
Global Sanctions Policy

This Policy:

1. Describes sanctions and what it means for our business.
2. Prohibits or limits business activities in sanctioned countries.
3. Helps identify red flags and when and how to consult the Legal and Compliance Department.

Laws and Regulations

Code of Conduct

Global Sanctions Policy

Tools: Össur Consolidated Sanctions List



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Global Sanctions Policy

1. Introduction

- 1.1 Össur is committed to comply with the rule of law and conduct its business in the highest ethical standards. To this end, Össur will comply with all economic and trade sanctions applicable to our business in the countries in which we operate. This Policy has been developed by the [Compliance and Integrity Department](#) to help employees and business partners understand what sanctions are, the situations that may give rise to a breach of sanctions regulations and to support them in making informed decisions in line with our values and how we conduct business as stated in this Policy.
- 1.2 Any employee who breaches the rules in this Policy or who consents to anyone to breach the rules herein will be subject to appropriate disciplinary action(s), which may include dismissal, and may be subject to personal, civil or criminal fines. Össur may also terminate its relationship with a third party if there is a reason to believe that the third party acted without due regard to its obligations as stated in this Policy.

2. What is the scope of this Policy?

- 2.1 This Policy is applicable to Össur's operations globally, including all legal entities worldwide owned or controlled by Össur, its directors, officers, employees, agents, distributors, business partners, authorized representatives and other third parties acting on behalf of the foregoing.
- 2.2 Össur sanctions framework follows the sanctions program of the United Nations, European Union, United States, Norway, Iceland, United Kingdom and the respective governmental, legislative, judicial and enforcement bodies of the foregoing jurisdictions. All countries above are obliged under international laws to implement and follow sanctions adopted by the United Nations.
- 2.3 As sanctions regulations change regularly, employees must always read this Policy together with the [Össur Consolidated Sanctions List](#), especially prior to new business activity in new territories.

3. What are sanctions?

- 3.1 Sanctions are regulatory measures that are imposed by an international body such as the United Nations Security Council or the European Union, or by individual countries such as the United States Government to restrict dealings with certain countries or territories, governments, groups, entities, individuals, or controlled goods or services. The measures can range from comprehensive economic and trade sanctions to more targeted measures such as arms embargoes, travel bans, and financial or restrictions on goods.
- 3.2 Sanctions do not necessarily lead to complete prohibition of trade. The nature and extent of sanctions measures may vary, e.g., trade is generally not allowed but a special exemption may apply to the export of medical devices. Therefore, it is important for all the subjects within the scope of this Policy to consult the [Legal and Compliance Department](#) about the exact business implications.



GOOD TO KNOW

Embargo is an official ban on trade or any commercial activities while **targeted sanctions** are intended to be directed at individuals, entities and organizations or restrict trade with key commodities.

For more information on countries, see [Össur Consolidated Sanctions List](#).

- 3.3 It is not allowed to conduct business in territories with a US Embargo even if the shipment ultimately came from the EU. US Sanctions Programs have extraterritorial effect because of the **“US Nexus” principle** – a transaction can have a US connection if it involves a US person, products that originated from the US, software, technology or if it causes or involves activity within the US territory. One of Össur's major business operations is conducted in the US, which is sufficient to establish a US Nexus. In this sense, even if the business transaction was ultimately initiated within the EU, and the product ends up in a country that is not sanctioned by the EU but is targeted under the US Sanctions Program, US rules may still apply.
- 3.4 Aside from trade restrictions, financial restrictions as a result of sanctions also have implications to our business and to our relationship with partner financial institutions. Authorities can hold banks liable if it is proven that it aided business transactions that involve paying, getting paid or transferring money in and out of a sanctioned country. Therefore, besides our regulators, the main banks Össur uses are unlikely to cooperate with payments or transfers to or from sanctioned countries.
- 3.5 Employees can access a list of sanctioned countries through the [Össur Consolidated Sanctions List](#). As sanctions change from time to time, this list will be updated regularly followed by [communications \(Sanctions Review\)](#). The communications contain recent sanctions measures and a general advice from the [Legal and Compliance Department](#). For more information on per country sanctions, see [Annex I General Information on Sanctions](#).

4. Prohibited Territories

- 4.1 In compliance with the abovementioned sanctions regimes in [section 3.1](#), Össur prohibits selling, directly or indirectly, to Iran, North Korea, Syria, Cuba, Russia, Russian-controlled Ukrainian regions and those that are designated by Össur as prohibited territories including Belarus. It is also prohibited for entities falling within the scope of this Policy to facilitate sanctions evasion for or by a sanctioned individual or entity.

5. How can we ensure compliance with sanctions?

- 5.1 All subjects falling within the scope of this Policy as specified in [section 2.1](#) must be aware of their responsibilities and situations that may give rise to the exercise of these responsibilities.

The key questions to oneself must include:

- **“Where do we conduct the business activity?”** to ensure compliance to sanctions targeted to countries.
- **“Who do we do business activity with?”** to ensure that we do not deal with sanctioned individuals, groups or other entities.
- **“How are we doing business in a country that is potentially sanctioned?”** to ensure that we do not evade, circumvent, or aid the facilitation of acts that potentially circumvent the sanctions.
- **“What are the Red flags?”** to ensure that we keep a meticulous eye and can spot suspicious transactions.
- **“What are my next steps?”** to ensure that we make informed decisions moving forward.

- 5.2 Össur will conduct routine due diligence checks with its subsidiaries and third parties that provide goods or services and/or are engaged in business activities on behalf of Össur. For more information on Third Party Due Diligence, please check [Global Third Party Due Diligence Policy](#).

NEED HELP?

The extent and nature of sanctions regulations may vary and may change from time to time. Therefore, it is vital that we keep an open communication with the C&I for real-time and accurate updates.

For questions, clarifications, or support ...

Contact Legal and Compliance
@ global.legal@ossur.com

6. Red Flags

6.1 Identifying a suspicious transaction can be challenging especially if such transaction appears innocent from the hindsight or that the transaction involves a trusted business partner. However, in line with our values and this Policy, Össur has a duty of care to check and follow-up with our third parties in case there is any suspicion of sanctions violations. Violations may include a direct or indirect involvement of Össur in a transaction involving a restricted territory, restricted party, controlled item, service, or any other sanctions compliance concern.

Red flags can be the following:

- The distributor or third party is unwilling to provide information about commercial considerations such as intended geographical location of sales or distribution;
- The consignee has a different name or location than the customer or ultimate end user;
- Unusual invoicing, shipping, or packaging requests;
- Irregular shipping routes, or routes that lead to the territory of a sanctioned country;
- Unusual volume requests compared to the anticipated size of the market;
- Unusually favorable payment terms or large cash payments;
- Any suspicion that the products will be shipped directly or indirectly to a restricted territory;
- Any suspicion that the products will be sold to a restricted party.

Red flags can take many forms and identifying and acting upon them can be tricky. Therefore, when in doubt, always communicate with the [Legal and Compliance Department](#)!

7. Responsibilities of Key Business Functions

7.1 The responsibility to provide Össur employees and contractors with the necessary information to comply with this Policy falls with Legal and Compliance, Treasury, Quality and Regulatory, Global Distribution, Global Procurement and Customer Operations. The table below presents the responsibilities of each department:

Department	Compliance Controls
Legal and Compliance	<ul style="list-style-type: none">➤ Monitor economic trade sanctions regulations and update the business in case of any change.➤ Provide guidance on specific situations as requested, including on resolution of issues and follow up on red flags.➤ Raise awareness and conduct training to relevant business functions and third parties (as necessary) in relation to sanctions regulations.➤ Ensure access to the Össur's Third Party Due Diligence Tool to conduct due checks on third parties, such as Specially Designated Nationals and Blocked Persons Lists, Politically Exposed Persons, targeted entities etc.➤ Update, improve, and report on compliance controls as necessary.
Global Distribution	<ul style="list-style-type: none">➤ Identify and report red flags and other suspicious activity to support enforcement of and compliance with this Policy.➤ Ensure that local activities will comply with economic trade sanctions regulations, setting the right tone and providing appropriate support for compliance, as needed.
Global Procurement	<ul style="list-style-type: none">➤ Ensure that suppliers and all other entities that are directly involved with purchasing and sourcing activities of Össur are screened properly using the Third Party Due Diligence tool.

International Distributors/Sales	<ul style="list-style-type: none"> ➤ Identify and report red flags and other suspicious activity to support enforcement of and compliance with this Policy. ➤ Ensure that Distributors, Authorized Representatives, Direct Suppliers, Clinicians and all other entities that closely operate on behalf of, directly or indirectly with Össur, are aware of and operate according to the Global Sanctions Policy. ➤ Screen all potential distributors/business partners using the Third Party Due Diligence Tool before business engagement.
Quality and Regulatory	<ul style="list-style-type: none"> ➤ Ensure that all licenses for exemptions of medical devices are obtained when required (e.g., US Treasury Department Licenses (Office of Foreign Asset Control)).
Customer Operations	<ul style="list-style-type: none"> ➤ Identify and report red flags and other suspicious activity to support enforcement of and compliance with this Policy. ➤ Ensure that our products are not shipped to countries with a trade embargo and exercise due care in transactions in countries with targeted sanctions.
Treasury	<ul style="list-style-type: none"> ➤ Ensure that financial transactions/operations are in line with economic trade sanctions regulations, by following approved processes and controls. ➤ Cooperate with sanctions policies, questionnaires and investigations of Össur's banks and other financial institution partners.

8. Penalties for Breach of Sanctions

8.1 Össur operates in many different countries where sanction laws and regulations apply. Therefore, it is important to realize that Össur and its employees are exposed to increased risks including different civil and/or criminal penalties. Fines of up to 10% of the annual turnover, confiscation and/or seizure of assets and being sanctioned as well may be imposed to companies found in non-compliance. In addition, personal fines and imprisonment may also be imposed to individuals involve in the transaction. Violations of sanctions laws and regulations may also result in non-compliance with this Policy and the [Össur Code of Conduct](#), and thereby lead to disciplinary measures, including dismissal. Aside from these penalties, the company can also suffer consequential damages such as reputational damage, legal and investigation costs, loss of management time, loss of key business relationships, exclusion of government contracts and competitor claims.

9. Updates, Review and Ownership

9.1 This Policy is made by the Legal and Compliance Department and shall apply to all of Össur's Global Operations. In order to remain compliant with relevant sanctions measures, this Policy will be reviewed annually and will be updated as necessary. Updated version of the Policy will be made available under [Our Policies](#) on Plaza.

Annex I: General Information on Sanctions

To find more information on the supporting sanctions programs, designated entity/persons list and supporting legislation, please see below the following links:

European Union:

[EU Sanctions Map](#)

[EU Consolidated List of Travel Bans](#)

[EU Consolidated List of Financial Sanctions](#)

United Nations Security Council:

[UNSC Sanctions Overview](#)

[Consolidated United Nations Security Council List](#)

United States of America:

[U.S. Department of the Treasury Sanctions Programs and Country Information](#)

[Office of Foreign Assets Control \(OFAC\) Specially Designated Nationals \(SDN\) List](#)

[OFAC Consolidated Sanctions List](#)

[Additional OFAC Sanctions List](#)

United Kingdom:

[UK Current Arms Embargo, Trade Sanctions and Other Trade Restrictions](#)

[HM Treasury Financial Sanctions](#)

Norway:

[Ministry of Foreign Affairs Current Sanctions and Measures \(In Norwegian Only\)](#)

Iceland:

[Iceland implements UNSC and EU Sanctions measures](#)