

## **SANCTIONS POLICY**

### **Policy Statement**

The Foundation is committed to complying with all Sanctions that may apply to the Foundation and its grants. The purpose of this Policy is to set out the internal restrictions in respect of the Foundation's dealings and grant activities to ensure compliance with applicable Sanctions.

Sanctions are complex and wide-reaching, and failure to comply can have serious consequences for the Foundation and individual Employees, including disciplinary action leading to dismissal, the termination of its business relationships with third parties and/or criminal prosecution.

If you have any queries regarding this Policy or your compliance with it, please contact the Director of Partnerships or the Director of Governance and Personnel (the "**Compliance Officers**").

#### **1. Who is covered by this Policy?**

This Policy applies to all Foundation trustees and individuals working within the Foundation as employees, agents, consultants or other persons who may represent the Foundation from time to time, regardless of citizenship, location of employment and/or whether the position is paid or unpaid, full-time or part-time or a work experience placement (together, "**Employees**").

The Policy is provided to other Foundation partners, grant recipients and associates, who will be required to take reasonable steps to ensure that in carrying out activities supported by the Foundation they and their directors, officers, employees and associates comply with all Sanctions.

In this Policy, "**Third Party**" means any individual or organisation you come into contact with during the course of your role. The Executive Director is responsible for ensuring that Third Parties who carry out activities supported by the Foundation understand the requirements of this Policy.

#### **2. What are Sanctions?**

Sanctions are restrictive measures imposed against individuals, entities, countries, territories, governmental organisations and sectors by Sanctions Authorities. The most frequently applied measures imposed by Sanctions are arms embargoes, financial restrictions on designated individuals and entities, travel bans, export controls and trade restrictions.

Sanctions place restrictions on where the Foundation can do business, who it can do business with and on what business it can do. They also impose restrictions in respect of the Foundation's grants and financial transactions. It is therefore important that the Foundation and its Employees are aware of relevant Sanctions that may apply at any given time.

Failure to comply with Sanctions or this Policy may have significant consequences for the Foundation, including criminal liability, civil fines, public censure, loss of revenue and significant reputational and regulatory damage. Such risks may also impact the recipients of the Foundation's grants, the activities its supports and other Third Parties.

Breach may also have serious consequences for individual Employees and trustees of the Foundation, including criminal prosecution leading to imprisonment or fines, and/or regulatory and/or disciplinary action.

It is a criminal offence to intentionally participate in activities where the object or effect of the act is to circumvent or evade Sanctions. Such evasive practices may include, for example:

- structuring a deal in such a way as to avoid Sanctions or to conceal the involvement of a Sanctioned Party or Country; or
- omitting, altering or deleting references to Sanctioned Parties or Countries in banking transactions or other documentation.

Regulators and prosecutors consider any attempt to evade or circumvent sanctions to be an aggravating factor in any Sanctions violation.

### 3. Definitions

**“High Risk Countries”** means, as at the date of this Policy, the countries set out at Appendix 1, with those listed in Part 1 being the countries of highest risk due to comprehensive country-wide sanctions.

**“Sanctioned Country”** means a country or territory that is, or whose government is, at any time the subject or target of country- or territory-wide Sanctions (as listed in Part 1 of Appendix 1).

**Sanctioned Party”** means any person or entity that is:

- listed on, or directly or indirectly 50% or more (individually or in the aggregate) owned or controlled by, or acting on behalf or at the direction of, a person or entity listed on, any Sanctions List;
- located or resident in, or organized or incorporated under the laws of, a Sanctioned Country; or
- otherwise the subject of Sanctions.

**“Sanctions”** means any trade, economic or financial sanctions laws, regulations, embargoes or restrictive measures administered, enacted or enforced by a Sanctions Authority.

**“Sanctions Authority”** means:

- the United Nations Security Council (**“UNSC”**);
- the United States of America (**“US”**);
- the European Union (**“EU”**);
- the United Kingdom (**“UK”**); and
- the governments and official institutions or agencies of any of the above, including the US Treasury Department’s Office of Foreign Assets Control (**“OFAC”**), the US Department of State, the US Department of Commerce’s Bureau of Industry and Security, the UK’s Office of Financial Sanctions Implementation (**“OFSI”**) of His Majesty’s Treasury (**“HMT”**), the Department for Business and Trade, the Office of Trade Sanctions Implementation (**“OTSI”**), the Foreign, Commonwealth and Development Office (**“FCDO”**) or other relevant sanctions authorities of the above.

**“Sanctions List”** means:

- the EU Consolidated List;
- the UK Sanctions List and the OFSI Consolidated List;
- the Specially Designated Nationals and Blocked Persons List, the Foreign Sanctions Evaders List and the Sectoral Sanctions Identification List maintained by OFAC;
- lists maintained by the US Bureau of Industry and Security; and
- any similar list maintained by, or public announcement of a Sanctions designation made by, a Sanctions Authority, each as amended, supplemented or substituted from time to time.

**“US Nexus”** means all circumstances in which a US interest or US involvement applies, including (without limitation):

- any US dollar payment or payment in another currency that is cleared through the US or that utilises the US financial system;
- any US Person, including US financial institutions (and their foreign branches); and
- any US-origin goods, including non US-origin goods that contain certain levels of US-origin goods or technology or that are based on US-origin goods or technology.

**“US Person”** means:

- any US citizen, permanent resident, alien or green card holder, wherever they are located or employed;
- any entity organised under the laws of the US or any jurisdiction within the US, including their foreign branches;
- any individual or entity within the US; and
- in respect of US Sanctions against Cuba and Iran, any entity 50% or more owned or controlled by a US Person.

#### **4. Escalation**

Employees are required to escalate all Sanctions risks, concerns, queries and communications from Sanctions Authorities or law enforcement to the Compliance Officers as soon as reasonably possible.

#### **5. Compliance with Applicable Sanctions**

All Employees and Third Parties are required to comply with all applicable Sanctions, this Policy and any related procedures.

No Employee or Third Party may enter into or facilitate any business, dealings, grants or other activities in violation of applicable Sanctions, this Policy or any related procedures.

#### **6. Sanctioned Parties**

Employees and Third parties must not enter into or facilitate any business, dealings, grants or other activities, directly or indirectly, involving or for the benefit of the Sanctioned Parties, except where expressly approved in writing by the Compliance Officers.

#### **7. High Risk Countries**

All potential business, dealings, grants, activities and relationships with recipients of grants and other Third Parties located in or deriving a significant proportion of business or revenues in Sanctioned Countries which are listed in Part 1 of the High Risk Countries List must be referred to the Compliance Officers prior to any business being conducted or relationship being established.

For countries (as set out in Appendix 1, Part 2), which are subject to selective sanctions programmes seeking to prohibit specific activity, additional due diligence is required. For clarity, there are other non-sanctions related concerns with certain of these jurisdictions which need to be considered, which are outside the scope of this Sanctions Policy. This list will be updated on a regular basis, with changes to the list to be communicated to you by the Compliance Officers.

Appendix 2 sets out a flowchart that is to act as a decision framework in order to assess our relationships with Third Parties. The flowchart outlines the actions to be undertaken with Third Parties.

Sanctions screening must be carried out prior to engaging with any Third Party and the process set out in the flowchart at Appendix 2 should be followed. This alleviates the risk of engaging with a Sanctioned Party, or a Third Party connected or associated with a Sanctioned Party.

## **8. US Persons**

US Persons, wherever they are located, are required to comply with US Sanctions. All US Persons are prohibited from supporting, authorising, approving, directing, endorsing, financing, facilitating, executing or implementing any business, dealing, grant or other activity that would breach US Sanctions, except where a relevant licence or exemption applies.

US Persons must recuse themselves from involvement in any business, dealing, grant or other activity in, with or related to US Sanctioned Persons or US Sanctioned Countries or which would otherwise breach US Sanctions.

No Employee may involve or seek to involve, directly or indirectly, any US Person (including Employee, financial institution or Third Party) in any business, dealing, activity or grant that may breach US Sanctions.

Failure to comply with this section may result in disciplinary action being taken against the person(s) in breach.

## **9. Transactions with a US Nexus**

No Employee or Third Party irrespective of their location or nationality may enter into or facilitate any business, dealings, grants or other activities with or involving US Sanctioned Parties or US Sanctioned Countries where there is a US Nexus or where such business, dealings, grants or other activities would otherwise cause a breach of US Sanctions, except where expressly authorised in writing by the Compliance Officers.

## **10. Circumvention Attempts**

No Employee or Third Party may be involved in any manner in any dealing or act that has the object or effect of circumventing applicable Sanctions, this Policy or any related procedures. Any attempt to circumvent applicable Sanctions may have serious consequences for the Foundation, its individual Employees and Third Parties.

## **11. Licence and Exemptions**

Where an applicable licence or exemption applies, which has the object or effect of permitting business, dealings, grants or other activities that would ordinarily be prohibited under applicable Sanctions, the business, dealing, grant or other activity must be escalated to the Compliance Officers for review before the transaction, dealing, grant or other activity may proceed.

## **12. Reporting of Breaches and Circumvention Attempts**

All Employees with knowledge or suspicion of an actual or attempted Sanctions breach, breach of this Policy or any related procedures, or circumvention attempt, must report this immediately to the Compliance Officers.

## **13. Protection**

The Foundation will not take any action against an Employee, who was not involved in the actual breach or circumvention attempt, for reporting concerns in good faith.

## **14. Conflicts**

Any potential or perceived conflicts of law, applicable Sanctions and this Policy must be escalated to the Compliance Officers. Where this Policy conflicts with the law or regulations of any jurisdiction, Employees are required to escalate the matter and to comply with all applicable laws.

## **15. Your Responsibilities**

You must ensure that you read, understand and comply with this Policy.

Compliance with Sanctions is the responsibility of all those working for the Foundation or under its control.

Any Employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. The Foundation also reserves the right to terminate its contractual relationship with its partners, grant recipients, and associates if they breach this Policy.

## **16. Record Keeping**

All records pertaining to Sanctions compliance must be retained for a period of six years.

## **17. Training**

The Foundation will ensure that all Employees are trained on the Foundation's Sanctions obligations on an annual basis, with compulsory attendance for new joiners and optional attendance for employees seeking a refresher.

Employees required to undergo training on this Policy shall also be required to complete a periodic certification that they: (a) have completed and understood the required training; (b) have complied with this policy in the past; and (c) agree to comply with this policy in the future.

The Foundation will provide bespoke training to Employees who perform Sanctions-specific tasks as part of their roles. All US Persons are to receive training on the Foundation's Sanctions obligations.

All Employees are required to attend training which has been scheduled for them.

To the extent possible and practical, such training will also be made available to other persons subject to this Policy, including but not limited to Third Parties acting as an agent on behalf of the Foundation.

The Foundation’s zero-tolerance approach to Sanctions non-compliance will be communicated to all Third Parties at the outset of its relationship with them and as appropriate thereafter.

**18. Who is responsible for this Policy?**

The Board of Trustees has overall responsibility for ensuring this Policy complies with the Foundation’s legal and ethical obligations, and that all those under Foundation control comply with it.

The Director of Partnerships, for programmes questions, and the Director of Governance and Personnel for all other questions, as Compliance Officers, have primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation.

Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this Policy and are given adequate and regular training on it.

This Policy will be reviewed on an annual basis. The Compliance Officers are responsible for updating this Policy, and for the management and oversight of Sanctions compliance.

**19. Risk Assessment, Monitoring and Review**

As part of its annual risk assessment process the Board of Trustees will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy and effectiveness.

The Compliance Officers will carry out regular audits of the Foundation’s control systems and procedures to provide assurance that they are effective in complying with Sanctions.

**20. Version Control**

<b>Version</b>	<b>Date of Review</b>	<b>Updated by</b>	<b>Changes to previous version</b>
Version 1 14 March 2018	n/a	n/a	n/a
Version 2	24 August 2021	Eversheds Sutherland (International) LLP (ES)	High level review of policy and addition of high-risk jurisdiction list and process flow chart.
Version 3	24 August 2022	ES	As above
Version 4	24 January 2023 (for approval by the trustees on 27/3/24)	ES	High level review of policy, and high-risk jurisdiction list.

## **Appendix 1 – High Risk Countries List**

This list is current as at January 2024. Please consult with your Compliance Officers to ensure you are using the most up to date list.

This High Risk Countries List has been prepared with accordance with the Sanctions Policy and identifies those countries considered to pose a high risk from a sanctions perspective only. The list is based on countries that come under UN, EU, UK and US sanctions legislation. Based on the place of your operations, local sanctions laws may also need to be considered. Your Compliance Officers will advise you if this is the case.

### **Part 1 – Comprehensive Country-wide Sanctions**

Part 1 countries are subject to comprehensive country-wide sanctions under the respective sanctions programmes. By way of background, comprehensive country-wide sanctions broadly prohibit most types of business activities and transactions by (or involving), persons within scope of such sanctions programmes, which generally includes dealings with the government of a specific country, without authorisation from the respective sanctions authorities. Due to the nature of our business, there may be instances where exemptions apply but please consult with the Compliance Officers with respect to this.

If a Third Party is from, or has a connection to, any of the Part 1 countries in this list, they must be referred to the Compliance Officers prior to any business being conducted or relationship being established.

### **Part 2 – Non Comprehensive Sanctions**

If a Third Party is from, or has a connection to, any of the Part 2 countries, screening must be conducted to determine whether proceeding and/or continuing with the relationship creates a sanctions risk.

A Third Party being from or having a connection with countries in Part 2 does not automatically preclude the Foundation from having a relationship but it requested further investigation before proceeding.

## Part 1 – Comprehensive Country-wide Sanctions

Country	Sanctions programmes
The non-government controlled Ukrainian territories of Crimea/Donetsk/Luhansk/Zaporizhzhia/Kherson	EU/UK/US
Cuba	US
North Korea (Democratic People’s Republic of Korea)	UN/EU/UK/US
Iran	UN/EU/UK/US
Syria	EU/UK/US

## Part 2 – Non Comprehensive Sanctions

Country	Sanctions programmes
Afghanistan	UN <sup>1</sup> /EU/UK
Balkans (Yugoslavia) <sup>2</sup>	US
Belarus	EU/UK/US
Bosnia and Herzegovina	EU/UK
Burundi	EU/UK
Central African Republic	UN/EU/UK/US
China	US (targeted regime on Chinese military companies)
Democratic Republic of the Congo	UN/EU/UK/US
Eritrea	US (referred to as Ethiopia in the US sanctions programmes list)
Guatemala	EU
Haiti	EU/UK
Hong Kong	US (targeted regime on the Hong Kong Government and does not preclude activities with Hong Kong generally)
Iraq	UN/EU/UK/US
Lebanon	UN/EU/UK/US
Libya	UN/EU/UK/US
Mali	UN/EU/UK/US
Moldova	EU
Myanmar (Burma)	EU/UK/US
Nicaragua	EU/UK/US
Niger	EU
Republic of Guinea	EU/UK
Republic of Guinea-Bissau	UN/EU/UK
Russia	EU/UK/US
Somalia	UN/EU/UK/US
South Sudan	UN/EU/UK/US
Sudan	UN/EU/UK/US
Tunisia	EU
Turkey	EU
Venezuela	EU/UK/US
Yemen	UN/EU/UK/US
Zimbabwe	EU/UK/US

1 The UN has a sanctions framework which targets the Taliban which forms the government of Afghanistan

2 The Balkans includes: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia, Romania, Serbia, Slovenia and Turkey. (Please note that Bosnia and Herzegovina and Turkey are also included separately in this list due to the specific EU/UK programmes relating to these jurisdictions).

## Appendix 2 – Process Flowchart for sanctions due diligence

