Trade Compliance : Blocks operational mode

Tasks to be completed when creating an operating procedure (from creation to publication)

1. Enter the **Title of the procedure**: Description of the operating procedure - Region (*APAC, EMEA, LAM, NAM*) - Country (*Optional*) - ERP (*PI 1, PF1, WP1*)

2. Add the following Labels :
   - Region: apac, emea, lam, nam
   - ERP: pf1, pi1, wp1
   - Domain & Process using the List of labels to be used in the space CCT
3. Fill all fields as described

4. SAP transactions :
   a. notify them on the right : References , Link the SAP transaction name notified here with the SAP transaction page registered in the file (page adress)
   b. notify the transaction SAP inside the document in the appropriate place and add a macro : Include Content - Search the name of the page and Save

5. Once the procedure is completed, publish it using the SBS-OtC approval workflow

Scope

APAC

EMEA

LAM

NAM

ERP

PI1

PF1

WP1

References

Attachments

Table of contents

- Table of contents
- Objective and Scope
- Main restrictions:
- The SPL
- The Embargos
  - Countries under embargo
  - Triangular trade flows / Direct shipment
  - Us Rex
- The Licence
  - Compliance Classification
  - Full license
  - Partial licenses
  - Full license
  - Partial licenses
  - Full license
  - Partial licenses
  - Control export certification
  - Exception of Novecare
  - Exception Special Chem on PF1
  - Exception of Specialty Polymers
  - Specific case of Technology Solutions
- Methodology on GTS

1. Objective and Scope

The document provides you guidance on our Denied party screening process. The aim of this process is to ensure that none of our products would be sold and bought to any companies listed on Sanctioned Party Lists. The

Every order and delivery departing from a European country is screened through GTS to catch any sales concerned by these three following restrictions:

ØSanctioned Party List
ØEmbargo
ØLegal control

Our goal is to mitigate risks on processes and ensure:

•Compliance with laws and regulations
•Application of Group policies and procedures

For Solvay legacy: all orders and deliveries from GBU Peroxides and Soda Ash departing from EMEA.

All orders and deliveries from technology Solutions departing from USA, Canada and LATAM (except Brazil).

All Rhodia Legacy Business Units departing from EMEA (Novecare, Special Chem(WP1), Silica, Aroma, Coatis, Performance Polyamide) except departure from UK.

2. Main restrictions:
    - The SPL

Bundesanzeiger	-Review and maintain the list of SPL based on US, EU, DE boycott lists.
Customer Service	-Save orders in the system -Remains the single point of contact with the customer
Supply-Chain	-Save the delivery in the system
CtC Process	-Regulatory watch -Design export control process
CtC Delivery	-Perform a daily analysis of currents orders and deliveries blocked -Perform a detailed analysis of partners according to the hit block -Release partners, orders or deliveries when the match is not relevant -Inform the Customer service and the Business when the match is relevant
Business Unit	-Manage business with partners relevant to SPL

The customer service is in charge of creating orders in the system. All orders are created in WP1 or PF1 and then replicated automatically in GTS.

Sanction Party Lists are maintained in the system and each document (orders and deliveries) and new partners are scanned according to the list automatically updated by a third Party in the system. Documents will be blocked as soon as the system will detect a similarity between a partner name or address and a company listed on the Sanction party List.

The CTC specialist will perform an accurate analysis of each partner blocked and take action in function of the result of the analysis. When the match is not relevant, the user has to release the partner and comment the release. Thus, current documents and all furthers will be released automatically.

A match can be relevant or not relevant.

A match is relevant as soon as there is a link between a partner and a company/person listed on any SPL. In case of doubt, the match is relevant until further analysis. Any element of the partner can be taken into consideration to qualify the relevancy of the match: name of the company, address.

When the match is relevant, the key user has to inform the Customer Service and the Business Unit. Moreover, the partner has to be added to the Negative list or remains “On hold”.

The process expert is in charge of approving the process specialist decision to consider the match as relevant.

Partners with a relevant hit block have to be added to the negative list in order to remain blocked. Moreover, other key users have to be warned that a partner had a relevant hit.

Partners for which the analysis is not finished can be put on hold. A partner on hold can only be released by the Key user that added it under this status. Then he will have then to decide either the partner has to be added to the negative list or can be released.

A match is not relevant when there is no evidence of a link between the partner and the Sanction party list hit. In case of doubt, the partner has to remain blocked until further investigation. All partners involved in the order are checked, regardless their roles (WE/Ship-to, AG/Sold-to, RE/Bill-to, RG/Payer). When the hit is not relevant, the CTC specialist will release the partner and save a log record in the system.

Some particularities can be noted about the partners.

Partner with several FTOs

Some partners may be associated to several FTOs. Any user in charge of one of those FTOs is entitled to release the partner after analysis. In case of doubt, the analysis can be double check with other key users.

Partner without FTO

If the partner is not associated to any FTO, it is not possible to add it via GTS. This data is replicated from the ERP and some partners do not need this information to be filled in.

In this situation, the partner has to be released after analysis by the first user who has a blocked order or delivery.

Partner without address

The address is mandatory for any check in GTS. If there is no address, it has to be required to the GBU.

Address with PO Box

As mentioned, a full address is required in order to check all partners. BO Box are forbidden for Ship-to and Sold-to partners.

Sample orders

For samples orders, same rules will be applied. Samples orders have to be analyzed as much as a normal export, regardless of the quantity involved.

Positive list

All partners which are part of Solvay group and subsidiaries must be added to the positive list. As such, they won't be scanned again.

- The Embargos

Corporate	-Responsible for the regulatory watch -Review and maintain a up to date list of countries under embargoes -Share this list with key users
Legal	-Supply appropriate End-User certificate templates
Customer Service	-Save orders in the system -Remains the single point of contact with the customer
Supply-Chain	-Save the delivery in the system
CtC Process	-Regulatory watch -Maintain the list of countries under embargo - Design export control process
CtC Delivery	-Perform a daily analysis of currents orders and deliveries blocked -Perform a detailed analysis on each blocked documents -Release orders or deliveries when the match is not relevant -Inform the Customer service and the Business when the match is relevant
Business Unit	-Manage business with commercial partners

None of the sales has to be be in violation of any Embargo situation imposed by the European Union and any other governmental bodies.

All Rhodia Legacy Business Units departing from EMEA (Novecare, Special Chem, Silica, Aroma, Performance Polyamide and Coatis).

For Solvay legacy: all orders and deliveries from GBU Peroxides and Soda Ash departing from EMEA.

All orders and deliveries from technology Solutions departing from USA, Canada and Latam (except Brazil).

For any sales order blocked for an Embargo, the hit can be analyzed and released (depending on the scenario) at the same day or at a maximum of 2 working days without need of additional information.

For any outbound delivery blocked for an Embargo, the hit is analyzed and released the same day in the morning, at noon and before 5PM.

The customer service is in charge of creating orders in the system. All orders are created in WP1 or PF1 and then replicated automatically in GTS.

Lists are maintained by PE according to national, regional regulations and corporate department. This list is a minima and Solvay can impose more restrictions.

Embargo list is maintained in the system by Process Expert according to national, regional regulations and Corporate department. This list is a minima and Solvay can impose more restrictions.

Each document (orders and deliveries) is scanned according to the list updated in the system. Documents will be blocked as soon as the system will detect that one of partner is located in a country under embargo. All partners involved in the order are checked, regardless their roles.

The CTC Specialist user will perform an accurate analysis of each order or delivery blocked. If the product sold by Solvay is not concerned by any restrictions, the document can be released otherwise it remains blocked and business will be warned.

Countries under embargo

The list is maintained up-to-date in the system according to UN and US list of sanctions countries. Following countries are under export controls in SAP GTS for each PO departing from Europe:

Afghanistan, Armenia, Azerbaijan, Belarus, Dem. Rep. Congo, Rep. Of Congo, Ivory Coast, Guinea, Iraq, Iran, North Korea, Lebanon, Liberia, Libya, Burma, Sudan, Somalia, South Sudan, Syria, Yemen and Zimbabwe.

In addition, some others countries are blocked when departing from Germany:

Utd. Arab.Emir, Cuba, Algeria, Hong Kong, Israel, Joran, Pakistan and Russian Fed.

Moreover, for some specific countries - sales of Hydrogen Peroxide are prohibited. In order to release orders, the BU president has to approve the export. Following countries are concerned:

Afghanistan, Iraq, Libya, Somalia, South Sudan, Sudan, Syria and Yemen.

Last but not least it is totally forbidden to export any product in *Iran*.

When a document is blocked because of an embargo situation, the CTC Delivery Specialist has to check if the product sold is subject to any restrictions in the country of concern. Restrictions ongoing can be found on the Restrictive List of Countries provided by the French customs.

This Certificate will be asked to every partner for each first sell of a product. The aim is to check if the product use is not concerned by any restrictions.

In order to release an order, the user has to check if the export is compliant with the restrictions ongoing. An End-Use certificate is required for each document release:

- All documents received after 31.12.2014 are valid. For EUC received before, a new document is required.
- There is a template for the end user and a template for the distributors which have the responsibility for the third parties involved.
- To be valid, EUC must contain the name of the partner, its address and the final application of the product. Moreover, the document must be dated, signed and stamped.

If one of the previous prerequisites is missing, the document is not valid and can’t be used to release any document. The Customer Service will have to ask a correction of the document.

For sensitive countries, the prior agreement from the Business Unit president may be required.

The End Use Certificate will have to be attached to the document in GTS in order to release the order.

Triangular trade flows / Direct shipment

In case of triangular trade flows, this is the key user in charge of the country departure who will be in charge of performing the analysis.

Us Rex

Products which benefit from US origin are subjected to specific export regulations: No US re export allowed to Cuba, Sudan, Iran, Nth Korea or Syria.

In case of USREX, the non-US zone has to ask an end use certificate to the end customer. This end use certificate is sent back to North American Regulatory personnel for review and approval.

- The Licence

None of the sales and purchases has to be in violation of any product related regulation imposed by the European Union.

All documents created in GTS for all Rhodia Legacy Business Unit departing from EMEA (Novecare, Special Chem, Silica, Aroma, Performance Polyamide and Coatis).

Customer Service	-Save orders in the system -Remain the single point of contact with the customer
Product Stewardship	-Determine how to classify products according to regulations
Supply-Chain	-Save the delivery in the system -Except for Novecare, in charge of requesting PIC licenses to ECHA -Will provide import/export license to CTC
CTC Process	-Support CTC Delivery -Regulatory watch -Set up new flows
CTC Delivery	-Perform a daily analysis of currents orders and deliveries blocked -Request on ECHA for Novecare's and Specialty Polymers products -Creation of PIC licenses in the system once granted by ECHA for Rhodia legacy -Follow up import/export declarations with licensing information
Business Unit	-Manage business with commercial partners - Creation of licenses in the system once granted by ECHA for Solvay legacy -in charge of Drug Precursors import license

For any sales order or outbound delivery blocked for missing license/item classification, CTC advises GBU to classify item or create the license.

Products departing from Europe are submitted to 4 specific full regulations in GTS: Drugs Precursors (DPEU), Dual Use (DUALE), Ozone Depletion Substances

Compliance Classification

An email is sent every day to the generic email address with all articles replicated in GTS. Therefore, it is CTC delivery which is in charge of classifying in the system all articles. Products that share a same PRODCOM can be classified with the same rules. For new PRODCOMS, CTC Delivery is not in charge of determining how to classify the article and as such has to send a request to the product Stewardship team.

Full license

There are currently 4 full licenses in GTS for which all articles have to be classified. When an article is not classified according to those full licenses, GTS will automatically block all orders with it. CTC delivery is in charge of checking blocked documents and takes action.

Partial licenses

Only products flagged with the indicator Tracking Relevant will be blocked. If a product is not classified according to a partial license, it will not be blocked.

An email is sent every day to the generic email address with all articles replicated in GTS. Therefore, it is CTC delivery which is in charge of classifying in the system all articles. Products that share a same PRODCOM can be classified with the same rules. For new PRODCOMS, CTC Delivery is not in charge of determining how to classify the article and as such has to send a request to the product Stewardship team.

Full license

There are currently 4 full licenses in GTS for which all articles have to be classified. When an article is not classified according to those full licenses, GTS will automatically block all orders with it. CTC delivery is in charge of checking blocked documents and takes action.

Partial licenses

Only products flagged with the indicator Tracking Relevant will be blocked. If a product is not classified according to a partial license, it will not be blocked.

An email is sent every day to the generic email address with all articles replicated in GTS. Therefore, it is CTC delivery which is in charge of classifying in the system all articles. Products that share a same PRODCOM can be classified with the same rules. For new PRODCOMS, CTC Delivery is not in charge of determining how to classify the article and as such has to send a request to the product Stewardship team.

Full license

There are currently 4 full licenses in GTS for which all articles have to be classified. When an article is not classified according to those full licenses, GTS will automatically block all orders with it. CTC delivery is in charge of checking blocked documents and takes action.

Partial licenses

Only products flagged with the indicator Tracking Relevant will be blocked. If a product is not classified according to a partial license, it will not be blocked.

(ODSEU) and Prior Informed Consent (PICEU). Some products sold by Solvay are relevant and as such cannot be shipped without export license, receipt without import authorization.

If a document contains an article submitted to license, it will be automatically blocked. For Rhodia Legacy, CTC Delivery is in charge of requesting a License to the Supply-Chain in order to release the order. For Solvay Legacy, the Customer Service is in charge of this task.

CTC Delivery is in charge of creating the license in the system as soon as a suitable document with a date of use and a registration number is received. For Solvay Legacy, the Customer Service is in charge of this task.

Control export certification

If requested, CTC delivery can provide a control export certification based on the classification saved in GTS. If the classification is not to be found in GTS, then we can provide any document. The template can be find in appendix.

Exception of Novecare

CTC is in charge of requesting license to ECHA for product 4053X from Melle.

Exception Special Chem on PF1

Derk Tubbesing is in charge of creating licences in GTS.

Exception of Specialty Polymers

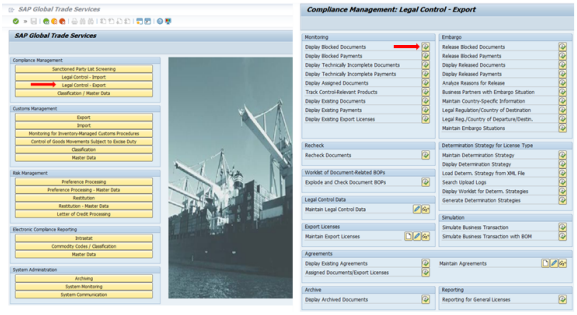
CTC is in charge of requesting license to ECHA for product that belongs to Specialty Polymers France.

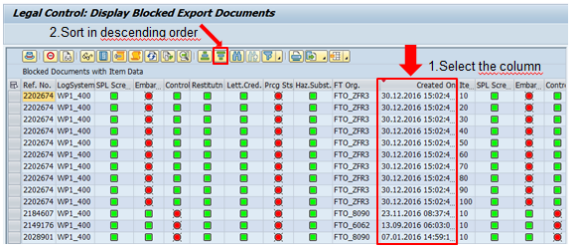
Specific case of Technology Solutions

CTC is not in charge of releasing some blocked documents that are linked to EHS, here under the list of contacts for the following topics:

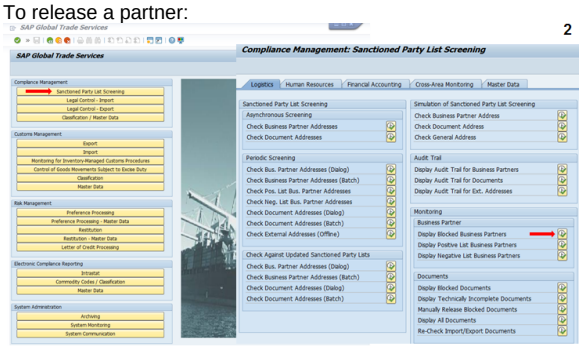
3. Methodology on GTS

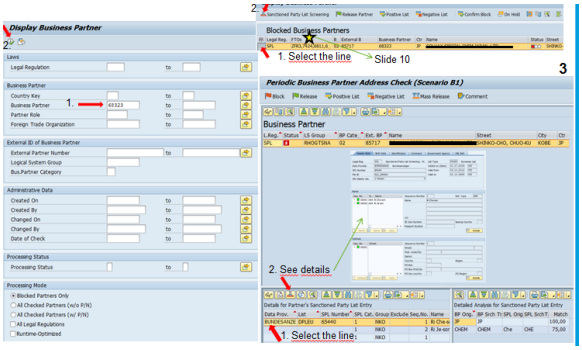
- To check a blocked order:

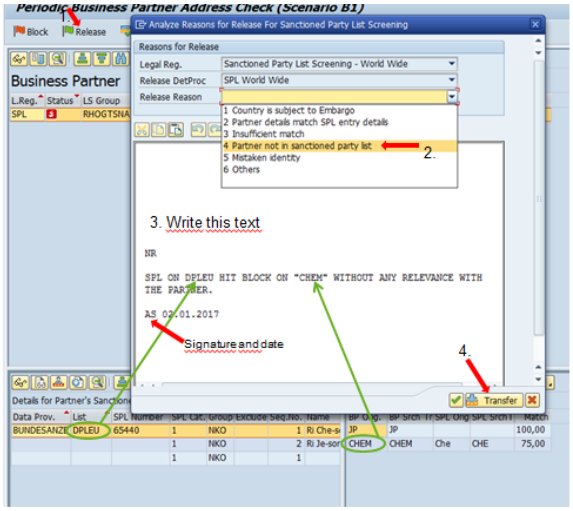




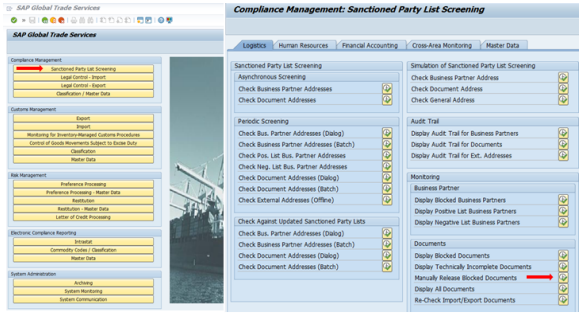
- To release a partner:

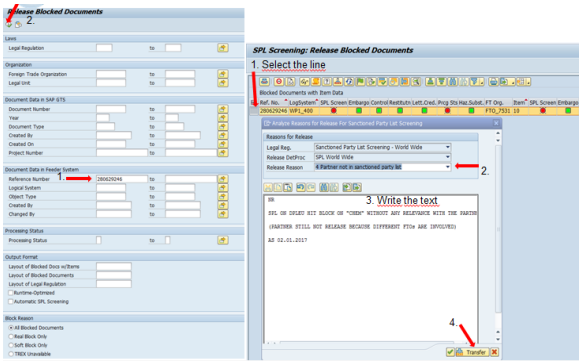


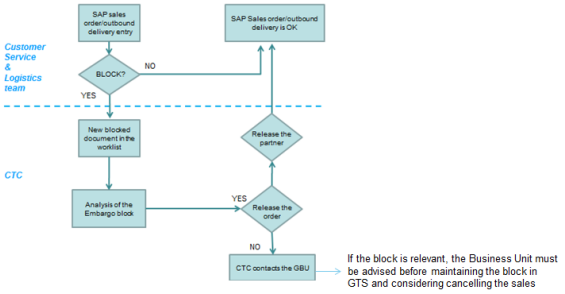




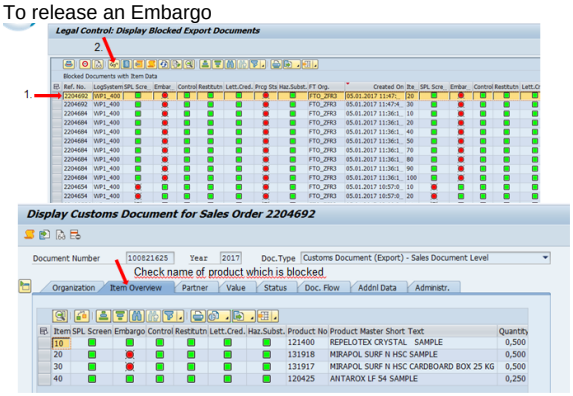
- To release an order:

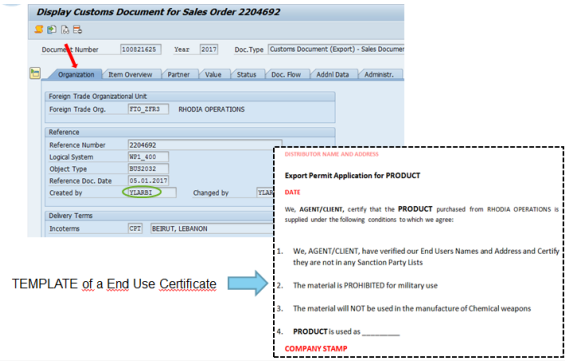




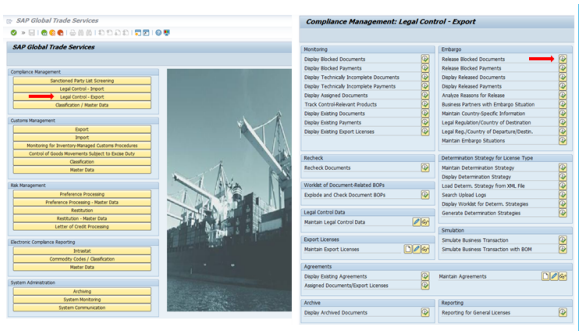


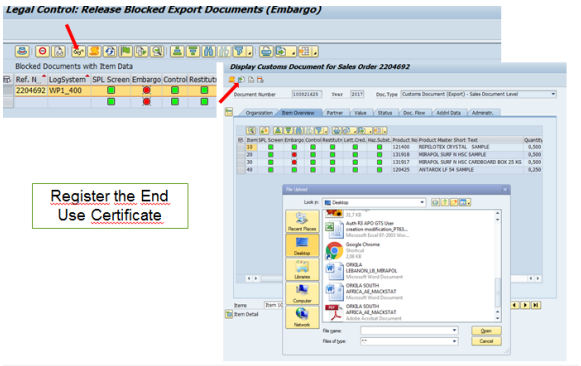
- To release an Embargo

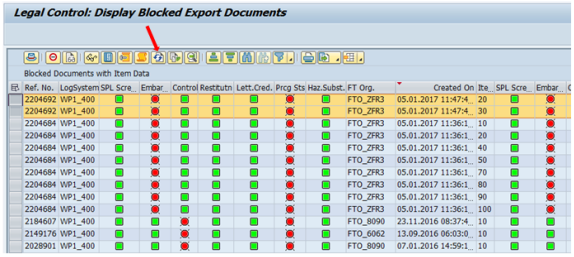




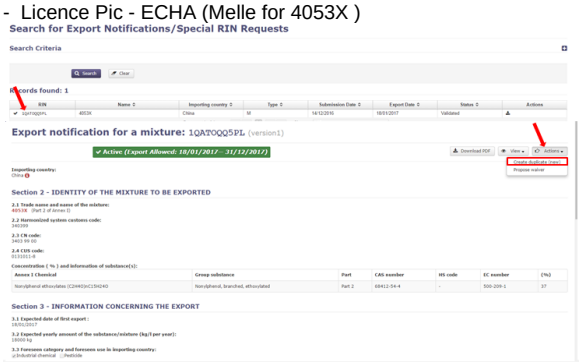
TEMPLATE of a End Use Certificate



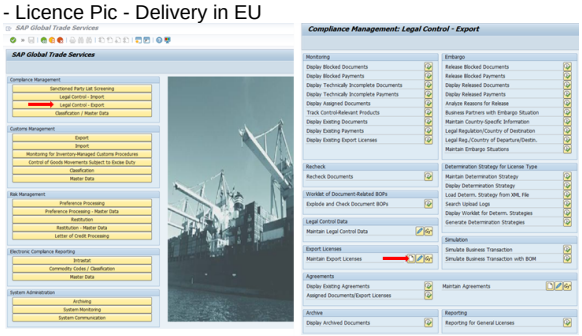


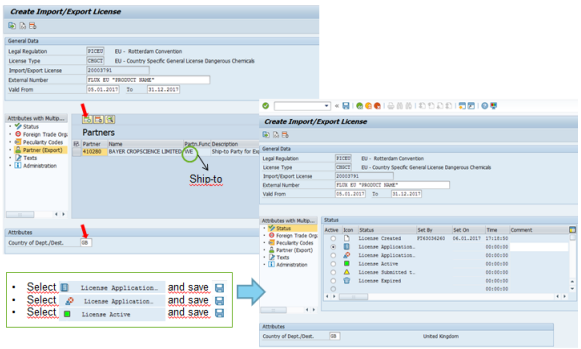


- To create a Licence
  - Licence Pic - ECHA (Melle for 4053X)

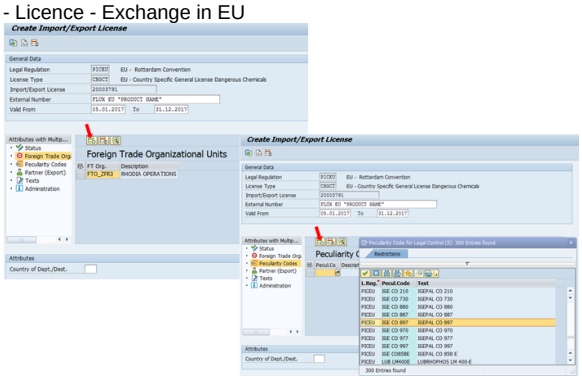


  - Licence Pic - Delivery in EU

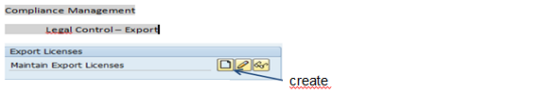


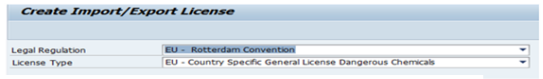


- Licence - Exchange in EU



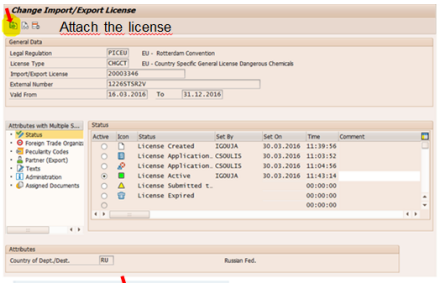
- Licence Pic - Creation on GTS

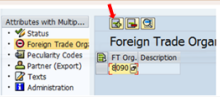




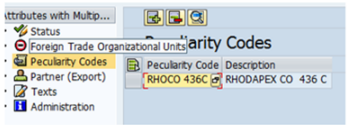
Insert the code of the license as mentioned on the license document

Validity: day-1 till the end of the year



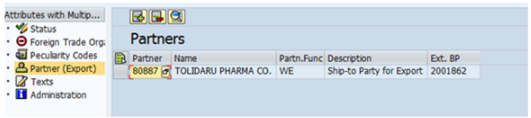


Insert the FTO mentioned in the blocked order

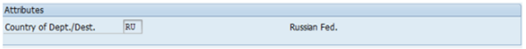


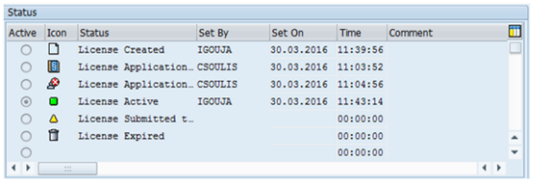
Insert the product concerned

Insert the Ship-to in partner and "WE" in function



Insert the ISO code of the destination country





NOTE: If needed, ask to the commercial assistant to change the delivery date of the order in order to be inside the validity period of the license.