

MODERN SLAVERY ACT STATEMENT

approved by Natixis Board of Directors on August 1st, 2019

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 2018. 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 a subsidiary of Groupe BPCE, the second-largest banking group in France through its two retail banking networks, Banque Populaire and Caisse d'Epargne. Natixis offers its clients asset & wealth management, financing, insurance and financial services solutions. Its clients include corporations, financial institutions, sovereign and supranational organizations, as well as the customers of Groupe BPCE's networks.

Natixis counts nearly 16,000 employees across 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 staff are required to complete mandatory training on the Code of Conduct and must each commit to complying with the rules. In 2018, 99% of members of staff from all departments and all regions received e-learning or face-to-face training.

All matters concerning the Natixis Code of Conduct and its application by all subsidiaries and direct branches are governed by the Global Conduct Committee set up in June 2018. It is chaired by the Chief Executive Officer and is formed of members of the Natixis Senior Management Committee. It is in charge of the oversight and regular monitoring of matters pertaining to the rules of conduct, including updates to the Code and deciding on complex cases. An escalation process is also in place to consult the Committee if required.

The Committee met three times in 2018 to discuss individual cases, approve ESR procedures, and supervise the rollout of the Code.

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 worked 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, delivered in 2018, is 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

Of the more than 100 purchasing categories in the banking sector, the mapping system identified 13 types of high ESR risk-type purchases. These are to be the subject of targeted duty of care measures:

Under the new consultation procedures conducted by BPCE Procurement in sensitive categories, suppliers are assessed on the basis of their ESR performance. This process was applied in 2018 (e.g. Servers category) and further consultation efforts are scheduled for 2019 (works, vehicles).



Duty of Vigilance in everyday operations

A large majority of Natixis' employees and establishments are located in France (73% and 75%, respectively).

Human rights issues are already strictly governed by a number of prevailing regulations in France, notably including labor law, the personal and property safety policy, and the Professional Risk Assessment Document. A whole host of internal agreements have also been signed in France (relating to union law, collective bargaining, gender equality, the professional integration and retention of employees with disabilities, and quality of life at work)

Natixis also has a large number of establishments outside France, however, and it needs to ensure that employees and service providers working outside France and Europe are not subject to major occupational health and safety risks.

Natixis has decided to focus on countries in which it has a headcount (excluding financial holdings) of more than 100 employees and on countries deemed to be at risk on the country risk map, based on three indicators:

- Gross national income per inhabitant in dollars: GNI/inhabitant (*source: World Bank*)
- Weekly working hours (*source: International Labor Organization*)
- The index of "violence and repression of workers" (*source: ITUC**)

Whistleblowing system

The whistleblowing system forms an integral part of Natixis' Code of Conduct and is based on a company-wide policy which sets the minimum standard to be applied throughout Natixis group. In July 2018, Natixis SA, published an updated version of its existing whistleblowing system, to reflect the latest regulatory changes. The whistleblowing system is available to any person holding an employment contract with Natixis, as well as to employees of external service providers or subcontractors

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.

Besides, whenever material human rights issues are detected by Risk, Compliance or ESR, during the internal client onboarding process or the credit process, those issues are raised for full account in the decision to enter into or pursue business relations with the client. In order to make this approach systematic, Natixis is currently working on an ESR screening tool aiming to refine the review of all its corporate clients from an environmental & social risk perspective, including human rights. Implementation is expected in 2020

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 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.



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