

# **SANCTIONS COMPLIANCE POLICY (SCP)**

FEBRUARY 2024

## **1. INTRODUCTION; CORPORATE COMMITMENT STATEMENT**

- 1.1. [Company Ltd] (“Company”) is committed to complying with all applicable laws and regulations governing economic sanctions, including export or import controls, embargos, trade restrictions, listing of persons or entities, asset freezing, or any other economic sanctions adopted by the United Nations, the United Kingdom, the European Union, any member state of the European Union, and the United States of America (“Sanctions”).
- 1.2. No business operations, including but not limited to [insert] may be carried out contrary to Sanctions by any individual operating on behalf of Company. Any violation of Sanctions infringes the values of Company and may have serious reputational, financial and criminal consequences for Company and the individuals involved. Any behaviour in violation of Sanctions will not be tolerated and may lead to disciplinary actions.
- 1.3. Company will take appropriate action against any employee or director whose actions are found to violate this SCP. Disciplinary action may also be taken against employees or directors of Company who knowingly fail to report such violations, or who retaliate against others who in good faith report such violations. Discipline may include actions up to and including the termination of employment or any business agreement or relationship with Company.
- 1.4. Company aims to ensure that any risks of non-compliance with Sanctions are detected early to mitigate and manage such risks to avoid Sanctions violations.
- 1.5. This SCP sets out the framework for how Company aims to comply with Sanctions and is based on 7 core elements of compliance: 1) management commitment to compliance; 2) risk assessment, 3) organisation structure and responsibilities, 4) training and awareness raising, 5) sanctions screening procedures, 6) performance review, audits, reporting and corrective actions, and 7) recordkeeping and documentation. The SCP will be incorporated into Company’s business practices as explained below.
- 1.6. The SCP applies to all directors and employees of Company.
- 1.7. This SCP is intended to supplement and not replace other codes of conduct, policies, rules and procedures that are applicable to Company from time to time.

1.8. The purpose of the SCP is:

- to set out internal procedures and processes to ensure Company complies with Sanctions and;
- to determine those responsible for ensuring the observance of such procedures and processes.

1.9. Company will review this SCP on a regular basis and will introduce revisions where necessary or appropriate. Company will implement all the necessary procedures, to ensure and validate on a regular basis, the proper adherence of this SCP by all employees and directors.

## **2. MANAGEMENT COMMITMENT TO COMPLIANCE**

2.1. The management of Company is committed to supporting the effective implementation of the measures set out in this SCP. This is done by allocating sufficient resources to Sanctions compliance, integrating Sanctions compliance into the daily operations of Company, providing training to [insert employee group] and other relevant employees, and fostering a culture of compliance throughout Company by regularly communicating the compliance commitments of Company.

2.2. The management of Company expects all employees of Company to comply with Sanctions. This obligation is stated as Company's Corporate Commitment Statement in paragraph 1.2 above and it is repeated in detail internally within Company.

2.3. The management of Company is the relevant Company Directors and the Board of Directors.

2.4. The [Managing Director] is overall responsible for supervising compliance with Sanctions. The day-to-day supervision of the business of Company, including ensuring that all relevant employees are adequately trained to handle Sanctions compliance is the responsibility of [insert title].

2.5. To promote a culture of compliance throughout Company, the directors will ensure employees know that they should report any violation or risk of violation of Sanctions.

2.6. In cases of violations or suspected violations of Sanctions, the management of Company will take measures to identify the root cause of such violations or suspected violations, including what steps are needed to reduce such occurrences in the future.

### **3. RISK ASSESSMENT**

- 3.1. This SCP applies a risk-based approach to Sanctions compliance and Company will continuously monitor the risks of the business operations. The risk assessment is based on the industry in which Company is providing its services [transportation] and that Company provides [transportation support activities].

Company's carries out its business worldwide and has physical operations in [insert]. Due to the international nature of Company's business, Company conducts thorough due diligence and has a sophisticated system in place to carry out such due diligence.

- 3.2. Based on the risk assessment of Company's business operations, Company has designed a sanctions screening procedure in the form of Standards of Procedure ("**SOPs**"), which contain steps to be undertaken by all relevant employees of Company. The SOPs is a manual for screenings and due diligence, which describes the type of business the relevant employees may and may not do. The SOPs operate together with Company's credit and compliance system, which aids the [insert employee group] in carrying out due diligence and the system ensures Sanctions compliance becomes an inherent part of any transaction carried out by Company.
- 3.3. The procedures explained in paragraph 3.2 are based on legal advice received from external lawyers.
- 3.4. In case of any changes to Company's business operations, including but not limited to areas of supply, customer locations, new business opportunities, etc. Company will conduct a new risk assessment prior to undertaking any such new business.

### **4. ORGANISATION STRUCTURE AND RESPONSIBILITIES**

- 4.1. The [insert title] is responsible for supervising on a day-to-day basis compliance with Sanctions and that the SOPs are implemented into the modus operandi of relevant employees.
- 4.2. The [insert title] reports to the management and the board. The organisational structure appears from Company's internal organizational chart. A detailed description of the role of the [insert title] is set out in Company's internal policies.
- 4.3. The day-to-day compliance for each specific transaction as detailed in Section 6 is carried out by [insert employee group]. The [insert title] is responsible for making sure that the [insert employee group] are equipped with skills necessary to carry out due diligence and that more complicated cases of due diligence are dealt with by more senior [insert

[insert employee group]. The skills needed for [insert employee group] to carry out the necessary due diligence are described in the job description of the [insert employee group].

- 4.4. The [insert title] is responsible for making sure the [insert employee group] know they should escalate any situations of doubt to the [insert title]. The [insert title] will obtain legal advice from external lawyers when deemed necessary.
- 4.5. The [insert title] is responsible for ensuring that the SOPs and the credit and compliance system work as intended. If any deficiencies are identified, the [insert title] will report this to the management and take steps to remedy any deficiency.
- 4.6. All new employees shall be informed of the SCP at the time of signing the employment agreement. By signing the employment agreement employees confirm that they have read, understood, and undertake to comply with the SCP.

## **5. TRAINING AND AWARENESS RAISING**

- 5.1. Company is committed to ensuring that it has an adequate training program for all relevant employees of Company. The relevant directors, [insert employee group] and other relevant employees will attend training courses and/or tailored internal or external seminars on Sanctions compliance. The relevant directors are responsible for ensuring that the knowledge spreads to the remainder of the organisation.
- 5.2. When new Sanctions are adopted which could be relevant for Company, the [insert title] will seek legal advice on the possible implications for Company when deemed necessary.
- 5.3. Compulsory training will be provided to relevant employees on an ongoing basis. Training will include lessons learnt from performance reviews, audits, reporting and corrective actions.
- 5.4. Company will ensure new employees receive adequate training in Sanctions compliance by implementing such training in the onboarding of new employees.

## **6. SANCTIONS SCREENING PROCEDURE**

- 6.1. Company conducts due diligence of its customers, suppliers and each transaction to make sure no Sanctions are being violated, including that any oil is sourced in accordance with Sanctions. Due diligence is carried out by way of screening which is the core element of this SCP.
- 6.2. Any new business partner is subject to a sanctions screening by Company. This includes screening the business partner and its ultimate beneficial owners against the sanctions

lists of the Office of Financial Sanctions Implementation (OFSI), the EU and the Office of Foreign Asset Control (OFAC), respectively. Existing customers are subject to screening on an on-going basis depending on the risk profile of the customer.

- 6.3. Before engaging in any transaction related to [insert], Company will conduct necessary due diligence to ensure the transaction complies with all Sanctions. The due diligence carried out is based on the risk of the transaction, including [recent port calls of the vessel in question, whether any signs of 'AIS spoofing' are noticeable, whether the cargo on board the vessel was loaded in or originates from any country that is subject to Sanctions and whether the vessel is destined for any country subject to Sanctions]. Company further strives to detect any signs ('red flags') of sanctions circumvention. Company has outlined the procedure for screening in the SOPs, including all questions and circumstances to consider as a part of such screening.
- 6.4. Sanctions screening is performed by means of collection of information and documents provided by Company's customers and business partners unless Company knows or suspects that those customers and business partners, or the information provided, are unreliable or dishonest
- 6.5. In cases of doubt about the compliance with Sanctions of a customer and/or a transaction, a [insert employee group] or other relevant employee must escalate the situation to the [insert title]. The [insert title] will obtain legal advice from external lawyers when deemed necessary.

## **7. PERFORMANCE REVIEW, AUDITS, REPORTING AND CORRECTIVE ACTIONS**

- 7.1. The management are committed to ensuring the effectiveness of the SCP and related SOPs and credit and compliance system by reviewing regularly that [insert employee group] and other relevant employees act in accordance with the SCP, including that screening procedures are conducted in accordance with Section 6 of this SCP. Such reviews include random control checks as part of daily operations to ensure any wrongdoings are detected in an early stage.
- 7.2. The management are responsible for ensuring that this SCP operates effectively to ensure compliance with Sanctions. This will be done by way of audits checking that the SOPs operate adequately and efficiently to ensure the necessary due diligence is carried out. In cases of any weaknesses identified, the [insert title] is responsible for updating this SCP and/or the SOPs and the credit and compliance system. Such updating will be carried out with the assistance of external lawyers to ensure the SCP is adequate and operates efficiently and in accordance with Company's risk profile.

- 7.3. Any revision and/or corrective actions of this SCP or SOPs will be shared with [insert employee group] and other relevant employees of Company.
- 7.4. The relevant directors are responsible for ensuring that whistleblowing and escalation procedures are in place and that employees know how to report suspected or actual incidents of breaches of Sanctions.
- 7.5. Any revision and/or corrective actions of this SCP or the SOPs will be shared with the [insert employee group] and other relevant employees of Company.
- 7.6. Any change in Company's business, customer base or operations which may affect Company's risk profile will be communicated to the law firm assisting Company with the compliance of Sanctions to make sure any necessary changes are made to this SCP.

**8. RECORDKEEPING AND DOCUMENTATION**

- 6.1. To ensure the effective implementation of the SCP and SOPs, [insert employee group] are required to document the screenings described in Section 6. Records are kept for at least 5 years.
- 6.2. Documented screenings will be used for auditing as described in paragraph 7.2. As part of auditing the records will be inspected for completeness, accuracy and quality.
- 6.3. Screenings are documented in Company's internal credit and compliance system.

Signed on \_\_ February 2024 by

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[Name]

[Title]

[Company Ltd]