

# Tetra Pak Group

## EXPORT CONTROL AND SANCTIONS POLICY



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### **Introduction**

National and international laws and regulations regulate trade and transactions with sanctioned and embargoed countries, dual use and restricted products and dealings with unauthorized persons and companies. These laws and regulations must be known and followed by all Tetra Pak companies and employees.

### **Risks**

Non-compliance with sanctions and export control laws and regulations can result in fines and/or imprisonment, can restrict our ability to export / re-export certain items (e.g. difficulties in obtaining approval for export licenses), and can result in disruption with suppliers and banks, and in Tetra Pak appearing on different “blacklists”. Inclusion on a blacklist would mean that neither customers nor suppliers could do business with Tetra Pak without further constraints on their own business. In addition, Tetra Pak’s image and reputation can be severely damaged by any breach of these laws and regulations.

### **Dual Use**

A Dual Use product is an item that has both civilian and military application. Dual Use products are classified and subject to export control by various authorities. The control of Dual Use products is based on multilateral arrangements and currently all European Union countries, Australia, Canada, Japan, New Zealand, Norway, Switzerland and the US have adopted dual-use controls.

The types of Dual Use products supplied by Tetra Pak are mainly related to our capital equipment such as pumps, tanks and filters. In some cases we must also be careful with classified software and processors (CPUs).

*Reference: Routine for Classification*

### **Embargoed and sanctioned countries**

US has imposed trade embargoes against a number of countries. All exports of US products (either as single items or when incorporated into non-US made products) and services to the embargoed countries must be reviewed to ensure that they do not contravene these embargoes. In March 2011 the US embargoed countries were Cuba, Iran, North Korea, Sudan and Syria.

*Reference: Routine for Embargoed Countries*

The United Nations, European Union, US and other countries have also issued restrictive measures against certain countries for specific purposes, e.g. in order to limit nuclear proliferation, chemical and biological warfare, internal repression etc. All exports to such sanctioned countries must be reviewed to ensure that they do not contravene these measures.

The sanctions against these countries can change from time to time. Any changes are monitored and promptly communicated to the Export Control network as and when they occur. All updated information is available on the Export Control website.

### **Screening**

National and international laws and regulations and UN sanctions restrict or prohibit;

- exports of certain technology or items (eg. for nuclear proliferation, chemical and biological weapons uses etc.) to certain end-users; and
- financial and other transactions with certain parties

To secure compliance with such laws and regulations, all transactions (including sales, purchases, marketing, financing - including customer financing - logistics or other services) must be screened.

This requires:

A. Screening of the names of our counterparties (including their banks if known to us) against Unauthorized Person and Company Lists following the methodology described in the Export Control and Sanctions Screening Procedure. "Counterparty" means a party or parties which are legally bound by a contract with a Tetra Pak legal entity or with whom a Tetra Pak legal entity enters into a transaction. These parties may take various legal forms, e.g. companies, partnerships or individuals.

B. Whenever a Red Flag is present (see below) or when the counterparty is located in or appears to have a connection with a sensitive country (listed on the Export Control website), additional screening must be done of the names of persons or entities **who are known by us** to:

- (i) have an ownership interest in a counterparty;
- (ii) be the principals of a counterparty (i.e. the counterparty is acting as their agent in transactions with us); or
- (iii) be a party that otherwise exercise control over a counterparty

Owners or principals are considered "known" to the relevant Tetra Pak legal entity if their identity can be readily determined from public sources (e.g. public company register, company internet site) or from any material (e.g. letterhead etc.) provided to us by our counterparty.

*Reference: Export Control and Sanctions Screening Procedure*

## **Red Flag**

A Red Flag is an indicator that something is suspicious with a transaction and indicates that an illegal activity might occur. This checklist provides examples of Red Flags that should be addressed to discover possible violations of laws, regulations or sanctions:

- The counterparty or its banks or its address is similar to one of the parties found on the Unauthorized Person and Company Lists
- An agent or owner of the counterparty is discovered to be on the Unauthorized Person and Company Lists
- The customer refuses or is reluctant to offer information about end-use or end-user
- The customer has little or no business background
- The product's capabilities do not fit the customer's line of business
- The product ordered is incompatible with the technical level of the country to which it is being shipped
- The customer is unfamiliar with the product's performance characteristics but still wants the product.
- The customer declines installation, training or maintenance services
- Delivery dates are vague, or deliveries are planned for out of the way destinations.
- A freight forwarding firm is listed as the product's final destination.
- The shipping route is abnormal for the product and destination.
- Packaging is inconsistent with the stated method of shipment or destination.
- When questioned, the customer is evasive and especially unclear about whether the purchased product is for domestic use, for export, or for re-export.
- The product is to be used for other purposes than intended
- Other peculiarities and deviations from standard commercial practice with no apparent justification

A Red Flag requires screening, and in case of a confirmed hit, must be reported to the Contact Person. In addition to the screening, the relevant Tetra Pak legal entity should, in collaboration with the Contact Person, conduct other investigations in order to determine if the Red Flag can be explained or justified.

*Reference: Export Control and Sanctions Screening Procedure*

## **Processes and Controls**

Export controls and sanctions influence and impact many different parts of Tetra Pak and must be integrated into business processes to ensure effective control and adherence.

A number of tools are available to facilitate compliance with export controls and sanctions. These are;

- Export Control website
- Export Control and Sanctions Handbook (a guide on how to work and implement procedures related to Export Control and Sanctions)
- Screening tool (for customers, suppliers, banks and other counterparties)
- Routine for Classification
- Routine for Embargoed Countries
- Export Control and Sanctions Screening Procedure
- DeMinimis report (to define US content value within a product)
- Article Declaration template (for suppliers)

## **Organisation and Responsibilities**

The overall responsibility for export control and sanctions compliance lies with the Executive Vice-Presidents of Commercial Operations (CO) and Clusters, Development, Engineering & Technical Service (D,E &TS), Supply Chain Operations (SCO) and Processing Solutions. An Export Control Manager is appointed within each respective unit.

The operational responsibility for export control and sanctions compliance lies with heads of the operating units/market companies. Export Control Advisors are appointed within the clusters and the relevant operating units and should be the first point of contact in case of any questions.

The Export Control team within Tetra Laval Group Transport & Travel and Legal Affairs guide and support the business in this area by developing competence and driving knowledge sharing, providing key tools and by helping to resolve issues as and when they arise. Changes in regulations are also monitored and communicated to the network.

## **Escalation**

Any deviation from this policy (before or after the fact) must be escalated via the chain-of-command to the Executive Vice President of CO, D,E&TS, SCO, Processing Solutions, or the Head of Finance Tetra Laval International (for banks only) who will request an exception, using the standard exception form, or instigate further actions.

Prior to submitting an exception request (before the fact) the Cluster Legal Counsel or Vice President Legal Affairs for the respective organisation shall endorse that exception.

Any exception approval must be jointly granted and signed by the Owner and the Contact Person of this Policy (as named above) and must be filed with the respective market company or operating unit, as well as with the Corporate Governance Office, Legal Affairs, in Lausanne.

## **Supporting information**

- Export Control website
- Export Control and Sanctions Handbook
- Routine for Classification
- Routine for Embargoed Countries
- Export Control and Sanctions Screening Procedure