

2022

Modern slavery statement



UNDERSTANDING THE MODERN SLAVERY RISKS RELATED TO OUR
BUSINESS
HEAD OF OVERSEAS BRANCH

BANCO SABADELL LONDON BRANCH 120 Pall Mall London SW1Y 5EA

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Background

This statement sets out our actions to understand the modern slavery risks related to our business and describes the steps we take to prevent slavery or human trafficking in our own business or our supply chains.

This statement relates to actions and activities during the financial year January to December 2021.

Modern slavery is happening more often than people may realise and we recognise it may exist somewhere in our supply chain beyond our immediate suppliers.

That's why we're committed to protecting people and acting to prevent slavery and human trafficking in our corporate activities.

Our business

Sabadell UK has been present in the UK since 1986 as a fully operational branch. The London office has primarily focused its activity on the management of trade relations between UK and Spain. Our client base consists of UK companies who have a close relationship with Spain, or Spanish companies with subsidiaries in the UK.

Sabadell UK offers business customers a range of banking products and services designed to meet their financial needs and we operate in both the UK and international markets.

Sabadell UK is part of the Sabadell Group, which is one of Spain's principal banking groups, with more than 15,000 employees, and composed of different banks, brands, subsidiaries, and affiliated companies covering all areas of financial business under one common denominator: professionalism and quality.

Our values

We recognise the aim of the Modern Slavery Act and take our responsibilities seriously. Our values guide us in everything we do – treating others fairly with dignity and respect form the basis of the behaviours we expect from everybody in Sabadell UK, including our suppliers.

How we treat our employees

At Sabadell UK, we believe everyone has a right to be treated with dignity and respect, and work in a safe and supportive environment. This is evidenced by the Equal Opportunities policy or the Health and Safety policy, laid down in the Staff Handbook.

We're committed to creating an open and transparent culture and encourage all employees to act responsibly and call things out when they think something's wrong, for example by using the Whistleblowing process.

We've put policies in place that set out the values and behaviours we expect everyone to demonstrate, which helps our Employees to comply with regulatory conduct requirements. To make sure all Employees understand these policies we provide a range of training such as the online Data Protection course.

We make sure we reward our employees fairly and appropriately for the role they're doing. Plus, there is a defined contribution pension scheme, with employer contributions of up to 13% base salary; and a Flexible Benefits scheme, such as time off for adoption, compassionate leaving, or flexible working, all outlined in the Staff Handbook.

Working to maintain standards

We work closely with the police, and other agencies, to make sure we're doing the most suitable checks. If we ever uncover evidence or suspicions of criminal activity, we'll always make sure we follow the necessary reporting.

We require all Sabadell UK employees to complete mandatory core learning relevant to their role. This includes training on anti-money laundering, and vulnerable customers, which helps them identify modern slavery in our customer relationships. To make sure the training is effective, we ask Employees to take a test at the end of the course and we track participation and pass rates.

Our supply chain

Based on the nature of our business, our employment practices and those of our supply chain, we believe the risk of modern slavery in our industry is relatively low. But we've identified some areas where our suppliers may be at higher risk, for example:

- Overseas suppliers
- The people who provide facilities services, such as cleaners
- Manufacturing, such as staff uniforms
- The building trade
- Temporary recruitment firms

We have Procurement policies in place to make sure our suppliers understand our values and apply those values to their own businesses. And our policies explicitly show our commitment to preventing modern slavery. We carry out checks at every stage of the relationship with our suppliers to assess their risk of modern slavery. This includes carrying out an assessment of potential new suppliers and extra checks each year during the life of an existing supplier relationship.

Our Compliance team are involved in all assessments for both new and existing suppliers. If we identify any suppliers as higher risk, we carry out an additional level of risk assessment.

Assessing new suppliers

Before we set up any new relationships with potential suppliers, we always check to make sure their values align to ours. These checks cover a broad range of policy areas including corporate and social responsibility, accessibility, and pre-employment vetting. Our standard supplier contracts also include requirements for suppliers to prevent modern slavery in their operations and their supply chain.

Reviewing our existing suppliers

We carry out due diligence checks every year for our higher risk suppliers. And we review the statements they give us on their processes and controls against modern slavery. We do more detailed reviews of suppliers in higher risk areas. We haven't found any immediate gaps or concerns, and we've been reassured that our suppliers have the appropriate controls in place.

Relevant policies

We have policies that set out a way to do business that supports our values. And we have controls in place to make sure we stick to those policies. We've updated many of these controls to include additional checks to make sure modern slavery risks are fully considered, particularly within the supply chain. These include:

- **Financial crime manual.** Any knowledge or suspicion of financial crime, including modern slavery and human trafficking, must be reported to Sabadell UK's MLRO, who will assess the internal disclosure and decide whether there are grounds to make an onward disclosure to the National Crime Agency.
- **Whistleblowing policy.** We encourage all Employees to report any concerns related to Group activities and those of our suppliers. This includes suspicion of any criminal activity. Our confidential Whistleblowing helpline is designed to make it easy for people to make disclosures without fear of retribution.
- **Conduct risk Policy.** We have high expectations of the way that both our Partners and suppliers treat our customers. This includes specific provisions to make sure that we take care of vulnerable customers. Partners are trained to spot these customers at an early stage and provide appropriate support where they can.
- **Vulnerable customers Policy.** We ensure that all Partners know how to identify and manage these customers, although we undertake relatively limited business with individuals, and with individuals who are potentially vulnerable customers.
- **Procurement policy.** We are committed to making sure our suppliers adhere to the highest standards of ethics. And we ask suppliers to demonstrate that they provide safe working conditions, treat workers with dignity and respect, and act ethically and within the law.
- The **Enterprise Risk Management (ERM)** framework allows us to better identify potential events to prevent slavery or human trafficking in our own business, with a direct involvement of Senior Management through ERM bi-monthly committee meetings.

What next for 2022?

We'll continue to build our understanding of how to prevent modern slavery and improve what we do:

- We'll continue to develop the guidance we give our Partners and measure their participation in mandatory core learning.
- We'll continue to enhance our relevant policies such as the Conduct Risk Policy, on boarding policy to ensure they fully meet our commitments regarding the prevention of slavery or human trafficking.
- We'll continue to carry out checks on all our suppliers and key supply chain partners to confirm they are doing everything they can to prevent modern slavery themselves and in their supply chains.
- We'll continue to assess new suppliers to the highest standards and include contract clauses to prevent modern slavery.
- We'll extend the questions asked as part of our annual due diligence process to ask all our suppliers if they pay their staff the National Living Wage.

Approval procedure

This statement will be reviewed annually and updated as required.