



# TRADE SANCTION SCREENING POLICY

## INTRODUCTION AND PURPOSE

Trade sanction rules are adopted globally by a large number of states and state-like institutions, such as the USA, the EU, the UN and Russia. The objective of trade sanctions, which prohibit trade with certain persons or entities, is to sanction the behaviour of a particular state or state-like institution in an attempt to make it comply with the political ethos of another state or state-like institution. Sanctions may limit the possibility of Carlsberg India Private Limited (“CIPL”/“Company”) together with any subsidiary of CIPL from time to time (“CIPL Group”) doing business in certain countries and may restrict some CIPL Group employees from participating in certain business activities. Furthermore, sanction rules generally prohibit the export of certain types of equipment to certain countries.

Infringements of trade sanction rules may have significant negative implications, including fines for the CIPL Group, fines and/or imprisonment for the CIPL Group’s management and employees, breach of material loan facilities and material reputational damage.

The purpose of this Trade Sanction Screening Policy is to define the roles and responsibilities of relevant employees in order to mitigate the above-mentioned risks.

## SCOPE

This policy applies to the management, employees and contract workers of all entities in the CIPL Group that are responsible for negotiating, concluding or signing contracts, including loan facility agreements, and procurement.

# REQUIREMENTS

## 1. TIMING OF SCREENING

1.1. In order to avoid material negotiations with sanctioned individuals or entities, screenings and subsequent clearance from a trade sanctions perspective must be carried out as early as possible and always before the conclusion of an agreement.

## 2. COMPANY PROCEDURES AND COMPLIANCE WITH COMPANY LAWS

2.1. In the event that there is any indication that a (potential or existing) business partner may be the subject of sanctions, that business partner must be screened, even if the thresholds mentioned below are not met.

2.2. The CIPL Group's risk-based approach requires that CIPL Legal and the Group Trade Sanctions Manager must be informed in writing about any potential issue relating to trade sanctions, whether this stems from a screening, a red flag or another source.

2.3. In addition, in the event that there is a risk of potential or actual infringement of trade sanctions, the Head of Competition Law and the General Counsel must always be notified.

## 3. SCREENING THRESHOLDS

3.1. The Country List (Appendix 1), which designates countries as "high risk", "medium risk", "lower risk" or "green", must be consulted in relation to trade sanction screenings. Countries are moved from one risk category to another if new sanctions are adopted or existing sanctions lifted. The appendix is therefore a living document and you must ensure that you use the latest version.

### 3.1.1. High-risk countries

All potential and existing (contract-renewing) business partners of the CIPL Group in high-risk countries, the directors of these business partners, their (direct and indirect) shareholders and the directors of these shareholders, as well as the banks involved, must be screened.

US citizens and green card holders represent a special risk for the CIPL Group and are also exposed to personal risk when doing business in high-risk countries, as they may be personally prohibited from working on projects in high-risk countries and could therefore be liable to prosecution for violation of such prohibitions. Consequently, employees who are US citizens or green card holders must always consult CIPL Legal and the Group Trade Sanctions Manager before working on projects in high-risk countries.

Furthermore, CIPL Legal and the Group Trade Sanctions Manager must always be informed and sign off when business is being considered for a high-risk country.

### 3.1.2. Medium-risk countries

Screening must be carried out if a (potential or existing) business partner is a citizen or resident of, or an entity incorporated under the laws of, a medium-risk country and:

- the transaction involves a Carlsberg Group entity incorporated under the law of a "western"<sup>1</sup> country; or
- the transaction is authorised or approved by a Carlsberg Group decision-maker who is a citizen of a "western" country; or
- the transaction is carried out in USD.

Furthermore, if the (expected) yearly turnover with such a (potential or existing) business partner exceeds EUR 100,000, the directors of that business partner, its (direct and indirect) shareholders and the directors of these shareholders, as well as the banks involved, must also be screened.

<sup>1</sup> EU/EEA member states, Switzerland, the USA, Canada, Australia and New Zealand.

Irrespective of the above thresholds, before doing business in a medium-risk country or with a business partner who is a citizen or resident of, or an entity incorporated under the laws of, a medium-risk country, you must contact local legal to get potential risks signed off.

### 3.1.3. Lower-risk countries

Screening must be carried out if a (potential or existing) business partner is a citizen or resident of, or an entity incorporated under the laws of, a lower risk country and the (expected) yearly turnover with the business partner exceeds EUR 1,000,000, and:

- the transaction involves a Carlsberg Group entity incorporated under the law of a “western” country; or
- the transaction is authorised or approved by a Carlsberg Group decision-maker who is a citizen of a “western” country; or
- the transaction is carried out in USD.

The business partner, the directors of that business partner, its (direct and indirect) shareholders and the directors of these shareholders, as well as the banks involved, must be screened.

### 3.1.4. Green-listed countries

In the event that a (potential or existing) business partner is a citizen or resident of, or an entity incorporated under the laws of, a green-listed country, no screening is required.

## 4. BREWERY EQUIPMENT AND PERSONAL WORK COMPUTERS

4.1. Brewery equipment and computers may not be sold or exported to countries outside the EU/EEA and Switzerland without the prior consent of CIPL Legal and the Group Trade Sanctions Manager.

4.2. When travelling on business to high-risk countries, employees should not bring personal laptops and phones.

## 5. SCREENING PRACTICALITIES

5.1. Whenever you need to screen a (potential or existing) business partner and/or related persons, all available data for identifying such parties (name, address, etc.) must be entered in the Trade Sanctions Information and Screening Results Sheet (available at CIPL Legal and on Group Legal’s SharePoint site) and e-mailed to [tradesanctionscreening@carlsberg.com](mailto:tradesanctionscreening@carlsberg.com).

5.2. Unless other arrangements have been agreed with CIPL Legal and the Group Trade Sanctions Manger, Group Legal will, as quickly as possible, send a response setting out whether the business partner or related parties are subject to sanctions and, if so, what needs to be done.

## ROLES AND RESPONSIBILITIES

Body/function/individuals	Roles and responsibilities
CIPL Board of Directors (BoDs)	Responsible for policy approval.
CIPL Legal	Policy owner with overall responsibility to CIPL BoDs for trade sanction issues in the CIPL Group and for ensuring that material trade sanction risks in the CIPL Group are duly attended to and communicated to CIPL BoDs as relevant.
Head of Competition Law	Overall responsibility for the Trade Sanctions Compliance Programme.
Group Trade Sanctions Manager	Responsible for developing, implementing and maintaining the Trade Sanctions Compliance Programme. This includes ensuring that the policy, any associated documents and the programme itself are kept up to date, and that training material is created and distributed to local legal in order to ensure continuous compliance with and monitoring of the implementation of the programme. The Group Trade Sanctions Manager is responsible for training in high-risk countries, at Corporate Office and in centralized procurement functions.
Managing Director, CIPL Functional Heads at Corporate Office, Local Management	<p>Responsible for ensuring that this policy is implemented and adhered to, and that all relevant employees are made aware of the policy and its requirements. Local legal is responsible for the training of relevant employees in medium- and lower-risk countries. Further details on responsibilities are set out under “Requirements”.</p> <p>To the extent this policy requires notification and/or escalation to a representative of the Carlsberg Group, outside of the CIPL Group, a representative nominated by CSAPL (Singapore) Holdings Pte. Ltd. shall be copied in such notification and/or escalation.</p>
Relevant management, employees and contract workers of all entities in the CIPL Group	Responsible for adhering to this policy.

## GLOSSARY

### Group Trade Sanctions Manager

The Carlsberg Group Trade Sanctions Manager

### Head of Competition Law

The Carlsberg Group Head of Competition Law

### General Counsel

The Carlsberg Group General Counsel

### Red flag

A sign of risk or a problem relating to trade sanctions that needs to be taken into consideration before entering into a business relationship with a partner. Examples of red flags include, but are not limited to:

- Any indication that a business partner or part of the supply chain is, or has been, subject to sanctions.
- Links to military persons in a high-risk or medium-risk country.
- Rumours in the market about a business partner in a high-risk or medium-risk country.
- Links to government/authorities/public bodies or officials in a high-risk or medium-risk country.
- Unusual payment or invoicing requests or terms.
- A partner requesting the involvement of another party (e.g. a sister firm) in a high-risk or medium-risk country.

### Screening

Group Legal's screening of a business partner following a request from a relevant employee using the Trade Sanctions Information and Screening Results Sheet.

## DEVIATIONS

No exemptions from this policy can be granted unless there are exceptional circumstances or the policy is obviously not applicable. All requests for exemptions must be made in writing to the policy owner. The policy owner must assess and decide on each request individually in consultation with the Trade Sanctions Manager. Exemptions must be duly logged and documented.

## POLICY REVISION

This policy will be revised when needed, but at least every two years. It may be amended at any time with the approval of CIPL BoDs. In the event of any discrepancies between the English version of this policy and a translated version, the English version will be binding. Appendix 1 (Country List) will be updated whenever a country is moved from one risk category to another.

## ASSOCIATED POLICIES AND MANUALS

- Appendix 1 to Trade Sanction Screening Policy – Country List
- Trade Sanctions Information and Screening Results Sheet

## CONTACT

For more information, please contact CIPL Legal or the Group Trade Sanctions Manager or send an email to [tradesanctionscreening@carlsberg.com](mailto:tradesanctionscreening@carlsberg.com).

## GOVERNING LAWS

This Policy shall be subject to applicable Indian Law(s).

ENGLISH



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