SFDR Website Disclosures

The European Union has introduced a series of legal measures (the primary one being the Sustainable Finance Disclosures Regulation (Regulation (EU) 2019/2088), "SFDR") requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment advice which they provide in respect to the products they offer.

This Information Statement has been prepared for the purpose of meeting the disclosure requirements in Article 3, 4, and 5 of SFDR, that is, specifically, the disclosure requirements applicable to us as a firm with regards to whether and how we integrate sustainability risks, consider principal adverse impacts of investment decisions on sustainability factors and how we integrate sustainability risk into our remuneration policies.

1. Integration of Sustainability Risks – How Corpay approaches the integration of sustainability risks when we give you advice about products

When we say ‘sustainability risk’ here we mean an environmental, social or governance (ESG) event or condition that could cause an actual or a potential negative impact on the value of a product we recommend to you.

We give advice on over-the-counter foreign exchange derivative products. Our products are used for the purposes of currency risk management and not to invest on the market with the intention to make a profit. Clients use our products if they have an exposure to foreign exchange risk and desire to hedge against this underlying commercial foreign exchange exposure.

When we give you advice, we use a range of information to help you make an informed decision, this includes:

- how long you want to invest/hedge your money for;
- the level of your exposure to foreign exchange risk;
- your attitude to investment risk – i.e. the potential for losses and gains and the volatility of investments; and,
- explaining to you how the products we may recommend are used and their features.
Corpay does not currently take specific account of sustainability risks in its advice process because the products which we offer are designed, and used, predominantly for hedging purposes.

How we include sustainability factors in our advice process may develop over time, but this will be largely driven by the products we offer and how these products factor in sustainability risks.

2. Transparency of Adverse Sustainability Impacts at entity level – How we consider principal adverse impacts on sustainability factors in the advice process
Sustainability factors are defined as environmental, social and employee matters, which include respect for human rights, anti-corruption and anti-bribery matters. Financial Advisers, such as Corpay, have an option to consider the principal adverse impacts of investment decisions on sustainability factors in its advice processes. Currently Corpay has decided not to consider such impacts separately from our overall risk framework. This decision has been made on the basis that our products are not used for purely investment purposes but are instead used predominantly to hedge against an exposure to foreign exchange risk.

3. Sustainability Risks & Remuneration Policies – How we integrate sustainability risk into our remuneration policies
For the vast majority of employees, Corpay currently operates a fixed remuneration policy without variable remuneration. It is intended that the introduction of any Group wide future variable remuneration policy in Corpay will incorporate policies and practices to stimulate behaviour consistent with Corpay’s Sustainability Strategy and commitments. For those limited numbers of employees who currently participate in business specific commission schemes, sustainability risk is considered as part of the determination of final award outcomes.

4. Pre-Contractual Disclosures
The over-the-counter foreign exchange derivative products which Corpay offers, and the advice which we provide in relation to these products, is designed to provide our clients with a solution for hedging currency exposures. Corpay’s products and advice are not designed to facilitate investing on the market with a view to generating a profit. For this reason, we do not integrate considerations of sustainability risk into the advice which we provide. Because of this, we do not include disclosures in relation to the integration of sustainability risks in our pre-contractual disclosures.