

# BUILT WITH:

## CONFLICT FORECAST, SANCTIONS AND STRATEGIES POLICY STATEMENT

To be read in conjunction with the **BW Ukraine/ Russian conflict risk assessment**

### INTRODUCTION

The invasion of Ukraine by Russia has been met with unprecedented global condemnation, with the UK Government introducing financial and investment sanctions aimed at encouraging Russia to cease actions which destabilise Ukraine. BW has therefore investigated whether there are any existing ties between our supply chain and companies backed by the states of Russia and Belarus, and if found present to look at ways to mitigate these ties.

We aim to ensure our Sanctions Policy, procedures and strategies is proportionate to the risks we face. We have performed a company-wide assessment of the risk of being exposed to persons subject to sanctions, including a risk assessment for our key trades and suppliers. This Sanctions Policy, procedures and the strategy contained below has been developed in response to the results of that risk assessment. Where necessary we will review our risk assessment and make appropriate changes to this policy.

### WHAT ARE SANCTIONS?

Sanctions are restrictions on activity with targeted countries, governments, entities, individuals and industries ('targets') that are imposed by bodies such as the United Nations (UN), the European Union (EU), individual countries or groups of countries.

#### The law

Breaching a sanctions regime can constitute an offence under the Terrorist Asset-Freezing etc. Act 2010 (TAFAs 2010). Other sanctions laws may also apply.

#### We must not:

- Deal with funds or economic resources owned, held or controlled by a target (or where we know or have reasonable grounds to suspect that a target is holding or controlling those funds or economic resources)
- Make funds, financial services or economic resources available, directly or indirectly to targets
- Make funds, financial services or economic resources available, directly or indirectly for the benefit of targets
- Knowingly and intentionally participate in activities that would directly or indirectly circumvent the financial restrictions imposed by the sanctions regime or enable or facilitate the commission of any of the above

## **RISK ASSESSMENT**

BW, as an 'in-scope' organisation has agreed to the following:

- Review our 'preferred' and 'approved' supply chain and identify any companies, or links where the prime supplier to these companies, is a Russian or Belarusian supplier.
- Where a Russian or Belarusian company, or prime supplier to a company, is identified, they should consider terminating that contract in accordance with the terms of the contract i.e. following a legally compliant process.
- Only proceed to terminate a contract if an alternative supplier can be sourced in line with value for money, affordability and with minimal disruption to any current clients.

## **PROCEDURE**

### **Screening clients and supply chain**

We screen all clients and supply chain either from those countries on the UK sanctions list or with links to them.

We conduct screening **before** we:

- (a) Undertake any work for or on behalf of the individual or entity, or
- (b) Receive or transfer any funds to, from or on behalf of the individual or entity
- (c) Routinely – every 6 months and whenever we become aware that a target has been added or removed from the sanctions lists

### **Screening others**

In addition to screening our clients and supply chain, we follow the above screening procedures for:

- (a) Directors and beneficial owners of corporate clients
- (b) Intended recipients of funds in transactional and litigation matters, where we have reason to believe that they may be subject to sanctions

### **What to do if we believe there is a match**

Any potential match identified through our screening process must be properly investigated before we can take any further steps.

The result of that investigation may be that we:

- (a) Seek guidance from HM Treasury
- (b) Ask an external party to investigate whether the person or entity we are dealing with is in fact a target

Where there is a positive match against the sanctions lists:

- (i) Decline to act
- (ii) Cease to act
- (iii) Inform HM Treasury as necessary

### **Informing HM Treasury**

TAFSA 2010, S 19 requires us to inform HM Treasury as soon as practicable if we know, or have reasonable cause to suspect, that a person who is or has been a client or a person with whom we have had dealings in the course of our business:

- (a) Is a target
- (b) Is a person acting for or on behalf of a target, or
- (c) has committed an offence under TAFSA 2010

## **MONITORING AND REVIEW**

Compliance with this policy will be continually monitored.

We will review this policy at least annually as part of our overall risk management process.

We will also review this policy if:

- There are any major changes in the law or practice
- We identify or are alerted to a weakness in the policy
- There are changes in our business, our clients, our supply chain or other changes which impact on this policy.

A handwritten signature in blue ink, appearing to read "Steve", with a long horizontal stroke extending to the right.

**Steve Elliott** | BW Chief Executive Officer

January 2024