



# Export Controls & Sanctions Policy

## March 2025

### Purpose and scope

**Purpose:** Philips is committed to conducting business in compliance with all applicable international and national export control laws, regulations and sanctions programs issued, among others, by the United Nations Security Council, the Organization for Security and Cooperation in Europe, the European Union (EU), the United States and other countries where Philips has a presence. The EU Export Controls & Sanctions rules apply (when relevant) to all Philips Group of companies. This Export Controls & Sanctions Policy sets out Philips management commitment to compliance and to maintaining a comprehensive compliance framework in place, enabling all Philips entities and its employees to conduct all business activities according to a set of common compliance standards. In addition to these laws and regulations, the Philips General Business Principles ("GBP") govern Philips' business decisions and actions throughout the world and apply equally to corporate actions and to the behavior of individual employees. These incorporate Philips' fundamental principles for doing business with integrity. The intention of the GBP is to ensure compliance with laws and regulations, as well as with Philips' norms, values, and standards. Philips Export Controls & Sanctions Policy is an integral part of Philips General Business Principles.

**Scope:** The Export Controls & Sanctions Policy applies to all Philips entities and all Philips employees, enterprise-wide, regardless of their position or location and it is an integral part of our Philips General Business Principles.

Compliance is the responsibility of the operating units and legal entities of the Philips Businesses, Functions, and Markets/Zones/Countries. Management is accountable for implementation and adherence to all applicable export controls and sanctions laws and this Policy. The Export Control Officers Network established in the organization is a critical element driving implementation and compliance with Philips Export Controls & Sanctions Policy and our GBP commitments.

Goods, software, technologies and services cannot be transferred, sold or purchased without due observance of various applicable export controls and sanctions laws and regulations issued by various governmental bodies and countries. These laws and regulations impose legal obligations on Philips regarding various aspects when engaging in transactions internally and externally covering the following aspects:

- **Trade embargoes and economic sanctions**

Embargoes and Sanctions are political trade restrictions affecting importers and exporters in international trade. The principal purpose of these restrictions is usually to seek to bring about a change to the behavior of the target country's regimes, individuals or groups. Frequently applied restrictions are: import/export bans, financial restrictions, asset freeze, restrictions on admission (visa/travel ban), restrictions on people accessing or receiving information, restrictions on provision of services etc.

- **Control of goods and technologies, and items that could materially contribute to mass destruction weapons, proliferation or diversion**

Governments and international organizations have created specific lists and controls to prevent unauthorized supply and access of goods, software, technology and services (items) to countries/parties that are considered a threat to national and international safety and security. These lists and controls (also known as Dual-use export controls), affect research and development (R&D), production and trade of typically high-tech, advanced products across a wide-range of civil industries – e.g. energy, aerospace, defense and security, lasers and navigation, telecommunications, life sciences, electronics, semiconductor and computing industries, medical and automotive.

- **Customers/parties considered sensitive**

All over the world there are people, organizations, companies, universities and institutes which try to harm our society. These parties are collecting all kinds of materials and information to do this. These activities are mostly referred to by regulators as proliferation, diversion, circumvention or illicit trade. The transactions related to these activities are illegal and violate export controls and other laws and regulations. Most of these parties are listed by various government agencies aiming to restrict or prohibit any engagement with such parties.

In practice, export controls and sanctions laws and regulations could prevent or prohibit Philips from engaging in certain business transactions and/or may require Philips to obtain a prior authorization from the government before engaging in such transactions. Non-compliance may cause significant damage to Philips: denial or suspension of export privileges, fines, criminal and civil penalties and/or unwanted publicity.

**Philips General Business Principles (“GBP”) outline the principles and values that define who we are and how we work. While pursuing our business objectives, we aim to be a responsible partner in society, acting with integrity toward our customers and patients, our employees, business partners, and shareholders, as well as the wider community in which we operate. This means that:**

**We transfer, sell and purchase goods, software, technologies and services in compliance with all applicable export controls and sanction laws and regulations.**

**We adhere to these laws and regulations by implementing the restrictions applicable to countries, business partners and persons, and by classifying all goods, software, technologies and services to identify controlled status and possible restrictions on the export or transfer of these goods, software, technologies and services.**

**Before entering any business relationship or transaction, we review and assess the applicable export controls and sanctions and determine if the relationship/transaction is allowed, or if an export authorization or approval is required from the relevant government agencies.**

### **Philips System on Export Controls**

To enable Philips employees to comply with all applicable laws and regulations in the field of export controls and sanctions, the Philips System on Export Controls was created. This is the mandatory enterprise-wide framework of compliance for everyone in Philips. This framework includes the expert advice system PROTECT as well as specific policies, directives and instructions for compliance with all applicable export controls and sanctions laws and regulations.

Philips fully understands the need to prevent Philips goods, intellectual property, technology and innovations from being used for proliferation purposes, development of weapons of mass destruction or used in connection with internal repression or the commission of serious violations of human rights and international humanitarian law. Philips also recognizes the legal obligation of export controls and sanctions compliance. Non-compliance of one particular business, market, zone, country or function may affect Philips Group activities as a whole. Therefore, the Phillips System on Export Controls also covers transactions in/from countries without national export control regulations (Philips Controls) to protect Philips reputation and mitigate compliance risks globally.

The Philips Manual on Export Controls & Sanctions (and its expert advice system PROTECT) codifies the relevant requirements for Philips entities enabling compliance. It also contains the structure of the Philips System on Export Controls, identifies the key responsibilities in this area and the accountabilities of people involved, and provides mandatory and supportive tools to be used to support the implementation of export controls and sanctions compliance efforts within the entire Philips organization.

The Philips Manual on Export Controls & Sanctions is the mandatory management compliance framework providing for a uniform and company-wide systemic approach to compliance. Management of our operating organizations is accountable for implementing all relevant requirements in all business transactions and activities of Philips.

Before entering any business relationship, it is mandatory to perform compliance checks on embargoed/ sanctioned countries and follow the party check procedure using the information and governmental lists published on the website of Group Export Controls. Group Export Controls, within Group Legal Compliance, is responsible for the maintenance of the system and its expert advice tool PROTECT and provides specific expertise on export-controlled products, relevant export controls and sanctions laws and policies enterprise-wide.

### **Monitoring and Continuous improvement**

All Philips employees are expected to comply with this policy and are required to consider their actions in every transaction and always seek export controls and sanctions support when in doubt.

For any concerns of (suspected) breach of this Policy, by Philips Employees or by any third party acting on behalf of Philips, you should report this in line with the [Philips SpeakUp Policy](#). Group Legal Compliance - Group Export Controls should always be involved promptly when a government authority or other third party contacts Philips with an Export Controls & Sanctions related allegation or request for information.

For any questions about export controls and sanctions, employees should contact the Export Controls Officers, local legal department or, alternatively, [Group Legal Compliance -Group Export Controls](#).



Policy Owner: Chief ESG & Legal Officer  
Approved by the Board of Management

Royal Philips (Koninklijke Philips N.V.)  
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