

## DECLARATION ON MODERN SLAVERY AND HUMAN TRAFFICKING

This declaration is published in compliance with Section 54 of the UK Modern Slavery Act 2015, which was enacted to combat slavery and human trafficking.

It describes the measures that Crédit Agricole S.A. implemented in 2019 to prevent the risks of modern slavery and human trafficking in its business activities and relationships with its suppliers.

This declaration was approved by Crédit Agricole S.A.'s Board of Directors at its meeting of 13 May 2020.

### OUR GROUP, OUR BUSINESS ACTIVITIES AND OUR SUPPLY CHAIN

The Crédit Agricole group has banking and insurance activities in 47 countries, 51 million clients across the world, 10.5 million members and almost 900,000 individual shareholders. The Group has 142,000 employees in France and abroad. Our compliance with social and environmental commitments is an integral part of the investment and business transformation projects of our clients, which include multi-national groups, SMEs, farmers, tradespeople, NGOs, municipalities and consumers.

In the course of its business activities, the Crédit Agricole group purchases products and services from suppliers, who themselves may use subcontractors. In 2019, our purchases totalled €7.5 billion, most of which were for products and services in the following categories: real estate, IT, intellectual services, general goods and services, and communication.

### OUR COMMITMENTS

On the strength of its cooperative and mutualist identity and its longstanding commitments, in 2019 the Crédit Agricole Group defined its *raison d'être* as "Acting every day in the interest of our customers and society". It is on this basis, with the desire to anchor its usefulness to society in all its activities, business lines and processes, that the Group has developed its new strategic plan, "Ambitions 2022", that will guide its actions over the coming years by means of three flagship projects: the customer project, the human project and the societal project<sup>1</sup>.

This reflects our desire to root our strategy and our commitments in the fundamental principles we adhere to, which are:

- The United Nations' Universal Declaration of Human Rights, of 1948
- The 10 principles of the UN Global Compact, since 2003
- The Equator Principles, since 2003
- The Principles for Responsible Investment (PRI), since 2006
- The UN Guiding Principles on Business and Human Rights approved by the Human Rights Council, in 2011
- The United Nations Sustainable Development Goals, since 2015
- The OECD Guidelines for Multinational Enterprises
- The International Labour Organisation conventions and the performance standards of Société Financière Internationale (SFI)
- The Principles for Responsible Banking (PRB), since 2019
- The objectives of the Business for Inclusive Growth (B4IG) coalition coordinated by the OECD, since 2019.

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<sup>1</sup> <https://www.credit-agricole.com/le-groupe/projet-du-groupe-et-ambitions-2022/notre-vision>

## OUR POLICIES

These commitments are set forth in the following policies which formally specify the principles of professional, social and environmental ethics to be observed throughout our Group, including in respect of human rights:

- The **Crédit Agricole Group Ethics Charter**, which was first issued in May 2017, and which clearly states that the Group's operational and behavioural principles comply with international laws and regulations on the protection of human rights and on the prevention of forced labour, child labour and corruption.
- The **Code of Conduct**, which each Crédit Agricole S.A. group entity must prepare to implement the principles of the Group's Ethics Charter. The Crédit Agricole S.A. Code of Conduct was disseminated in September 2018, after being approved by the Board of Directors on 14 May 2018 and being presented to employee representative bodies in June 2018.
- The **Diversity Charter**, which since 2008 has underpinned the Crédit Agricole Group's efforts to promote diversity in the workplace and prevent all forms of discrimination.
- The **International Framework Agreement** on fundamental human rights and trade union rights signed between Crédit Agricole S.A. and UNI Global Union, the global union federation for the private services sector, in July 2019.
- The **Responsible Purchasing Policy** and the **Responsible Purchasing Charter**, which were revised in 2017 and extended to the entire Crédit Agricole Group in 2018, which require reciprocal commitments from the Crédit Agricole Group and its suppliers that are based on the fundamental principles of the UN Global Compact.
- **CSR sector financing policies**, which set forth the social and environmental criteria that apply to lending and investment activities and which include respect for human rights. For each sector covered, a reference framework is determined and analytical criteria are defined for evaluating transactions and for detecting projects and transactions in which the Group does not wish to be involved.

These documents are available on our website [www.credit-agricole.com](http://www.credit-agricole.com).

## MANAGEMENT OF MODERN SLAVERY AND HUMAN TRAFFICKING RISK

Our policies are accompanied by action plans and operating processes implemented within each entity, which contribute to the management of risks relating to modern slavery and human trafficking in our activities and our relations with suppliers. These risks are assessed on the basis of a differentiated approach depending on the parties and activities concerned.

For Crédit Agricole S.A., prevention of these risks is based on relations with Crédit Agricole S.A. employees and relations with suppliers and subcontractors of Crédit Agricole S.A.

For each of these scopes, the framework for managing these risks consists of policies and action plans that include identification, assessment and risk attenuation phases. The level of deployment of these action plans is assessed in order to ensure their effectiveness and contribute to the ongoing improvement of prevention of these risks.

### In relations with Crédit Agricole S.A. employees

As part of the enhanced social pact that forms part of the Group's Human Project, on 31 July 2019 Crédit Agricole S.A. signed an International Framework Agreement with the global union federation for the private services sector, UNI Global Union. This worldwide agreement covers human rights, basic labour rights and development of dialogue with employee representatives. It builds on the Crédit Agricole S.A.'s commitments by proposing the same social standards for all its employees, regardless

of where they work, and helping to improve working conditions. This agreement offers a frame of reference for Crédit Agricole S.A.'s 75,000 employees in the 47 countries in which it operates.

To guarantee respect of the human rights of all its employees, Crédit Agricole S.A. makes sure that all of its internal HR procedures are consistent with the commitments described in this declaration. Crédit Agricole S.A. ensures in particular that it offers a working environment that protects the health of its employees, plays an active role in the social protection of all its employees (particularly in terms of matters relating to health, retirement, death, incapacity and disability) and takes care to protect the safety of its employees. As a signatory of the Diversity Charter, Crédit Agricole S.A. has been committed for a number of years to an approach aiming to promote diversity and balance based on principles of non-discrimination.

Through its Group Human Resources Division and human resources representatives within each entity, the Group maintains dialogue with all those involved in labour relations. This dialogue is structured on a number of levels to take account of the Crédit Agricole Group's extensive presence in Europe. A total of 14 countries (accounting for over 90% of Crédit Agricole employees) are represented within the European Works Council, which meets yearly. In France, twice a year, employee representatives and senior management meet within the Group committee to discuss strategy and the Group's economic and social situation. Within Crédit Agricole S.A., two other bodies maintain dialogue with employee representatives: a Cooperation Committee, within which executive managers can put forward their projects and initiate debate with employee representatives, and meetings of trade union representatives organised monthly.

Lastly, the Group's Ethics Charter specifies the behaviour that is expected of all employees. Furthermore, Crédit Agricole S.A.'s Code of Conduct reminds employees that they must strictly observe the rules that govern professional ethics and respect for human rights and fundamental labour rights, both in their relationships with other employees and with all other parties. The implementation of these rules is based on a corpus of procedures in the area of compliance (*Corpus Fides*), which is regularly disseminated and updated. This includes processes for managing non-compliance risk and a specific procedure for reporting non-compliance.

### **In relations with Crédit Agricole S.A. suppliers and subcontractors**

To detect and prevent the risks of modern slavery and human trafficking within or in connection with its supply chain, the Group has implemented procedures to:

- Identify and assess the most risk-exposed sectors of its supply chain;
- Monitor these risky sectors in its supply chain;
- Prevent the risks of modern slavery practices within its processes.

Crédit Agricole's Responsible Purchasing Policy, which includes prevention of risks of practices relating to modern slavery and human trafficking, has been signed by the Chief Executive Officers of each Group entity, who are thus committed to complying with its principles within the scope of their responsibilities. This policy applies to employees who are involved in the purchasing process and to suppliers. The rules that apply to purchasing are also explained in a procedural memo that applies to all employees.

In addition, a "Purchase Responsibly" e-learning module, updated in 2019, has been made available to the Crédit Agricole S.A. group's purchasing staff, to inform them of the various risks involved and the company's procedures and policies. This e-learning programme can also be accessed by all Crédit Agricole S.A. employees so that all potentially concerned employees understand and are able to implement the Group's responsible purchasing policy.

Our suppliers' agreement to observe our values is formally expressed in the Responsible Purchasing Charter, which they must sign before responding to a request for proposals or signing a supplier contract. This charter sets forth the reciprocal commitments of the Group and its suppliers, which are based on the fundamental principles of the UN Global Compact. Furthermore, all Crédit Agricole S.A. supplier contract templates include a specific clause on "Respect for human rights, protection of the environment and the prevention of corruption", by which suppliers represent and warrant that they ensure compliance within their supply chains with all of their obligations in respect of the identification of risks and the prevention of serious breaches of human rights and fundamental liberties, or of serious harm to the

health or safety of people or to the environment which may result from their activities, in accordance with the laws and/or regulations in the areas of human, social and environmental rights. For the United Kingdom, this clause refers expressly to the Act of 26 March 2015 on the prevention of all forms of modern slavery and human trafficking.

The analysis of CSR purchasing risks is based on three complementary approaches, which include an assessment of the risk that is specific to each purchasing category, an analysis of the supplier risk, and an analysis of the geographic risk, which may negatively impact the overall rating. In 2017, the Group Purchasing Department worked with three leading banking groups and the French standards body AFNOR to remap the CSR risks that are intrinsic to each purchasing category.

In 2018, the Crédit Agricole S.A. group used the findings of this work to identify, analyse and prioritise the riskiest purchasing categories on the basis of environmental, social, human rights, ethical and supply chain criteria. In the initial phase of this mapping process, an analysis of the overall risk enables the identification of three purchasing categories that are considered to be 'high risk' or 'very high risk' and which were targeted as priorities for action plans to reduce purchasing risk. These are the "works", "IT equipment and servers" and "advertising material" purchasing categories, for which progress plans devised with our suppliers and specifiers were initiated in 2019.

For purchasing categories that require supplier approval by the Crédit Agricole S.A. group, the CSR supplier assessment form, which includes criteria relating to respect of human rights, is now systematically attached to all requests for proposals. This takes account of both the supplier's CSR policy and CSR criteria to assess the proposal. Since 2012, the assessment of suppliers' CSR policies has been entrusted to EcoVadis, an independent company. The CSR quality of the supplier's product or service is assessed by including technical and specific criteria in the specifications determined on the basis of risk mapping. Furthermore, the Group has decided to increase the percentage allocated to CSR criteria in the overall supplier score from 10% to 15% as of 1 January 2020 in order to make these criteria more decisive in awarding contracts to suppliers.

Lastly, since 2018 Crédit Agricole S.A. has provided funding to Human Resources Without Borders, an international NGO that promotes and defends human rights at work. Human Resources Without Borders provides its contributors with forced labour and child labour risk maps for each geographic region, which are an additional source of information we use to update our purchasing risk map.

## **WARNING PROCEDURE**

In order to enhance risk prevention, a centralised system for reporting alerts is open not only to Group employees but also to third parties to enable them to report any shortcomings with regard to Group ethics, policies or procedures. To make it easier to report alerts relating, among other areas, to human rights, health and safety or the environment, this can now be done via a digital warning reporting and processing tool that can be accessed via a link available on our website, <https://www.credit-agricole.com/le-groupe/ethique-et-conformite/lanceur-d-alerte>. The confidentiality of the identity of persons reporting alerts is ensured if an alert is made in accordance with regulations.

This alert processing tool was rolled out widely across Crédit Agricole S.A. in 2019 and will be fully rolled out in 2020. It is now available in 11 languages (French, English, German, Spanish, Italian, Dutch, Portuguese, Polish, Ukrainian, Romanian and Serbian). It will help to facilitate quantitative and qualitative analysis of alerts (number and type of alerts), which will contribute to assessing non-compliance risk and changing prevention measures in place.

In October 2019, an Alerts Management Committee was also set up, which intervenes as needed depending on the degree of sensitivity of an alert and meets at least once a year to look at the whistleblower system (statistical information, analysis of reasons for alerts and where they were made).

## **CONTINUOUS IMPROVEMENT**

Measures for preventing risks of breaches of human rights include both obligations arising from international rules and recommendations and those of national law. Therefore, all efforts to prevent these risks are developed in accordance with the measures of the "Sapin 2 Act" of 9 December 2016

on Transparency, the Prevention of Corruption and the Modernisation of the Economy, and the Vigilance Plan established within the framework of the French law of 27 March 2017 relating to the duty of care of parent companies and contracting companies.

Crédit Agricole S.A. factors the management of risks relating to modern slavery and human trafficking into its approach in terms of duty of care and non-financial risk management, which is reviewed regularly in order to ensure the effective implementation of its policies and their efficacy.

Management of these risks is part of a continuous improvement process, the main components of which are:

- Adapting non-financial risk identification and management tools by updating risk maps when necessary;
- Continuing with the deployment of targeted action plans to reduce the CSR risk of suppliers in the purchasing categories identified as 'high risk' and 'very high risk';
- Seeking to involve our suppliers in our efforts, by regularly informing them of our responsible purchasing commitments and strategy.

Montrouge, 13 May 2020

A handwritten signature in black ink, consisting of several fluid, overlapping strokes. The signature is positioned above the printed name and title.

Philippe BRASSAC  
Chief Executive Officer