

Policy

Anti Money Laundering

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Introduction

The Code of Conduct forms the basis for responsible compliance in the Baloise Group and defines the minimum standards for ethically and legally impeccable conduct by all employees. Baloise's Code of Conduct contains principles for combating money laundering under the heading "Money Laundering Prevention and Embargoes".

The Baloise Group assumes responsibility for ensuring that all transactions of the operating Group companies in Switzerland and abroad to which national anti-money laundering legislation applies comply with anti-money laundering principles. For this reason, Group Compliance has introduced the Group Compliance Controlling Standards and a Group directive. The Group directive contains the requirements in the context of combating money laundering that apply Group-wide to all areas affected by national anti-money laundering legislation. All affected employees must implement and follow these guidelines. Where local applicable law provides for further obligations, these must, of course, be complied with.

Group Compliance Controlling Standards

The Group Compliance Controlling Standards define the fundamental and most risky compliance topics and the corresponding objectives that must be implemented as a minimum standard by all strategic business units (SBUs) of Baloise.

The following standards, approved by the CEO of the Baloise Group, explain how to deal with the issue of combating money laundering.

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Basic rules of combating money laundering

Responsible persons

In each SBU, a person is appointed who is responsible for anti-money laundering matters, is independent in their function and is known within the company, and who also has the necessary expertise. That person has access to all relevant data and is responsible for the implementation of locally applicable legal requirements and regulations as well as for the training of the employees concerned and for the processes.

Internal directives and processes

Each SBU has an anti-money laundering directive and processes in place that address, at a minimum, the following:

- Responsibilities (e.g. for further clarification or approval of unusual transactions, reports and freezing of assets);
- Definition of identification requirements at the beginning and in the course of the business relationship, such as «Know Your Customer», the identification of the beneficial owner and the payee;
- Plausibility check;
- Definition of unusual transactions and the determination of the procedure in the event of a business relationship with politically exposed persons (PEPs);
- Systematic and appropriate risk monitoring with regard to business relationships and transactions with increased risks.

Relationships with shell banks as well as cash payments (except within the Bank) are prohibited.

Controls are in place to determine the course of action when there is evidence that assets are not taxed (prior to entering into a contract, prior to opening an account, and during the course of a business relationship). If these indications can be sufficiently substantiated, the transaction will have to be rejected.

Training and instruction

Measures are in place to ensure that relevant employees receive regular and prompt training (in the case of new employees) on anti-money laundering regulations and internal directives, as well as on any changes in the legal situation. Attendance is documented.

Controlling and reporting

The compliance reporting process is used to identify and assess compliance risks and key controls of all Compliance Standards, as well as to report on changed regulations, indicators, organisational aspects and key activities.

Group Compliance discusses the risk and control assessments and management reports with the SBUs and prepares an annual summary for the Corporate Executive Committee and the Board of Directors. Based on the SBU interim reports, Group Compliance also submits an interim compliance report to the Corporate Executive Committee.

Compliance reporting enables Group Compliance, the Corporate Executive Committee and the Board of Directors to identify, assess and monitor compliance risks and, if necessary, to take control measures to minimise them.

Michael Müller
CEO Baloise Group

