



SATS OPERATING PROCEDURE

PREVENTION, DETECTION, REMEDIATION MEASURES AND ACTIONS RELATED TO SANCTIONS- RELATED CARRIERS, ORIGINS & DESTINATIONS

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1. Introduction

- 1.1 SATS Ltd. (“SATS”) is committed to compliance with applicable trade sanctions, including, as may be applicable to SATS’ business from time to time, the laws and regulations implemented by Singapore, the European Union, the United Kingdom, the United States, and United Nations Security Council Resolutions (collectively “Sanctions”).
- 1.2 Our global reputation and success depend on conducting our international business in accordance with applicable laws and to the highest moral, ethical and legal standards.

2. Objective and scope

2.1 *Objective*

- 2.1.1 The objective of this Operating Procedure is to implement throughout all SATS stations, and more specifically, by all SATS cargo and ramp operations, proactive measures aiming to prevent the handling of shipments which may be in breach of any Sanctions applicable to SATS.
- 2.1.2 The proactive prevention measures identified in this document shall be fully implemented in all SATS systems in order to identify any cargo shipment which may be:
- (i) transported by or otherwise attributable to a sanctioned air carrier (IMPORT, EXPORT, TRANSSHIPMENT)**
 - (ii) arriving DIRECTLY or INDIRECTLY from a sanctioned origin (IMPORT) or**
 - (iii) departing DIRECTLY or INDIRECTLY to a sanctioned destination (EXPORT)**
- (collectively ‘**Sanctions-Related Shipments**’)
- 2.1.3 Cargo falling within 2.1.2 (i) includes cargo that:
- (i) is transported by a sanctioned carrier under any circumstance, including as a transfer shipment, regardless of whether the AWB for the cargo includes a prefix for a

- sanctioned carrier;
 - (ii) bears the AWB prefix of a sanctioned carrier, whether transported by a sanctioned carrier or not; or
 - (iii) is transported on a flight bearing the flight number of a sanctioned carrier.
- 2.1.4 Examples of cases described in 2.1.2(ii) and (iii) above may be found in **ANNEX 1** to this document.
- 2.1.5 The prevention and remediation actions identified in this document shall be strictly followed by all SATS stations.
- 2.1.6 **PLEASE NOTE: Applicable sanctions laws are subject to change. Accordingly, the procedures described herein also are subject to change, and may be updated to reflect additional restrictions or easing of restrictions, as the case may be.**

2.2 Scope

- 2.2.1 This Operating Procedure applies to all **SATS cargo and ramp operations**, including all operating units, subsidiaries and worldwide affiliates owned or controlled by SATS.
- 2.2.2 The SATS IT department shall appropriately implement the proactive prevention measures in this Operating Procedure in all SATS systems: CQC, Cargospot, EPIC, ABS, Hermes and COSYS+.

2.3 Relationship to other documents

- 2.3.1 This Operating Procedure relates to the following documents:
 - (i) Sanctions Compliance Policy,
 - (ii) Third Party Screening Policy and Procedure, and
 - (iii) Recusal Procedure

3. IT proactive prevention measures

3.1 Automatic script

- 3.1.1 The IT department shall implement throughout all SATS systems an automatic script running regularly (at least hourly) in Cargo Quality Center (CQC) and in the available local "Source System" (Cargospot, EPIC, ABS, Hermes, COSYS+) to identify and notify in advance the impacted SATS station of any:

- (i) Freight Forwarding Message “**FFM**” (IMPORTS), or
- (ii) Freight Booked List Message “**FBL**” (EXPORTS)

relating to Sanctions-Related Shipments.

- 3.1.2 Such automatic scripts will identify Sanctions-related Shipments based upon certain specified (a) AWB prefixes and/or IATA/ICAO codes for carriers (e.g., AWB prefix “537” and/or IATA code “W5” for Mahan Air), and (b) IATA codes regarding AWB and flight origins and destinations (e.g., IATA code “IKA” for Imam Khomeini International Airport in Tehran) – **See ANNEXES 2 and 3 for details.**
- 3.1.3 If a given FFM or FBL includes a reference to a Sanctions-Related Shipment, an email shall be automatically generated by the system and sent to operations leads and general management of the SATS station concerned.
- 3.1.4 Other functions or departments may be included in the e-mail notifications depending on the regional/country/station organization and activity.
- 3.1.5 The diagram in **ANNEX 4** of this document provides an overview of the IT measures to be implemented in CQC (available in all SATS stations), and the IT measures to be implemented in the available local Source System (Cargospot, EPIC, ABS, Hermes, COSYS+).
- 3.1.6 Some functionalities may not be available in the local Source System. Best efforts shall be undertaken to implement similar prevention measures according to system capabilities.

3.2 Fall-back procedure

- 3.2.1 In the event of email system failure, the IT department will run the automatic script manually and notify the relevant functions and departments, via phone, of all the appropriate details.
- 3.2.2 Furthermore, Operations can double-check the information provided by the IT department against the list of sanctioned airlines, origins and destinations in **ANNEXES 2 and 3** of this Operating Procedure.
- 3.2.3 When the email system is back to normal, the messages will be re-generated and re-

sent to all concerned.

4. **Prevention and remediation actions**

4.1 ***Imports & Trans-shipments***

Pre-arrival preparation:

4.1.1 Since FFM's are sent to SATS by the "originating station / requester" upon departure of the flight or truck, the email notification will therefore be received by the relevant SATS operations department prior to the arrival of such flight or truck.

4.1.2 Where the FFM refers to:

- (i) an AWB prefix for **a sanctioned carrier listed in Annex 2**; or
- (ii) an IATA code for an airport in **Iran or Russia**, where the freight is arriving at the SATS station directly from **Iran or Russia**.
(‘Prohibited Shipments’)

the shipment MUST be refused and SATS will inform the requestor accordingly.

4.1.3 **Otherwise**, if a Sanctions-Related Shipment is identified on the FFM, without any sanctioned carrier identified (**‘Other Shipments’**), SATS **will not refuse the freight**, but will **maintain records** of the notice generated by the automatic script.

Treatment of a Prohibited Shipment upon arrival:

- (i) **TRUCK ARRIVAL:** Upon arrival of a truck, the truck's shipment shall not be processed and will be refused. This would be done at the acceptance desk.
- (ii) **FLIGHT ARRIVAL:** Upon arrival of a flight, one of the following three events may arise:

a. SATS does not control the cargo offloading and transport process, and the Prohibited Shipment reaches the cargo terminal airside for acceptance:

1. Import Supervisor must immediately block the shipment from further processing and put it in a "quarantine zone" (or equivalent area according to the related station).
2. Import Supervisor must coordinate with Export Supervisor to arrange return of shipment (for example, agreeing with the airline that they arrange the pickup of the shipment by their ramp handler).

3. Export Supervisor will update shipment status via email once shipment has been formally handed over to the airline or the airline's agent for dispatch.

b. SATS controls the cargo offloading and transport process:

1. Prohibited Shipments shall not be offloaded from the plane.
2. Import Supervisor must update status that shipment has not been offloaded from the plane.
3. If shipment needs to be offloaded for airplane safety and security controls, weight balancing, etc., Import Supervisor must block the shipment from further processing and put it in "quarantine zone" (or equivalent area according to the related station).
4. Import Supervisor must coordinate with Export Supervisor to arrange return of the shipment.
 - 4.1 When/where possible: Export Supervisor is responsible for sending UWS (Unit Weight Signal) and final Load message to advise Load Control and the airline that the shipment will be sent back to the aircraft for return to port of origin.
5. Export Supervisor will update shipment status via email once Prohibited Shipment has been formally handed over to the airline or airline's agent for dispatch.

c. Prohibited Shipment is found during the ULD breakdown process

(Shipment has not been manifested in FFM):

1. Import breakdown staff must segregate any inbound shipment found during ULD breakdown, and immediately inform the Import Supervisor.
2. Import Supervisor must immediately block the shipment from further processing and put it in a "quarantine zone" (or equivalent area according to the related station).
3. Import Supervisor must coordinate with Export Supervisor to arrange return of the shipment.
 - 3.1 When/where possible: Import Supervisor must coordinate with Export Supervisor to hand over the shipment to the export department to build and return the shipment on the next available flight of the originating carrier.
 - 3.2 Import Supervisor must send an e-mail, giving the location of the shipment and the flight/date planned for uplift to the local management.
 - 3.3 Export Supervisor is responsible for sending UWS and final Load message to advise Load Control and the airline that the shipment has been sent back

to the aircraft for return to port of origin.

- 3.4 Export Department will update shipment status via email once it has confirmed shipment has been formally handed over to the airline or airline's agent for dispatch.

4.2 Exports

Pre-arrival preparation (FBL message is available):

- 4.2.1 Given the fact that FBLs are sent to SATS in advance, the email notification will therefore be received by the relevant SATS operations department prior to the arrival of such shipment to the acceptance desk.
- 4.2.2 Where the FBL refers to:
- (i) an AWB prefix for a **sanctioned carrier listed in Annex 2**; or
 - (ii) an IATA code for an airport in **Iran or Russia**, where the freight arriving at the SATS station is intended for transport **directly to Iran or Russia**.
- (‘Prohibited Shipments’)**
- 4.2.3 the shipment must be refused (either globally or territorially, based on the listing in Annex 2) and SATS will inform the requestor accordingly.
- 4.2.4 **Otherwise**, if a Sanctions-Related Shipment is identified on the FBL, without any sanctioned carrier identified (‘Other Shipments’), SATS **will not refuse the freight**, but will **maintain records** of the notice generated by the automatic script.

Upon arrival of a Prohibited Shipment:

- 4.2.5 **FBL message available:** Upon arrival of the carrier/forwarder at the acceptance desk, the Prohibited Shipment shall not be processed and will be formally refused.
- 4.2.6 **FBL message not available:** Upon arrival of a new shipment, agent at acceptance desk shall fill in information in the local system (or via mobile handsets), prior to accepting any shipment in SATS warehouse. If the tool identifies any information relating to a Prohibited Shipment, the shipment shall not be processed and will be formally refused.

5. Post flight reporting

- 5.1 A representative from each station (e.g., the Export Duty Manager, the Document Duty Manager, the Office Manager, the Warehouse Manager, etc.) is responsible for gathering together all of the details regarding the disposition of Sanctions-Related Shipments in accordance with this Operating Procedure, and for producing a report each month and submitting it to all SATS local and regional Directors, the SATS Ethics and Compliance Team, the Chief Legal Officer and the concerned department managers.

- 5.2 The report should list (a) all Prohibited Shipments and provide an explanation as to how each such shipment was dealt with (ie refused pre-arrival, if arrived not offloaded or offloaded and segregated, quarantined, sent back etc) and (b) Other Shipments (no additional comments are required).

Annex 1

EXAMPLES OF CARGO SHIPMENTS WHICH MAY TRIGGER AN ALERT

- 1) Shipments arriving DIRECTLY from a sanctioned origin (IMPORT), by a NON-SANCTIONED carrier:

HAV > FRA

HAV > ORY

HAV > MAD

- 2) Shipments arriving INDIRECTLY from a sanctioned origin (IMPORT), as identified by the IATA code for the originating flight or the AWB origin, by a NON-SANCTIONED carrier:

IKA > DXB > CDG

HAV > MAD > BRU

IKA > IST > IAH

- 3) Shipments departing DIRECTLY to a sanctioned destination (EXPORT), by a NON-SANCTIONED carrier:

MAD > HAV

YUL > HAV

FRA > HAV

ORY > VAR

- 4) Shipments departing INDIRECTLY to a sanctioned destination (EXPORT), as identified by the IATA code for the originating flight or the AWB origin, in a NON-SANCTIONED carrier:

CDG > DOH > IKA

BKK > ZRH > HAV

CN >DXB >IKA

Annex 2

LIST OF SANCTIONED CARRIERS (IATA CODES / IATA PREFIXES / ICAO CODES) SANCTIONED
 Globally – Subject to change

CARRIER	IATA Code	IATA Prefix	ICAO Code
Mahan Air	W5	537	IRM
Iran Air	IR	96	IRA
Meraj Air	Jl	648	MRJ
Caspian Air	-	-	CPN
Fars Air Qeshm	-	-	QFZ
Pouya Air	-	-	PYA
Yas Air Kish	-	-	MHD
Zagros Airlines	-	-	IZG
Qeshm Air	QB	237	IRQ
Payam Air	-	-	IRP
Iran Aseman Airlines	EP		IRC
Aban Air	-	-	ABE
Taban Air	HH	-	TBN
Sepehran Airlines	IS	-	SHI
Iran Airtours Airline	B9	491	IRB
Kish Air	Y9	780	KIS
Cubana de Aviacion	CU	136	CUB
Aero Caribbean	-	-	CRN
Aerogaviota	-	-	GTV
Syrian Arab Airlines / Syrianair	RB	70	SYR
Air Koryo	JS		KOR
UM Air (Ukrainian Mediterranean airlines)	-	-	UKM
Air Alanna / Dart Ukrainian Airlines	-	-	ALX
Khors Air	-	-	KHO
Azza Air (Azza transport)	-	-	AZZ
Butembo Airlines / Air Butembo (DR Congo)	-	-	-
Al-Naser Airlines	-	-	NAD
Kyrgyz Trans Avia	6K	-	KTC
Cham Wings Airlines	6Q	-	SAW

Golden Wings Aviation (South Sudan)	-	-	-
Africada Airways (Gambia)	-	-	-
Blue Airways	-	-	-
Dena Airways	D9	313	DAI
Sky Blue Airlines (Sky Blue Bird Aviation)	-	-	-
Conviasa	VO	308	VCV
Belavia Belarusian Airlines	B2	628	BRU
TransAviaExport Airlines (TAE Avia)	AL	221	TXC
224 th Flight Unit State Airlines	-	-	TTF
Compagnie Aérienne des Grands Lacs	-	-	-
Rey Airlines	-	-	-
Fly Baghdad	IF	017	FBA

LIST OF SANCTIONED CARRIERS (IATA CODES / IATA PREFIXES / ICAO CODES) SANCTIONED TERRITORIALY – Subject to change

CARRIER	IATA CODE	IATA PREFIX	ICAO CODE	SANCTIONS JURISDICTION(S)
Aeroflot	SU	555	AFL	UK
Rossiya Airlines	FV	195	SDM	UK
Ural Airlines	U6	262	SVR	UK
Sigma Airlines	-	-	SGL	UK, EU
Volga Dnepr	VI	-	VDA	Canada
AirBridgeCargo	RU	580	ABW	Canada
Atran LLC	V8	-	VAS	Canada
Air Bagan	W9	-	JAB	Canada
CargoLogicAir	P3	560	CLU	UK, Canada

Annex 3
LIST OF SANCTIONED ORIGINS & DESTINATIONS

Cuban International Airports:

La Havana	HAV
Santiago de Cuba	SCU
Varadero	VRA
Holguín	HOG
Santa Clara	SNU
Cayo Largo	CYO
Cien Fuegos	CFG
Camaguey	CMW
Cayo Coco	CCC
Manzanillo	MZO

Iranian International Airports:

Abadan	ABD
Ahvaz	AWZ
Arak	AJK
Bandar Abbas	BND
Birjand	XBJ
Isfahan	IFN
Kish Island	KIH
Konarak	ZBR
Larestan	LRR
Mashhad	MHD
Qeshm	GSM
Chiraz	SYZ
Tabriz	TBZ
Tehran	IKA
Tehran (Mehrabad)	THR
Urmia	OMH

Crimea International Airports:

Simferopol	SIP
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North Korea International Airports:

Pyongyang	FNJ
Kalma	WOS
Samjiyon	YJS
Orang	RGO

Syria International Airports:

Damascus	DAM
Aleppo	ALP
Bassel Al-Assad	LTK

Russian International Airports

Domodedovo	DME
Grozny	GRV
Kazan	KZN
Pashkovsky	KRR
Krasnoyarsk	KJA
Sheremetyevo	SVO
Vnukovo	VKO
Zhukovsky	ZIA
Tolmachevo	OVB
Platov	ROV
Kurumoch	KUF
Sochi	AER
Pulkovo	LED
Ufa	UFA
Koltsovo	SVX

Annex 4

DIAGRAM/ AUTOMATIC SCRIPT AND NOTIFICATION MECHANISMS IN SATS' SYSTEMS



Defense strategy is articulated around 2 processes, IMPORT and EXPORT with different defense lines based on CARGO – IMP messages and implemented in CQC and the local Source System. Working at shipment level with shipment origin and/or shipment destination in the target destination airport and at carrier level. **ALARM** is based on email sent to different recipients.

- Line of defense implemented in CQC
- Additional line of defense implemented in local Source System

Glossary

FFM – Airline flight manifest message. To notify details of consignments loaded onto a specified flight

FBL - Freight booked list message. Complete list of consignments for which space has been reserved in a particular flight

DIS – Advice of discrepancy message

FOH - Consignment is on hand on this date at this location pending “ready for carriage” determination

PRE – Consignment prepared for loading

TRM – Consignment which is to be transferred to another airline

RCF - Consignment physically received from a given flight or surface transport of the given airline