



# Fearnley Securities

## Sustainable Finance Disclosure Compliance Statement

Last updated: 10.04.2024

## **Sustainable Finance Disclosure Regulation Compliance Statement**

### *Background*

The EU Sustainable Finance Disclosure Regulation (“**SFDR**”) Regulation (EU) 2019/2088, requires financial market participants and financial advisers to disclose information on their website about policies related to integration of sustainability risks into their investment decision-making and investment advice, including whether and how adverse impacts of investment advice are assessed and how remuneration policies are compatible with the integration of sustainability risks in investment decision-making and investment advices processes.

This disclosure applies to Fearnley Securities AS and affiliates (jointly referred to as “**Fearnley Securities**”) as financial advisers to clients clarified for investment advice in their investment decisions. The information is provided for the purpose of compliance with the SFDR and shall not form the basis of any contract and shall not be binding against or create any obligations or commitment on the part of Fearnley Securities.

### *Transparency of sustainability risk policies*

Financial advisers shall publish on their websites information about their policies on the integration of sustainability risks in their investment advice according to the SFDR article 3. Pursuant to article 2 (22) of the SFDR, “sustainability risk” means as an environmental, social or governance event or condition that, if it occurs, could cause an actual or potential material negative impact on the value of the investment.

The sustainability risk can either represent a separate risk category or have a reinforcing effect on other risk categories, such as market risk, liquidity risk, credit risk or operational risk.

Sustainability is an integrated part of Fearnley Securities’ business strategy. Fearnley Securities’ Sustainability Policy establishes standards and principles to ensure that Fearnley Securities operates in a sustainable manner and meets fundamental human rights, labour, environmental and anti-corruption responsibilities as set out in the UN Global Compact.

The Sustainability Policy is intended to support the employees in their decisions and daily work, as well as clarifying how sustainability work is integrated with the activities, management and control. The Sustainability Policy is supplemented by Fearnley Securities’ Code of Conduct, Ethical Principles, Anti-corruption Policy, and other relevant policies and standards.

Fearnley Securities is considering sustainability risks when providing investment advice. Note that the company only provide investment advice in relation to individual stocks, bonds and derivatives. None of these are “financial products” as defined within SFDR. The delegated Commission Regulation 2021/1253, which amends MiFID II and integrates sustainability factors, risks, and preferences into the organizational and operational requirements for investments firms, includes integration of sustainability risks when providing investment advice. Fearnley Securities is currently mapping customers’ sustainability preferences and consider these preferences when providing investment advice. Research analysts provides ESG data in all research reports which serves as a basis for investment advice related to individual stocks and bonds.

#### *No consideration of adverse impacts of investment advice on sustainability factors*

Fearnley Securities recognizes the importance of integrating sustainability risks in its investment advice. Pursuant to Article 4 (5) of the SFDR, Fearnley Securities has chosen not to consider principal adverse impacts in its investment advice on sustainability factors in the manner contemplated by Article 4 of the SFDR. The reason for omitting principal adverse impacts is due to the nature of Fearnley Securities' product offering of investment advising only towards equity, bonds and derivatives. The company does not offer any "financial products" as defined within SFDR art. 2 nr.12. Fearnley Securities will await further developments in the regulatory framework and the availability of information before deciding whether to consider any adverse impacts of investment decisions on sustainability factors in the investment advice process.

#### *Transparency of remuneration policies in relation to the integration of sustainability risks*

According to Article 5 of the SFDR, financial advisers shall include in their remuneration policies information on how those policies are consistent with the integration of sustainability risks.

The company wants to offer its employees a remuneration scheme that is competitive and that contributes to long-term value creation in the firm. Employees receive a fixed remuneration and may in addition receive a discretionary remuneration. The remuneration scheme shall contribute to promoting and providing incentives for sound risk management procedures and to discourage risk-taking in breach of current legislation. The purpose of the scheme is to help attract, develop, and retain competent, motivated, and adaptable employees who contribute to long-term and risk-adjusted value creation including focus on sustainability.

The remuneration scheme shall contribute to promoting the firm's sustainability goals in relation to social- and environmental conditions, as well as business ethics, including integrity and good judgement.

#### *Update log:*

Applicable from:	05.01.2023
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