

# POLICY FOR TAKING INTO ACCOUNT SUSTAINABILITY RISKS AND STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT ADVICE ON SUSTAINABILITY FACTORS

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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 stage, 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 “2025 Ambitions” project, as well as the assessment and management system for environmental and social risks.

Regarding financial products under the scope of SFDR<sup>1</sup>, Crédit Agricole CIB has extended 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 disclosures<sup>2</sup>, 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.

Therefore, in accordance with the conflict of interests 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.

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<sup>1</sup> 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).

<sup>2</sup> [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 (hereafter the “**PAIs**”) on sustainability factors.

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

The Crédit Agricole Group integrates PAIs within the meaning of the SFDR into business activities of the market participants of its main subsidiaries working in the investment sector and also into its investment advisory policy for funds.

As a financial adviser of SFDR products, Crédit Agricole CIB, in line with Crédit Agricole Group policy, **systematically integrates information concerning PAIs indicators provided by manufacturers of SFDR products or financial market participants into its investment advisory for funds and communicates this information to its clients on a pre-contractual basis.**

However, Crédit Agricole CIB does not intend at this stage to rank, select and advise funds according to PAIs indicators or any criteria / threshold.

