

# Global Trade Sanctions Compliance Policy

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<b>Author</b>	Group Legal & Compliance
<b>Approved by</b>	ExCo
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## **Limitations and Disclaimers**

This policy is the Barry Callebaut's general guideline and management reserves the right to apply different terms, as determined in management's sole discretion. This policy can be changed at any time, with or without notice by the employer. Nothing in this policy shall apply to the extent it would be inconsistent with any applicable law.

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## 1 What is the purpose of this policy?

The Barry Callebaut Group (the “**Group**” or “**Barry Callebaut**”) is committed to fair, ethical and sustainable business practices throughout all of its business operations. In doing so, Barry Callebaut undertakes to ensure compliance with all applicable laws, regulations and generally acknowledged international conventions in all jurisdictions in which it operates.

This policy establishes the Group’s guidelines and procedures to effectively and adequately identify, mitigate and manage the risks related to sanction regulations and restrictive measures programs implemented, administered and enforced by:

1. the EU Commission;
2. the UN Security Council Sanctions Committee;
3. the US Office of Foreign Assets Control (“**OFAC**”); and
4. the Swiss State Secretariat for Economic Affairs

(1 to 4 collectively the “**Critical Sanctions Regimes**”).

## 2 Who does this policy apply to?

This policy applies to all Barry Callebaut employees acting in any capacity and for all businesses and subsidiaries of Barry Callebaut.

## 3 Trade Sanctions and relevance for Barry Callebaut

### 3.1 The instrument of Trade Sanctions

Sanctions and other restrictive measures (“**Sanctions**”) are political instruments of diplomatic or economic nature applied by inter-governmental organizations, supranational bodies or individual countries against (i) specific countries, governments or government related institutions and (ii) private organizations, legal entities or natural persons that give rise to international concern for violating inalienable international laws, human rights, or fundamental democratic principles (collectively, the “**Targets**”).

Sanctions are aimed to:

- seek to influence the Targets to modify their behavior by motivating them to adopt policies in accordance with internationally generally acknowledged minimal standards;
- penalize the Targets for violating inalienable standards; and
- limit the adverse consequences of a situation of international concern, for example by denying access to military or paramilitary goods, or to goods, technologies or funding that are enabling the pursuit of military or paramilitary programs of the Targets.

The sanctioned countries pursuant to the Critical Sanction Regimes are listed in [Annex 1](#).

Sanctions may be subject to frequent and sometimes sudden change. They can be imposed at any time by any country, international organization or supranational body, and in general the effect is immediate. The Group Compliance Officer will monitor the Critical Sanctions Regimes and update the list in [Annex 1](#) accordingly.

### 3.2 How Trade Sanctions can impact the business dealings of Barry Callebaut

Sanctions may affect Barry Callebaut's business operations by placing restrictions and controls on the movement of goods, services and funds.

Restrictions can include:

- export bans, import bans and prohibitions on the provision of certain specified services;
- prohibiting certain commercial activities;
- prohibiting the transfer of funds to and from a sanctioned country and/or a Target;
- travel bans;
- other financial or trade restrictions.

Failure to comply with sanctions may lead to legal or regulatory actions against the non-compliant corporate entities or responsible individuals (i.e. Barry Callebaut and/or its acting employees personally), with potentially heavy penalties and reputational damage.

### 3.3 Exemption for agricultural goods, screening of business partners

The cocoa and chocolate products manufactured and sold by Barry Callebaut are commonly categorized as agricultural goods intended for human consumption. Agricultural goods are usually exempted from the comprehensive sanctions against countries. Exceptions to this rule are set out in [Annex 1](#).

However, since Sanctions can also apply to specific private organizations, legal entities or natural persons (the "**Designated Entities and Individuals**"), it is important that the Barry Callebaut Group implements appropriate controls to comply with Sanctions against such Designated Entities and Individuals. Consequently, Barry Callebaut's focus with regard to compliance with Sanctions lies in screening Designated Entities and Individuals against the relevant Sanction Lists as set out in more details in Section 5 hereinafter.

## 4 The Principles of Trade Sanction Compliance at Barry Callebaut

The following key principles govern Barry Callebaut's approach to Sanctions:

1. Barry Callebaut strives to comply with all the relevant Sanctions.
2. Barry Callebaut follows a risk based approach and maintains a Sanctions policy to meet its obligations under the main sanctions regimes of the jurisdictions of the USA, the European Union and Switzerland.
3. Barry Callebaut notably complies with the requirements of the sanctions regimes implemented by the Critical Sanction Regimes.
4. Barry Callebaut screens the third parties it deals with in doing business for designated entities in accordance with the Critical Sanctions Regimes and foregoes any business that would breach any of the Critical Sanctions Regimes.
5. Barry Callebaut may decide not to provide products or services even where it is permitted by law. These decisions may be guided by the holistic assessment of corporate social responsibility, business efficacy or reputational risks.
6. In carrying out its Sanctions compliance obligations, Barry Callebaut relies on information provided by independent external data providers and the data delivered by its customers, suppliers and business partners unless it is aware or suspects that those

customers, suppliers and business partners, or the information provided, is unreliable or dishonest.

7. Barry Callebaut complies with its reporting obligations pursuant to the applicable rules and regulations.
8. Barry Callebaut exercises due care in designing and refining business rules and processes to ensure compliance with the applicable sanctions obligations.

## 5 The procedures required for Trade Sanction Compliance within Barry Callebaut

Every new and existing customer and/or supplier, whether it is “sold to”, “shipped to”, “billed to” and “payer”, must be screened and checked against the specially designated national list provided by the OFAC as well as the relevant lists provided by the EU Commission, the UN Security Council Sanctions Committee and the SECO (the “**Sanction Lists**”) as part of the Barry Callebaut routine “know your customer”, respectively “know your supplier” check.

This check is not limited to the location in any of the sanction sensitive countries listed in Annex 1 to this policy, but applies to all the third parties listed in our Masterdata.

The checks will be done on a regular basis, based upon the data out of the Masterdata database. Barry Callebaut has installed an automated solution which is fed by the Masterdata database and the Sanction Lists data. The relevant Sanction Lists that are the basis of the checks are published under the following websites:

- <https://sdnsearch.ofac.treas.gov/>
- [http://eeas.europa.eu/cfsp/sanctions/consol-list/index\\_en.htm](http://eeas.europa.eu/cfsp/sanctions/consol-list/index_en.htm)
- [http://www.un.org/sc/committees/list\\_compend.shtml](http://www.un.org/sc/committees/list_compend.shtml)
- <http://www.seco.admin.ch/themen/00513/00620/04991/index.html?lang=en>

In case of a full or partial match of a customer and/or supplier with sanctioned persons appearing on any of the Sanctions Lists, the Group Compliance Officer shall receive a notification. It is in the discretion of the Group Compliance Officer to instantly block a transaction contemplated with any such customer or supplier.

All relevant records must be retained in accordance with the Global Records Retention Policy for a period of at least 5 years.

## 6 Specific policy regarding US Sanctions and US Persons

### 6.1 Differences between US Sanctions and other sanctions

The United States maintains an extensive legal regime of international trade sanctions administered by the US Department of the Treasury Office of Foreign Assets Control (OFAC) in cooperation with other US government agencies (“**US Sanctions**”). The US Sanctions regulations primary act to regulate the commercial conduct of “**US Persons**”, defined as a “United States citizen, permanent resident alien, entity organized under the laws of the United States or any jurisdiction within the United States or any person in the United States”. This means that US Sanctions also apply to US Persons residing outside of the United States.

US Sanctions broadly restrict US Persons from importing or exporting goods and services to a country, region, entity and/or individual targeted for sanctions (hereafter, “**US Sanctions Target**”), or otherwise directly or indirectly engaging in transactions with or for the benefit of a Sanctions Target, unless expressly authorized by US authorities.

US Sanctions also bar US Persons from “facilitating” any transaction with a US Sanctions Target. Prohibited facilitation also includes any action by a US person to approve, authorize, assist or support transactions by a non-US person (for example a European BC entity) with a US Sanctions Target.

A non-US Person such as Barry Callebaut AG may also be found in violation of the US Sanctions regulations if its actions cause a US Person to contravene the sanctions regulations.

## **6.2 Specific policy for US persons working within Barry Callebaut**

No US Person who is a member of Management or the Board of Directors (“**Board**”) of Barry Callebaut AG or any other BC Group Company may participate in any manner in any consideration or decision with regard to any transaction or dealings with a US Sanctions Target, unless such transaction is expressly authorized by US authorities.

Should a matter involving (directly or indirectly) a US Sanctions Target come before Management or a Board of a Group Company, the US Person member will be recused from all participation, and will provide no proxy or otherwise indirectly participate in or guide the respective Board’s consideration of the matter.

No US Person who is an officer or employee of any BC Group Company may approve, manage, support or otherwise work on any project, program, transaction or other dealings with, or for the benefit of, a US Sanctions Target, except where expressly authorized by US authorities. Any US Person (officer or employee) impacted by this provision shall be excused from any duties with regard to the US Sanctions Target dealings and appropriately reassigned with immediate effect.

No non-US citizen or resident Board Member, Officer or Employee of Barry Callebaut may engage in any communications or other business activities with regard to dealings with a US Sanctions Target while within United States territory, even on a temporary basis, except where such dealings are expressly authorized by US authorities.

Barry Callebaut shall not solicit or engage any US Person (either individual or entity) to support or assist with any dealings with or for the benefit of a US Sanctions Target, except where such dealings are expressly authorized by US authorities. This restriction includes any dealings with US banks, insurers, agents, brokers, IT systems and support, transportation and logistics operators, or any other providers of goods or services which are US Persons (including unincorporated foreign branches).

## **7 Monitoring and reporting**

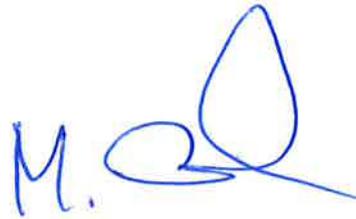
This policy is issued by the General Counsel following review and approval by the Group CFO. Implementation and monitoring activities are done by the Group Compliance Officer.

All Barry Callebaut employees are required to comply with this policy. Barry Callebaut files and business records, including those maintained by individuals on computers, may be audited to ensure compliance with this policy.

12 July 2017



Antoine de Saint-Affrique  
Chief Executive Officer



Martin Oesch  
General Counsel

**Annex 1: Comprehensive Sanctioned Countries**

<b>Sanctioned Country</b>	<b>Food exemption</b>
<b>Ukraine/Russia relating to Crimea</b>	Yes
<b>Cuba</b>	No
<b>Iran</b>	Yes
<b>Sudan</b>	Yes
<b>Syria</b>	Yes
<b>North Korea</b>	Yes