

GLOBAL FOREIGN TRADE CONTROL POLICY

Version 1.0 – October 2020

Rule owner:
SICPA Chief Compliance Officer

Approved by:
Board of Directors
October 1, 2020



Enabling trust



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1 PURPOSE

SICPA and all its subsidiaries and controlled joint ventures (“SICPA”) are expected to comply with all applicable laws and regulations governing international trade restrictions, such as those regulating sanctions and export controls, and in particular those imposed by Switzerland, the European Union (“EU”) and the United States of America (“US”). This Policy sets out the measures that SICPA follows to identify, mitigate and manage trade controls in the jurisdictions it operates in.

2 INTRODUCTION

The global nature of SICPA’s business means that many of our transactions and operations might be subject to Foreign Trade Controls (“FTC” or “FTCs”). FTCs are understood as national and international laws regulating:

- Business transactions with certain countries, organizations, companies and individuals (“economic sanctions”); and
- Transfers of certain goods, technologies and software between countries (“export controls”).

Note that this Policy is not exhaustive of scenarios where FTC laws and regulations apply. To achieve compliance, it is the responsibility of all SICPA Employees to ensure SICPA stays in compliance with this Policy and related policies and regulations. SICPA Employees are required to seek advice from the Compliance Department if they have any questions or concerns about compliance with the applicable FTC laws and regulations or this Policy.

3 SCOPE

This Policy is applicable to all SICPA’s activities including those of subsidiaries and controlled joint ventures worldwide and its respective officers, directors, employees and Third Parties.

Minority Joint Ventures and affiliates are encouraged to adopt and comply with this Policy or implement an equivalent one. Compliance with this Policy should be included in those Shareholders’ Agreement. The appointed SICPA Board representatives in minority joint ventures are responsible for promoting this Policy.

SICPA cannot indirectly through Third Parties perform actions which it is not permitted legally to perform itself. This Policy therefore applies to anyone acting on behalf of SICPA, including but not limited to SICPA’s representatives, consultants, agents and brokers. Any deviation from this Policy requires the approval of the Chief Compliance Officer.

4 DEFINITIONS

Term	Definition
Arms embargo	<i>Restrictions or prohibition on export of arms, military items and dual-use items to certain countries.</i>
Dual-Use Item	<i>Items which have an ordinary commercial use, but also have a potential other use allowing the item to be used for military, weapons-related or terror purposes or by security forces.</i>
Economic sanctions	<i>Sanctions against a country, government, person or company that limits the possibility for trade.</i>
EFTA	<i>European Free Trade Association</i>
Employees	<i>Officers, directors, personnel whether fixed term, permanent or probationary, trainees, seconded staff, volunteers and interns.</i>
Export item	<i>Export items are goods, services, software, technology, and technical data. Additionally, certain transits, brokering activities and technical assistance (training, repair, etc.) may be considered Export Items.</i>
Export/Import	<i>Export/import is the physical transfer of goods and services as well as electronic transfer of data, software, and technology.</i>
Re-export	<i>An Export item's subsequent transfer to a third country.</i>
Export controls	<i>Policies that regulate the export of defined items.</i>
Foreign Trade Controls ("FTCs")	<i>Foreign Trade Controls are national laws and international rules regulating business transactions with certain countries, companies and persons, and the transfer of goods and services, software or technology between countries.</i>
Minority Joint Venture	<i>An entity where SICPA does not have majority shareholding and/or control.</i>
OFAC	<i>Office of Foreign Assets Control of the US Department of Treasury.</i>
Restricted Parties	<i>Organizations, entities, individuals or companies which are listed on a sanction list.</i>
SCM	<i>Supply Chain Management / Procurement</i>
SDN	<i>Specially Designated Nationals and Blocked Persons designated by OFAC as Restricted Party.</i>
Third Party	<i>A third party is any individual not employed by SICPA or any entity not owned or controlled by SICPA, that provides services or engages in business activities, on behalf of SICPA. It includes joint ventures which are not controlled by SICPA, joint venture partners, agents, brokers, consultants, suppliers, actual clients, intermediaries, representatives, subcontractors, advisers and other persons or entities acting on behalf of SICPA.</i>
US Person	<ul style="list-style-type: none"> • <i>Any entity organized under the laws of the US, including foreign branch offices and subsidiaries of the US entity.</i> • <i>Any individual who is a US citizen or permanent resident and/or a Green Card holder, wherever located or employed.</i> • <i>Any person or entity physically present in the US</i>

	<ul style="list-style-type: none"> • <i>US-flagged vessels and non-US flagged vessels owned/operated by a US company or companies.</i>
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5 POLICY

FTCs are complex and govern international trade, covering two principal areas: economic sanctions and export controls. This Policy encompasses SICPA's commitment to comply fully with all applicable laws and regulations that regulate international trade.

5.1 ECONOMIC SANCTIONS

"Economic sanctions" are imposed against specific countries, governments, persons and/or companies (as well as companies owned or controlled by any of the foregoing), whereby business dealings with those countries, governments, persons and/or companies are restricted or prohibited. Economic sanctions also restrict some goods and services from being exported or re-exported.

5.1.1 EU SANCTIONS

EU sanctions apply within the jurisdiction of the EU, that is:

- within the EU territory;
- to EU nationals, whether or not they are located in the EU;
- to companies incorporated under the law of a Member State, including branches, whether or not they are in the EU;
- to any business done in whole or in part within the territory of the EU; or
- on board of aircrafts or vessels under the jurisdiction of a Member State.

SICPA S.A. is incorporated under the laws of Switzerland. Switzerland is not a Member State of the EU, but a member of the European Free Trade Association (EFTA). Nevertheless, SICPA takes the position that EU sanctions apply to all SICPA's business whether or not in the EU.

SICPA and its Employees are not permitted to have commercial or financial dealings with parties subject to EU sanctions prohibiting such dealings.

5.1.2 US SANCTIONS

The US imposes sanctions on a number of countries in which US persons may not do business. The Office of Foreign Assets Control ("OFAC") of the US Department of Treasury frequently modifies the list of countries and/or the degree of restrictions in place with respect to any such country. US sanctions are generally broader in scope than the EU sanctions and apply to activities:

- performed within, or undertaken from, the US (persons of any nationality while in the US);

- involving US persons wherever located (including but not limited to approval or facilitation by such US persons);
- involving US companies organised under US law and/or their foreign branches (foreign companies that are owned or controlled by US persons or US companies are also fully subject to US sanctions);
- involving US-flagged vessels;
- involving goods, services, software or technology subject to US law (i.e. US-origin items as well as foreign-made items containing more than a de minimis amount of controlled US content), even if no US person or US company is involved in the transaction; and
- involving US currency (because US dollar transfers generally are cleared through the US financial system even if the sender and the recipient are non-US parties).

SICPA's US companies and US Employees are not permitted to have commercial or financial dealings with parties listed by the US authorities, or that are known to be owned or controlled by a Restricted Party (e.g. SDNs). Other SICPA companies may have such dealings only with the Chief Compliance Officer's or its designees' prior approval.

5.1.3 SWITZERLAND SANCTIONS

Switzerland sanctions are usually synchronized with EU sanctions, and in case of deviation the Chief Compliance Officer will provide guidance.

5.2 US PERSONS EMPLOYED BY SICPA

US sanctions prohibit US persons from engaging, facilitating, approving or otherwise participating in commercial dealings with a Highly Sanctioned Country or a restricted person or company, including parties based in those countries and their affiliates, even if SICPA itself may not be prohibited from engaging in the transaction. US person SICPA Employees must forthwith inform their managers and consult with the Chief Compliance Officer or its designee if their work may involve a restricted person (e.g. SDNs) or company or a Highly Sanctioned Country and immediately withdraw themselves from any discussions or decisions relating to such transactions.

US person Employees may only travel to Highly Sanctioned Countries on business with the prior approval of the Chief Compliance Officer or its designees.

5.3 TRANACTING WITH HIGHLY SANCTIONED COUNTRIES OR RESTRICTED PERSONS

The countries against which the EU and the US impose comprehensive sanctions programmes are called "Highly Sanctioned Countries". Any new, planned or actual dealing with Highly Sanctioned Countries requires the Chief Compliance Officer's or its designees' prior approval. Refer to the Highly Sanctioned Countries list available on the SICPA Intranet, here as Appendix A.

5.4 SANCTIONS SCREENING

The EU, the US, and other regional, unilateral, and multilateral regulations restrict individuals and companies from conducting transactions with specific foreign companies, individuals or countries (“Restricted Parties”). It is SICPA’s obligation to check if a Third Party with whom SICPA does business is listed on these restricted party lists and if confirmed to review the relationship. If it is lawful to transact with a Restricted Party subject to certain restrictions, the Chief Compliance Officer’s or its designees’ prior approval is required.

5.5 EXPORT CONTROLS

Export controls target physical export and electronic transfers of certain goods, military items and Dual-Use Items. Export control regulations cover the actions required to identify items that are subject to Export and Re-export licenses when they are exported from one country to another. Exports do not only take place from SICPA to a Third Party but also within SICPA.

It is the responsibility of the exporting SICPA entity to assure all required approvals are in place and that the necessary licenses are obtained.

5.5.1 ARMS-EMBARGO - EXPORT OF MILITARY AND DUAL-USE ITEMS

Export of military and Dual-Use Items requires prior authorisation from the authorities of the exporting and/or importing country. In addition, certain jurisdictions can impose further restrictions on Exports of Dual-Use Items.

6 INTERACTION WITH REGULATORS AND AUTHORITIES

All contacts with regulators and authorities, for example OFAC, Department of Justice and HM Treasury, in respect of sanctions or export controls inquiries must have prior written approval from the Head of Legal, the Chief Compliance Officer or their designees.

7 REPORTING OBLIGATIONS AND DISCIPLINARY ACTION

SICPA will not tolerate the dishonest or unlawful achievement of results by any Employee, whether directly or via a Third Party. Any violation of this Policy may result in disciplinary action, including termination of employment or contract.

Any violation or suspected violation of the FTC laws and regulations or this Policy must be reported immediately to any of the following:

- any member of the SICPA Legal & Compliance team; or
- the SICPA Speak Up Line (Whistleblower System); or
- any member of the SICPA Executive Committee.

Failure to report a violation constitutes a violation of the Policy.

8 RESPONSIBILITIES

Task/Department	All departments	SCM	Compliance	Legal
Sanctions screening	C	R/A	C	C
Arranging Export licenses	I	R/A	C	C
Approval transacting with Highly Sanctioned Countries	C	C	R/A	C
Approval transacting with a "Restricted Party"	C	C	R/A	C
Engaging with regulators and authorities on FTC inquires	I	I	R/A	R

R – Responsible – who is responsible for carrying out the entrusted task? ; **A – Accountable** (also Approver) – who is responsible for the whole task and who is responsible for what has been done?; **C – Consulted** – who provide valuable advice or consultation for the task?; **I – Informed** – who should be informed about the task progress or the decisions in the task?

9 FURTHER APPLICABLE POLICIES AND GUIDELINES

- SICPA Code of Business Conduct
- SICPA Supplier Code of Conduct
- Policy on Compliance with International Trade and Customs Regulations

10 APPENDIX

Appendix A: List of Highly Sanctioned Countries (available on the SICPA Intranet)

Appendix A - List of Highly Sanctioned Countries

The following countries are considered “Highly Sanctioned Countries”

- Cuba
- Crimea
- Iran
- Libya
- Myanmar
- North Korea
- Somalia
- South Sudan
- Sudan
- Syria
- Venezuela

Prior to any business transaction the written approval of the Chief Compliance Officer is required.

Version: Oct. 1, 2020

Replaces: -/.