

London Forfaiting Company Group Statement on Modern Slavery

December 2017

Introduction

As one of the world's leading trade finance institutions, we understand that we need to lead by example in the way we do business. All our colleagues at London Forfaiting Company ("LFC") are unified by a common purpose and set of values, which shapes the way we think, work and act to ensure we are helping people to achieve their ambition – in the right way. This also means we aim to act fairly, ethically and openly in everything we do.

We are committed to combating the risk of modern slavery or human trafficking in our supply chains or in any parts of our business. The requirements of the Modern Slavery Act 2015 (the Modern Slavery Act) reflect a drive to eradicate modern slavery in commercial organisations with operations in the United Kingdom. This important goal has the full and unequivocal support of LFC and its stakeholders.

This statement covers our direct operations and supply chain. However, we acknowledge that our client and customer base, especially those from emerging markets, constitutes a significant area that must be addressed from a modern slavery perspective.

Our Structure and business

LFC was established in 1984 to specialise in the arrangement and provision of forfaiting and other trade related finance products. LFC specialises in providing fast, efficient, tailor made non – recourse finance solutions to importers and exporters. In 2003, LFC was acquired by the FIMBank Group, Malta which in turn was then acquired by the KIPCO Group, Kuwait. These developments have allowed LFC to take on new business opportunities, benefit from better funding resources and further strengthen the whole groups performance. Details of other subsidiaries within the LFC group and the countries in which we operate can be found in our 2016 annual report.

Our policies on modern slavery and human trafficking

As a responsible corporate citizen we are committed to operating in accordance with the International Bill of Human Rights (comprising the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Culture Rights and the International Covenant on Civil and Political Rights). We also take into account the UN Framework and Guiding Principles and other internationally accepted human rights standards including the OECD Guidelines for Multinational Enterprises and the International Labour Organisation Declaration on Fundamental Principles and Rights at Work and other Core Conventions.

We embed our commitment into relevant policies and statements, which are instrumental in managing our approach to modern slavery risk and have been amended to take account of the Modern Slavery Act, including:

- Our general employment policies and practices cover LFC's duties as an employer and we aim to ensure they are consistent with, or go further than, the Universal Declaration of Human Rights.
- Our Modern Slavery Training Memo, which outlines the relevance of human rights to our employment policies and practices, our supply chain screening and management and the responsible use of our products and services. Additionally, all marketing officers are made aware of various red flags whilst analysing a potential client

Our Counterparties in high risk areas

With counterparties in many countries transacting across a broad range of products and services, our client base is diverse and includes multinational corporations as well as banks. Many of our counterparties have their own extensive and diverse client lists. This essentially, indirectly, connects us with thousands more businesses worldwide and therefore it is important that our counterparties and indeed their counterparties share our commitment to human rights. In regards to Modern Slavery, our primary focus is on those areas where our operations exist in higher risk locations, particularly emerging economies and less developed countries.

In order to mitigate potential human rights violations, LFC has a robust due diligence process that aims to ensure that we only work with appropriate clients who operate in an ethical way.

Training

We have developed a specific human rights training module that makes reference to the Modern Slavery Act. This training module is mandatory for those working in Sourcing and Supplier Management teams and will be made more broadly available to our colleagues in 2017, in order to boost awareness of human rights and modern slavery issues among colleagues.

Our code of conduct outlines the purpose and values that governs the way of working practices across our businesses globally. It emphasises the need to respect and value those we work with, it requires colleagues to act fairly, and ethically in all that, they do.

Monitoring our effectiveness in combating modern slavery and human trafficking

In order to maintain high standards of integrity at LFC, we encourage the principle of openness and speaking up to report instances where practices are not deemed ethical. We have robust whistleblowing procedures in place, through which stakeholders are free to raise concerns about the behaviour or conduct of LFC employees/clients. Grievances are made in confidence and anonymously to the Head of Human Resources.

Conclusion

We are proud of the steps we have taken to combat any risk of modern slavery and human trafficking being present in our business. We will continue to be vigilant and we remain committed to improving our practices further in this area in future years.



Simon Lay
Chief Executive Officer
8th December 2017



William Ramzan
Company Secretary