

EIMSKIP GROUP

# MONEY LAUNDERING AND SANCTION POLICY



Eimskip is a leading transportation company in the North Atlantic providing container and reefer liner services with connections to international markets and is specialized in worldwide freight forwarding services with focus on frozen and chilled commodities.



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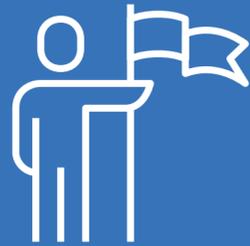
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# OUR VALUES



## ACHIEVEMENT

We simplify things for our customers. That's how we achieve our goals.

### PROGRESSIVE

- we're always thinking ahead, we are ambitious, driven by initiative and eager to create new ideas and implement innovative solutions.

### PASSIONATE

- we inspire others with our drive for excellence. We celebrate the big and small wins and aim for success.



## COOPERATION

We offer outstanding solutions and services. We do that through cooperation.

### TEAMWORK

- we believe our continued success and great achievements are only possible with teamwork and collaboration.

### POSITIVE

- we have fun and smile, we enjoy our work, we celebrate the successes and we're team players.



## TRUST

We show responsibility towards customers, shareholders, society and the environment. That's how we earn trust.

### RESPONSIBLE

- we're caring. We work for a better society, preserve and protect the environment and strive to be a role model when it comes to responsibility and trust.

### ACCOMPLISHED

- we connect the world. We make the trip safe, we provide excellent service - and we have been doing it for 106 years.

# INTRODUCTION

## EIMSKIP GROUP - MONEY LAUNDERING & SANCTION POLICY

This policy applies to all employees of Eimskipafélag Íslands hf. and all companies within its group.

### PURPOSE

Eimskip is committed to conducting all of its business in a lawful, honest and ethical manner. This policy prohibits anyone employed by Eimskip from participating in money laundering, terrorist financing and sanction breaches. Breaches of this policy will face appropriate disciplinary action, which could result in dismissal.

Each employee subject to this policy is expected to know and comply with all applicable money laundering and terrorist financing laws and regulations, as well as applicable sanctions.



# DEFINITION

## EIMSKIP GROUP - MONEY LAUNDERING & SANCTION POLICY

### **MONEY LAUNDERING**

Money laundering is the term used to describe the process by which criminals disguise the original ownership and control of the proceeds of criminal conduct by making such proceeds appear to have derived from a legitimate source.

### **TERRORIST FINANCING**

Terrorist financing refers to activities that provide financing or financial support to terrorists. Transactions associated with terrorist financing tend to be in smaller amounts than is the case with money laundering. It may involve funds raised from legitimate sources, such as personal donations, profits from businesses and charitable organizations.

### **GLOBAL SANCTIONS REGIMES**

Global Sanctions Regimes are political and economic decisions that are a part of diplomatic efforts by countries, multilateral or regional organizations against states or organizations, either to protect national security interests or to protect international law and defend against threats to international peace and security. Global sanctions regimes are UN Sanctions, U.S. Sanctions and EU Sanctions.

### **FINANCIAL ACTION TASK FORCE (FATF)**

Financial Action Task Force (FATF) is the global money laundering and terrorist financing watchdog. The FATF identifies jurisdictions with weak measures to combat money laundering and terrorist financing (AML/CFT) in two FATF public documents that are issued three times a year.

1. The first public document, the statement “High-Risk Jurisdictions subject to a Call for Action” (previously called “Public Statement”), identifies countries or jurisdictions with serious strategic deficiencies to counter money laundering, terrorist financing, and financing of proliferation. For all countries identified as high-risk, the FATF calls on all members and urges all jurisdictions to apply enhanced due diligence, and in the most serious cases, countries are called upon to apply counter-measures to protect the international financial system from the ongoing money laundering, terrorist financing, and proliferation financing risks emanating from the country. This list is often externally referred to as the “black list”.
2. The statement “Jurisdictions under Increased Monitoring” (previously called “Improving Global AML/CFT Compliance: On-going process”) identifies countries that are actively working with the FATF to address strategic deficiencies in their regimes to counter money laundering, terrorist financing, and proliferation financing. When the FATF places a jurisdiction under increased monitoring, it means the country has committed to resolve swiftly the identified strategic deficiencies within agreed timeframes and is subject to increased monitoring. This list is often externally referred to as the ‘grey list’.

# WE KNOW OUR CUSTOMER

## EIMSKIP GROUP - MONEY LAUNDERING & SANCTION POLICY

Employees should know the identity of the customers to whom they provide services and should ensure that Eimskip has sufficient knowledge on the customers and stakeholders. When customer is a legal entity employee should find out the purpose of the legal entity and who its beneficial owners are. Employees should identify the purpose and nature of the business relationship. Employees should also ensure that people representing customers have the proper authority to do so.

Employees should show special caution regarding customers and stakeholders that are in high-risk area. One measure of what are high-risk areas is to follow FATF listed countries updated every 4 months.

### ONGOING MONITORING

Employees should try to keep information on customers up to date. Information should be updated on a regular basis and employees should update information if they notice it is incorrect or insufficient. Employees should also check the current information, for example when changes are made the business relationship or if the customers asks for additional services. Employees should endeavour to understand the nature and purpose of the transactions they are responsible for supervising and be alert to changes in trading patterns which may indicate a change in the nature of the business relationship.

### BE ALERT

Employees should always be alert to unusual or suspicious transactions or conduct by customers and notify Compliance of any suspicion they may have that transactions may be linked to actions punishable by law, without letting the customer or a third party know that they have notified the incident.



# SCREENING TOOLS

## EIMSKIP GROUP - MONEY LAUNDERING & SANCTION POLICY

Employees can use following tools for new and current customers via the web. The list mentioned below is by no means exhaustive.

### **EU SANCTIONS**

<https://www.sanctionsmap.eu/#/main>

### **US SANCTIONS**

<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information>

### **OFAC-SPECIALLY DESIGNATED NATIONALS AND BLOCKED PERSONS LIST**

<https://home.treasury.gov/policy-issues/financial-sanctions/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists>

### **OFAC-SANCTIONS LIST SEARCH**

<https://sanctionssearch.ofac.treas.gov/>

# TRAINING

## EIMSKIP GROUP - MONEY LAUNDERING & SANCTION POLICY

Management shall ensure that their employees receive proper and regular training on measures against money laundering and terrorist financing and these rules when they take up their jobs.

**Employees engaged in providing customer services, directly or indirectly, should receive sufficient training in accordance with the following:**

New employees should study the company's policy against money laundering and terrorist financing as part of new recruit training;

- All employees involved in providing customer services should be sent an online presentation.
- All frontline employees should go on a special course on measures against money laundering and terrorist financing at least every two years;
- Employees should receive appropriate training when changes to the relevant rules or procedures occur. This training should ensure that employees know there and the company's obligations in respect of measures against money laundering and terrorist financing and the consequences of failing to keep these obligations.
- Employees should also be informed of the key methods of money laundering and terrorist financing, where the main risks lie, the main clues which may give rise to suspicion and how to respond, and should be kept up-to-date on the main developments in this area



# PROHIBITED ACTIONS

EIMSKIP GROUP - MONEY LAUNDERING & SANCTION POLICY

Eimskip employees shall not participate in money laundering in any form, participate in terrorist financing in any form, do any business in a sanctioned country without clearance from their next manager or do any business with a sanctioned person.

# EMPLOYEES RESPONSIBILITIES

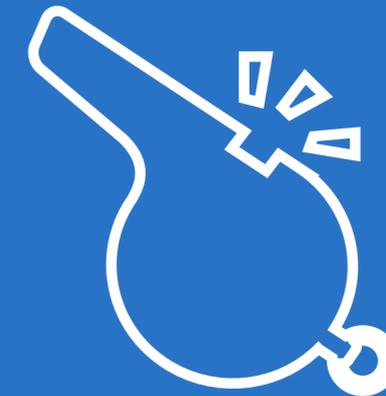
## EIMSKIP GROUP - MONEY LAUNDERING & SANCTION POLICY

1. You cannot participate in money laundering in any form.
2. You cannot participate in terrorist financing in any form.
3. You cannot do any business in a sanctioned country without clearance from your next manager.
4. You cannot do any business with a sanctioned individual or entity.
5. It is your responsibility to know your business partners. That means you need to do appropriate screening of your business partners to ensure that they do not participate in money laundering or terrorist financing, and that they are not a sanctioned individual or entity.

# REPORTS SUSPECTED OR ACTUAL VIOLATIONS

## EIMSKIP GROUP - MONEY LAUNDERING & SANCTION POLICY

If you suspect breaches or misconduct within the company's operations, follow the protocol of whistle blower policy. Employees who make such reports in good faith will be protected from any retaliation.



# REVIEW

## EIMSKIP GROUP - MONEY LAUNDERING & SANCTION POLICY

Human Resources & Communication department is responsible for Eimskip's Money Laundering and Sanction Policy and will initiate audits of it every two years.

Approved by the Executive Board of Eimskipafélag Íslands hf.  
Reykjavík, 16.2.2021.

### IN THE EXECUTIVE BOARD OF EIMSKIPAFÉLAG ÍSLANDS HF. ARE:

Vilhelm Már Thorsteinsson  
Björn Einarsson  
Bragi Thor Marinósson  
Edda Rut Björnsdóttir  
Egill Örn Petersen  
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Hilmar Pétur Valgarðsson

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