

Financial Crime Statement

Davies is committed to minimising the risk of the Davies being used to facilitate financial crime, through the application of risk-based policies, procedures, systems, and controls to effectively deter, detect, prevent, and report instances of financial crime.

Financial crime includes Money Laundering (AML), Financial Sanctions, Counter-Terrorist Financing (CTF), Bribery and Corruption (ABC), Tax Evasion, Fraud (internal and external), Modern Slavery and other criminal acts. The management of financial crime risk is a key focus area for Davies.

Purpose

Davies will adhere to all laws and regulations applicable to our business activities and in each of the territories in which we operate. We expect our customers and third parties with whom we have working relationships to adhere to the same standards. This document sets out the key financial crime risks faced by Davies and its entities, and the approach that we will take in identifying, managing, and mitigating those risks.

Scope and applicability

This statement applies to all individuals working for or on behalf of Davies, including all subsidiaries and their employees, contractors, and sub-contractors, regardless of location or business unit.

We expect all third parties to also adhere to the relevant laws and regulations surrounding financial crime, and report of suspicious activities, if identified.

Money Laundering

Money laundering refers to the techniques, procedures or processes used to convert criminally obtained funds into assets and to conceal their true origin so that it appears the money is from a legitimate or lawful source.

Davies is committed to the deployment of robust controls to identify potential money laundering activities, ensure escalation of those activities where they are identified and to ensure the proactive reporting of such conduct to appropriate authorities and Davies will engage fully and transparently with regulatory, investigatory, and prosecuting authorities in the event of such notification.

Terrorist Financing

Terrorist financing is the process of raising, storing, and moving funds, for the purpose of directly committing terrorist acts and/or sustaining a terrorist organisation.

Davies implements appropriate controls to ensure that neither Davies or its entities can be exploited for the purpose of supporting terrorist financing and will utilise all appropriate tools and controls to ensure that potential threats of terrorist financing are identified and reported proactively to the appropriate authorities in our respective territories.

Financial Sanctions

Financial sanctions refers to restrictions that governments impose on certain types of transactions with targeted countries, entities, or individuals, to restrict criminal activity or terrorist financing or to achieve foreign policy or national security goals.

Davies ensures that sanctions hits are escalated where necessary to the relevant client and through internal and external escalation routes. All controls and processes surrounding sanctions are reviewed on an on-going basis to ensure compliance with the sanction's regime.

Fraud

Fraud is defined as any wilful act or omission, whereby a person's conduct is dishonest, and their intention is to make a gain; or to cause a loss or the risk of a loss to another.

Davies is committed to preventing fraud both internally and by external parties, through its application of fraud related tools, and the deployment of appropriate resources to investigate and where appropriate support the prosecution of fraudsters.

Tax Evasion or the Facilitation of Tax Evasion

Tax evasion is an offence of cheating the public revenue in a jurisdiction in which a business or individual operates, or being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.

The facilitation of tax evasion is where an organisation or its controllers fail to prevent the organisation from being used by associated persons to commit tax evasion.

Davies acts with integrity and honesty in all its business dealings and expects the same of its staff, contractors and third parties, and where any suspicion and evidence of tax evasion is identified Davies will report such conduct to the appropriate authorities.

Bribery and Corruption

Bribery is defined as an inducement or reward offered, promised, or provided in order to improperly gain any commercial, contractual, regulatory, or personal advantage. Corruption refers to the abuse of public or private office for personal gain.

At Davies the risk of bribery and corruption is reviewed regularly to ensure the right controls, policies and procedures are in place to mitigate and reduce the risks of bribery and corruption occurring both inside and outside the workplace.

Modern Slavery

Modern slavery surrounds the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. Davies has a zero-tolerance approach to modern slavery, we are committed to acting ethically and with integrity in all our business dealings and relationships, and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in our supply chain.

Money Laundering Reporting Officer

The Money Laundering Reporting Officer (MLRO) is responsible for the independent oversight of Davies systems and controls in combatting money laundering, terrorist financing, and sanctions evasion, whilst ensuring compliance to all appropriate legislative and regulatory controls.

The Money Laundering Reporting Officer for Davies is James Heath who can be contacted via the following email address: Compliance.Department@davies-group.com

Corporate Governance

Davies is committed to managing and improving its corporate governance and internal control on a regular basis. We are continually establishing new systems and procedures, whilst maintaining existing ones.

Davies has a clear risk appetite to ensure that residual risk is kept within defined and agreed levels, and in accordance with the risk appetite set and reviewed by the Davies Board.

Training and communication

Davies ensures that all our employees receive annual training on financial crime risks and the controls and policies implemented by Davies to identify and respond to any events. Training is provided for all new employees as part of their on-boarding process. Additional bespoke training is provided to individuals who work in roles that are deemed of higher risk of financial crime.

Monitoring and review

As part of the oversight framework within the Davies, we undertake regular review of the policy, controls, and their effectiveness. Any improvements identified are implemented as soon as possible.

Regular reporting is also provided to our board members.

Responsibilities and Suspicious Activity Reporting

The prevention, detection and reporting of financial crime is the responsibility of all employees.

At Davies we maintain appropriate channels for raising concerns, including internal reporting mechanisms, specifically suspicious activity reporting (SAR) for all employees.

Employees are required to file a SAR as soon as possible if they identify or become suspicious of certain activities they may be deemed as criminal. Any employee who breaches policy may face disciplinary action.

Speak Up

As part of our Global Speak Up Policy, Davies confirms that no employee will be punished or subjected to any detriment by reason of having made a disclosure in good faith. Any harassment, victimisation, or less favourable treatment of any person on such grounds will be treated as a matter to be investigated under the internal Capability Policy.

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