

Group financial crime statement

Beazley is a UK based global business and we hold ourselves to the highest standards of ethical conduct. Our core values are professionalism, acting with integrity, doing the right thing and complying with all applicable laws and regulations.

Financial crime has a detrimental effect on economies and communities alike, so we take a zero-tolerance approach. We operate a group-wide financial crime framework that addresses six key areas: anti-bribery & corruption (AB&C), anti-money laundering & counter-terrorist financing (AML), sanctions, fraud, market abuse and anti-tax evasion facilitation (ATEF).



This multifaceted approach enables us to identify similarities across each risk area and deliver effective management of financial crime risks. To mitigate financial crime within our organisation, we operate systems and controls that are subject to continual review.

Our group-wide financial crime framework includes a Group Financial Crime Policy, which sets out requirements related to:

- Values & culture
- Training & awareness
- Systems & controls
- Management oversight & reporting
- Assurance monitoring
- Record-keeping

The Policy is reviewed and approved annually by our group Risk & Regulatory Committee (on behalf of our Executive Committee) to ensure that it remains effective and that all legal and regulatory obligations continue to be met globally. It is further supplemented with annual mandatory training for all staff, with additional classroom-based training for staff in higher risk roles.

Our group-wide financial crime framework forms part of our risk management approach and is subject to regular assurance monitoring and reporting to committees and boards.

Our financial crime policy complements separate arrangements in place for the avoidance of conflicts of interest, anti-competitive behaviour and whistleblowing.

Anti-bribery & corruption

We hold ourselves to the highest standards of ethical conduct and integrity and strictly prohibit all forms of bribery and corrupt activity.

We are subject to the provisions of the UK Bribery Act 2010 and the US Foreign Corrupt Practices Act 1977, as well as applicable local anti-bribery & corruption laws. Anti-bribery & corruption forms a core part of our group-wide financial crime framework and financial crime policy that all staff and those acting on our behalf must comply with.

We prohibit the offer or acceptance of bribes and participation in or facilitation of corrupt activity of any kind, including facilitation payments. We also prohibit political contributions in Beazley's name to political parties, candidates for public office or political organisations, and only make charitable donations that are approved internally. We maintain a gifts & hospitality policy that requires staff to operate with the utmost transparency when giving or receiving gifts and hospitality.

As a responsible organisation, we expect those with whom we conduct business to uphold the same anti-bribery & corruption commitments.

Anti-money laundering

We recognise money laundering as a significant threat to the international financial services community and acknowledge that our staff are crucial in combating financial crime and ensuring we comply with our principal money laundering obligations.

Through our policies and procedures, regular training, communication and risk assessments we empower and enable all staff to:

- Identify potential money laundering activity and help prevent our engagement or facilitation in money laundering arrangements;
- exercise a level of care and due diligence when dealing with customers; and
- report any suspicious activity or concerns for further investigation.

Our financial crime policy is designed to ensure that we comply with all anti-money laundering requirements and obligations, including but not limited to those outlined in The Proceeds of Crime Act 2002 (POCA), The Counter Terrorism and Security Act 2015 (CTSA), and the FCA Handbook of Rules and Guidance (in particular, the "Senior Management Arrangements, Systems and Controls" (SYSC) sourcebook). This includes the requirement to have adequate systems and controls in place to mitigate the risk that we are used to facilitate financial crime.

Sanctions

Sanctions are restrictions imposed by governments and intergovernmental organisations such as the United Nations (UN) and European Union (EU). They include a range of financial and trading restrictions and may be applied to targeted countries, governments, entities, individuals and industries.

As a responsible global insurer, we ensure compliance with all applicable sanctions, export controls and anti-boycott laws and regulations of the jurisdictions in which we operate. This includes the laws and regulations of the UN, EU, United Kingdom and United States of America, as well as any local requirements.

Our financial crime framework is designed to ensure adherence to all applicable sanctions requirements across the group. This is achieved through the implementation of appropriate controls that include defined roles and responsibilities, regular risk assessments and employee training, customer screening, escalation procedures and independent monitoring and testing.

Fraud

We are committed to the prevention of fraud and promote a culture of honesty and integrity that makes fraud difficult to perpetrate.

Our financial crime policy describes the different types of fraud to which we are exposed, the key typologies to which we should be aware of and the steps to take to protect the group and our customers.

In order to mitigate the risk of fraud, we operate a robust system of controls that are continually monitored and subject to assurance review. Through our policies and procedures, regular training, communication and risk assessments we empower and enable all staff to identify potential fraud and report any suspicions or concerns for further investigation.

Anti-tax evasion facilitation

Tax evasion is a criminal offence in the UK and many other countries in which we operate. As a global insurer, we take a zero-tolerance approach to the facilitation of tax evasion and expect the same from third parties providing services on our behalf.

We act with honesty and integrity and strictly prohibit any person associated with Beazley from acting in any way that supports, encourages or facilitates tax evasion.

Our financial crime policy addresses the risks associated with the facilitation of tax evasion, including a definition, indications and examples of tax evasion and how to report any suspicions or concerns.

Market abuse

Market abuse is the offence of engaging or attempting to engage in insider dealing; recommending or inducing another person to engage in insider dealing; actual or attempted market manipulation and the unlawful disclosure of inside information.

We prohibit any engagement in market abuse activities and require all employees and third parties acting on Beazley's behalf to act with integrity regarding any information obtained and held on behalf of Beazley and observe appropriate standards of market conduct in carrying out their role.

We also prohibit employees from dealing in Beazley's shares during "closed periods" and in the securities of any other company whilst in possession of confidential or non-public information in connection with that company.