

Trade Sanctions  
Quick GUIDE

Dear Team Member,

Trade sanctions prohibit certain trading activities with specific countries, governments, entities, and individuals. They also block the usage of assets and property of sanctioned targets.

The United States government uses economic and trade sanctions more than any other country, and has far-reaching authority, aggressive oversight, and global enforcement.

Braskem has elected to apply U.S. sanctions laws and regulations and **adopt U.S. Person status** consistently throughout its entire trade compliance operations as a risk mitigation measure.

|  |  |  |
| --- | --- | --- |
|  | **Comprehensive sanctions** | **List-based sanctions** |
| **Target** | Entire counties and territories | Individuals and entities |
| **How it applies** | Nearly all economic activity, directly or indirectly with a sanctioned country is prohibited.   * Iran * Syria * Cuba * North Korea * Crimea | Specially Designated Nationals (SDN) List   * Transactions are prohibited, and their assets must be blocked   Non-SDN Lists   * Transactions are limited * Sectoral Sanctions Identification List (SSIL) |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Prohibited Transactions** | | |
|  | **Export / Re-Export** | **Financial Transactions** | **Facilitation** |
| **What it means** | It’s prohibited to directly or indirectly export goods, services, or technology to a sanctioned country or SDN, for profit or otherwise. | It’s prohibited to enagage in direct or indirect financial transactions with sanctioned countries and people. | It’s prohibited to assist, facilitate, or approve any transaction that you yourself can’t take part in. |
| **Examples** | * exporting equipment free of charge to a sanctioned entity * selling goods to a Turkish company that ultimately ships the goods to Iran | * making any direct or indirect investments * providing or guaranteeing loans and extending credit agreements | * providing sales or logistical support for a transaction with a sanctioned country or entity * giving someone advice on how to structure a transaction so that it avoids or evades sanctions laws |

**Know Your Counterparty**: Use the Braskem Third Party Onboarding process for business counterparties to conduct due diligence which will check OFAC resources, such as the SDN list, before proceeding with a new counterparty.

**Seek Advice**: If unsure always discuss risky transactions, including those that may be eligible for a general license, with Legal and Compliance before any transaction takes place.

**For more information, access the Compliance page in Braskem View or contact the Compliance team.**

**Look for Red Flags**: Look out for red flags that may indicate you are at risk of violating a sanction. For instance, last-minute changes in delivery country.

**For more information, access the Business Courtesies Procedure at BDO or contact the Compliance area.**