

Sanctions Policy



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I. INTRODUCTION

FSD's commitment to integrity enshrined in our code of conduct requires compliance with all applicable sanctions' regulations and laws in the countries and regions within which we operate. This policy has been developed to clearly define FSD's position towards sanctions and ensure that all employees, contractors and partners understand their responsibilities with regards to them. It will also enable donors to understand issues related to sanctions regulations and unequivocally outline FSD's approach.

II. KEY TERMS

Code of Conduct – A set of standards of behaviour that staff of an organisation are obliged to adhere to.

Red Flags – Suspicions that may indicate the direct or indirect involvement of a restricted territory, restricted party, controlled item, service, end-use or any other sanctions compliance concern.

PEPS – Politically Exposed Persons (PEPs).

Sanctions – The regulatory restrictions applicable to dealings with certain countries/territories, governments, groups, entities, individuals, or controlled goods or services.

Sanctions Laws – The laws and legal instruments used to enforce sanctions.

SOPs – Standard Operating Procedures.

HQ – FSD Headquarters in Geneva.

Field HQ – Country office HQ locations.

III. POLICY STATEMENT

FSD (Fondation suisse de déminage) is a private, independent, non-profit international mine action organisation, dedicated to reducing the threat of mines and Explosive Remnants of War (ERW). It is FSD's policy to comply with all Sanctions Laws in our operations worldwide. To this end, FSD will comply with all relevant economic and trade sanctions applicable to all our activities and will endeavour to highlight instances where sanctions have been transgressed by third parties to the relevant authorities.

IV. POLICY SCOPE/CONTEXT

The principles set forth in this policy apply in all FSD workplaces and for all FSD activities.

This policy applies to, and is mandatory for, FSD's policy adherents who are defined as all FSD Board members, management staff, international and national staff, (full and part-time) in all FSD structures and programmes. The policy scope also covers volunteers, interns, consultants, contractors, all persons acting voluntarily on behalf of FSD, any current or potential suppliers of any sort of goods, services, or works, and all other people not included in the abovementioned categories who have signed a contract with FSD.

FSD includes all components of the FSD Group: FSD (Fondation suisse de déminage) in Geneva, Switzerland; Crosstech S.A., a Geneva-based commercial subsidiary of FSD as well as the Association FSD France, based in Archamps, France. This also extends to any representative office of FSD in its global programmes and all locally registered FSD branch,

charity or legal organisation bearing the FSD name.

FSD's partner organisations and suppliers also expected to comply with Sanctions Laws as a condition of cooperation. Internal Audit in Manila shall conduct regular checks on local businesses to ensure compliance with Sanctions Laws.

1. Policy Updates

This Policy will be updated periodically, and the updated version of the Policy will be immediately made available to all FSD staff, partners and stakeholders on FSD's website: <https://www.fsd.ch/>.

2. Definition of Sanctions

This policy defines sanctions as the regulatory restrictions applicable to dealings with certain countries/territories, governments, groups, entities, individuals, or controlled goods or services. The nature and extent of these restrictions may vary (i.e., limitations on import/export, controls on specific goods and services, restrictions on financial operations, insurance cover of staff and partners etc.).

3. Imposition of Sanctions

Internationally, the UN defines itself as being the only organisation with a recognised mandate to impose sanctions under Chapter VII of its charter, however countries may instigate multilateral or bilateral sanctions.

Several databases of current sanctions lists are available online (see for example, lists from the UN sanctions committees: <https://www.un.org/securitycouncil/sanctions>) however sanctions may be imposed with exceptions and are often revised. As such it is important that all FSD's employees and contractors consult with FSD's Programme Managers and HQ in Geneva on a case by case basis to understand the implications of any new dealings with governments, groups, entities, individuals (including PEPs – see below), or controlled goods or services which may be subject to these restrictions and to ensure these actions are informed by up to date information.

4. Entities Subject to Sanctions

There are numerous examples of countries/territories and groups that have been the target of economic sanctions, but countries have included Crimea, Cuba, Iran, North Korea, Sudan, Syria, Russia, Belarus, Burundi, the Central African Republic, Libya, and South Sudan. Individuals targeted include oligarchs, narcotics traffickers, military personnel, human rights abusers, and terrorists. These individuals may include people designated as Politically Exposed Persons (PEPs). PEPs are not strictly defined internationally, but are people in influential and prominent political positions operating within a domestic or foreign capacity. In their role as senior government officials, PEPs have access to resources and power that can influence government, policy, and people. It is important to note that PEPs are not automatically subject to sanctions but dealing with them does raise a Red Flag which requires further investigation.

A full list of entities which have had sanctions imposed is beyond the scope of this policy but FSD personnel should ensure that they consult local authorities, take legal advice where appropriate and consult with FSD's HQ in Geneva (geneva@fsd.ch) before establishing relationships with new countries, groups, individuals and PEPs or when importing/exporting sensitive goods (such as PPE or demining machinery).

V. POLICY IMPLEMENTATION

Specific high-level direction is given for all staff, who must comply with this policy and the dictates of Sanctions Law. The senior management and board of FSD is committed to complying with all laws; any employee who violates (or permits others to violate) this Policy may be subject to appropriate disciplinary action, independent of any other penalties, up to and including dismissal. They may also be subject to personal civil or criminal fines.

1. Board Endorsement

The FSD Board will not criticise management for any loss of potential operational activities resulting from adherence to this Policy. No employee or contractor will suffer as a consequence of bringing to the attention of the Board or senior management, in good faith, a known or suspected breach of this Policy. Also, employees and contractors will not suffer any adverse employment decision for abiding by this Policy.

2. Risks of Non-compliance

Violations of Sanctions Laws may lead to severe civil and/or criminal penalties against organisations, companies and individuals, including significant monetary fines, imprisonment, extradition, blacklisting, revocation of licences, and disqualification of directors.

In addition, violations of Sanctions Laws can lead to damaging practical consequences, including harm to FSD's reputation and operational or institutional relationships, operational restrictions, and extensive time and cost in conducting internal investigations and/or defending against government investigations and enforcement actions.

VI. POLICY COMMITMENTS

a) **Awareness – All FSD staff contractors will be aware of the potential sanctions in their respective countries or within their areas of work.**

Potential restrictions may be related to:

- Where FSD conducts operations: ensuring compliance with sanctions on restricted countries/territories.
- Who FSD conducts operations with, ensuring compliance with sanctions on restricted persons/entities.
- How FSD conducts operations: ensuring we do not circumvent, evade, or facilitate the contravention of sanctions rules; and
- Ensuring that FSD reports any suspicions which may raise sanctions concerns to the relevant authorities (see “Red Flags” below).

Different countries or regions (e.g., the European Union) may impose different sanctions. Note that US Persons - US citizens and permanent residents / Green Card holders (wherever located or employed), entities organised under US law (including their non-US branches, employees, and, in certain circumstances, non-US subsidiaries) and even foreign nationals while present in the US – are subject to specific restrictions under US law.

b) **Action (Red Flags/PEPs) – All FSD Staff and contractors will be ready to raise issues which might concern sanctions (Red Flags) with FSD HQ.**

There are a number of issues, which would cause FSD to conduct further investigations into whether a particular transaction or relationship may present a potential economic trade sanctions regulation issue. All FSD employees and contractors shall look out for any of these issues, known as “Red Flags”.

Red Flags are suspicions that may indicate the direct or indirect involvement of a restricted territory, restricted party, controlled item, service, end-use or any other sanctions compliance concern. Specific indicators are context dependant but could include, among others; unusual ways of conducting business, the involvement of family members, delays in producing paperwork or unexplained payments to a third party. The involvement of a PEP is always a Red Flag indicator. Red Flags must be reported to the Deputy Director who will investigate them and alert the relevant authorities where necessary.

c) Compliance – All functional areas of FSD will have processes in place to ensure compliance with sanctions.

The responsibility to provide FSD employees and contractors with the necessary information to comply with this Policy falls within FSD HQ, with a particular focal point: the Deputy Director. FSD HQ are to ensure that all elements of the FSD Group comply with Sanctions Laws. Each area is to ensure the following procedures are followed:

Legal and Compliance (FSD HQ)

- Monitor economic and political sanctions regulations. Determine and approve controls to be followed in specific regions or types of transactions. This will be done through routine reviews of national laws in each country where FSD works (by the Programme Managers reporting to FSD HQ Operations team through monthly and quarterly formal reporting). In addition to this, FSD HQ (Geneva and Manila) will review all donor contracts and conditions to understand the latest sanctions placed in any country or contract. Finally, the annual management review process as part of FSD’s ISO 9001:2015 accreditation and audit, will look at all legal compliance and changes throughout the year and also within the structure of the quarterly formal board meetings.
- If needed, obtain legal advice and guidance on specific situations on request and where appropriate, including on the resolution of issues and follow up of red flags.
- Assist staff and teams in obtaining necessary and appropriate licences.
- Conduct effective training and education to relevant functions in relation to economic trade sanctions regulations.

Finance (FSD Manila)

- Ensure that financial transactions/operations (including contact with financial institutions, usage of certain currency, segregation of funds) are in line with economic trade sanctions regulations, by following approved processes and controls;
- Conduct due diligence checks on vendors;
- Ensure that all licences are obtained when required e.g., US Treasury Department Licences (Office of Foreign Asset Control) before starting operations in countries and areas which are under economic sanctions.

Procurement (FSD Manila)

- Ensure that suppliers are aware of this policy and monitor compliance on an ongoing

basis.

Programme Managers (PMs)

- PMs are responsible for ensuring the local activities comply with national and international economic trade sanctions regulations in the country they work in and in any other countries they have dealings with. PMs must set the right tone and providing appropriate support for compliance activities for local staff.
- PMs must ensure that all employees, contractors, and other third parties acting on FSD's behalf are properly trained and comply with economic trade sanctions regulations, in all work processes and SOPs.

Personnel (FSD HR)

- When any new staff are hired, a vetting procedure to identify possible personnel under sanctions via SAM.gov and via SECO must be followed automatically¹. This procedure is also applicable if international and national staff are re-allocated from one grant to another, new grant.
- HR must enter the specific search term (staff's complete name) and activate the search.
- The result must be saved in an appropriate format and filed it to the staff's archive folder.
- In the case of a positive result (that the prospective employee has sanctions against them), HR will discretely inform the Deputy Director who will investigate the sanction in context and determine appropriate action.
- These vetting procedures apply as a minimum standard for all programmes however HR must apply all reasonable effort to identify whether prospective employees are subject to any sanctions at all (not only in the country of their prospective employment) and investigate the reason for their imposition, to ascertain whether these sanctions are a bar to employment (either on practical or moral grounds).
- In the future, donors and international organisations may add further detailed vetting procedures, HR personnel must ensure that all these procedures are reviewed on a regular basis.

Responsibility for all Employees

All FSD staff have the obligation to read and follow this Policy, to understand and identify any Red Flags that may arise during their activities and to escalate potential compliance concerns related to sanctions to the Deputy Director. When Red Flags are raised, staff are not to take any actions or have further discussions with involved parties prior to receiving direction from FSD HQ.

¹ HR are to use: SAM.gov: <https://www.sam.gov/SAM/pages/public/searchRecords/search.jsf> and SECO: https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/exportkontrollen-und-sanktionen/sanktionen-embargos/sanktionsmassnahmen/suche_sanktionsadressaten.html for these checks.