctioned countries. EU and US export control laws also apply to the rendering of technical assistance with regard to such products or services. If export control laws apply and export is prohibited, an export licence is required or the export is otherwise regulated.

*EU export controls:* EU export control laws apply to the export of dual-use and military products or services. Dual-use products or services can be used for both civil and military purposes. The export of dual-use products or services is subject to the European dual-use regulation which requires prior authorization for extra- and intra-EU export or certain products or services. Examples are components for nuclear devices, aircrafts parts and high-pressure valves for propulsion. EU countries may require additional authorization requirements for the export of dual-use products or services.

*US export controls:* The US export administration regulations (EAR), apply to the export of US-origin products or services (produced in or originated from the US) as well as foreign products which contain a certain amount of US-origin content (material or technology). The products or services subject to the EAR are listed in the US commerce control list (CCL). Whether the export is prohibited or requires a licence depends on the CCL-classification of the products or services, the ultimate country of destination, end-user and end-use of the products or services. The US International Traffic in Arms Regulations (ITAR) apply to the temporary import into and export from the US of defence articles and services regardless of their origin. The products so designated are summed up in the US munitions list. The US can deny licences for temporary imports and exports of defence articles and services originating from or destined for certain countries such as Cuba, Syria or Venezuela.

### economic sanctions

The EU, UN and the US have enacted various economic sanction programs against countries, individual legal entities and natural persons. The prohibitions and restrictions provided in these sanction programs differ widely and can pertain to:

- the export, import and transit of goods (such as tin, copper, lead, nickel and zinc from sanctioned countries);
- financial transactions or services or trade transactions if the contracting partner or banks are sanctioned; or
- the entering into a contract, transaction or a joint venture with a sanctioned party.

The economic sanctions may partly overlap export control laws, such as components or services for weapons or enrichment-related, reprocessing or heavy water-related activities, or nuclear weapon delivery systems. Economic sanctions may also prohibit transactions that are otherwise permissible pursuant to export controls. The sanctions can however also pertain to other goods, such as products produced by or for certain industry sectors (e.g. parts of the Russian oil sector).

### examples

**example 1:** Your EU-based company produces products designed for the civilian aerospace industry. Some of these products possibly may also be used for military purposes and therefore be subject to the European dual-use regulation. The export of such a product from an EU country to outside the EU requires prior authorization. In some cases, even intra-EU export may require authorization.

**example 2:** Your EU-based company assembles products with US origin parts and US origin technology, both subject to US export control laws. When the assembled product is exported by an EU-based company, the US export control laws may apply to the assembled product and a US export license may be required.

**example 3:** A US citizen employed by your US based R&D centre wishes to discuss certain technology restricted by the US export control laws with another research team which employs a few foreign researchers. This release of technology may be considered an export from the

US to the country of origin of the foreign researchers.

### Q&A

**question 1:** I work in the sales department of an Aalberts company located in the US. We have received an order from a non-US company to supply a certain product. We have reason to believe that this company will resell the product while the final destination and end-use of the product are unknown. What do we have to do?

**answer 1:** To determine whether and which US export control laws apply you should first determine the country of destination, the end-user and the end-use of the product. If this information is not available, you should contact your manager or Aalberts.

**question 2:** I work in the sales department of an Aalberts company. We are about to supply a product which (possible) application is not an issue under any export control regime. Would that mean that no export restrictions are applicable?

**answer 2:** No. The product itself is not the only relevant criterion to determine whether and which export restrictions are applicable as the country of destination and the end-user of the product should also be verified. If these are an embargoed country or a sanctioned party the supply may be prohibited or require a licence.