

Confidentiality: Public

# Global 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.

To support and promote good governance globally, Davies Group operates a Global Policy Framework made up of global statements, global policies, global policy supplements, and local policies.

This statement forms the top level of our Financial Crime policy suite.

## 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

This statement applies to all directors, officers, employees, consultants, and contractors whether permanent, fixed-term, or temporary, when they are working for, or providing services to, any Davies entity globally. This including those of any Appointed Representative of a Davies entity where this policy applies to the principal firm.

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 Group Money Laundering Reporting Officer is James Heath, Group Chief Risk Officer.

The Group MLRO can be contact at [GroupGovernance@davies-group.com](mailto:GroupGovernance@davies-group.com)

### Reporting Suspicious Activity

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.

Processes for filing a SAR vary depending on the business area, and you should refer to the appropriate policies and procedures for further guidance.

### Staff Competency and Training

All members of staff are expected to keep their knowledge of relevant requirements and procedures related to this statement and associated policy suite up to date.

It is the responsibility of each member of staff to ensure that they complete relevant training to maintain their individual competence. Each line manager is responsible for ensuring that their teams have access to, and can complete, such relevant training as their roles require. This is reflected in annual performance review scoring.

### Policy Governance and Oversight

Davies is committed to ensuring good corporate governance and internal controls globally, and as part of the global policy framework within Davies, our Group Governance function undertake regular monitoring review of our policies, controls and their effectiveness.

All documents with the Global Policy Framework include requirements to ensure good governance and proper oversight.

### Responsibilities

Employees, suppliers, and all other relevant parties whom this statement applies to are invited to familiarise themselves with their responsibilities and ensure these are being adhered to on an on-going basis.

Compliance with Davies Group policies is a mandatory requirement. Deviations or non-compliance with this Policy, including attempts to circumvent the stated policy/process by bypassing or knowingly manipulating the process, system, or data may result in disciplinary action, up to and including termination of employment, civil action and lawsuits, or referral for criminal prosecution, as allowed by local laws.

### Queries and Raising Concerns

We welcome any queries or comments in relation to this statement and any such queries regarding the statement can be raised with Group Governance via email to [GroupGovernance@davies-group.com](mailto:GroupGovernance@davies-group.com).

Should you have any concerns about this statement and its requirements, these can also be raised with Group Governance, alternatively, you can refer to the Global Speak Up policy if it is more appropriate.

### Speak Up Notice

All applicable concerns raised in line with the Davies Global Speak Up Policy will be investigated accordingly and inaction by management of a qualifying disclosure will not be tolerated.

We confirm 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 not be tolerated and will be investigated and escalated accordingly.

### Document Control

Version	3
Effective Date	31-Oct-2023
Policy Owner	Group Governance
Approved By	James Heath, Group Chief Risk Officer

This document is subject to annual periodic review and may also be subject to ad hoc review. The latest version of this document will be published on the Group Intranet and available from Group Governance on request.

The review process and audit history for this document is managed on the Group Policy Management Platform. Document review and approval audit history can be provided by Group Governance on request.