

## **SANCTIONS POLICY**

### **1. INTRODUCTION**

This policy should be followed by all officers and employees of Peel Ports Group (the 'Group').

This policy does not form part of employees' contracts of employment and the Group reserves the right to amend this policy from time to time.

Government authorities impose sanctions for a variety of national security and foreign policy reasons, either unilaterally, based on UN Security Council resolutions, or other multilateral policy initiatives.

The Group assists and participates in global trade through its port facilities and through the vessels operated by BG Freight Line. Because of the international nature of our business, some of our operations could be subject to restrictions due to sanctions. The Group is committed to undertaking business in compliance with the laws and regulations that govern international trade.

Failure to address the risk of sanctions violations may undermine the Group's reputation and lead to investigations, fines and/or other penalties for the Group and/or individuals.

This sanctions policy sets out the Group's approach to ensuring that we fully comply with all sanctions applicable to our business activities and that we appropriately manage associated risks.

### **2. OUR COMMITMENT**

The Group is committed to complying with all sanctions applicable to our business activities. We do not participate in transactions or engage in conduct designed or intended to evade or facilitate a breach of applicable sanctions.

We do not conduct business in, or involving any, embargoed territory or sanctions targets. We do not conduct business that would violate any applicable trade controls or anti-boycott laws.

To manage our sanctions risk exposure and ensure compliance we implement controls and processes including screening and due diligence on our counterparties and vessels involved in transactions into which we enter. We use a risk-based approach to determine whether they are a sanctions target or otherwise attract sanctions risk.

We require employees to be alert to sanctions risk and to report any sanctions issues identified to the Group's General Counsel and Company Secretary.

### 3. BACKGROUND

The rules relating to sanctions that apply to UK businesses are primarily contained in UK sanctions law.

Given the international nature of our business, it is possible in certain circumstances for non-UK sanctions law to also apply to the Group's activities, including EU, US and UN sanctions law. In general terms, compliance with UK sanctions law should also ensure compliance with these other sanctions regimes, but all officers and employees are expected to comply with any applicable sanctions law.

A breach of sanctions law can be both a criminal offence and a civil violation for which not only the Group may be held liable, but also individual officers and employees. It could also lead to significant reputational damage for the Group.

### 4. UK SANCTIONS LAW

#### OVERVIEW

UK sanctions law is primarily contained in regulations made under the **Sanctions and Money Laundering Act 2018** ("SAMLA").

The sanctions rules applicable to ports under UK sanctions law can be split up into: **financial sanctions**, **trade sanctions** and **transport sanctions**. These are addressed in greater detail below.

#### FINANCIAL SANCTIONS

Under SAMLA it is illegal to **deal with funds or economic resources** that are **owned, held or controlled** by entities who are subject to sanctions. These entities are called **Designated Persons** and they are contained on a list published by the Government called **The UK Sanctions List**.

For an individual to be liable they only need to have **reasonable cause to suspect** that they are dealing with funds or economic resources owned, held or controlled by entities who are subject to sanctions.

#### How to comply with Financial Sanctions

If you have any cause to suspect that you are dealing with funds or economic resources relating to Designated Persons you should raise this with the Group's General Counsel and Company Secretary.

#### TRADE SANCTIONS

Trade sanctions impose restrictions on: i) the **trade** of certain **specified goods** (e.g. military goods); ii) **services connected** with those restricted goods (e.g. technical assistance with military goods); and iii) on **trade with specified countries**.

## How to comply with Trade Sanctions

The Group's activities provide an interface for the trade of restricted goods, but they could also involve services in connection with restricted goods.

As a general rule, UK trade sanctions law does not expect ports to check all goods to see whether sanctions apply to them. However, there is a risk that you might fall foul of UK trade sanctions law to the extent that you are aware that goods which come through the Group's ports are different from those expected prior to arrival. Any such discrepancy should be raised with the Group's General Counsel and Company Secretary.

BG Freight Line should specifically look out for circumstances where the goods it receives for transporting are different from those that they expected to receive.

## TRANSPORT SANCTIONS

This is the type of sanction that is most relevant to the Group's activities.

Transport sanctions prevent ports and carriers from dealing with specific **Designated Vessels** or **vessels linked to certain countries**. At the time of writing the Group is prohibited from dealing with vessels from North Korea, Libya, Russia and Belarus.

UK ports will be notified when the Secretary of State designates a vessel or prohibits dealing with vessels from certain countries and they will be placed on The UK Sanctions List.

The Department for Transport is responsible for implementing transport sanctions and has overall responsibility for licensing any dealings with Designated Vessels or vessels linked to certain countries.

## How to comply with Transport Sanctions

The Group Harbour Master is responsible for ensuring that all vessels planning to enter one of the relevant Group ports are first processed through specialist third-party sanctions database which should highlight whether they are on the UK Sanctions List. If the third-party database delivers a positive result, or there is otherwise reasonable cause to believe that a vessel is sanctioned, the relevant vessel should not be permitted access.

Guidance from the DfT and the Group's General Counsel and Company Secretary, should be sought where necessary.

All vessel due diligence should be recorded and a separate register should be maintained for vessels which receive a positive result / which are suspected to be sanctioned, stating whether or not they were permitted access, and if they were permitted access, why.

BG Freight Line should ask the Group Harbour Master to carry out a due diligence exercise in the event that it is planning to charter a new vessel which may be caught.

## **5. NON-UK SANCTIONS LAW**

Other countries have their own sanctions regimes which similarly deal with financial, trade and transport sanctions.

It is possible in certain circumstances for non-UK sanctions law to apply to the Group's activities, including EU, US and UN sanctions law.

In general terms, compliance with UK sanctions law should also ensure compliance with these other sanctions regimes, but all officers and employees are expected to comply with any applicable sanctions law.

An example of non-UK sanctions law applying to the Group's activities includes where the Group enters into a financing agreement with a foreign bank and this agreement places an obligation on the Group to comply with the sanctions law that is applicable in the bank's jurisdiction. Financial institutions have strict compliance obligations and they actively monitor borrowers' operations and procedures in order to prevent any involvement by the financial institution in a transaction that could constitute a non-compliance risk. Failure to comply with the non-UK sanctions law could result in a termination of the relevant contract and prohibition of the bank from lending to the Group in the future.

All officers and employees should be alive to the risk of foreign sanctions law applying to the Group's activities and if there is reasonable cause to believe that this is the case it should be highlighted to the Group's General Counsel and Company Secretary, so that a legal risk assessment can be performed.

## **6. IF YOU SUSPECT A BREACH OF SANCTIONS LAW**

If you have any cause to believe that you have breached sanctions law you should contact the Group's General Counsel and Company Secretary.

If you have any cause to believe that another employee or officer has breached sanctions law you should raise the issue in accordance with the Group's Whistleblowing Policy.

Doing this will allow the Group an opportunity to deal with the issue and correct it, ideally before it becomes a violation of law or a risk to the Group's reputation.

If you wish to raise any concerns anonymously, The Group's confidential whistleblowing hotline contact details are set out below for ease of reference.

### **UK**

Phone: 0800 915 1571

Email: [peelports@safecall.co.uk](mailto:peelports@safecall.co.uk)

Report online: [www.safecall.co.uk/reports](http://www.safecall.co.uk/reports)

**ROI**

Phone: 1800 812 740

Email: [peelports@safecall.co.uk](mailto:peelports@safecall.co.uk)

Report online: [www.safecall.co.uk/reports](http://www.safecall.co.uk/reports)

**Netherlands**

Phone: 00800 7233 2255

Email: [peelports@safecall.co.uk](mailto:peelports@safecall.co.uk)

Report online: [www.safecall.co.uk/reports](http://www.safecall.co.uk/reports)