CASE STUDY

GMO GlobalSign ("GlobalSign", "Company", "our" or "we") is an identity services company providing cloud-based, highly scalable PKI solutions for enterprises needing to conduct safe commerce, communications, content delivery and community interactions.

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Introduction

GlobalSign is committed to carrying out business in accordance with high ethical standards. The Company, Board of Directors and its management are committed to complying with all relevant laws, including applicable trade sanctions regulations ("Sanctions Laws") in the countries where we operate.

What do we mean by Sanctions

Sanctions are 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), and it is important that all GlobalSign employees consult with the CA Governance department to understand the business implications.

Which Sanctions Laws apply

A current list of Sanctions and Barred Countries currently covered by this Policy is made available to all GlobalSign employees. These are monitored and amended as needed.

Management commitment

Who is responsible for this Policy

The Board of Directors has overall responsibility for corporate, management and staff commitment towards compliance with applicable laws. The CA Governance policy authority is responsible for ensuring this Policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The CA Governance, Legal and Operational Governance departments have primary day-to-day responsibility for implementing this Policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective.

Policy statement on Sanctions

We are committed to comply with all Sanctions Laws relevant to our worldwide operations. To this end, GlobalSign’s goal is to comply with all economic and trade sanctions applicable to our business activities. We employ our ‘CA Governance - Sanctions Compliance Framework’ internally and make this Sanctions Policy Statement publicly available in order to provide transparency.
No employee or third party shall suffer as a consequence of raising, in good faith, a known or suspected breach of this Policy as provided in our whistle-blowing policy.

**Who must comply with this Policy**

This Policy applies to all persons working for GlobalSign, including contractors, wherever located.

**Risk assessment**

**What are the risks**

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

In addition, violations of Sanctions Laws can lead to damaging political consequences, including harm to reputation and commercial relationships, restrictions in the way we can do business and extensive time and cost in conducting internal investigations and/or responding to any government investigations and enforcement actions.

**Internal controls**

**Compliance controls**

In order to ensure compliance with this Policy, GlobalSign shall:

- Monitor economic trade sanctions regulations and update the business in the event of any material change;
- Determine and approve controls to be followed in specific regions where applicable;
- Provide advice and guidance on specific situations upon request, including on resolution of issues and Red Flag reviews;
- Conduct ad hoc risk assessments as required in high risk regions and monitor any specific processes and controls.

**Updates, review and ownership of this Policy**

This Policy is owned by GlobalSign’s CA Governance department. It is subject to review and update from time to time in line with changes in sanctions laws or internal procedures.

**Compliance with this Policy**

Our internal audit team will be responsible to verify compliance through the use of available tools and internal audits. Our goal is for the same to also be verified by external auditors on a periodic basis. GlobalSign’s Operational Governance Team are responsible for assuring all relevant third party vendors are, and remain, compliant with this Policy. Any employee who violates this Policy or who permits anyone to violate this Policy may be subject to disciplinary action, up to and including dismissal. They may also be subject to personal civil or criminal fines.

**Review**

There are a number of reasons which may cause GlobalSign to conduct further investigation into whether a particular transaction or relationship may present a potential economic trade sanctions regulatory issue.

All employees shall look for any ‘Red Flags’ or 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.
Examples of Red Flags to be reported include, but are not limited to:

- A lack of information as to the identity of the end-client involved parties and/or the reluctance of a party to provide such information;
- Use of shell companies to conduct international wire transfers;
- Transactions involving entities with little or no web presence;
- IP addresses that do not correspond to a customer’s reported location data;
- Use of personal email accounts instead of company email addresses;
- Unusual invoicing requests;
- Unusually favourable payment terms;
- Any suspicion or evidence to suggest the possible involvement of a restricted territory or restricted party.

The examples above are not an exhaustive list. Any suspicion of the direct or indirect involvement of a restricted territory or party should alert employees to further investigate the activity in accordance with this Policy and report it to the Sanctions team.

Testing and auditing

The testing of our Sanctions Framework is done by a quarterly audit performed by our Internal Audit department. This audit will test for weaknesses and deficiencies in our processes and their execution. Any negative findings are handled individually and relayed to the relevant teams for further investigation and resolution. Any identified compliance gaps are dealt with swiftly by means of additional training (if caused by employees) or review, updates and/or improvements of our Sanctions Policy Framework.

Training

Employee responsibility

All employees have the obligation to read and comply with this Policy and are trained on our Sanctions Compliance Framework, to understand and identify any Red Flags that may arise and to escalate potential compliance concerns relating to sanctions. Employees are not permitted to take any actions prior to receiving advice and/or instructions.

Employee training

All employees will undertake Sanctions Policy training on a yearly basis. This training consists of two sections - the official section reflects our Sanctions Policy as documented on our internal framework; and a ‘Sanctions explained’ section which is a simplified version catering to every employee in any department. The official part of the training requires the employee to sign that they have read and understood the training and the policy. To test our employee’s understanding, the training is concluded with test questions.

Repository

A repository of the training material, different Sanctions laws, and other useful material is available to all GlobalSign employees.

About GlobalSign

GlobalSign is the leading provider of trusted identity and security solutions enabling businesses, large enterprises, cloud service providers and IoT innovators around the world to secure online communications, manage millions of verified digital identities and automate authentication and encryption. Its high-scale Public Key Infrastructure (PKI) and identity solutions support the billions of services, devices, people and things comprising the Internet of Everything (IoE).