

## **Slavery and Human Trafficking Statement for the financial year ending 31 December 2016**

### **This Statement:**

This statement is being made pursuant to the Modern Slavery Act 2015 (“MSA”)<sup>1</sup>, 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, (“BLUK”) 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 BLUK’s slavery and human trafficking statement for the financial year to 31 December 2016.

### **Bank Leumi (UK) plc’s organisational structure and business:**

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

Its activities include commercial finance, trade finance, with a particular expertise in financing cross border trading, commodity finance, financing Israeli related business, media finance, and commercial and residential property finance. It also focuses on UK and international private banking and wealth management.

BLUK is a subsidiary of the Bank Leumi le-Israel B.M. group. BLUK had an annual turnover in its financial year ending 31 December 2016 in excess of £36 million.

### **BLUK’s Supply Chain:**

As a financial institution, BLUK’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;

### **BLUK’s Policies:**

BLUK is committed to doing its utmost to ensure that it is not supplied by any supplier who actively engages in slavery or human trafficking. BLUK is currently working on updating appropriate policies

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

to ensure that this is the case. BLUK has a specific Anti-Slavery and Human Trafficking Policy that has been approved by the board of directors.

Furthermore:

- BLUK's Whistleblowing Policy states that BLUK is committed to maintaining the highest standard of ethics, honesty, openness and accountability, and gives the opportunity for any malpractice to be reported. BLUK will protect all its employees from detrimental actions related to making a disclosure.
- BLUK'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 2016, BLUK started to undertake a review of its existing suppliers and supply chain.

In the financial year ending 2017, BLUK intends to continue this review and due diligence process - adopting a risk based approach – in order to identify, assess and manage areas of concern in the supply chain, starting with potentially higher risk suppliers before moving to second tier suppliers. It will prioritise its suppliers into risk categories or 'tiers' according to criteria such as supplier type and the geographical location of the suppliers in question.

It will also be re-examining its procurement processes and on-boarding of suppliers. In relation to new suppliers BLUK will ask about their policies and procedures in relation to the MSA. BLUK may not decide 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. BLUK will take steps to update contractual terms where possible to include appropriate MSA related provisions.

**Training and Measures of Effectiveness:**

BLUK will train its staff appropriately to raise awareness of the MSA and the steps that BLUK is taking to combat modern slavery and human trafficking. From the end of Q3 2017, this training will form part of BLUK's induction process and will be conducted on a regular basis thereafter. Training documents will be made available to all employees on BLUK's internal website.

BLUK will consider 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. These may include, amongst other things, a review to verify that the Anti-Slavery and Human Trafficking Policy is effective and remains relevant.

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

  
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**Eli Katzav - Chief Executive Officer**