
Alwen Hough Johnson Limited

Corporate Social Responsibility (June 2015)

Introduction

AHJ takes a proactive approach to its responsibility towards the company's stakeholders. This responsibility is driven at a strategic level with policies and procedures, established by AHJ's Board of Directors, to ensure integrity, customer service and employee satisfaction are at the heart of our business. The Board requires that AHJ's management and committees implement and monitor policies and procedures.

Our main stakeholders are:

- **Clients** being insurance and reinsurance companies and/or producing broking or agency firms
- **Owners** being AHJ Holdings Ltd and in turn its shareholders, mainly existing and past management and staff of AHJ.
- **Employees** including both current staff and retired staff, including support of AHJ's pension fund.
- **Authorities** in the United Kingdom and elsewhere as applicable, particularly the Financial Conduct Authority (FCA).
- **Business Partners** including (re)insurance markets and other entities we trade with.
- **Lloyd's** and the London market in the heart of which we operate.
- **Suppliers** of various services and systems which assist us in our business including inter alia independent auditors and insurers.
- **Society** in general by way of our responsibilities to the wider community.

We recognise the importance of engaging closely with our stakeholders so that we both understand others expectations of AHJ and also that we can assist our stakeholders in meeting their own obligations.

Clients and Marketplace

We are a company which behaves with integrity and transparency. We are determined to keep the interests of our clients as our focus; therefore compliance is at the forefront of the way AHJ's business is conducted. AHJ has comprehensive policies and procedures that are adopted and enforced across the company.

We implement codes of practice targeting money laundering, bribery and corruption and sanctions enforcement. We have never experienced any such incidents, nor have ever been subject to any investigations, fines or other actions on the part of our regulators.

The company also implements and monitors strict codes of practice to ensure that the service provided to our clients and other business partners is of the highest quality, and this

is demonstrated by the fact that no complaints or successful errors and omissions claims have been made against us.

Our business ethos is centred on building proper long term relationships with our business partners based upon trust. AHJ offer a bespoke service to our clients and consistency and continuity in their account handlers. We provide an unrivalled level of personal attention. Our clients therefore benefit from a wealth of experience and knowledge within AHJ and a culture of sharing good practice, meaning that we are able to offer a market leading service.

We are committed to treating our customers fairly and conduct our business with integrity and pay due regard to the best interests of our clients. We pledge to conduct our business with skill, care and diligence and to prioritise the information needs of our clients and maintain systems and controls as appropriate to our business. This includes our adherence to the Data Protection Act, whereby we keep relevant information confidential and secure with data being kept no longer than necessary.

We are required to carry a minimum level of Professional Indemnity Insurance, and our Board has determined that we will continue to carry a higher level well in excess of that which is required either by the FCA or Lloyd's. The major part of this cover is provided through membership of the Griffin Association, a brokers' mutual assurance society. Every two years a Griffin review is carried out, this is an extensive external audit review which allows AHJ to gain a technical auditor's view of aspects of the company's business and provide training courses to AHJ's staff on matters arising from the review. In addition to the Griffin review, each operating division is subject to an internal audit, on a regular basis, by our qualified Compliance Director

AHJ employ robust accounting and financial compliance, including regular scrutiny and analysis by our finance department alongside annual external audits carried out by a qualified accountancy firm. Any recommendations made by the external audit team are taken on board and acted upon accordingly. Our financial strategy includes holding reserves comfortably in excess of regulatory capital requirements.

AHJ have a sophisticated risk management software system which is provided by a leading risk management firm with a global client base across many industries. This risk management system is embedded within our company and aids us in recording, evaluating and managing risks and improving our internal controls. Risk management also drives our assessment of our risk adjusted capital requirements.

We recognise that security is of paramount importance to our clients and in turn their own customers. We monitor counterpart security closely, using both our own knowledge and experience combined with the assessments of recognised rating agencies.

All premiums and claims are held by AHJ in trust accounts according to FCA client money (CASS 5) rules. In recognition of the importance of cash flow to our clients and other business partners, our policy is to maintain fast settlement times combined with a highly proactive approach to credit control.

We assist in providing our clients with a clear understanding of their risk environment. We therefore invest in staff and systems, both proprietary and commercially available. We ensure that as far as possible these systems are tailored to our clients' individual business

needs. Reliable and detailed data and assumptions are of great importance in providing valid analysis and advice and all work is fully documented.

People

Our strategy is to provide a working environment which attracts highly-qualified individuals whose standards and achievements regularly outperform those of our competitors. Many AHJ employees are long-standing staff members and we pride ourselves in our ability to attract and retain knowledgeable and skilled employees.

We encourage staff development and provide opportunities for progression. Our appraisal system is steered towards encouraging objectives for Continued Professional Development which takes many forms at AHJ, using a combination of internal training and courses provided by external facilitators. We encourage staff to attend industry wide seminars, lectures, forums and networking events. We also believe in organic development and therefore provide in-house mentoring to encourage a culture of sharing good practice and inter-departmental team building. We encourage very strong internal relationships in AHJ, building cohesion and interaction between all divisions.

We believe that our people's health and happiness are of utmost importance both at work and in their personal lives. By providing a safe and healthy working environment we try to make the working life as enjoyable and comfortable as possible. We have a number of trained first aiders in the company and encourage the training of others who may be interested. Through our flat management structure we maintain working relationships between all levels of the company, encouraging direct communication throughout and fair treatment for all. We operate a culture of flexible working hours to favour a healthy work-life balance and we provide a generous benefits package, including health insurance and subsidised gym membership, to support the wellbeing of employees and their families as well as an independent employee assist line to provide advice and counselling, if required.

We have a company which is diverse in its membership and where all people are treated equally and with respect. Our aim is to encourage further gender and cultural diversity in the future.

Community

We acknowledge that we have a responsibility to give back to the community and support designated charities each year. We proudly sponsored the London 2012 Olympic Games which took place on our doorstep in East London. We also encourage members of staff in their own charitable endeavours and support the charities for which they raise money. Every year we make a number of donations to charities which are close to the hearts of our employees and clients.

We welcome students who are at school, leaving school or at university, to spend time with us, giving them an introduction to and a better understanding of the London Insurance Market and different areas of our business. It is important to AHJ that these people have a fruitful experience and enjoy their time with us. We have been awarded with the HSC Careers 'Award for Service to the Community and Young People'.

Since its establishment over 40 years ago, AHJ has operated as a Lloyd's broker, participating in the London market place. We have taken part in the various market reform

projects to modernise market systems and will continue to do so to ensure greater efficiencies. AHJ also encourages its staff to participate in market bodies and functions to help ensure that London continues to flourish as a market place for the future.

Environment

We continuously develop our policy in regard to the environment. The fundamental aim of this policy is to reduce our company's negative environmental impact as much as is practicably possible.

We have adopted procedures, and equipment where applicable, to maximise recycling of our waste in conjunction with our building owners, to control and reduce our water consumption, to reduce our usage of electricity and related light pollution.

Any computers, printers or telephones which are being replaced or are out of use are sent to be refurbished before being transported to developing countries to be used in schools or in industry.

We encourage all members of staff to use public transport rather than rely upon using private methods of transport. All staff are offered a season ticket loan, facilitating the opportunity for the staff to buy annual (cheaper) tickets for public transport.

We have identified paper consumption as an area where we can reduce our environmental impact; we therefore encourage our employees to correspond electronically and reduce our print requirements. We participate actively in market initiatives to develop greater use of electronic trading and we can offer clients the opportunity of a more complete electronic process in respect of contract documents and related administration.