

# **MODERN SLAVERY ACT STATEMENT**

Approved by Natixis Board of Directors on May 28, 2021

## **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 2020. 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 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:

## **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.

A dedicated Committee, the Global Culture and Conduct Committee, is responsible for governance of conduct-related matters. It is chaired by the CEO and comprises members of the Natixis Senior Management Committee and governed by a charter that describes its duties and how it functions. The Global Culture and Conduct Committee is responsible for all matters concerning the Natixis Code of Conduct and its application by all subsidiaries and direct branches. It is in charge of overseeing and regularly monitoring matters pertaining to the rules of conduct, including updates to the Code and deciding on individual or operational cases. An escalation process is also in place to consult the Committee if required.

The Global Culture and Conduct Committee meets every quarter or on an ad hoc basis to discuss individual cases, approve ESR procedures and supervise their roll-out.



## **Whistleblowing system**

The whistleblowing procedure is an integral part of the Conduct system. It allows any member of staff who becomes aware of an inappropriate act or behavior (illegal activity, unethical behavior, violation of the Code of Conduct or the applicable policies and procedures) to inform the competent body within Natixis and receive the guarantees and protection set forth in regulations. The whistleblowing procedure is open to:

- all individuals with a current employment contract with Natixis, regardless of the type or duration of the contract;
- employees of external companies (suppliers or subcontractors) who work with Natixis either on a permanent or irregular basis.

The process put in place allows for timely monitoring of the alert, with in particular, depending on the applicable regulations:

- immediate acknowledgement of the report;
- notification within 15 business days of the date of acknowledgement of whether the information reported is eligible for further investigation;
- notification within three months of the date of acknowledgement of the steps taken to process the information reported or, if this process has been completed, the action taken (or not taken) based on the information.

The procedure provides protection to the whistleblowers (who may in no circumstances be subject to disciplinary action or legal proceedings in respect of the report, provided they have acted impartially and in good faith) and ensures the information is treated appropriately and in full confidence, in accordance with the applicable regulations.

The whistleblowing system is based on an overall policy which represents the minimum standard to be applied throughout Natixis. Each entity, subsidiary and branch office must adapt the overall policy to its activities and its own local regulations.

## **NATIXIS DUTY OF VIGILANCE PLAN**

The French law on the duty of vigilance requires Natixis to prepare, publish and implement a duty of vigilance action plan containing measures that can identify and prevent the risks of violating human rights and basic freedoms, harming the environment, and endangering occupational health and safety, that are associated with the activities conducted by Natixis as well as its subsidiaries, subcontractors and suppliers.

### **Duty of vigilance in Natixis purchasing**

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 duty of 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.

Regarding the enforcement of the duty of vigilance law, Natixis and BPCE Procurement took part in a concerted effort in the banking and insurance sector to map out ESR risks in purchasing activities. The map, which was delivered in June 2018, covers the ethic, environmental and human rights risks by country and by purchase category.

The human right risks include the following issues:

- Health and safety
- Working conditions
- Discrimination
- Forced labor and modern-day slavery
- Child labor

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

Under the new consultation procedures conducted by BPCE Procurement in sensitive categories, suppliers are assessed on the basis of their ESR performance:

- the ESR questionnaire based on the risk map is sent to the supplier;
- the supplier must detail their action plan to deal with the identified ESR risks;
- BPCE Procurement/Natixis ESR together assess this response;
- the ESR grade is built into the supplier's overall grade;
- the supplier action plan must be implemented where ESR grade is below average;
- monitoring of the supplier's action plan.

The process applied since 2018 has made it possible to assess a first series of suppliers in sensitive categories. At the end of 2020, 62% of the purchasing categories concerned by the system had been assessed (servers, ATMs, bank cards, relationship marketing, furniture, vehicles, etc.) and other categories are being assessed.

BPCE Procurement has provided training to familiarize the procurement and ESR functions with the system, in the form of morning procurement meetings, classroom-based lessons and specific duty of vigilance e-learning courses. 100% of BPCE Procurement buyers responsible for these procurement categories have received training.

For purchases made directly by Natixis, an equivalent process was implemented in 2020 as part of the new Know Your Supplier procedure (KYS). For all purchases of more than €50 thousand in one of the thirteen sensitive categories, this process is now followed for purchases made in France and will be gradually rolled out to international platforms.

### **Duty of vigilance in everyday operations**

Regarding the risks incurred by Natixis employees and service providers in terms of human rights, the decision was made to extend efforts in areas deemed most important in view of Natixis' businesses: working conditions, prevention of discrimination, and personal safety.

These issues are already strictly governed by a number of regulations in France (representing nearly 70% of Natixis employees) 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).

Internationally, the mapping prepared by the Human Resources Department was enhanced in 2020 with the collection of handbooks describing the rules applicable in the various Natixis sites. It is thus verified that the working conditions of Natixis employees comply with local regulations or improve them, particularly in terms of working hours and dismissal conditions.

With regard to salaries, beyond compliance with regulatory minima, each entity participates each year in a targeted salary survey on Financial Services in order to allow the various trades to adapt their remuneration policy and verify their competitiveness. In terms of social protection, the entities rely either on surveys conducted

on a multi-year basis, or on the expertise of the brokers who intervene in the management of these programs to ensure that they are in line with standards of the Financial Services industry. Overall, maternity leave is more favorable than local regulations.

On the basis of this initial assessment, the Human Resources Department is considering a group-wide employment framework for all Natixis employees regardless of the country, covering, for example, minimum paternity/maternity leave, the implementation of minimums or standards in social protection or access to an employee savings scheme.

### **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) the Equator Principles (since 2010), and the Principles for Responsible Banking (since 2020)

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, Natixis implemented **an environmental, social and governance (ESG) risk screening tool** for corporate clients : whenever material human rights issues are detected 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. This new system is in place in all regions and will gradually be applied to the portfolio of existing clients, taking into account the schedule for periodic renewals of financing authorizations.

To support the launch of the ESR Screening process, a far-reaching training and acculturation work was carried out throughout the year. This campaign brought together nearly 750 employees who were trained in ESG risks in the business sectors in which they operate. In total, Natixis employees attended 1,501 hours of training on ESG risks in 2020.

Natixis has also adopted **exclusion policies** for sectors and issuers that do not respect certain human rights and fundamental principles of corporate responsibility. DNCA, Ostrum AM, Mirova, Seeyond, Thematics AM, Ossiam and Natixis Assurances apply these commitments to their investments, in full compliance with their fiduciary duties towards their customers and within the strict compliance with the international financial sanctions regimes. The following sectors and issuers are excluded:

- controversial weapons;
- tobacco<sup>1</sup>;
- companies deemed the worst offenders (which do not observe the principles of the United Nations Global Compact or the OECD Guidelines for Multinational Enterprises)<sup>2</sup>.

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<sup>1</sup> Except at Seeyond, and only for certified funds at DNCA.

<sup>2</sup> Except at Thematics AM, and only for index funds at Seeyond.



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