



# Sanctions and Export Control Policy

*DanPilot - Lodseriet Danmark*

25 August 2023

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## 1. DEFINITIONS AND INTERPRETATIONS

1.1 In this Sanctions and Export Control Policy (the “**Policy**”) of DanPilot - Lodseriet Danmark (“**DanPilot**”), the following terms and expressions have the following meanings unless otherwise stated or apparent from or required by the context:

- (1) “**Sanction**” means any economic or trade sanction, embargo or other prohibition or restrictive measure.
- (2) “**Export Control**” means export or trade control in relation to Dual Use Items.
- (3) “**Dual Use Item**” means any item, including any goods, product, software or technology, which can be used for both civil and military purposes.
- (4) “**Sanctions Authority**” means any authority of any national government of any state or any regional or international organisation which is responsible for the adoption, implementation and/or enforcement of Sanction Rules, including the United Nations Security Council, the Council of the European Union (EU), the European Commission of the European Union, the relevant competent authorities of the governments of Denmark, other member states of the European Union (EU), the United Kingdom of Great Britain and Northern Ireland (UK) and the United States of America (USA).
- (5) “**Sanctions Rule**” means any law, regulation, rule, decision, resolution, prohibition, restrictive measure or wider measure (i) which is established and/or maintained by any Sanctions Authority relating to the adoption, implementation and/or enforcement of any Sanction or Export Control, and (ii) which applies to DanPilot or any of its employees, directors, activities, agreements, transactions, customers, suppliers, other agreement parties or other matters at any time.
- (6) “**DanPilot Sanctions Procedure**” means DanPilot’s Sanctions and Export Control Procedure, as adopted and in force at any time.
- (7) “**DanPilot Sanctions Guidance Document**” means DanPilot’s Guidance on Sanctions and Export Control in relation to DanPilot, as adopted and in force at any time.

1.2 In this Policy, “**including**” means including without limitation or prejudice to the generality of any description, definition, term or expression preceding that word. The word “including”



also means including but not limited to. The word “include” and its derivatives shall be interpreted accordingly.

- 1.3 In this Policy, any reference to the singular number shall include a reference to the plural number and any reference to the plural number shall include a reference to the singular number, unless otherwise stated or apparent from or required by the context.

## **2. BACKGROUND**

- 2.1 DanPilot is an independent public enterprise, which is owned by the Danish state and governed by the act on DanPilot. DanPilot provides pilotage services. At DanPilot, we are conscious that we are exposed to certain risks when we conduct our business. We assess our risks and opportunities regularly, including the status of our business partners and use of our services.
- 2.2 DanPilot is committed to performing our activities in compliance with applicable laws and regulations and in alignment with recognised industry standards and best practices.
- 2.3 Our services are provided entirely for civil purposes. But we honour our obligations to assess and determine whether our services can be used for both civil and military purposes and thus may be Dual Use Items and to comply with Sanctions Rules on Dual Use Items.
- 2.4 As a part of our commitment to conducting our business responsibly, we comply with all applicable Sanctions Rules.
- 2.5 We are mindful of the fact that a violation of Sanctions Rules could adversely impact our business legally, financially and operationally and could damage our long-standing reputation of being a trusted business partner for our customers and other stakeholders. On a broader scale, such violations could also adversely impact the objectives of the Sanctions Rules, including the protection of public security and human rights.
- 2.6 This Policy has been developed and adopted to express our unequivocal commitment to compliance with Sanctions Rules and to guide our employees in making appropriate, informed decisions with respect to Sanctions and Export Control matters and compliance with Sanctions Rules.



2.7 As this responsibility is associated with certain dilemmas and complexities, DanPilot will continuously seek to integrate, develop and improve Sanctions and Export Control compliance and compliance with Sanctions Rules in its business and day-to-day operations.

### 3. PURPOSE

3.1 The purpose of this Policy is to state the policy, principles and main terms for DanPilot's measures and activities with respect to Sanctions and Export Control matters and compliance with Sanctions Rules and counteractions against business practices that contravene or aim at circumventing, evading, or facilitating the contravention of Sanctions Rules.

### 4. SCOPE OF APPLICATION

4.1 This Policy is applicable to DanPilot, any of its direct or indirect subsidiaries or affiliated companies over which DanPilot holds the power to exercise control as well as the employees and directors of all such companies. In this Policy, the term "**DanPilot**" shall also comprise all such employees, directors and companies.

4.2 The scope of application of this Policy covers any applicable Sanctions Rules.

4.3 The potential applicability and implications of countersanctions imposed by authorities of certain states must be assessed on an ongoing basis.

### 5. INTERNAL COMPLIANCE PROGRAM

5.1 **Internal Compliance Program.** DanPilot shall establish, maintain and apply an internal compliance program ("**ICP**"). The ICP shall have effective, appropriate, and proportionate procedures, which shall reflect the size, organisational structure, sophistication, products and services, customers and other stakeholders, and geographic locations of the DanPilot group of companies and their activities. DanPilot shall establish, maintain and apply the ICP for the following purposes:

- (1) Facilitating compliance with applicable Sanctions Rules.
- (2) Counteracting business practices that contravene or aim at circumventing, evading, or facilitating the contravention of Sanctions Rules.



Terms and comments on the ICP shall also be stated in DanPilot's Sanctions and Export Control Procedure ("DanPilot Sanctions Procedure") and DanPilot's Guidance on Sanctions and Export Control in relation to DanPilot ("DanPilot Sanctions Guidance Document").

5.2 **Commitment and Capabilities.** This Policy and the ICP shall be reviewed, endorsed, and approved by the senior leadership of DanPilot. The senior leadership of DanPilot shall establish proper governance structures (including reporting and escalation lines) and delegate sufficient authority and autonomy to deploy policies and procedures that effectively ensure compliance. DanPilot shall at all times establish, maintain, or procure, sufficient and appropriate resources, expertise, and capabilities to implement, perform and apply the ICP procedures.

5.3 **Assessment.** As an integral part of the ICP, DanPilot shall assess risks and compliance measures and activities related to Sanctions Rules on a regular basis and at least annually as well as on a specific case basis when deemed appropriate. DanPilot shall always reassess its risk exposure and compliance measures and activities when any of the following situations occurs:

- (1) New business strategy or exposure due to significant changes in the organization, business, structure, value chain or ownership.
- (2) Offering of new products or services prior to launch.
- (3) Implementation of new, or material amendments to, applicable Sanctions Rules or implementation practices by Sanctions Authorities or other laws or regulations applicable to DanPilot.
- (4) Materially changed situations or circumstances that may affect the assessments previously made.
- (5) "Red flags", where DanPilot becomes aware of relevant information or matters, which prompt a requirement for an approval or authorization of a Sanctions Authority, or which could violate Sanctions Rules or otherwise have an adverse impact on public security, including the prevention of acts of terrorism, or for human rights considerations.

The assessment of risks in relation to compliance with Sanctions Rules shall be based on applicable Sanctions Rules, including established implementation practices and exemptions where relevant.



5.4 **Compliance Measures and Controls.** DanPilot shall establish, maintain and apply effective, appropriate, and proportionate compliance measures and controls to manage and mitigate risks which appear in the risk assessment, due diligence process or otherwise (including “red flags” that occur before commencement of or during a business relationship, a transaction or an activity). Such compliance measures and controls must be integrated in the day-to-day operations and procedures in a manner that is easy to follow and designed to prevent employees from engaging in misconduct. Such compliance measures and controls include, but are not limited to:

- (1) **Due diligence.** DanPilot shall perform due diligence procedures, including screenings of business partners, transactions and activities etc., in order to assess risks related to specific business partners and other relevant third parties in the value chain such as agents or other intermediaries and risks related to specific transactions and activities. Such risks include, but are not limited to, import from, export to or transactions with sanctioned or restricted entities or individuals or states which are sanctioned or under embargo, requirements for or compliance with approval and authorizations of Sanctions Authorities, or other “red flags” requiring further investigation or compliance measures or activities. DanPilot shall perform such due diligence procedures in accordance with the DanPilot Sanctions Procedure and the DanPilot Sanctions Guidance Document.
- (2) **Communication.** DanPilot shall ensure that this Policy and the DanPilot Sanctions Procedure, and any later amendments thereto, are communicated to relevant employees.
- (3) **Training.** DanPilot shall further ensure that relevant employees receive appropriate and proportionate training relative to the applicable risk levels, functions, and control measures. Training measures shall take place periodically (and at least annually) and can include targeted communication materials, e-learning, face-to-face training, training through DanPilot management systems or other appropriate learning mechanisms. The training objectives must include as a minimum the commitments and main parts of this Policy, the DanPilot Sanctions Procedure, the relevant job-specific instructions, procedures, and responsibilities, reporting lines and frequency, and accountability through an assessment (exam or quiz).
- (4) **Authorization.** Certain trade transactions require prior authorization, license, or permit (collectively “Authorization”) from one or more competent authorities, including, but not limited to, sale or export of Dual Use Items or civil goods to countries subject to embargo or sanctions. In the event that a transaction of DanPilot is or becomes subject



to such Authorization requirements, DanPilot shall obtain all required Authorizations prior to conducting the transaction.

- (5) **Rejection or Termination.** In the event that a transaction or a business partner relationship would constitute a violation of Sanctions Rules, DanPilot shall reject or terminate such transaction or business partner relationship, as applicable. One example of this is a situation where a potential or current business partner of DanPilot is or becomes subject to Sanctions Rules as a sanctioned or restricted party and DanPilot is not allowed to provide pilotage services to that partner under any exemption rules allowing provision of pilotage services to such a sanctioned or restricted party. Another example of this is a situation where a transaction is subject to Sanctions Rules that cannot be complied with by obtaining an Authorization.
- (6) **Monitoring and Controls.** As certain trade transactions and business relationships involve complexities or develop over time, DanPilot shall establish, maintain and apply monitoring mechanisms and controls that facilitate compliance with Sanctions Rules. These monitoring mechanisms and controls shall support compliance at any time with Authorizations required or obtained as well as the often-changing Sanctions Rules and lists of sanctioned or restricted parties and other Sanctions related lists and programs. Certain monitoring mechanisms and controls shall be embedded in the relevant contractual arrangements, financial systems, management systems and information technology systems. In order to operate effective monitoring mechanisms and controls, testing and auditing shall be carried out to identify program weaknesses and deficiencies and to remediate identified compliance gaps.
- (7) **Incident Management.** DanPilot shall establish and maintain procedures and functional responsibility to react promptly and manage incidents, in the event that a suspected, alleged or identified violation of Sanctions Rules, this Policy or the DanPilot Sanctions Procedure occurs. The measures shall include, but not be limited to, communication to relevant parties, securing data, assessment of facts and circumstances, and mitigation measures and activities.
- (8) **Root Cause Analysis.** In the event that incidents or weaknesses or deficiencies in the ICP are identified, DanPilot shall conduct a root cause analysis in order to understand and assess the reasons of the given situation and to remedy identified compliance gaps.
- (9) **Records.** DanPilot shall keep appropriate registers or records of its sanctions compliance activities and exports in accordance with applicable law and regulations, including,



if relevant, Authorizations obtained in connection with sanctioned transactions or exports that are subject to Sanctions Rules.

- (10) **Reporting.** As the senior leadership of DanPilot shall oversee compliance with this Policy, regular reporting procedures shall be established. The reporting shall as a minimum include information regarding relevant changes of Sanctions Rules, new or updated assessments of customers, services and products etc., incident management and results of auditing and testing as well as remediation of compliance gaps.
- (11) **Modifications and Improvements.** DanPilot shall assess this Policy, the ICP, the DanPilot Sanctions Procedure and the DanPilot Sanctions Guidance Document at least once annually and determine whether there is a need for modifications or improvements. DanPilot shall make any needed modification and improvement.
- (12) **Whistleblower System.** In order to support responsible behaviour and transparency without fear of reprisal, DanPilot's whistleblower system shall include reporting of incidents or concerns related to violations of Sanctions Rules or this Policy.

## 6. ROLES AND RESPONSIBILITY

- 6.1 The Board of Directors and the Chief Executive Officer (CEO) of DanPilot must adopt this Policy and any later amendments thereto. The CEO must adopt the DanPilot Sanctions Procedure, the DanPilot Sanctions Guidance Document and any later amendments thereto.
- 6.2 The Board of Directors has the general responsibility for this Policy.
- 6.3 The CEO has the general responsibility for the DanPilot Sanctions Procedure and the DanPilot Sanctions Guidance Document.
- 6.4 The CEO is the owner of this Policy, the DanPilot Sanctions Procedure and the DanPilot Sanctions Guidance Document.
- 6.5 The Head of Secretariat & Communication is appointed as Sanctions and Export Control Compliance Officer, who is responsible for the following:
  - (1) Implementation and application of this Policy and the DanPilot Sanctions Procedure, including establishment, maintenance and application of the Internal Compliance Program (ICP) and a screening procedure.





- (2) Ensuring testing and auditing of monitoring mechanisms and controls.
- (3) Establishing and maintaining appropriate financial compliance measures and controls to support the ICP and the DanPilot Sanctions Procedure.
- (4) Reporting weaknesses, deviations, deficiencies, or incidents to the CEO and, if needed, the Board of Directors.

6.6 The responsibilities may be delegated to the appropriate persons in accordance with and with due consideration of Sanctions Rules and implementation practices and guidelines, this Policy and the DanPilot Sanctions Procedure.

## 7. ENTRY INTO FORCE

7.1 This Sanctions and Export Control Policy comes into force on the date of adoption of the Policy. Any later amendment hereto comes into force on the date of the adoption of the amendment.

## 8. ADOPTION

8.1 Adopted by DanPilot - Lodseriet Danmark.

Adopted by DanPilot - Lodseriet Danmark

Date and place:

Date and place:

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Søren Jespersen, Chairperson

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Erik Merkes Nielsen, CEO

## Versions

Version	Date of adoption	Amendments <i>Amendments must be listed with a clear description of the amendments and the reason for such amendments</i>	Responsible
1	25 August 2023	Adoption of policy	Frederik Jacobi Grøn