

# Anti-Money Laundering and Counter Terrorist Financing.

Financial crime is increasing and becoming more complex, so here at Together we are committed to countering it. Our financial crime compliance involves a series of internal policies, procedures, and systems designed to detect and prevent activities that could involve money laundering, fraud, or other financial crimes.

Money Laundering is the process by which the proceeds of crime are converted into assets which appear to have a legitimate origin, so that they can be retained permanently, or recycled to fund further crime.

Terrorist Financing is the provision of funds or other assets to support a terrorist ideology, a terrorist infrastructure or individual operations. Terrorist financing funds can originate from either legal, or illegal, sources.

Assessing and managing money laundering and terrorist financing risks is vital to achieving the correct customer, commercial and regulatory outcomes. Together's Anti-Money Laundering & Counter Terrorist Financing (AML/CTF) Policy defines the key risk principles that are to be followed to support operational adherence to the Enterprise Risk Management Framework and associated regulations and legal requirements.

## Our Vision and Beliefs.

The Group's Vision is to be the most valued lending company in the UK, which drives the design ethos for building both the products and the operational processes that supports them.

Our beliefs form the foundation of the Group policy design criteria. This criteria has informed the risk policies with a line of sight from the defined risk and its ownership, the risk appetite, where it arises, and the manner of its control.

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## **Accountability.**

Our AML/CTF Policy, along with all our other Policies and Standards, apply to all colleagues including temporary colleagues, contractors, suppliers and third parties that carry out activities on behalf of the Group and its subsidiaries.

Our Group Chief Compliance Officer, sponsors adherence to the AML/CTF policy at Board level. However, our Head of Financial Crime who acts as the Group's Money Laundering Reporting Officer (MLRO) is responsible for developing the AML/CTF Policy and securing the review and approval of the policy from the appropriate stakeholders, overseeing the Group's compliance with the AML/CTF policy, reporting on compliance and providing assurance on the implementation of key controls.

The MLRO, together with the Financial Crime Team maintains the AML/CTF Policy, other supporting financial crime policies and procedures and provides appropriate guidance materials to support effective policy implementation.

The Group executes its system of internal controls and risk management activities through the three lines model, at both a Group and divisional level.

## **Purpose of our AML/CTF Policy**

Our AML/CTF Policy is intended to provide a framework which is hostile to money laundering and terrorist financing and which deters criminals from targeting the Group for criminal purposes.

The purpose of the policy is to ensure that money laundering and terrorist financing risks are managed in line with the Group strategic plan and within agreed risk appetite. It outlines the approach we have in place to minimise the risk of the Group failing to reasonably prevent services or business operations being used to either launder the proceeds of crime or fund terrorist activities.

Underpinning the policy is a range of frameworks and controls which includes (but is not limited to) risk-based due diligence on customers, colleagues, intermediaries and other third parties, training, law enforcement liaison, suspicious activity reporting and oversight/assurance.

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Examples of the features of the Financial Crime Programme are as follows:

- All colleagues receive annual computer based training (1 module for Financial Crime and 1 module for Anti-Bribery and Corruption) with additional training workshops and exercises deployed for colleagues in higher executive roles
- All new customers are subject of a customer risk assessment to enable enhanced scrutiny and due diligence measures to be applied to customers classified as high risk
- Customers who are classified as high risk are subject to periodic reviews (typically on an annual basis)
- Similarly, a risk-based transaction monitoring framework is in operation which is designed to identify unusual behaviours and higher risk transactions
- All customers are subject of fraud, PEP, sanctions and adverse media screening that both prior to funding and on an ongoing basis until redemption

The operational effectiveness & design adequacy of the Financial Crime Programme is monitored via:

- First Line Quality Assurance
- Training & Competency framework
- Key Performance Indicators / Key Risk Indicators
- Second Line Control reviews & Control Testing
- Dedicated Financial Crime monitoring function (with the remit to review any business area)
- Periodic internal audits
- Ad Hoc external audits

Any suspected activities in breach of this policy can be raised confidentially in-line with our Whistleblowing Policy. Employees found to be in breach of this policy will be disciplined, and this may result in termination of employment.

The policy is also subject to at least an annual review in order to ensure it remains accurate a fit for purpose.