

The Leumi Way

Our Ethical and Behavioral Code

Vision and Core Values

Our Vision

To lead proactive, innovative, and responsible banking for customers and to grow rapidly with target customers.

Leumi is a bank that adapts itself to its customers' changing needs, thereby fulfilling its commitment to offer the best and most convenient service for its customers, leading the technological and digital revolution taking place in the financial sector in general and the banking sector in particular. As part of realizing this vision, Leumi works to provide each customer with the best level of service based on innovation, excellence, and professionalism, driving customer satisfaction and the bank's success.

Our Values

Customers Are at the Heart of Our Operations

Customers are the foundation of our existence, and we are committed to providing convenient, professional, quality, and caring service, ensuring that at crucial moments we will be there for them with appropriate and beneficial value propositions.

Accountability

Taking end-to-end responsibility and closing service loops for the customer.

"Yes, It's Possible"

A worldview that encourages creation and implementation of new and breakthrough ideas as a way of life in a changing technological and digital world.

Collaboration

Collaboration within internal organizational units and in general to promote and create breakthrough ideas.

Personal Example

Each and every one of us serves as a role model for someone. We should strive to be a personal example to those around us in everything we do.

Excellence

To challenge ourselves every morning anew to create innovative solutions in a changing environment. Excellence for us is knowing our work contributed to our customers and created value for them, the organization, employees, and society.

Our Commitments

1. Committed to Customers

“Customer at the center” is one of our core values in the most basic sense: we exist for them. And they, the customers, are changing before our eyes: they now have almost unlimited access to information, opinions, possibilities, and opportunities – and they check, learn and compare; they don’t compromise or give up. They have experienced major trust crises with service organizations in the last decade and have learned to question them. They expect to be seen as Human, not just as a Customer. We, for our part, are committed to acting in their interest and meeting these expectations: to be worthy of their trust, to thoroughly learn their needs and preferences, to tailor quality products and services to them – and to conduct ourselves with them in a fair, respectful, responsible, and humane manner.

Customer Privacy Protection

We place great importance on protecting our customers’ privacy according to the Privacy Protection Law and banking confidentiality rules. This is the foundation of the trust they place in the bank. Violation of customer privacy may constitute a criminal offense.

- We do not transfer customer information to unauthorized parties
- We do not view customer information unnecessarily
- We do not use information provided by customers for purposes other than those for which it was provided
- We maintain information integrity
- We avoid information distortion
- We adhere to information security rules

If doubt arises regarding collection, storage, transfer, or use of bank customer information – we consult with our supervisors. If needed, they will continue consultation with the Legal Department or Compliance and Enforcement Division.

Fair Banking

Our relationship with customers is based on transparency, fairness, and providing suitable and beneficial services and products. For this purpose, we rely on compliance standards with laws, rules, and state and regulatory regulations – and on our values and professional ethics.

- We conduct ourselves with transparency and fairness towards our customers to give them a solid and true basis for making informed decisions in pursuit of their financial goals

- We strive to provide customers with comprehensive, clear, and understandable information
- We consider customer data (known to us) and objectives when offering products or services
- We make product pricing decisions fairly and without regard to race, religion, gender, nationality, country of origin, sexual orientation, social or political views, party affiliation, personal status, or parenthood
- We ensure fair and effective handling of customer complaints. The handling and response reflect values of honesty, fairness, and responsibility towards customers

Professional Service

- We are committed to providing professional, quality, caring, and efficient service to satisfy our customers
- We strive to be there when our customers need us and know how to provide the most appropriate and beneficial value proposition, based on understanding their needs, preferences, and financial situation
- We provide our customers with a wide range of options and channels that help them act independently – and in parallel, assist with their financial and digital literacy
- We work continuously to improve the customer experience to make it simple, convenient, and accessible

Internal Organizational Service Supporting Bank Customers לא מבין בכלל מה זה

Our ability to provide service to the customer's satisfaction is influenced by our internal organizational service level.

- When we provide internal organizational service, we aim for the shared goal of all bank units
- We are committed to attentive, efficient, professional, and creative internal organizational service

Proper Supplier Conduct with Customers

- We see our suppliers who interact with bank customers as our direct representatives
- We expect them to conduct themselves with our customers in the Leumi spirit, and to be humane, attentive, professional, accessible, and fair

Duty of Trust

We fulfill our duty of trust to our customers:

- We protect their interests
- We treat them with honesty and fairness, professionally, without discrimination and without ulterior motives
- When handling a customer's matter, we keep their best interests in mind; this also applies when making broad decisions affecting many customers

In cases of concern about breach of trust, we consult with our supervisors. If needed, they will continue the consultation with additional bank entities.

2. Committed to Proper Administration

As a public company and key player in Israel's banking system, our spheres of influence and conduct are much broader than the organization's own dimensions. We are aware of this influence as well as the enormous responsibility that comes with it, and are committed to conduct that ensures our stability and thereby the stability of the Israeli economy. We operate in accordance with the law, regulation, and principles of proper corporate governance, and are committed to integrity, fairness, and responsibility both within the bank and towards all our stakeholders.

A. Organizational-Level Norms and Rules

Records and Reporting Management

We know we must be worthy of our stakeholders' trust to maintain proper reporting and record integrity. Therefore, we demand of ourselves accurate bookkeeping and reliable reporting, faithful documentation, and good faith conduct.

Fair Competition

We are subject to the Economic Competition Law which aims to prevent harm to economic competition in the market and to bank procedures on the subject. We avoid harming competition in activities with competing banks and other entities, with customers, and with suppliers.

- We avoid exchanging information regarding bank business in conversations or meetings with competitors
- We do not prevent customers from receiving credit or banking services from competitors
- We do not maintain agreements with suppliers that limit either party in agreements with others without legal review

When we encounter a violation or suspected violation of the law and procedures, we report to the Chief Legal Counsel who is responsible for internal enforcement.

Combating Bribery and Corruption

Corruption and bribery are cross-border phenomena that undermine proper governance and economic development and distort market competition conditions in both local and international markets. The main risk focus regarding bribery and corruption is giving bribes to senior public officials. The bank's board of directors and management place special emphasis on fighting bribery and corruption and lead a zero-tolerance policy towards any manifestation of these.

- We are subject to laws preventing bribery and corruption risks in all countries where we operate
- We do not knowingly enter into business relationships with any party that gives or receives bribes or any illegal incentive, for any purpose, directly or through a third party

- We do not knowingly allow use of bank resources to carry out financial activity related to acts of bribery and corruption
- We do not receive or grant benefits, gifts, favors, or any consideration – even indirect – in exchange for receiving business advantages in our role
- We expect all employees, customers and business associates to join the fight to prevent bribery and corruption

B. Individual-Level Norms and Rules

Personal Responsibility

- We each have a responsibility to help Leumi achieve its business goals and objectives through caring for our customers and for the bank's success
- We are committed to optimal performance of our tasks and expertise in matters under our responsibility
- We show initiative and daring, original thinking and involvement. We do not shy away from questioning and challenging the existing, asking questions and expressing concerns
- We are open to hearing other ideas and adopting new initiatives to advance our shared goals
- We are committed to conducting ourselves according to the law, bank procedures, and the values and guidelines of the ethical code

Managerial Responsibility: "Influential Managers"

- Our managers are responsible for ensuring a welcoming and positive work environment
- They promote creativity, originality and independent thinking, and are attentive to different opinions
- They encourage learning, professionalization and development
- They show alertness and sensitivity to their employees' distress
- They provide honest, transparent and open feedback according to performance and skills
- They serve as personal examples in personal and professional conduct, in the spirit of bank values and ethical code guidelines
- They take responsibility for behavior that could harm the organization by their employees. They identify volatile situations among employees that could lead to such behavior – and handle it accordingly and promptly

Avoiding Conflicts of Interest: Receiving and Giving Gifts

According to law, we are considered public servants regarding receiving/giving gifts, and could face criminal charges for giving/taking bribes.

- We do not accept gifts, favors or any consideration as part of our work at the bank – even if it is a token gift
- When such a gift is offered, we politely decline and explain the bank's policy on the matter
- If we received a gift despite this – we will transfer it to the unit manager, who will give it as a donation on behalf of the giving customer to an appropriate institution (and update the customer about this)

- If it involves refreshments, we offer it to all unit employees in the shared kitchen
- Customer invitations to shows or games are considered gifts, and the guidelines for them are identical
- We do not accept cash as a gift
- We do not give customers and suppliers gifts and favors, neither in money nor in cash equivalent. We avoid inviting them to public events like games, shows, etc.
- Furthermore - we cannot be included in a bank customer's will. If such a thing occurs, we must immediately notify the direct manager and the labor relations supervisor in the Human Resources Division

*If we believe there is business justification for a gift or event invitation - we must receive approval from the Division Management for this.

Avoiding Conflicts of Interest: Personal Relationships with Customers

Personal relationships with customers - especially elderly, disabled or solitary customers - could impair professional judgment. Therefore:

- We avoid maintaining relationships that go beyond the direct professional care we provide to customers as part of our work. This avoidance should be done sensitively and politely, without hurting the customer's feelings

Information Security and Confidentiality

We are aware that our work involves exposure to sensitive materials.

- We protect the information we are exposed to about the bank, its competitors, employees and customers, understanding that this information is not always public, and its exposure could harm our stakeholders - or us
- We do not use bank property for non-bank purposes, and certainly not to derive personal benefits from it
- We use bank property wisely and carefully
- We report faults and hazards
- We are mindful of conservation and the quality of the environment.

Use of Name, Logo and Trademarks

- We use Leumi's name, logo and trademarks only to promote the bank's strategic goals
- We do not use them for commercial or personal purposes unrelated to our role in the bank

Media Relations and Public Appearances

For Leumi's messages to reach the public unified, consistent and accurate, there is only one body authorized to publish public statements and press releases: the Bank Spokesperson's Office.

Participation in Public and Political Activity

- When we express ourselves on political or public issues, we are careful to clarify that we are doing so as private individuals and not on behalf of or in the name of the bank
- We do not use bank assets, physical or virtual, for political or public purposes

Social Media Conduct

Activity on social networks is already an inseparable part of our lives. We are aware that when we are identified on them as Leumi employees, we represent the bank; therefore, we have additional responsibility in social media conduct - beyond the personal.

- We are committed to expressing ourselves on social networks in a dignified, respectful manner, in appropriate language, not inflammatory or aggressive, not insulting or humiliating
- We are aware that discourse on social networks can be volatile, and commit to acting sensitively and carefully when participating in it

Information Security

- We protect the confidentiality of sensitive information belonging to the bank, such as customer details, strategic plans, procedures, work processes, work plans, salary data etc.
- We do not take sensitive information outside bank premises in an unsecured manner
- We do not transfer sensitive information to unauthorized third parties
- We protect sensitive information from theft and are careful not to leave it unattended in places where it could be taken

Prevention of Money Laundering and Terrorist Financing

Money laundering is an operation with money or assets originating from illegal acts (crime, violence, forgery, fraud, gambling, bribery and corruption, terrorist financing, drug trafficking, tax offenses, etc.) - with the intention of presenting them as legitimate and legal. Money laundering is a real threat to governmental stability: it undermines the state economy and harms the free market and legitimate business and economic activity in the country.

The Prohibition on Money Laundering Law, 2000 and the regulations and orders enacted following it regulate the issue of money laundering prohibition in Israel.

The Counter-Terrorism Law, Emergency Defense Regulations, and Trading with the Enemy Ordinance are intended to prevent terrorist organization activities. The law prohibits property transactions for terrorist financing purposes. Money laundering, as well as terrorist financing, are criminal offenses that may impose sanctions such as imprisonment and fines.

- We are committed to obeying the law and acting according to the spirit of the law and see great importance in maintaining an organizational environment that enables instilling a compliance culture
- We are committed to fighting money laundering and terrorist financing, and committed to complying with legal requirements, bank policy and bank procedures on these matters
- We are committed to identifying, surfacing and immediately reporting unusual or suspicious activities raising concern of money laundering and terrorist financing, according to procedures on the subject
- We are committed to maintaining and completing all compliance training on the subject on time and in full
- We are committed to maintaining the controls required by bank procedures and by law

3. Committed to Employees

Leumi is its employees and managers. They are its true asset and the central factor in its stability and long-term success. The organization is committed to providing every employee with a safe and beneficial work environment, caring for their physical and mental wellbeing, their job satisfaction, their professional and personal development through diverse value propositions that suit the organization's needs and employee characteristics. Leumi maintains fair wage policy, fair promotion mechanism, equal opportunities and employment diversity - and transparent and open partnership with its employees, its partners.

Positive Work Environment

We are committed to creating an enabling, empowering, fair, respectful and safe work environment. We know that only in such an environment can everyone express their talents and abilities, and advance the organization and its achievements.

- We are committed to providing humane, empathetic and caring treatment to our employees, our colleagues and our managers
- We strive to be attentive and maintain dialogue on every idea and opinion of our work colleagues
- We are open to cooperation within our unit and between units, recognizing the power inherent in such moves
- We maintain respectful behavior even when parting from employees and colleagues

Compensation and Benefits Policy

- We act fairly and transparently regarding all employment terms at the bank
- We are committed to salary terms based on professional and relevant criteria, anchored in salary agreements
- We are committed to objective compensation dependent on performance and achievements

Training and Development

- We attach great importance to ongoing personal and professional development, which strengthens our sense of identification and pride in the workplace as well as Leumi being an attraction center for quality employees
- We believe that learning and training processes for employees and managers are essential for achieving business goals
- We are committed to learning and strengthening our professional knowledge, in accordance with the changing world and the bank's business goals
- We are committed to continuous improvement in management skills and interpersonal communication through coaching and training
- We are committed to preserving the knowledge of our colleagues who retired from the bank
- We are committed to innovative learning befitting an ever-developing organization

Diversity and Inclusion, Non-Discrimination Policy, Dealing with Racism

- We are committed to the principle of equal opportunities and workforce diversity, and believe that a diverse work environment is more productive, flexible and effective
- We are committed to hiring employees from diverse populations, and adapting hiring criteria for them
- We are committed to making decisions regarding our employees based on relevant considerations and without discrimination based on race, age, religion, gender, sexual orientation or political views
- We do not accept manifestations of racism, not towards employees, not towards customers and not towards anyone in our broader circles of reference. Such manifestations contradict our perspectives and values

Prevention of Harassment, Retaliation and Bullying

- We maintain a work environment free of harassment of any kind, abuse, bullying or hostility, physical or verbal

We avoid degrading treatment of employees and colleagues, threats and spreading rumors about them

- If we witness such treatment in our environment, we report it through one of the reporting channels detailed below, which can also be done anonymously.

Prevention of Sexual Harassment

A critical part of a promoting, positive and enriching work environment is freedom from sexual harassment and retaliation on this basis. Sexual harassment is: extortion by threats when the act demanded is of a sexual nature; indecent acts (any act done without free consent intended for sexual arousal, satisfaction or humiliation); repeated propositions of a sexual nature directed at a person who showed the harasser they are not interested in said propositions (in authority relationships - no need to show non-consent); repeated references directed at a person focusing on their sexuality, when that person showed the harasser they are not interested in said

references (in authority relationships – no need to show non-consent); degrading or humiliating reference directed at a person regarding their sex or sexuality including their sexual orientation; publishing a photograph, film or recording of a person focusing on their sexuality in circumstances where the publication may humiliate or degrade them, and consent was not given for publication.

- We maintain an equal and respectful work environment, free from any manifestation of sexual harassment, as stated in the Prevention of Sexual Harassment Law and the Prevention of Sexual Harassment Regulations (Employer Duties) and according to Leumi's regulations for prevention of sexual harassment
- We do not harass our employees, colleagues and managers or anyone else in our environment and do not retaliate against them
- We do not violate anyone's rights based on their opposition to harassment or based on filing a harassment complaint

Protection of Employee Privacy

- Information about employees – such as salary data, evaluation conversations, performance – is private and confidential
- Access to this information is only for those authorized by the bank who need it to perform their role
- Those with access to such information maintain confidentiality rules and handle it with respect, sensitivity and discretion, as part of the collegial relationships we strive for. Breach of confidentiality results in disciplinary measures

4. Committed to Investors and Suppliers

Supplier Relations

- The rules apply to all entities in the bank involved in procurement
- Leumi's Procurement Division is responsible for locating suppliers, screening, pricing, negotiating and managing ongoing relationships with them
- Suppliers at Leumi are chosen, among other criteria, based on excellence, commitment, environment, safety and maintaining fair employment conditions – provided the commercial aspect benefits the bank
- When possible, we prefer local procurement
- When possible, we promote social procurement expressed in purchasing products and services from NGOs and companies employing workers from under-employed populations, as well as procurement from small suppliers and suppliers in the periphery, subject to achieving the optimal deal for the bank. Our payment policy is usually current+30 days, and sometimes we advance payment (at the supplier's request and discretion)
- We believe we should conduct ourselves with suppliers fairly, transparently, professionally, and with sensitivity to conflicts of interest

Investor Relations

- We are aware of the potential impact various publications may have on our investors, and therefore maintain close contact between various entities responsible for communication (investor relations, spokesperson's office, bank secretariat, internal organizational communication)
- We ensure presence of the bank's investor relations representative at every meeting with investors or potential investors in Leumi stock, and with analysts covering the capital market and Bank Leumi

5. Committed to Community, Society and Environment

Leumi has a broad impact on Israel's economy and society, being one of the largest banking groups in the country, providing financial services to millions of customers. We at Leumi have responsibility to act for strengthening society and the economy in Israel: both through independent initiatives, and through joining bodies developing and implementing solutions for challenges facing our community.

Social Involvement and Responsibility

Alongside business activity, we promote and implement social and value-based vision. We do this through thousands of employee volunteers and through donations and sponsorships to social organizations and bodies. The social policy is led by bank management and the board of directors, focusing on Leumi Group's involvement in the community and state life to promote social goals.

- We maintain long-term and meaningful processes within our local community, cooperating with local authorities and social organizations
- We initiate processes and activities that integrate with our defined social policy
- We are involved in structuring every process and activity and adapting them to our skills and the community's real needs
- We are committed to examining the effectiveness of our social activity and its meeting of predefined goals

We are committed to reporting on our social and community activity in the bank's Environmental, Social and Corporate Governance report.

Environmental Awareness and Sustainability

We recognize our responsibility for the direct and indirect impact of our activities on the environment, and are committed to reducing negative impacts on environmental quality, climate and available natural resources in areas where we operate.

- We are committed to the Banking Supervisor's directive and include environmental considerations in our credit granting decisions
- We initiate and offer our customers financing products that help deal with environmental challenges
- We strive for savings, efficiency, responsible consumption and wise use of materials that have environmental impact, such as electricity, fuels, water, paper and physical and electronic waste

- We are committed to undergo training and instruction on the subject, reduce printing, encourage customers to switch to online mail

Reserve Duty Personnel

We encourage reserve service according to law, and are committed to protecting the rights of serving employees, supporting them and maintaining a favorable attitude towards them and their periods of absence from work – whether they are managers, employees or our colleagues.

Scope, Consultation and Reporting

Leumi's ethical code applies to the board of directors, management, managers, employees and those employed by the bank – and binds them all. Violation of its contents may lead to disciplinary proceedings according to law or relevant procedures.

Dilemmas, Ethical Questions and Ways of Dealing

What is an ethical dilemma?

A situation of conflict between values, requiring us to choose between different solutions – each worthy and fair. For example: deliberation between commitment to objective considerations in employee promotion – and the potential harm to an employee or unit resulting from promoting or transferring an employee. Deliberation between our commitment to provide optimal service to the customer – and our commitment to meet the bank's business goals.

How to deal with an ethical dilemma?

We examine the solution we tend to accept in light of five criteria:

1. Law: Is the solution legal?
2. Procedures: Does it fit bank procedures? (Is there any procedure that contradicts it?)
3. Values: Does it fit the bank's vision and values?
4. Ethical code: Is the solution supported by ethical code guidelines?
5. Conscience: Will I be at peace with the solution I chose? Will my conscience be clear? Can I explain to those close to me why I chose it? If published in the media – will my choice cause me embarrassment?