BRED Banque Populaire Group Compliance Policy

03/2026

This BRED Banque Populaire Group Compliance Policy sets out the principles, requirements and organisational arrangements for the compliance function (hereinafter "Compliance") within the BRED Banque Populaire Group, in line with BPCE's non-compliance risk management framework and procedural guidelines.

It applies to BRED Banque Populaire and all its subsidiaries and branches, both in France and internationally, as well as to outsourced activities classified as Critical or Important Outsourced Services, in accordance with local regulations and the requirements of the BRED Banque Populaire Group and the BPCE Group.

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Recipients	BRED Banque Populaire & its subsidiaries	

1. Purpose, scope and framework

1.1. Regulatory framework

The BRED Banque Populaire Group's compliance framework is governed by the French and international regulations applicable to banking and financial institutions, in particular the French Monetary and Financial Code, the amended Order of 3 November 2014 on internal control for entities in the banking, payment services and investment services sectors, the amended Order of 6 January 2021 on the framework and internal control measures for combating money laundering and the financing of terrorism (AML/CFT), Act No. 2016-1691, known as 'Sapin II', on transparency, the fight against corruption and the modernisation of economic life; and the guidelines and directives of the European Central Bank (ECB) and the European Banking Authority (EBA).

1.2. Definitions

Within the meaning of the Order of 3 November 2014, non-compliance risk is "the risk of judicial, administrative or disciplinary sanctions, significant financial loss or reputational damage, arising from failure to comply with provisions specific to banking and financial activities, whether of a legislative or regulatory nature, whether national or directly applicable European provisions, or whether they relate to professional and ethical standards, or instructions from senior management issued, in particular, in accordance with the guidelines of the supervisory authority".

Reputational risk is the risk of damage to the trust placed in BRED Banque Populaire and its subsidiaries by its customers, counterparties, suppliers, employees, shareholders, supervisors or any other third party whose trust is a necessary condition for the normal conduct of business. It is essentially contingent on the other risks faced by the bank (credit, market, operational, non-compliance, etc.) and on any breach of BRED Banque Populaire's Code of Conduct and, more broadly, the ethical requirements of the BPCE Group.

1.3. Risk appetite and non-compliance policy

The management of non-compliance risk is carried out in accordance with the risk appetite; this is defined by the level of risk that the Group accepts, in a given context, to generate a consistent and resilient profit whilst offering the best service to its customers and safeguarding its solvency, liquidity and reputation.

BRED Banque Populaire's policy on measuring and managing non-compliance risks consists of regularly identifying and assessing the risks incurred, evaluating the effectiveness of existing control mechanisms and procedures, ensuring that the level of residual risk is consistent with the risk appetite, and proposing and implementing corrective action plans where necessary.

2. Role, mission and principles of the Compliance Department

Compliance is an integral part of BRED Banque Populaire's strategy and values. The BRED Banque Populaire Group conducts its business in accordance with the ethical values of integrity, loyalty and transparency towards its customers, the markets, service providers, third parties and the organisation itself.

As such, Compliance:

- Provides an opportunity to project a positive image of responsible organisations that have their customers' best interests at heart;

- Helps to maintain the trust of stakeholders (customers, staff, investors, regulators, suppliers and civil society) in the bank;
- Reflects the values of BRED Banque Populaire through a strong culture of compliance across all its regions, for all its customers and across all its business lines.

Its mission is to ensure that BRED Banque Populaire, its subsidiaries, its senior management and all Group staff comply with the regulations applicable to banking and financial activities, professional and ethical standards, internal policies, procedures and rules, the BPCE Group Code of Conduct and Ethics, and the BRED Banque Populaire Code of Conduct. Accordingly, the Compliance Department and the Chief Compliance Officer must be systematically and in advance informed of any assignment, visit or audit carried out by a regulator or supervisor relating, in whole or in part, to compliance matters.

Ongoing training and regular awareness-raising for staff regarding the rules applicable to the performance of their duties are essential to ensure that BRED Banque Populaire's customers are dealt with by competent staff who are able to offer them products tailored to their needs.

Therefore, the BRED Banque Populaire Group continuously promotes its compliance culture within the organisation through awareness-raising initiatives and compulsory training programmes, which are targeted and tailored to the responsibilities of each employee.

3. Organisation of the Compliance Department

BRED Banque Populaire has defined and implemented a system for preventing the risk of non-compliance, which is up-to-date, appropriate and proportionate to its activities, based on shared responsibility between:

- The Compliance Department, which defines, implements and oversees the compliance framework and monitors compliance with it, through a dedicated Level 2 compliance monitoring department;
- All operational departments, which incorporate compliance with laws and regulations, rules of professional conduct and BRED's internal policies, procedures and rules into their day-to-day activities and implement Level 1 controls.

3.1. Position and independence

In accordance with Article 29 of the amended order of 3 November 2014, the Compliance Department of BRED Banque Populaire is an autonomous department. It is independent of any operational unit and of any commercial, financial or accounting activity.

As such, the Compliance Department reports directly to the Executive Management. Its director is the Chief Compliance Officer and reports regularly to the bank's governance bodies on the effectiveness of the compliance framework and the main risks identified.

3.2. Organisation into departments

The Compliance function is organised into seven departments:

- Three centres of expertise bringing together specialists in Financial Crime Compliance, Client Protection and Market Integrity, and Business Ethics;

- A Business Compliance unit, responsible for covering the Retail Banking and Insurance (BPA) and Corporate and Investment Banking (CIB) business lines;

- A Delegated Compliance unit, responsible, as applicable, for supervising or acting as substitute for the compliance function of subsidiaries;
- A Steering and Transformation unit, responsible for cross-functional steering, tools, data and the transformation of the compliance framework;
- A unit dedicated to Compliance Controls, responsible for coordinating ongoing Level 2 compliance monitoring and contributing to the strengthening of the second line of defence.

4. Areas covered by the Compliance Policy

4.1. Financial Crime Compliance: AML/CFT and international sanctions

BRED Banque Populaire is fully committed to combating money laundering, terrorist financing and tax evasion, as well as to complying with all international sanctions and embargo regimes.

Its Financial Crime Compliance framework aims to prevent the bank, both in France and internationally, from being used directly or indirectly for illicit purposes, and to contribute to the stability and integrity of the financial system.

BRED Banque Populaire adheres to international AML/CFT standards, French and European laws and regulations, the guidelines of French and European regulators, and the policies of the BPCE Group. The AML/CFT framework is based on the following fundamental principles: - risk assessment; - customer identification and due diligence (KYC); - monitoring of transactions for the purposes of AML/CFT, compliance with embargoes and asset freezing measures, and adherence to rules on the transparency of fund transfers; - enhanced scrutiny and the reporting of suspicious transactions and activities to the Financial Intelligence Unit (TRACFIN in France) or to the relevant authorities; - the documentation, archiving and retention of records, as well as the secure sharing of information.

These procedures apply to all entities within the BRED Banque Populaire Group, both in France and abroad. They are supplemented and implemented using computerised tools (screening, filtering and monitoring of transactions) by staff trained in financial crime risks and subject to regular training and refresher courses to update their knowledge.

4.2. Customer protection and client's interests

In order to maintain and strengthen the trust of its customers and members, BRED Banque Populaire places the protection of their interests at the heart of its cooperative banking model. BRED Banque Populaire ensures that it has a precise understanding of each customer's personal and financial situation and needs, through a customer due diligence process carried out at the start of the customer relationship and updated throughout its duration.

On this basis, BRED Banque Populaire is committed to offering tailored products and services, and to providing clear, comprehensive and transparent information on their features, costs, advantages, disadvantages and associated risks, so that every customer can make fully informed decisions.

In accordance with applicable regulatory requirements, BRED Banque Populaire implements compliance and control mechanisms designed to ensure the proper marketing and controlled development of its products and services.

4.3. Integrity of markets and of the banking sector

BRED Banque Populaire places market integrity at the heart of its financial activities. The Compliance Department ensures that all the Group's operations are conducted in strict compliance with the applicable rules governing the handling of confidential and inside information, the prevention of insider dealing and market manipulation, pre- and post-trade transparency, regulatory filings, best execution and best selection, as well as the prevention and detection of market abuse.

As a producer and distributor of financial products and instruments, the BRED Banque Populaire Group also complies with the legal and regulatory requirements relating to the recording and appropriate retention of electronic and telephone communications, as well as with the organisational and conduct rules applicable to it.

To this end, the Compliance Department relies on measures such as raising staff awareness and dedicated tools (monitoring of market abuse, management of insider lists, information barriers, regular checks, etc.), in order to ensure, on an ongoing basis, the security, transparency and fairness of transactions carried out on the markets.

4.4. Business Ethics

In the context of professional ethics, BRED Banque Populaire ensures that every employee behaves in an exemplary manner whilst carrying out their duties: personal interests must never take precedence over professional responsibilities nor undermine the interests of clients, members or the Group. Rules of professional conduct, incorporated into BRED Banque Populaire's internal regulations and Code of Conduct, are designed to protect the Group and its staff against the risks of conflicts of interest, fraud, corruption and, more broadly, any breach of the expected standards of honesty, loyalty and professionalism.

BRED Banque Populaire implements a structured policy for managing conflicts of interest, comprising the identification of high-risk situations, the implementation of prevention and management procedures, and the maintenance of a register listing confirmed or potential cases likely to affect clients' interests.

In accordance with the Sapin II Act, the bank also has an anti-corruption framework based on the eight pillars of Sapin II, including raising awareness and training staff, the assessment of third parties, dedicated accounting procedures and controls, as well as the Anti-Corruption Principles annexed to the internal regulations and aligned with the BPCE Group's Code of Conduct and Ethics and the BRED Banque Populaire Code of Conduct.

BRED Banque Populaire's Code of Conduct is structured around three main pillars: prioritising the interests of customers and members (understanding their needs, fair treatment, and the prevention and management of conflicts of interest), the responsibility of the employer and employees (combating money laundering and terrorist financing, market abuse, fraud, corruption and influence peddling); and social responsibility (promoting a responsible and inclusive economy, protecting the environment and respecting human rights). These principles guide employees' day-to-day decisions and behaviour and help to foster a culture of sustainable integrity at BRED Banque Populaire.

4.5. Protection of BRED Banque Populaire Group: reputation, whistleblowing, internal fraud

Image and reputation risks lie at the heart of the compliance framework. As such, the Compliance Department is involved in the general monitoring of situations that could damage the reputation of the BRED Banque Populaire Group.

Whether through staff training (particularly on risks relating to AML/CFT, sanctions and anti-corruption), participation in the approval process for new products or activities, or through its contributions to the operational processes for establishing business relationships, BRED Banque Populaire is committed to forging and maintaining sustainable and healthy relationships with its partners, including both customers and suppliers. These relationships are assessed in terms of reputational risk; any significant risk must be addressed through preventive or mitigating measures or, where necessary, by terminating the relationship.

The right to raise concerns is a right granted to every employee (or any person working within the BRED Banque Populaire Group) as well as to third parties, to speak out when they believe that an instruction received, a proposed transaction or a specific situation does not comply with internal or external rules.

In order to meet regulatory obligations regarding risk management, the Compliance Department has established a joint framework to combat internal fraud, breaches of internal regulations and breaches of professional ethics.

4.6. Compliance Checks

The BRED Banque Populaire Group’s compliance framework is based on ongoing monitoring designed to ensure compliance with regulatory requirements, professional standards and internal rules applicable to the bank’s activities, as well as to protect customers and the Group.

The Compliance Department independently carries out second-level controls, using an approach based on mapping non-compliance risks and the priorities defined by the governance bodies.

The findings from these controls inform risk management activities, remedial action plans, and the reports submitted to the governance bodies.

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5. Governance and compliance management

5.1. Internal committees and reporting

The compliance framework is the subject of regular reporting to the governance bodies of BRED Banque Populaire, in accordance with procedures defined within the risk governance framework (frequency, key indicators, mapping of non-compliance risks, action plans, etc.).

In this context, the Compliance Department regularly presents a summary to the relevant governance bodies covering:

- the main findings arising from ongoing compliance monitoring;
- trends in identified non-compliance risks;
- the progress of remedial action plans;
- significant non-compliance incidents and the measures taken to address them.

These reports help to provide senior management and the supervisory bodies with a consolidated view of the level of control over non-compliance risks, and to guide, where necessary, the strengthening of the compliance framework.

5.2. Relations with the BPCE Group and authorities

The Compliance Department works closely with the BPCE Group Compliance Department, as part of the line-organisation structure and the harmonisation of compliance standards within the Group.

BRED Banque Populaire's compliance with its compliance obligations is monitored by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) and the Autorité des Marchés Financiers (AMF), the French supervisory authorities for the banking and financial sectors. BRED Banque Populaire also cooperates with other relevant national or foreign authorities, depending on the scope of its activities.

5.3. Right of Veto and escalation

The Compliance Department is a sovereign function, which means it has a right of veto; this is exercised by the Chief Compliance Officer and may only be overridden by the bank's Chief Executive Officer, in accordance with internal procedures governing decision-making and the traceability of decisions.

Decisions relating to the establishment, continuation or termination of business relationships presenting a high level of AML/CFT risk are taken by the Chief Executive Officer or by any person to whom he has duly delegated this power under a formal written delegation of authority.

Furthermore, any major event likely to significantly affect the BRED Banque Populaire Group's compliance framework (serious control failure, structural shortage of resources, major non-compliance incident, etc.) must be brought to the attention of Senior Management without delay and, where appropriate, of BPCE Group Compliance in accordance with the alert and escalation procedures defined at Group level, in order to ensure a rapid and coordinated response.

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5.4. Policy Updates

This BRED Banque Populaire Group Compliance Policy is drawn up by the Compliance Department. It is approved by the relevant governance bodies of BRED Banque Populaire and is reviewed annually, as well as systematically in the event of significant regulatory or organisational changes, or major findings by the supervisory authorities or internal audit.

All employees of the BRED Banque Populaire Group must be familiar with the general principles of this policy and comply with the procedures and rules derived from it. Its implementation is monitored as part of the bank's internal control framework.

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