

POLICY FOR TAKING INTO ACCOUNT SUSTAINABILITY RISKS AND PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS WITHIN INVESTMENT ADVICE

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SUSTAINABILITY RISKS WITHIN INVESTMENT ADVICE

Article 3(2) of Regulation (EU) 2019/2088/EU, the “Sustainable Financial Disclosure Regulation” (SFDR), requires financial advisers to publish on their websites information about their policies on the integration of sustainability risks in their investment advice. A sustainability risk, as defined by SFDR, is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

At a global level, Crédit Agricole CIB’s [CSR Policy](#), updated in December 2021, describes its social, societal and environmental approach, which is fully part of the Crédit Agricole S.A. Group’s “2022 Ambitions” project, as well as the evaluation and management system for environmental and social risks.

Regarding SFDR financial products¹, Crédit Agricole CIB is extending its investment advisory activities to funds. Their sustainability risks are detailed by manufacturers in product-level documentation, which is communicated by Crédit Agricole CIB to its clients.

Integration of sustainability risks into the remuneration policy

This sub-section contributes to meeting the regulatory requirements set out in Article 5 of SFDR.

In line with Crédit Agricole S.A. SFDR disclosures², Crédit Agricole CIB’s remuneration policy does not promote excessive sustainability risk-taking within its investment advisory activities and is linked to risk-adjusted performance.

Thus, in accordance with the conflict of interest management policy, Crédit Agricole CIB’s remuneration policy does not favor any advice on financial products that would be detrimental to the protection and primacy of the interests of clients.

¹ SFDR Art. 2(12) defines a « financial product » as (a) a portfolio managed in accordance with portfolio management defined in point (8) of Art. 4(1) of Directive 2014/65/EU; (b) an alternative investment fund (AIF); (c) an insurance-based investment product (IBIP); (d) a pension product; (e) a pension scheme; (f) a Undertaking for Collective Investment in Transferable Securities (UCITS); or (g) a PEPP Pan-European Personal Pension Product (PEPP).

² [Crédit Agricole SA - Politique relative à l'intégration des risques en matière de durabilité dans l'activité de conseil en investissement et en assurance.](#)

ADVERSE IMPACTS ON SUSTAINABILITY FACTORS WITHIN INVESTMENT ADVICE

Article 4(5) of SFDR requires financial advisers to publish disclosures on their website on the integration into their investment advisory of principal adverse impacts (PAI) on sustainability factors.

Adverse impacts refer to the negative effects investment advice on environmental, climate, social and governance factors.

The Crédit Agricole Group plans to integrate PAIs into business activities of the market participants of its main subsidiaries working in the investment sector. However, it does not intend at this stage to integrate PAIs into its investment advisory policy, owing to the lack of a sufficiently broad panel of comparable data and sufficiently precise and stabilised regulatory texts, a situation that currently prevents the integration of adverse impacts within the meaning of the SFDR.

As a financial adviser of SFDR products, Crédit Agricole CIB, in line with Crédit Agricole Group policy, does not intend to systematically integrate PAIs into investment advisory at this point, as manufacturers of SFDR products distributed do not yet provide PAIs indicators.

However, as stated above, Crédit Agricole CIB aims to fully adhere to the Crédit Agricole Group's "2022 Ambitions" project and grant full importance to the increasing integration of sustainability criteria into products provided to its clients.

In the long term, Crédit Agricole CIB will consider adjusting its investment advice processes to gradually integrate PAI indicators as SFDR product manufacturers will make the latter available in a more comprehensive and uniform manner.

