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

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CRÉDIT AGRICOLE
CORPORATE & INVESTMENT BANK

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 October 2023, 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.

With regard to its investment advisory activity related to financial instruments covered by Directive 2014/65/EU referring to financial instruments markets ("MiFID"), Crédit Agricole CIB integrates sustainability risks at both the design and distribution levels:

- Conception: by generalising the consideration of the ESG approach in all investment processes in addition to traditional financial analysis, or by a policy of voting and shareholder engagement integrating ESG aspects and by providing financial advisors and clients with information on the ESG nature of the products.

- Distribution: through the processes, tools and skills specific to the financial advisory, which especially involves developing the ESG expertise of financial advisers so that they can assess clients' preferences in terms of sustainability, recommend suitable products, but also help clients in their understanding of ESG-related risks and opportunities in the construction of their portfolio.

INTEGRATION OF SUSTAINABILITY RISKS INTO THE REMUNERATION POLICY

Article 5 of SFDR. requires financial advisers to include in their remuneration policies information on how these policies are consistent with the integration of sustainability risks and to publish this information on their website.

CACIB's remuneration policy incorporates sustainability risks by:

- Not encouraging excessive sustainability risk-taking in investment advisory activities,

- Promoting compliance with conduct of business rules and a long-term approach to risk management, including climate and environmental risks, in line with Crédit Agricole CIB's risk appetite and strategy,

- Linked to risk-adjusted performance: all staff have performance objectives associated with compliance with the bank's risk and compliance policies.

ADVERSE IMPACTS ON SUSTAINABILITY FACTORS WITHIN INVESTMENT ADVICE

Article 4(5) of SFDR requires financial advisers to publish on their website information on how the main negative impacts of investment decisions on sustainability factors are taken into account in their investment advice.

The main negative impacts refer to the negative effects, significant or likely to be significant, on the sustainability factors that are caused, aggravated by or directly related to the advice provided.

Crédit Agricole CIB implemented the Commission Delegated Regulation (EU) 2021/1253 of April 21st, 2021, on the integration of sustainability factors and sustainability risks and preferences. In this way, Crédit Agricole CIB responds to its clients' sustainability preferences, including taking into account the main negative impacts on sustainability factors through a financial instrument.

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