



# MODERN SLAVERY ACT STATEMENT

## INTRODUCTION

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Company's slavery and human trafficking statement for the financial year ending 31 December 2017.

It sets out the steps that Natixis has undertaken to ensure that modern slavery or human trafficking is not taking place within its human resources policy, its supply chain or its businesses.

As a signatory to the United Nations Global Compact, Natixis is committed to the respect of human rights, including anti-slavery.

## ORGANISATION'S STRUCTURE

Natixis is the international corporate, asset management, insurance and financial services arm of Group BPCE, the second-largest banking group in France. It is an international bank, boasting more than 17,000 employees in 38 countries and operates throughout the Americas, Asia-Pacific and EMEA. Natixis SA is the ultimate parent company based in France and operates in the UK via its London branch.

Natixis SA has an annual turnover in excess of the £36 million threshold.

## NATIXIS POLICIES

Natixis operates a number of policies to ensure that it respects human rights and is committed to acting in an ethical manner. The respect of human rights is a fundamental principle factored in at various levels at Natixis:

### Code of conduct

In 2018, Natixis published its code of conduct, gathering in a single overarching document all Natixis rules and guidelines employees can refer to in their relations with the company's stakeholders: our customers, teams and shareholders, as well as society at large.

The goal is for each employee to act with the highest professional ethics and a keen sense of responsibility, notably by embracing Natixis' corporate and social responsibility commitments.

The Code of Conduct applies to all Natixis employees, entities and affiliates over the world, across all business lines. It also applies to our suppliers and all our business partners in their dealings with Natixis.

All aspects of the Code of Conduct will be addressed in training courses given to all Natixis employees in 2018.

**Human resources policy:** Natixis operates mainly in developed countries with high social standards, and is committed to maintain good working conditions worldwide. It ensures that Natixis employees and subcontractors are recruited legally, that they work in safe conditions, and that their salary and working hours are compliant with local regulations.

**Responsible purchasing policy:** Natixis has implemented a socially responsible purchasing policy aiming to prevent environmental and social risks linked to Natixis' purchases and outsourcing, and to maintain, improve and strengthen long-term relationships with its suppliers based on trust and respect.

Supplier contracts and the rules and principles established by the Purchasing Department (invitations to tenders, supplier sustainable development charter, contracts), contain clauses governing compliance with human rights by suppliers and their subcontractors.

In 2017, Natixis participated in a joint initiative involving several French Banking and Insurance companies, and signed the Responsible Purchasing Charter.

The aim of the charter is to encourage the suppliers of the signatory banks to implement vigilance measures as part of their overall ESR approach. The charter sets a series of commitments that both parties are required to observe, based largely on the basic principles of the United Nations Global Compact in the areas of human rights, labor, the environment and anti-corruption.

In this charter, Natixis encourages its suppliers to promote and respect international law on human rights within their sphere of influence and to ensure that their own corporations are not implicated in the violation of human rights:

The supplier commits to promoting and enforcing its own suppliers, service providers and / or subcontractors, to abide by the principles stated in this charter.

Approved suppliers sign a master agreement with the Purchasing department which governs all relationships in France and abroad, and incorporates our sustainable development clauses relating to human rights.

#### **Duty of Vigilance plan**

The French Act on the Duty of Vigilance requires Natixis to prepare, publish and implement a vigilance action plan containing measures capable of identifying and preventing risks of violating human rights and basic freedoms, the environment, and occupational health and safety, associated with the activities conducted by BPCE as well as its subsidiaries, sub-contractors and suppliers.

Launched in 2017, the Duty of Vigilance project is overseen by Natixis' ESR Department and involves several other departments: Purchasing, Human Resources, Logistics, Compliance and Legal.

Several additional projects were initiated at the same time, with the aim of establishing a vigilance plan for Natixis employees at its own offices, and also applied to the purchasing of products and services

Lastly, Natixis' Compliance Department adapted the bank's whistleblowing system to take new regulations into account (including in particular the Duty of Vigilance, but also the Sapin 2 Act).

#### **Duty of Vigilance in purchasing**

Natixis is working alongside BPCE Procurement as part of a concerted approach in the bancassurance industry, with the help of three other banking groups, to map out ESRESR risks in purchasing activities. This tool, scheduled for delivery in 2018, will be used to measure, by country and by category of purchase, the following risks :

- Fair practices and ethics
- Environmental impact
- Human rights including forced labor and modern-day slavery

Based on the resulting risk map and purchases made by Natixis, the next target will be purchasing categories presenting the highest levels of risk.

Natixis' existing suppliers in these categories will be assessed for their ESR performance. The results of these assessments will be shared with the suppliers and based on the results, an improvement plan can be established, subject to review at the six-month point.

To get the vigilance plan up and running, training courses will be provided by BPCE Procurement to help buyers become familiar with the new tools (risk mapping, ESR assessment, implementation of appropriate risk prevention or mitigation plans).

Furthermore, an indicator will be defined to monitor the percentage of Requests for Proposals (RFPs) including a ESR assessment of bidding suppliers.





### **Duty of Vigilance in everyday operations**

The large majority of its employees and establishments are located in France, where social issues are already strictly governed by a number of prevailing regulations in France, including in particular labor law, the personal and property safety policy, and the Professional Risk Assessment Document.

For locations outside France, Natixis will use the map of country risks established by the Procurement working group, to identify the human rights, safety and environmental risks incurred by our employees/service providers in all 48 of the bank's countries of operation.

In 2018, the bank will focus specifically on countries where these risks are the highest and on countries with more than 100 Natixis employees, regardless of the level of risk.

Research will be carried out on local regulations in these countries, occupational health and safety conditions applicable for Natixis employees, and the use of local external service providers.

### **Whistleblowing system**

Natixis updated its whistleblowing system in 2017 to reflect the latest regulatory changes. The global policy is applied throughout Natixis and at all Natixis subsidiaries and branches around the world.

The whistleblowing system is available to any person holding an employment contract with Natixis, and to employees of external service providers or sub-contractors.

Any internal or external employees who believe they have witnessed an illegal activity, unethical behavior, or a breach of our Code of Conduct or applicable policies and procedures is entitled to use this system.

Natixis protects whistleblowers. Under no circumstances may they be subject to any disciplinary action or legal proceeding, provided they have acted impartially and in good faith.

### **Managing Human rights issues in our financing and investing activities**

Human rights issues, including slavery, are taken into account in our financing and investing businesses, guided by notable ESR charters, including Principles for Responsible Investment (since 2008) and the Equator Principles (since 2010).

Indeed, within the Equator Principles, close attention is being paid to the impact of financed projects on local populations. Since 2013, the Equator Principles were updated to recognize the UN's Framework for companies and human rights. They refer to the International Finance Corporation's Performance Standards on labour matters which include such issues as harmful or exploitative child labour or forced labour.

In addition to these due diligence procedures, Natixis has launched a project in 2017 to measure the social and environmental risks impacting its customers at the onboarding point of the banking relationship.

Signatory of the Principles for Responsible Investments, Ostrum Asset Management applies environmental, social and governance (ESG) criteria by excluding equities and corporate bonds that fail to comply with certain requirements. The analysis carried out by the research team of Mirova, a Natixis IM subsidiary dedicated to responsible investment, is based on three sources of information:

- Severe conflicts with the United Nations' Global Compact principles
- Cases investigated by the OECD's national contact points for non-compliance with the OECD's guidelines for multinational enterprises;
- Companies subject to public exclusion by institutional investors on the basis of the above mentioned principles.

This statement was approved by the Board of Directors on May, 23<sup>rd</sup>, 2017

Chief Executive Officer, François Riahi



Date: 06/21/18