

Anti-Slavery and Anti-Human Trafficking Statement for the financial year ending 31 December 2020

This Statement:

This statement is being made pursuant to the Modern Slavery Act 2015 ("MSA")¹, and sets out the steps that Bank Leumi (UK) plc, authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, ("Leumi UK") has taken and is taking to ensure that slavery and human trafficking is not taking place in any of its supply chains and in its business.

This statement constitutes Leumi UK's anti-slavery and anti-human trafficking statement for the financial year to 31 December 2020.

Leumi UK's organisational structure and business:

Leumi UK is a specialist bank offering a wide range of corporate banking services to both UK and international clients.

Its activities are focussed on real estate finance with particular specialisms in hotel finance, and commercial, residential, and other types of property finance.

Leumi UK is a subsidiary of the Bank Leumi le-Israel B.M. group. Leumi UK had an annual turnover in its financial year ending 31 December 2020 in excess of £36 million.

Leumi UK's Supply Chain:

As a financial institution, Leumi UK's activity is office based and therefore has a supply chain that mainly includes sourcing goods and services in the following areas:

- *Facilities and office management*: for example, cleaning, catering, security and consumables;
- *Professional services*: for example, legal, valuation, recruitment, and consulting;
- *IT*: for example, the purchase of software and hardware;

Leumi UK's Policies:

Leumi UK remains committed to doing its utmost to ensure that it is not supplied by any supplier who actively engages in slavery or human trafficking. Leumi UK has a specific Anti-Slavery and Anti-Human Trafficking Policy that has been approved by the board of directors.

Furthermore:

- Leumi UK's Whistleblowing Policy states that it is committed to maintaining the highest standard of ethics, honesty, openness and accountability, and gives the opportunity for any malpractice to be reported. Leumi UK will protect all its employees from detrimental actions related to making a disclosure.

¹ It is made under section 54, part 6 of the MSA (*Transparency in supply chains etc*)

- Leumi UK's human resourcing policies ensure that all of the bank's recruitment meets the requirements of the applicable legislation.

Steps taken to date and to be taken:

In the financial year ending 2020, Leumi UK continued to review its existing suppliers and supply chain, and to re-examine its procurement processes and on-boarding of outsourced and other third party suppliers. In relation to new outsourced and third party suppliers Leumi UK has been asking about their policies and procedures in relation to the MSA. Leumi UK may decide not to proceed with a potential supplier if it cannot satisfy itself that the potential supplier has taken appropriate steps to monitor and mitigate risks deriving from modern slavery and human trafficking. Leumi UK has taken steps to update contractual terms where possible to include appropriate MSA related provisions.

No incidents that would have breached the MSA were identified in the financial year ending 2020.

During the financial year ending 2020, Leumi UK has continued to focus much of its resourcing on dealing with the continued effects of the COVID-19 pandemic upon its business. This has included supporting its customers and suppliers and staff, and ensuring that the operational resilience of the business has remained robust. As a consequence of that Leumi UK still does not anticipate finalising the review of its procurement process in this financial year.

However, in relation to new suppliers, Leumi UK will continue to ask about their policies and procedures in relation to the MSA and the responses provided will be a factor in Leumi UK's decision as to whether or not it wants to proceed with a potential supplier if it cannot satisfy itself that the potential supplier has taken appropriate steps to monitor and mitigate risks deriving from modern slavery and human trafficking. Furthermore, Leumi UK will continue to take steps to update appropriate contractual terms where possible to include appropriate MSA related provisions.

Leumi UK has reflected upon its consideration last year of whether or not COVID-19 and its aftermath is likely to impact upon the risks of modern slavery in its supply chain, and it has concluded that there are no significant impacts that have manifested themselves to date or are likely to occur. Leumi UK is continuing to pay its suppliers in a timely manner to mitigate any impact of delayed payment on their business.

Training and Measures of Effectiveness:

Leumi UK will continue to offer its staff training to raise awareness of the MSA, and the steps that it is taking to combat modern slavery and human trafficking. Training on the MSA will be conducted periodically.

Leumi UK is still to determine what performance indicators it will use to monitor the effectiveness of the steps that it is taking to address the risks posed by modern slavery and human trafficking, given the organisation structure and supply chain as detailed in this statement.

This statement has been approved by Leumi UK's board of directors and will be reviewed and updated on an annual basis.

Michael Schiller - Chief Executive Officer

Date: 14 September 2021