

Group Policy - Export Compliance: Trade control and sanctions

International trade is restricted by import and export control and by international sanctions (sometimes referred to as “restrictive measures”). For example, export control laws bring about specific requirements regarding the export of goods, such as licenses. Damen Shipyards Group (“Damen”) is committed to the legal obligation to comply with all export regulations and rules that are relevant and applicable to the jurisdictions where it conducts business.

1 Purpose

Today’s international marketplace is a very competitive and complex arena for businesses to navigate, and the threat of incurring into import and export controls and sanctions is real. “Export Compliance” is the specialized discipline which covers the act or process of being in conformity with external applicable regulations, guidelines and relevant laws concerning all activities related to the import and export of products (which can be goods, services as well as tangible or intangible assets).

Developing an effective Export Compliance Policy is an invaluable way for a company not only to contribute to international markets security, but also to protect essential company interests. It’s vital to Damen’s success to comply with all applicable laws, regulations and procedures wherever we operate. The purpose of this Policy is to provide guidelines on compliance with the applicable laws on export of goods and sanctions throughout the world and to help Damen employees to comply with it in their everyday business.

2 Scope

This updated Policy applies to all Damen companies and their employees worldwide.

3 International trade restrictions

The United Nations, the United States and the European Union are the most relevant legislators in terms of the export compliance framework. Rules imposed by the United States are stringent and can apply to items or materials that originate from the United States and are exported to foreign countries, persons or entities: such extension of United States’ jurisdiction over certain products is called “US nexus”. United States’ legislation does only apply in certain cases: please contact the Export Compliance team to know more.

Import and export can be affected by so-called sanctions and embargoes: these are political trade restrictions with an objective to improve the situation in a country by changing the behavior of a country’s regimes, individuals or entities and groups. Their purpose is to apply political pressure in order to maintain or restore international peace and security. Frequently enforced economic sanctions include (but are not limited to) travel bans, assets freezes, arms embargoes, provision of services, import and export bans on certain goods originating from or heading to particular countries or certain individuals or organizations, but also prohibition to transfer funds to a specific country.

Export control is legislation that regulates the export of strategic goods (also including software and technology). Due to mainly national security reasons these goods, software and technology are deemed to be of such strategic importance that it is necessary to regulate and control its export. Strategic goods include both military goods (e.g. firearms) and dual-use goods. Dual-use goods not only have a civil application but are considered to also be used for military purposes, to produce weapons of mass destruction or ballistic missiles. To prevent misuse, a license is required for the export of strategic goods and providing services on strategic goods.

Damen and its employees are aware that in addition to shipping goods or technology from any company facility worldwide (indirectly or directly), exports can include transferring information to foreign nationals by telephone, e-mail, presentations and customer visits. Under no circumstances will exports be made contrary to Damen's export control policies or applicable international export controls frameworks.

4 Export Compliance and Damen

As a global player in the shipbuilding industry, Damen conducts export transactions every day and must comply with all applicable local, regional and international trade laws, rules and regulations: this entails compliance with legislation regarding export controls and sanctions. Export controls are country-based rules implemented to control certain products and technologies moving around the world: compliance with these laws is essential for Damen in all those countries where it conducts business. Violations of applicable export and sanction laws is a principal risk: such violation could subject Damen and its employees to criminal penalties, civil penalties (including large fines), the loss of export privileges, debarment, reputational damages and loss of business. Non-compliance with the applicable rules by Damen employees could result in corporate discipline, including dismissal.

Examples of situations that may be subject to export controls include, but are not limited to: shipping-controlled materials, items, drawings or perform services or transfer technologies to other countries.

To spread awareness and the required knowledge across the employees chain, the Export Compliance team periodically provides trainings on the applicable internal and external export compliance rules. Additionally, the Damen Academy serves as the company learning center, offering training and development programs, e-learning modules, and monitoring capabilities to keep oversight and to provide status update reports to management.

The active exchange of information and the awareness of every employee will ensure that export compliance matters are treated as a key business activity across the Damen Group.

Due to the constant changes in the export controls and in the sanctions regimes as well as the comprehensive nature of export controls and sanctions laws, we recommend all Damen employees to actively engage with the Export Compliance team to receive updated information and the necessary support.

5 Due Diligence

To ensure adherence to this Policy across the entire Damen organization, awareness on related roles and responsibilities is of vital importance. Integration in the client- and supplier due diligence and risk assessment process, monitoring, and internal audits further support the implementation throughout the organization.



Damen's products and services are not available to entities and individuals with whom transactions are prohibited under applicable export control and sanctions laws, including those listed on any applicable sanctioned party lists.

Because of this, both the Compliance and the Export Compliance team have in place a due diligence process, to screen transactions and the involved business partners or clients. Damen operates a risk-based screening to determine, among others, whether the exported goods and/or counterparties are subject to the United Nations', United States' or the European Union's sanctions or export controls. Furthermore, it will be determined if there are any licensing requirements.

All such transactions are subject to enhanced due diligence and licensing determinations are made on a case-by-case basis. Note that this Policy is not intended to address every specific situation that might occur. Therefore, employees are referred to the Company's internal procedures as well as the Export Compliance team, who will provide more specific guidelines.

6 Responsibilities

Members of the Executive Board of Damen are responsible to ensure that this policy is communicated, understood and followed within all levels of the organisation.

Division Managing Directors ('MDs') as well as the Yard MDs have the delegated responsibility to ensure that all relevant entities within the Division/ Yard MDs' responsibility have implemented this policy and that it is communicated, understood and followed.

The Export Compliance team is responsible for monitoring the effectiveness of this policy and reports regularly to the Export Compliance Officer on implementation, status and effectiveness.

7 References

- i. Code of conduct
- ii. Group governing document framework