

## DESTINATION SPECIFIC POLICIES

Our export control policy requires compliance with the export control laws of all jurisdictions where we operate. Amongst those laws are sanctions and embargoes or restrictive measures (the two terms are often used interchangeably). Sanctions are an instrument of a diplomatic or economic nature which seeks to bring about a change in activities or policies such as violations of international law or human rights, or policies that do not respect the rule of law or democratic principles. Such measures may target governments or non-state entities and individuals. They may comprise arms embargoes, other specific or general trade restrictions (import and export bans), financial restrictions, restrictions on admission (visa or travel bans), or other measures, as appropriate.

A regularly updated table on the export control intranet outlines the sanctions and embargoes that are in force in North America, Europe and Asia Pacific. Against those destinations subject to sanctions it provides information on which states have imposed sanctions, provides information on our policy towards Military listed items (Munitions List), Dual-Use listed items (CCL) and non-listed items. It is therefore important to know the classification or rating (Munitions List, Dual Use List or non-listed) of the items in scope, in order to take guidance from table below. If the classification of an item is not known this needs to be determined before any decision can be taken on whether to supply.

A brief description of why polices apply is also provided on the intranet.

We should also remember that the US classification EAR99 (non-listed items) does not mean good to go to every destination. Items classified as EAR 99 by the US Department of Commerce may require a license if they are for delivery to an embargoed or sanctioned country, to a party of concern or are in support of a prohibited end-use as set out in Part 744 of the Export Administration Regulations.

All states must enforce embargoes imposed by the United Nations (UN) Security Council. In addition to the UN, the European Union (EU) and individual states may impose restrictive measures. **As a matter of company policy Rolls-Royce will not do business with North Korea and Syria in compliance with sanctions but also on reputational grounds.**

In many cases the measures in place include lists of denied persons and entities. Those persons and entities may not always be located in the state where sanctions apply but have been designated because of their involvement with that state for example as a front company or in evading sanctions. It is essential therefore that detailed denied parties screening is undertaken as a matter of routine and not just for entities in states that are subject to sanctions.

You should also remember to consider the guidance on suspicious enquiries particularly where products and technology may be used for improper purposes in the wrong hands. It may involve attempts to gain access to items that would be of utility in a Weapons of Mass Destruction (WMD) programme, to circumvent an arms embargo or other sanctions measure imposed by the United Nations, the European Union or individual states. Alternatively, it may involve dealings with states or end-users that Rolls-Royce has decided not do business with for reputational reasons. Please refer to the guidance on Suspicious Enquiries.