External Provider Standard - Trade Compliance

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Table of contents

1 Introduction 3
2 Understanding trade compliance 4
3 Export controls 4
4 Import controls and customs 4
5 Sanctions and prohibitions 5
6 Licences and contracts 5
7 Defining your technical and organisational measures 6
8 Managing trade compliance in your supply chain 6
9 What to do if there is a trade compliance incident 7
10 Audit 7
11 What if you do not comply with this standard? 7

1 Introduction

Starion develops and delivers tailored system engineering services and solutions for space, defence and other critical infrastructures across Europe, and can only do so if everyone working at Starion commits to meet the standards outlined in our Starion Code of Conduct. Our Code of Conduct is underpinned by our values:

- **Integrity** – We insist on ethical conduct in all our endeavours
- **Inspiration** – Fuelled by passion, propelling us towards excellence
- **Care** – We are committed to individual wellbeing and growth
- **Collaboration** – Generating strength from diverse perspectives through teamwork.

Wherever we do business, and whatever that business is, we all have to make sure we can demonstrate trade compliance. Trade compliance is a highly regulated area of law with practical considerations, from licencing and customs considerations to export controls and sanctions. For Starion, trade compliance is at the heart of our business, and is embedded through the four pillars of our Compliance Programme:

- **Our Structure** – We meet our legal obligations to trade and operate
- **Our Operations** – From people to services, we operate with excellence
- **Our Growth** – We follow our processes, making the right decisions to grow our business
- **Our Reputation** – We act with integrity and always do the right thing.

The External Provider Trade Compliance Standard is designed to help our partners identify their own trade compliance obligations. It does not tell you how to structure or run your business; rather, it highlights the compliance obligations we all have to meet and enables you, as an External Provider, to define and apply measures that meet those obligations when doing business with Starion.

We thank you for your support of Starion and we appreciate your co-operation in helping us ensure that you, as one of our External Providers, understand and commit to the same standards as we do within Starion.

Nicola Mann

Director – Starion

2 Understanding trade compliance

Starion frames its trade compliance approach across five key activity pillars:

1. **Export controls**: We understand the equipment, goods, technologies and products (EGTP) we deploy and their intended use, and we obtain the appropriate licences to allow us to use them across our business.
2. **Import controls**: We understand the EGPT we bring into our businesses, where it comes from and the extent to which we are able to use it for business purposes.
3. **Trade sanctions and embargoes**: We know who our employees, partners, subcontractors, external providers and customers are, and we do vetting to ensure that we do not engage with individuals or organisations who are sanctioned or subject to embargo.
4. **Customs**: Whenever we import or export goods, equipment, products or technologies, we classify them properly and pay the right tariffs and customs duties.
5. **Licences and contracts**: Whatever business we do, we engage under contract.

We ask our External Providers to build policies and procedures that embed the above principles, apply them consistently and ensure there are appropriate channels to raise concerns.

3 Export controls

Export controls is a complicated area of law which imposes restrictions on a business' ability to use its own EGPT. Compliance needs to be assessed at European Union level in accordance with Regulation 2021/821, but also individual Member State national specificities (additional restrictions, etc.). Export controls are not just European; in the United States of America, the United Kingdom, Canada and Australia (as examples), export controls obligations are enforced.

Where EGPT qualify under export controls, you may either be prohibited from exporting or require a licence to export. You should engage with your national authority in this regard.

Understanding whether EGPT falls into restricted export categories – and either cannot be exported or can be exported under a licence – is a practical question. It means you understand what the EGPT is, the purpose for which it can be used and the features of the EGPT. These are often technical questions where subject matter experts in the EGPT need to help businesses identify whether export controls apply.

Exports can be both physical (i.e. moving EGPT across geographic borders) and intangible (i.e. granting remote access to software or permitting downloads of software). Both physical and intangible exports are subject to export control considerations.

We ask our External Providers to identify and understand your EGPT, assess whether it is subject to export controls, restrict its export to meet applicable laws and, where required by national authorities, obtain the relevant licences prior to export.

4 Import controls and customs

Doing business often means we have to import EGPT from other countries, or use EGPT that have been imported by a partner, subcontractor or External Provider. Importing EGPT also comes with

serious compliance considerations. These can be financial (making sure the EGPT is correctly classified and the correct customs duties are applied), markings (making sure that the origin country and exporter are identified) and regulatory (ensuring you have the correct licences to allow you to import).

We ask our External Providers to identify and understand the EGPT you import, ensure it meets relevant financial, markings and regulatory requirements, and that you hold the relevant licences to import EGPT.

5 Sanctions and prohibitions

Export and import controls do not just apply where EGPT moves across borders. They are also designed to ensure that companies do not do business with individuals or organisations that are subject to sanctions or embargoes, and that we do not do business with organisations or individuals located in prohibited countries. This relates to partnering with, sub-contracting to, receiving EGPT from or providing services or EGPT to customers who are designated on sanctions or embargoes lists.

Lists of prohibited countries, sanctioned or embargoed organisations and individuals are maintained both at European Union and Member State levels. In addition, sanctions and embargoes lists are maintained in the United States of America, Canada, the United Kingdom and Australia, for example.

Doing business with a prohibited country, or with sanctioned or embargoed organisations or individuals, is extremely serious. To manage this risk businesses should:

- Clearly identify the organisations with whom they are doing business
- Operate vetting procedures within their hiring processes
- Operate vetting procedures within their supply chain
- Understand the purpose of the project on which they are working
- Identify the end beneficiary or ultimate customer of the project.

In operating these controls, businesses can take decisions about the individuals and organisations they engage or do business with.

We ask our External Providers to develop processes and procedures whereby you can clearly identify the individuals or organisations you are doing business with or for, and can ensure that those individuals or organisations are not subject to sanctions or embargoes, or come from a prohibited country.

6 Licences and contracts

Written contracts and licences are critical tools in managing trade compliance risks. They ensure that we can identify the purpose or scope of a project, who is involved in a project, what services or EGPT are being provided (whether export or import) and what regulatory authorisations are required.

Contracts set the frame for trade compliance. They provide parties with the ability to test how trade compliance works within a particular project or service and allocate obligations accordingly. They set out responsibility for compliance and help us understand what our obligations are. They also help us understand whether any other documentation or information is required, whether that is specific EGPT licences, export certification or customs and import documentation, and who should provide that.

Customer contracts often provide the top framework for all underpinning contracts. This can include obligations that we may be required to flow down within our supply chains or to our partners.

In Starion, we do not provide or receive EGPT or services without a contractual framework in place.

We ask our External Providers to comply with customer contract requirements, to only import or export EGPT or provide or receive services where appropriate contractual documentation is in place, to ensure that you assess and can meet your contractual obligations, and to comply with the contract requirements.

7 Defining your technical and organisational measures

If you are an External Provider delivering products or services to Starion, you must implement appropriate technical and organisational measures to ensure trade compliance. These measures should be embedded in your operations and aligned with the principles outlined in Section 2.

Your measures should consider the systems and infrastructure you operate, the roles played by individuals, and the authorisation and approval processes you mandate to ensure trade compliance is at the heart of your business.

From operating ongoing business to bidding for new work, your measures should be clear, unambiguous and proportionate, allowing you to ensure that you remain trade compliant.

We ask our External Providers to embed a proactive approach to trade compliance through effective planning, execution and monitoring of your operations and bids.

8 Managing trade compliance in your supply chain

You may rely on third parties to deliver part of a product or service. This can be through the provision of EGPT or procuring services from your supply chain. Whenever you are engaging with third parties, you have to ensure that your engagement complies with trade compliance requirements.

Trade compliance applies throughout your supply chain at all levels. Making sure that your partners, customers, sub-contractors and suppliers require their own supply chains to meet trade compliance requirements is also your responsibility.

Starion expects its External Providers to:

- Identify where you outsource any part of your product or service delivery to third parties
- Understand your supply chain end to end, from the perspective of service and EGPT provision
- Ensure that you apply checks to your supply chain to meet trade compliance requirements in this standard, and that they too apply such checks within their own supply chains
- Ensure your engagements are covered by contractual documentation which places clear obligations on your supply chain to meet trade compliance requirements

We ask our External Providers to manage trade compliance across your supply chain with the same level of oversight and control that you apply internally to themselves.

9 What to do if there is a trade compliance incident

Despite robust checks and controls, issues can still arise. When an incident is identified (whether by Starion or you as an External Provider), this must be reported immediately and no later than 24 hours after it is discovered. Steps must be taken immediately to isolate, contain or mitigate the issue while it is investigated and then recommendations implemented. This can include the removal of the EGPT from use, cutting access to any systems or information, or ceasing the provision of services by an individual or organisation. External Providers discovering a trade compliance issue must report:

- The immediate actions taken to contain, isolate or mitigate the issue
- Any preliminary information on the suspected cause.

A complete analysis, including the confirmed root cause and the proposed corrective actions with target completion dates, must be submitted within **3 working days**, unless otherwise agreed.

The External Provider will have to support Starion, whether in reporting the issue to the customer or to relevant regulatory authorities. This includes taking measures or providing information as requested by customers or regulatory authorities.

We ask our External Providers to treat trade compliance issues with urgency and transparency, ensuring that Starion is informed and involved in resolution efforts to protect our customers, reputation and operational integrity.

10 Audit

Starion may require an audit of your trade compliance system prior to entering into a contractual relationship. This is to ensure that your processes, controls and capabilities align trade compliance requirements.

Audits may also be conducted periodically throughout the relationship to verify ongoing compliance, support customer requirements, maintain certifications or meet regulatory obligations.

Starion will provide reasonable pre-notification of any audit activities, including the scope and objectives. Audits may be conducted remotely or onsite, depending on the nature of the engagement and the associated risks.

Audits may identify risks, non-conformities or improvement opportunities. Starion will work collaboratively with you to review findings and agree on corrective actions.

We ask our External Providers to support audit activities with transparency and responsiveness, both before and during our engagement, to ensure quality assurance and continuous improvement.

11 What if you do not comply with this standard?

This Trade Compliance Standard has been designed to be flexible and adaptable to your business, while ensuring that Starion can rely on the consistent delivery of EGPT and services meeting trade compliance obligations.

Trade compliance is a critical aspect of our and your operations, and failure to meet the compliance obligations outlined in this Standard can have serious consequences, including contractual, legal and criminal sanctions.

Starion is committed to a proportionate and collaborative approach when engaging with External Providers and will always seek to resolve issues constructively. However, we reserve the right to take decisive action where trade compliance risks cannot be mitigated, whether those arise prior to or during operational relationships, and to report to regulatory authorities as required.

We ask our External Providers to treat trade compliance as a shared responsibility, to engage openly and transparently and to take proactive steps to resolve any issues that may arise as a matter of priority.