



## Centrally Managed Strategies – Sustainability-Related Disclosures

*These disclosures are relevant where your discretionary account holds one or more of the centrally managed strategies listed below that are managed by our Portfolio Management Group (“PMG”) or Goldman Sachs Asset Management.*

### GS Fundamental Equity Strategies

1. GS: US Equity ESG

### GS Equity Strategies

1. GS: Europe Equity Partners
2. GS Global Equity Partners ESG (GEP ESG)

### GS Fixed Income Strategies

1. GS: Corporate Fixed Income (ESG)
2. GS: Corporate High Yield Portfolio (ESG)
3. GS: Green and Social Bonds

*Summaries of the above centrally managed strategies are available in additional European languages available [here](#)*



## GS Fundamental Equity Strategies

### 1. GS: US Equity ESG

#### Summary

This strategy, managed by Goldman Sachs Asset Management, promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments. Goldman Sachs Asset Management implements an approach to Environmental, Social and Governance (ESG) considerations into its fundamental investment process which consists of exclusionary screens as set forth below (the "ESG Criteria"). Once Goldman Sachs Asset Management determines that a company meets the ESG Criteria as described above, Goldman Sachs Asset Management conducts a supplemental analysis of individual companies' corporate governance factors and a range of environmental and social factors that may vary across asset classes, sectors and strategies. The strategy leverages Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. The Global Stewardship Team will seek to implement a proprietary approach to identify, review, evaluate and monitor companies who are flagged by external data providers on various criteria to establish a proprietary list of global norms violators. This strategy considers principal adverse impacts on sustainability factors (PAIs) across the environmental and/or social pillars.

At least 90% of investments will be aligned to the environmental and/or social characteristics promoted by this strategy, namely the application of the ESG Criteria. The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis. Goldman Sachs Asset Management uses proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics of the strategy contained within the investment guidelines in line with the Goldman Sachs Asset Management Investment Guidelines Policy. The ESG Criteria for this strategy consists of exclusionary screens. Goldman Sachs Asset Management leverages external data sources to supplement internal research on the environmental and/or social characteristics of the products. While ESG data availability and quality continues to improve, Goldman Sachs Asset Management does not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Therefore, Goldman Sachs Asset Management leverages multiple third-party vendors to meet the diverse set of needs and use cases. In addition to financial due diligence, Goldman Sachs Asset Management also assesses the impact of ESG related risks and opportunities as part of the investment process, where relevant. Assessing and promoting effective stewardship among the companies and issuers represented in the portfolios we manage on behalf of the investing clients is a key part of the investment process.

An index has not been designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

A statement has been issued to confirm that the environmental or social characteristics promoted, as set out in the Article 8 disclosure, have been met over the reporting period.

### **No Sustainable Investment Objective**

This strategy promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments.

### **Environmental or Social Characteristics of the Financial Product**

The strategy promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments. Goldman Sachs Asset Management implements an approach to Environmental, Social and Governance (ESG) considerations into its fundamental investment process which consists of exclusionary screens as set forth below (the "ESG Criteria").

As part of the ESG investment process, Goldman Sachs Asset Management will avoid investing in companies that are, in the opinion of the Goldman Sachs Asset Management, directly engaged in, and/or deriving significant revenues from the following activities, which, as at the date of the Prospectus, include but are not limited to:

- controversial weapons (including nuclear weapons);
- extraction and/or production of certain fossil fuels (including thermal coal, oil sands, arctic oil and gas);
- tobacco;
- alcohol;
- adult entertainment;
- other weapons (civilian weapons);
- gambling.

The strategy will also seek to exclude from its investment universe companies Goldman Sachs Asset Management believes to be violating the United Nations Global Compacts ten principles (which are widely recognised corporate sustainability principles that meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption). Please refer to the summary of the good governance policy below for further detail.

Adherence to these ESG Criteria will be based on thresholds pre-determined by Goldman Sachs Asset Management in its sole discretion and will be applied to proprietary data and/or data provided by one or more third-party vendor(s). Goldman Sachs Asset Management will rely on third-party data that it believes to be reliable, but it does not guarantee the accuracy of such third-party data. Goldman Sachs Asset Management, in its sole discretion, retains the right to disapply data provided by third-party vendors where it deems the data to be inaccurate or inappropriate. In some cases, data on specific companies may not be available or may be estimated by Goldman Sachs Asset Management using internal processes or reasonable estimates. Potential omissions from the ESG Criteria may include but are not limited to newly listed companies to which a third-party vendor may not yet have data mapped. In the course of gathering data, vendors may make certain value judgements. Goldman Sachs Asset Management does not verify those judgements, nor quantify their impact upon its analysis. Goldman Sachs Asset Management in its sole discretion may periodically update its screening process, amend the type of activities that are excluded for investment or revise the thresholds applicable to any such activities.

### **Investment Strategy**

Goldman Sachs Asset Management implement the ESG Criteria on a binding basis into its investment process, as described above.



Once Goldman Sachs Asset Management determines that a company meets the strategy's ESG Criteria as described above, Goldman Sachs Asset Management conducts a supplemental analysis of individual companies' corporate governance factors and a range of environmental and social factors that may vary across asset classes, sectors and strategies. This supplemental analysis will be conducted alongside traditional fundamental, bottom-up financial analysis of individual companies, using traditional fundamental metrics. Goldman Sachs Asset Management may engage in active dialogues with company management teams to further inform investment decision-making and to foster best corporate governance practices using its fundamental and ESG analysis. The strategy may invest in a company prior to completion of the supplemental analysis or without engaging with company management. Instances in which the supplemental analysis may not be completed prior to investment include but are not limited to IPOs, in-kind transfers, corporate actions, and/or certain short-term holdings. Goldman Sachs Asset Management employs a dynamic fundamental investment process that considers a wide range of factors, and no one factor or consideration is determinative. The identification of a risk related to an ESG factor will not necessarily exclude a particular security and/or sector that, in the Goldman Sachs Asset Management's view, is otherwise suitable for investment. The relevance of specific traditional fundamental factors and ESG factors to the fundamental investment process varies across asset classes, sectors and strategies. For further information, please see the 'Methodologies' and 'Data sources and processing' sections below.

Additionally, this strategy leverages the Goldman Sachs Asset Management Global Stewardship Team's engagement initiatives. Goldman Sachs Asset Management's Global Stewardship Team focuses on proactive, outcomes-based engagement, in an attempt to promote best practices. Engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues and evolving views about key environmental, social, and governance topics. To guide engagement efforts, the Goldman Sachs Asset Management Global Stewardship Team creates an annual Focus List, which reflects the Goldman Sachs Asset Management Global Stewardship Team's thematic priorities and guides voting and engagement efforts.

The strategy leverages Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. This proprietary approach seeks to identify, review, evaluate and monitor companies that are flagged by external data providers as being in violation of, or otherwise not aligned with, the United Nation Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as well companies that have received high controversy scores (including significant governance controversies, severe labour rights controversies and severe tax compliance controversies). Following review of these external data inputs, companies that Goldman Sachs Asset Management believes to have an ongoing and serious violation and/or are considered to not be following good governance practices with insufficient remediation will be excluded from the strategy. This list of companies will be reviewed on a semi-annual basis.

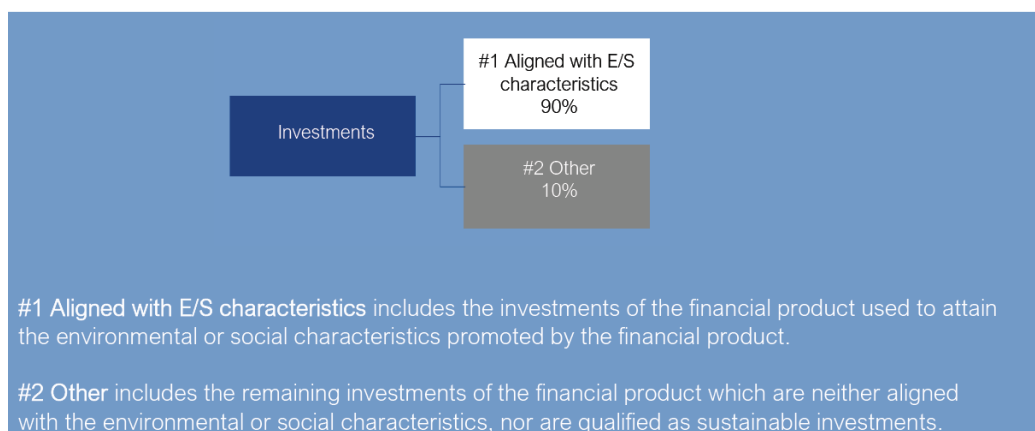
This strategy considers principal adverse impacts on sustainability factors (PAIs) across the environmental and/or social pillars. Certain PAIs are taken into account qualitatively through the application of the binding ESG Criteria outlined above. On a non-binding and materiality basis, PAIs are also considered through firm-wide and investment team specific engagement. The PAIs considered by this strategy include:



PAI Category	PAI
Mandatory PAIs	<ul style="list-style-type: none"> <li>• GHG emissions</li> <li>• Carbon footprint</li> <li>• GHG intensity of investee companies</li> <li>• Exposure to companies active in the fossil fuel sector</li> <li>• Activities negatively affecting biodiversity sensitive areas</li> <li>• Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</li> <li>• Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</li> <li>• Unadjusted gender pay gap</li> <li>• Board gender diversity</li> <li>• Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)</li> </ul>
Non-Mandatory Climate PAIs	<ul style="list-style-type: none"> <li>• Investing in companies without carbon emission reduction initiatives</li> <li>• Land degradation, desertification, soil sealing</li> <li>• Investments in companies without sustainable land/agriculture practices</li> <li>• Non-recycled waste ratio</li> <li>• Natural species and protected areas</li> <li>• Deforestation</li> </ul>
Non-Mandatory Social PAIs	<ul style="list-style-type: none"> <li>• Investments in companies without workplace accident prevention policies</li> <li>• Rate of accidents</li> <li>• Number of days lost to injuries, accidents, fatalities or illness</li> <li>• Incidents of discrimination</li> <li>• Excessive CEO pay</li> </ul>

### Proportion of Investments

At least 90% of investments will be aligned to the environmental and/or social characteristics promoted by this strategy, as noted above. Up to 10% could be held in cash, cash equivalents and derivatives (including but not limited to index futures).



Investments included under “#2 Other” include cash and cash equivalents for liquidity purposes and derivatives (including but not limited to index futures) for efficient portfolio management. These may be used to achieve the investment objective of the strategy but may not promote the environmental or social characteristics of the strategy and will not qualify as sustainable investments. The percentage shown is expected to be the maximum which may be held in these instruments but the actual percentage may vary from time to time.

These financial instruments are not subject to any minimum environmental or social safeguards.

### Monitoring of Environmental or Social Characteristics

The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis.

Goldman Sachs Asset Management uses proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics and minimum sustainable investment commitments of the strategy contained within the investment guidelines. Utilising proprietary firm or third-party systems, monitoring of binding environmental and social characteristics and minimum sustainable investment commitments of the strategy includes pre-trade compliance and post-trade guideline reviews, performing evaluations against investment guidelines on a positional and transactional level, and providing Portfolio Managers with the necessary tools to adhere to the investment guidelines.

Breaches or errors regarding investment guidelines (including breaches or errors regarding the binding environmental or social characteristics of the strategy) are required to be handled in accordance with relevant Goldman Sachs Asset Management policies.

### Methodologies

The following indicators are used to measure the attainment of the environmental and/or social characteristics promoted by the strategy:

- % of companies in the strategy deriving significant revenues from:
  - controversial weapons (including nuclear weapons);
  - tobacco;
  - alcohol;
  - extraction and/or production of certain fossil fuels (including thermal coal, oil sands, Arctic oil and gas);
  - gambling;
  - adult entertainment;

- for-profit prison, and;
- civilian firearms.
- % of companies in the strategy Goldman Sachs Asset Management believes to be violating the United Nations Global Compact ten principles

### **Data Sources and Processing**

Goldman Sachs Asset Management uses a variety of data sources such as Bloomberg, MSCI, ISS and Corporate Knights, alongside proprietary investment tools to measure and monitor the attainment of the environmental or social characteristics of the strategy. Goldman Sachs Asset Management has additionally developed proprietary tools that may be used as part of Goldman Sachs Asset Management's fundamental analysis of individual companies' corporate governance factors, and for assessing a range of environmental and social factors that may vary across asset classes, sectors and strategies. This overlay of proprietary research, information collected via engagement and forecasts around how companies may evolve going forward are measures taken to validate and improve the data quality for the purposes of measuring and monitoring the environmental or social characteristics of the underlying assets of the strategy. Goldman Sachs Asset Management also makes use of screening criteria or sectoral exclusions in the management of the strategy based on third-party data sources (such as those noted above) and to the extent relevant, leverages third-party data sources and proprietary research.

Goldman Sachs Asset Management may ensure data quality by liaising closely with the different data providers and by conducting due diligence on the external data providers in order to confirm that their methodologies are reliable.

Due to gaps in data coverage, if circumstances dictate, a small proportion (0-10%) of the data which is used to assess alignment with the environmental / social characteristics may be estimated data. Goldman Sachs Asset Management will keep this data under review and replace the estimated data with third-party data sources or data obtained by other means (e.g., directly from investee companies) when available.

### **Limitations to Methodologies and Data**

While ESG data availability and quality continues to improve, Goldman Sachs Asset Management does not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Multiple third-party vendors are therefore leveraged to meet the diverse set of needs and use cases. The Fundamental Equities Team prefer to use more granular, performance-based data, where available, while also selectively leveraging both broad based and qualitative ESG reports written by external analysts.

The Fundamental Equities Team may estimate or seek alternative data sources for missing ESG data where such approaches can provide useful and appropriate assessments. This could arise in situations such as a lag-in company reporting (e.g., annual carbon emissions data) being reflected in third-party ESG data providers, or a lack of sufficient coverage due to region (e.g., emerging markets) and market cap (e.g., small cap). As a fundamental manager, Goldman Sachs Asset Management may have greater access to information about portfolio companies than external sources, for example through its own direct engagement efforts with management teams and various stakeholders. Goldman Sachs Asset Management does not rely exclusively on external data providers and leverages external ESG data to enhance our bottom-up analysis and research processes, implement exclusions and inform internal analysis of the environmental and social characteristics.

Despite these limitations, which impact all consumers of ESG data and are not specific to Goldman Sachs Asset Management, Goldman Sachs Asset Management takes reasonable steps to mitigate the risk of these limitations hindering the strategy's ability to meet its environmental and social



characteristics – these include (as appropriate), assessing vendor data quality and methodologies, comparing ESG data points between vendors or against its own internal analyses and using appropriate estimations to manage data gaps.

### **Due Diligence**

Goldman Sachs Asset Management's due-diligence process seeks to identify companies which have the most compelling combination of a sound business and which are trading at a substantial discount to their intrinsic value (focusing on cash flow-based metrics for example). Given the belief that ESG factors can affect the performance and risk profile of investments, Goldman Sachs Asset Management seeks to understand the impact of ESG related risks and opportunities. ESG evaluation is a core component of Goldman Sachs Asset Management's fundamental analysis and ESG practices are assessed as part of the investment process where they are deemed relevant to the risk-return profile of a company's business model. Such analysis can reinforce conviction around the quality and robustness of a company's business model and help to identify potential risks to the sustainability of a company's profits. One of the key parts of the investment process and ongoing ESG risk management is the assessment and promotion of effective stewardship among the companies and issuers represented in the portfolios.

### **Engagement Policies**

Goldman Sachs Asset Management leverages the Goldman Sachs Asset Management Global Stewardship Team's engagement initiatives in respect of the strategy. The Goldman Sachs Asset Management Global Stewardship Team focuses on proactive, outcomes-based engagement, in an attempt to promote best practices. Engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues and evolving views about key environmental, social, and governance topics. To guide engagement efforts, the Goldman Sachs Asset Management Global Stewardship Team creates an annual Focus List, which reflects the Goldman Sachs Asset Management Global Stewardship Team's thematic priorities and guides voting and engagement efforts. The Global Stewardship Team are also responsible for Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be involved in poor governance practices, as described above.

Assessing and promoting effective stewardship among the companies and issuers represented in the strategy is a key part of the investment process. The Global Stewardship Team focus on proactive, outcomes-based engagement, in an attempt to promote best practices. The engagements conducted by the Global Stewardship Team are designed to complement the engagements conducted by our investment teams.

Goldman Sachs Asset Management has published an Engagement Policy in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (the Shareholder Rights Directive II) which provides further details on our engagement approach.

### **Designated Reference Benchmark**

An index has not been designated as a reference benchmark to determine whether the strategy is aligned with the environmental or social characteristics that it promotes.



## GS Equity Strategies

### 1. GS: Europe Equity Partners

#### Summary

This strategy, managed by Goldman Sachs Asset Management, promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments. Goldman Sachs Asset Management implements an approach to Environmental, Social and Governance (ESG) considerations into its fundamental investment process which consists of exclusionary screens as set forth below (the "ESG Criteria"). Once Goldman Sachs Asset Management determines that a company meets the ESG Criteria as described above, Goldman Sachs Asset Management conducts a supplemental analysis of individual companies' corporate governance factors and a range of environmental and social factors that may vary across asset classes, sectors and strategies. The strategy leverages Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. The Global Stewardship Team will seek to implement a proprietary approach to identify, review, evaluate and monitor companies who are flagged by external data providers on various criteria to establish a proprietary list of global norms violators. This strategy considers principal adverse impacts on sustainability factors (PAIs) across the environmental and/or social pillars.

At least 90% of investments will be aligned to the environmental and/or social characteristics promoted by this strategy, namely the application of the ESG Criteria. The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis. Goldman Sachs Asset Management uses proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics of the strategy contained within the investment guidelines in line with the Goldman Sachs Asset Management Investment Guidelines Policy. The ESG Criteria for this strategy consists of exclusionary screens. Goldman Sachs Asset Management leverages external data sources to supplement internal research on the environmental and/or social characteristics of the products. While ESG data availability and quality continues to improve, Goldman Sachs Asset Management does not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Therefore, Goldman Sachs Asset Management leverages multiple third-party vendors to meet the diverse set of needs and use cases. In addition to financial due diligence, Goldman Sachs Asset Management also assesses the impact of ESG related risks and opportunities as part of the investment process, where relevant. Assessing and promoting effective stewardship among the companies and issuers represented in the portfolios we manage on behalf of the investing clients is a key part of the investment process.

An index has not been designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

A statement has been issued to confirm that the environmental or social characteristics promoted, as set out in the Article 8 disclosure, have been met over the reporting period.

### **No Sustainable Investment Objective**

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As part of the ESG investment process, Goldman Sachs Asset Management will avoid investing in companies that are, in the opinion of the Goldman Sachs Asset Management, directly engaged in, and/or deriving significant revenues from the following activities, which, as at the date of the Prospectus, include but are not limited to:

- controversial weapons (including nuclear weapons);
- extraction and/or production of certain fossil fuels (including thermal coal, oil sands, arctic oil and gas);
- tobacco;
- alcohol;
- adult entertainment;
- other weapons (civilian weapons);
- gambling.

The strategy will also seek to exclude from its investment universe companies Goldman Sachs Asset Management believes to be violating the United Nations Global Compacts ten principles (which are widely recognised corporate sustainability principles that meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption). Please refer to the summary of the good governance policy below for further detail.

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### **Investment Strategy**

Goldman Sachs Asset Management implement the ESG Criteria on a binding basis into its investment process, as described above.



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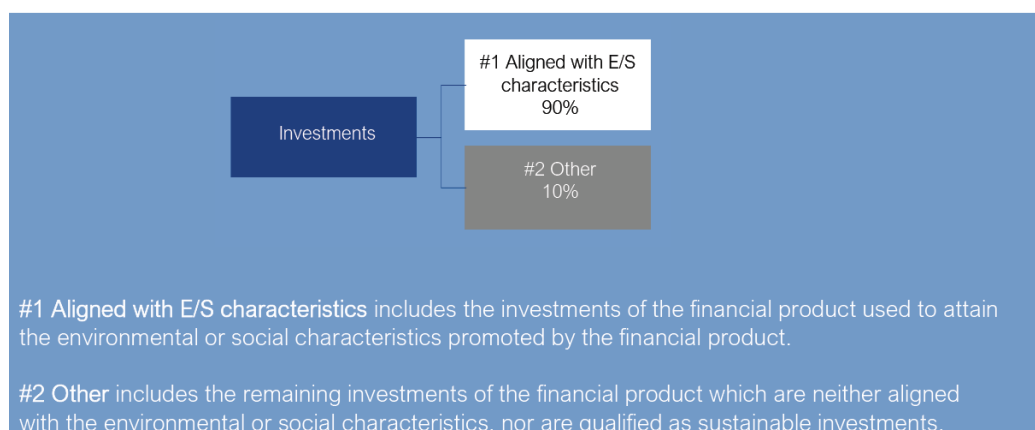
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PAI Category	PAI
Mandatory PAIs	<ul style="list-style-type: none"> <li>• GHG emissions</li> <li>• Carbon footprint</li> </ul>

	<ul style="list-style-type: none"> <li>• GHG intensity of investee companies</li> <li>• Exposure to companies active in the fossil fuel sector</li> <li>• Activities negatively affecting biodiversity sensitive areas</li> <li>• Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</li> <li>• Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</li> <li>• Unadjusted gender pay gap</li> <li>• Board gender diversity</li> <li>• Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)</li> </ul>
Non-Mandatory Climate PAIs	<ul style="list-style-type: none"> <li>• Investing in companies without carbon emission reduction initiatives</li> <li>• Land degradation, desertification, soil sealing</li> <li>• Investments in companies without sustainable land/agriculture practices</li> <li>• Non-recycled waste ratio</li> <li>• Natural species and protected areas</li> <li>• Deforestation</li> </ul>
Non-Mandatory Social PAIs	<ul style="list-style-type: none"> <li>• Investments in companies without workplace accident prevention policies</li> <li>• Rate of accidents</li> <li>• Number of days lost to injuries, accidents, fatalities or illness</li> <li>• Incidents of discrimination</li> <li>• Excessive CEO pay</li> </ul>

### Proportion of Investments

At least 90% of investments will be aligned to the environmental and/or social characteristics promoted by this strategy, as noted above. Up to 10% could be held in cash, cash equivalents and derivatives (including but not limited to index futures).



Investments included under “#2 Other” include cash and cash equivalents for liquidity purposes and derivatives (including but not limited to index futures) for efficient portfolio management. These may be used to achieve the investment objective of the strategy but may not promote the environmental or social characteristics of the strategy and will not qualify as sustainable investments. The percentage shown is expected to be the maximum which may be held in these instruments but the actual percentage may vary from time to time.

These financial instruments are not subject to any minimum environmental or social safeguards.

### **Monitoring of Environmental or Social Characteristics**

The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis.

Goldman Sachs Asset Management uses proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics and minimum sustainable investment commitments of the strategy contained within the investment guidelines. Utilising proprietary firm or third-party systems, monitoring of binding environmental and social characteristics and minimum sustainable investment commitments of the strategy includes pre-trade compliance and post-trade guideline reviews, performing evaluations against investment guidelines on a positional and transactional level, and providing Portfolio Managers with the necessary tools to adhere to the investment guidelines.

Breaches or errors regarding investment guidelines (including breaches or errors regarding the binding environmental or social characteristics of the strategy) are required to be handled in accordance with relevant Goldman Sachs Asset Management policies.

### **Methodologies**

The following indicators are used to measure the attainment of the environmental and/or social characteristics promoted by the strategy:

- % of companies in the strategy deriving significant revenues from:
  - controversial weapons (including nuclear weapons);
  - tobacco;
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  - gambling;
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  - for-profit prison, and;
  - civilian firearms.
- % of companies in the strategy Goldman Sachs Asset Management believes to be violating the United Nations Global Compact ten principles

### **Data Sources and Processing**

Goldman Sachs Asset Management uses a variety of data sources such as Bloomberg, MSCI, ISS and Corporate Knights, alongside proprietary investment tools to measure and monitor the attainment of the environmental or social characteristics of the strategy. Goldman Sachs Asset Management has additionally developed proprietary tools that may be used as part of Goldman Sachs Asset Management’s fundamental analysis of individual companies’ corporate governance factors, and for assessing a range of environmental and social factors that may vary across asset classes, sectors and strategies. This overlay of proprietary research, information collected via engagement and forecasts

around how companies may evolve going forward are measures taken to validate and improve the data quality for the purposes of measuring and monitoring the environmental or social characteristics of the underlying assets of the strategy. Goldman Sachs Asset Management also makes use of screening criteria or sectoral exclusions in the management of the strategy based on third-party data sources (such as those noted above) and to the extent relevant, leverages third-party data sources and proprietary research.

Goldman Sachs Asset Management may ensure data quality by liaising closely with the different data providers and by conducting due diligence on the external data providers in order to confirm that their methodologies are reliable.

Due to gaps in data coverage, if circumstances dictate, a small proportion (0-10%) of the data which is used to assess alignment with the environmental / social characteristics may be estimated data. Goldman Sachs Asset Management will keep this data under review and replace the estimated data with third-party data sources or data obtained by other means (e.g., directly from investee companies) when available.

#### **Limitations to Methodologies and Data**

While ESG data availability and quality continues to improve, Goldman Sachs Asset Management does not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Multiple third-party vendors are therefore leveraged to meet the diverse set of needs and use cases. The Fundamental Equities Team prefer to use more granular, performance-based data, where available, while also selectively leveraging both broad based and qualitative ESG reports written by external analysts.

The Fundamental Equities Team may estimate or seek alternative data sources for missing ESG data where such approaches can provide useful and appropriate assessments. This could arise in situations such as a lag-in company reporting (e.g., annual carbon emissions data) being reflected in third-party ESG data providers, or a lack of sufficient coverage due to region (e.g., emerging markets) and market cap (e.g., small cap). As a fundamental manager, Goldman Sachs Asset Management may have greater access to information about portfolio companies than external sources, for example through its own direct engagement efforts with management teams and various stakeholders. Goldman Sachs Asset Management does not rely exclusively on external data providers and leverages external ESG data to enhance our bottom-up analysis and research processes, implement exclusions and inform internal analysis of the environmental and social characteristics.

Despite these limitations, which impact all consumers of ESG data and are not specific to Goldman Sachs Asset Management, Goldman Sachs Asset Management takes reasonable steps to mitigate the risk of these limitations hindering the strategy's ability to meet its environmental and social characteristics – these include (as appropriate), assessing vendor data quality and methodologies, comparing ESG data points between vendors or against its own internal analyses and using appropriate estimations to manage data gaps.

#### **Due Diligence**

Goldman Sachs Asset Management's due-diligence process seeks to identify companies which have the most compelling combination of a sound business and which are trading at a substantial discount to their intrinsic value (focusing on cash flow-based metrics for example). Given the belief that ESG factors can affect the performance and risk profile of investments, Goldman Sachs Asset Management seeks to understand the impact of ESG related risks and opportunities. ESG evaluation is a core component of Goldman Sachs Asset Management's fundamental analysis and ESG practices are assessed as part of the investment process where they are deemed relevant to the risk-return profile of a company's business model. Such analysis can reinforce conviction around the quality and robustness of a company's business model and help to identify potential risks to the sustainability of a



company's profits. One of the key parts of the investment process and ongoing ESG risk management is the assessment and promotion of effective stewardship among the companies and issuers represented in the portfolios.

### **Engagement Policies**

Goldman Sachs Asset Management leverages the Goldman Sachs Asset Management Global Stewardship Team's engagement initiatives in respect of the strategy. The Goldman Sachs Asset Management Global Stewardship Team focuses on proactive, outcomes-based engagement, in an attempt to promote best practices. Engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues and evolving views about key environmental, social, and governance topics. To guide engagement efforts, the Goldman Sachs Asset Management Global Stewardship Team creates an annual Focus List, which reflects the Goldman Sachs Asset Management Global Stewardship Team's thematic priorities and guides voting and engagement efforts. The Global Stewardship Team are also responsible for Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be involved in poor governance practices, as described above.

Assessing and promoting effective stewardship among the companies and issuers represented in the strategy is a key part of the investment process. The Global Stewardship Team focus on proactive, outcomes-based engagement, in an attempt to promote best practices. The engagements conducted by the Global Stewardship Team are designed to complement the engagements conducted by our investment teams.

Goldman Sachs Asset Management has published an Engagement Policy in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (the Shareholder Rights Directive II) which provides further details on our engagement approach.

### **Designated Reference Benchmark**

An index has not been designated as a reference benchmark to determine whether the strategy is aligned with the environmental or social characteristics that it promotes.



## 2. GS Global Equity Partners ESG (GEP ESG)

### Summary

This strategy, managed by the Portfolio Management Group (“PMG”) based on recommendations from Goldman Sachs Asset Management, promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments. Goldman Sachs Asset Management implements an approach to Environmental, Social and Governance (ESG) considerations into its fundamental investment process which consists of exclusionary screens as set forth below (the “ESG Criteria”). Once Goldman Sachs Asset Management determines that a company meets the ESG Criteria as described above, they conduct a supplemental analysis of individual companies’ corporate governance factors and a range of environmental and social factors that may vary across asset classes, sectors and strategies. The strategy leverages Goldman Sachs Asset Management’s proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. The Global Stewardship Team will seek to implement a proprietary approach to identify, review, evaluate and monitor companies who are flagged by external data providers on various criteria to establish a proprietary list of global norms violators. This strategy considers principal adverse impacts on sustainability factors (PAIs) across the environmental and/or social pillars.

At least 90% of investments will be aligned to the environmental and/or social characteristics promoted by this strategy, namely the application of the ESG Criteria. The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis. PMG and Goldman Sachs Asset Management use proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics of the strategy contained within the investment guidelines in line with the Goldman Sachs Asset Management Investment Guidelines Policy. The ESG Criteria for this strategy consists of exclusionary screens. PMG and Goldman Sachs Asset Management leverage external data sources to supplement internal research on the environmental and/or social characteristics of the products. While ESG data availability and quality continues to improve, PMG and Goldman Sachs Asset Management do not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Therefore, PMG and Goldman Sachs Asset Management leverage multiple third-party vendors to meet the diverse set of needs and use cases. In addition to financial due diligence, Goldman Sachs Asset Management also assess the impact of ESG related risks and opportunities as part of the investment process, where relevant. Assessing and promoting effective stewardship among the companies and issuers represented in the portfolios is a key part of the investment process.

An index has not been designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

A statement has been issued to confirm that the environmental or social characteristics promoted, as set out in the Article 8 disclosure, have been met over the reporting period.

### No Sustainable Investment Objective

This strategy promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments.

### Environmental or Social Characteristics of the Financial Product

The strategy promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments. Goldman Sachs



Asset Management implements an approach to Environmental, Social and Governance (ESG) considerations into its fundamental investment process which consists of exclusionary screens as set forth below (the "ESG Criteria").

As part of the ESG investment process, PMG will avoid investing in companies that are, in the opinion of the Goldman Sachs Asset Management, directly engaged in, and/or deriving significant revenues from the following activities, which, as at the date of the Prospectus, include but are not limited to:

- controversial weapons (including nuclear weapons);
- extraction and/or production of certain fossil fuels (including thermal coal, oil sands, arctic oil and gas);
- tobacco;
- alcohol;
- adult entertainment;
- other weapons (civilian weapons);
- gambling.

The strategy will also seek to exclude from its investment universe companies Goldman Sachs Asset Management believes to be violating the United Nations Global Compacts ten principles (which are widely recognised corporate sustainability principles that meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption). Please refer to the summary of the good governance policy below for further detail.

Adherence to these ESG Criteria will be based on thresholds pre-determined by Goldman Sachs Asset Management in its sole discretion and will be applied to proprietary data and/or data provided by one or more third-party vendor(s). PMG and Goldman Sachs Asset Management will rely on third-party data that it believes to be reliable, but they do not guarantee the accuracy of such third-party data. PMG and Goldman Sachs Asset Management, in their sole discretion, retain the right to disapply data provided by third-party vendors where they deem the data to be inaccurate or inappropriate. In some cases, data on specific companies may not be available or may be estimated by PMG or Goldman Sachs Asset Management using internal processes or reasonable estimates. Potential omissions from the ESG Criteria may include but are not limited to newly listed companies to which a third-party vendor may not yet have data mapped. In the course of gathering data, vendors may make certain value judgements. PMG and Goldman Sachs Asset Management do not verify those judgements, nor quantify their impact upon its analysis. PMG or Goldman Sachs Asset Management, in their sole discretion may periodically update their screening process, amend the type of activities that are excluded for investment or revise the thresholds applicable to any such activities.

## **Investment Strategy**

PMG and Goldman Sachs Asset Management implement the ESG Criteria on a binding basis into their investment process, as described above.

Once Goldman Sachs Asset Management determines that a company meets the strategy's ESG Criteria as described above, they conduct supplemental analysis of individual companies' corporate governance factors and a range of environmental and social factors that may vary across asset classes, sectors and strategies. This supplemental analysis will be conducted alongside traditional fundamental, bottom-up financial analysis of individual companies, using traditional fundamental metrics. Goldman Sachs Asset Management may engage in active dialogues with company management teams to further inform investment decision-making and to foster best corporate governance practices using its fundamental and ESG analysis. The strategy may invest in a company prior to completion of the supplemental analysis or without engaging with company management.



Instances in which the supplemental analysis may not be completed prior to investment include but are not limited to IPOs, in-kind transfers, corporate actions, and/or certain short-term holdings. Goldman Sachs Asset Management employs a dynamic fundamental investment process that considers a wide range of factors, and no one factor or consideration is determinative. The identification of a risk related to an ESG factor will not necessarily exclude a particular security and/or sector that, in Goldman Sachs Asset Management’s view, is otherwise suitable for investment. The relevance of specific traditional fundamental factors and ESG factors to the fundamental investment process varies across asset classes, sectors and strategies. For further information, please see the ‘Methodologies’ and ‘Data sources and processing’ sections below.

Additionally, this strategy leverages the Goldman Sachs Asset Management Global Stewardship Team’s engagement initiatives. Goldman Sachs Asset Management’s Global Stewardship Team focuses on proactive, outcomes-based engagement, in an attempt to promote best practices. Engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues and evolving views about key environmental, social, and governance topics. To guide engagement efforts, the Goldman Sachs Asset Management Global Stewardship Team creates an annual Focus List, which reflects the Goldman Sachs Asset Management Global Stewardship Team’s thematic priorities and guides voting and engagement efforts.

The strategy leverages Goldman Sachs Asset Management’s proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. This proprietary approach seeks to identify, review, evaluate and monitor companies that are flagged by external data providers as being in violation of, or otherwise not aligned with, the United Nation Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as well companies that have received high controversy scores (including significant governance controversies, severe labour rights controversies and severe tax compliance controversies). Following review of these external data inputs, companies that Goldman Sachs Asset Management believes to have an ongoing and serious violation and/or are considered to not be following good governance practices with insufficient remediation will be excluded from the strategy. This list of companies will be reviewed on a semi-annual basis.

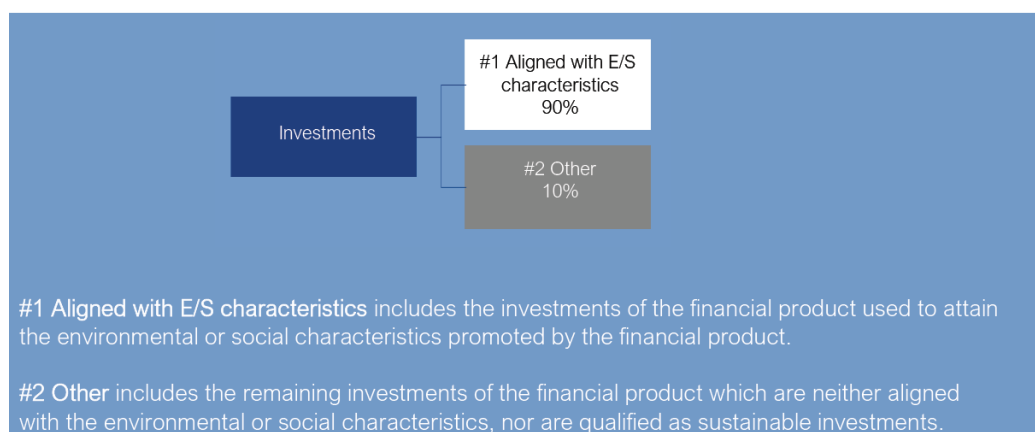
This strategy considers principal adverse impacts on sustainability factors (PAIs) across the environmental and/or social pillars. Certain PAIs are taken into account qualitatively through the application of the binding ESG Criteria outlined above. On a non-binding and materiality basis, PAIs are also considered through firm-wide and investment team specific engagement. The PAIs considered by this strategy include:

PAI Category	PAI
Mandatory PAIs	<ul style="list-style-type: none"> <li>• GHG emissions</li> <li>• Carbon footprint</li> <li>• GHG intensity of investee companies</li> <li>• Exposure to companies active in the fossil fuel sector</li> <li>• Activities negatively affecting biodiversity sensitive areas</li> <li>• Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</li> </ul>

	<ul style="list-style-type: none"> <li>• Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises</li> <li>• Unadjusted gender pay gap</li> <li>• Board gender diversity</li> <li>• Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)</li> </ul>
Non-Mandatory Climate PAIs	<ul style="list-style-type: none"> <li>• Investing in companies without carbon emission reduction initiatives</li> <li>• Land degradation, desertification, soil sealing</li> <li>• Investments in companies without sustainable land/agriculture practices</li> <li>• Non-recycled waste ratio</li> <li>• Natural species and protected areas</li> <li>• Deforestation</li> </ul>
Non-Mandatory Social PAIs	<ul style="list-style-type: none"> <li>• Investments in companies without workplace accident prevention policies</li> <li>• Rate of accidents</li> <li>• Number of days lost to injuries, accidents, fatalities or illness</li> <li>• Incidents of discrimination</li> <li>• Excessive CEO pay</li> </ul>

### Proportion of Investments

At least 90% of investments will be aligned to the environmental and/or social characteristics promoted by this strategy, as noted above. Up to 10% could be held in cash, cash equivalents and derivatives (including but not limited to index futures).



Investments included under “#2 Other” include cash and cash equivalents for liquidity purposes and derivatives (including but not limited to index futures) for efficient portfolio management. These may be used to achieve the investment objective of the strategy but may not promote the environmental or social characteristics of the strategy and will not qualify as sustainable investments. The percentage shown is expected to be the maximum which may be held in these instruments but the actual percentage may vary from time to time.

These financial instruments are not subject to any minimum environmental or social safeguards.

## Monitoring of Environmental or Social Characteristics

The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis.

Goldman Sachs Asset Management uses proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics and minimum sustainable investment commitments of the strategy contained within the investment guidelines. Utilising proprietary firm or third-party systems, monitoring of binding environmental and social characteristics and minimum sustainable investment commitments of the strategy includes pre-trade compliance and post-trade guideline reviews, performing evaluations against investment guidelines on a positional and transactional level, and providing Portfolio Managers with the necessary tools to adhere to the investment guidelines.

Breaches or errors regarding investment guidelines (including breaches or errors regarding the binding environmental or social characteristics of the strategy) are required to be handled in accordance with relevant PWM and Goldman Sachs Asset Management policies.

## Methodologies

The following indicators are used to measure the attainment of the environmental and/or social characteristics promoted by the strategy:

- % of companies in the strategy deriving significant revenues from:
  - controversial weapons (including nuclear weapons);
  - tobacco;
  - alcohol;
  - extraction and/or production of certain fossil fuels (including thermal coal, oil sands, Arctic oil and gas);
  - gambling;
  - adult entertainment;
  - for-profit prison, and;
  - civilian firearms.
- % of companies in the strategy Goldman Sachs Asset Management believes to be violating the United Nations Global Compact ten principles

## Data Sources and Processing

PMG and Goldman Sachs Asset Management use a variety of data sources such as Bloomberg, MSCI, ISS and Corporate Knights, alongside proprietary investment tools to measure and monitor the attainment of the environmental or social characteristics of the strategy. Goldman Sachs Asset Management has additionally developed proprietary tools that may be used as part of its fundamental analysis of individual companies' corporate governance factors, and for assessing a range of environmental and social factors that may vary across asset classes, sectors and strategies. This overlay of proprietary research, information collected via engagement and forecasts around how companies may evolve going forward are measures taken to validate and improve the data quality for the purposes of measuring and monitoring the environmental or social characteristics of the underlying assets of the strategy. PMG and Goldman Sachs Asset Management also make use of screening criteria or sectoral exclusions in the management of the strategy based on third-party data sources (such as those noted above) and to the extent relevant, leverages third-party data sources and proprietary research.

PMG and Goldman Sachs Asset Management may ensure data quality by liaising closely with the different data providers and by conducting due diligence on the external data providers in order to confirm that their methodologies are reliable.

Due to gaps in data coverage, if circumstances dictate, a small proportion (0-10%) of the data which is used to assess alignment with the environmental / social characteristics may be estimated data. PMG and Goldman Sachs Asset Management will keep this data under review and replace the estimated data with third-party data sources or data obtained by other means (e.g., directly from investee companies) when available.

### **Limitations to Methodologies and Data**

While ESG data availability and quality continues to improve, PMG and Goldman Sachs Asset Management do not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Multiple third-party vendors are therefore leveraged to meet the diverse set of needs and use cases. Asset Management prefer to use more granular, performance-based data, where available, while also selectively leveraging both broad based and qualitative ESG reports written by external analysts.

PMG and Goldman Sachs Asset Management may estimate or seek alternative data sources for missing ESG data where such approaches can provide useful and appropriate assessments. This could arise in situations such as a lag-in company reporting (e.g., annual carbon emissions data) being reflected in third-party ESG data providers, or a lack of sufficient coverage due to region (e.g., emerging markets) and market cap (e.g., small cap). As a fundamental manager, Goldman Sachs Asset Management may have greater access to information about portfolio companies than external sources, for example through its own direct engagement efforts with management teams and various stakeholders. Goldman Sachs Asset Management does not rely exclusively on external data providers and leverages external ESG data to enhance our bottom-up analysis and research processes, implement exclusions and inform internal analysis of the environmental and social characteristics.

Despite these limitations, which impact all consumers of ESG data and are not specific to PMG and Goldman Sachs Asset Management, they take reasonable steps to mitigate the risk of these limitations hindering the strategy's ability to meet its environmental and social characteristics – these include (as appropriate), assessing vendor data quality and methodologies, comparing ESG data points between vendors or against its own internal analyses and using appropriate estimations to manage data gaps.

### **Due Diligence**

Goldman Sachs Asset Management due-diligence process seeks to identify companies which have the most compelling combination of a sound business and which are trading at a substantial discount to their intrinsic value (focusing on cash flow-based metrics for example). Given the belief that ESG factors can affect the performance and risk profile of investments, Goldman Sachs Asset Management seeks to understand the impact of ESG related risks and opportunities. ESG evaluation is a core component of Goldman Sachs Asset Management's fundamental analysis and ESG practices are assessed as part of the investment process where they are deemed relevant to the risk-return profile of a company's business model. Such analysis can reinforce conviction around the quality and robustness of a company's business model and help to identify potential risks to the sustainability of a company's profits. One of the key parts of the investment process and ongoing ESG risk management is the assessment and promotion of effective stewardship among the companies and issuers represented in the portfolios.

### **Engagement Policies**

PMG and Goldman Asset Management leverage the Goldman Sachs Asset Management Global Stewardship Team's engagement initiatives in respect of the strategy. The Goldman Sachs Asset



Management Global Stewardship Team focuses on proactive, outcomes-based engagement, in an attempt to promote best practices. Engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues and evolving views about key environmental, social, and governance topics. To guide engagement efforts, the Goldman Sachs Asset Management Global Stewardship Team creates an annual Focus List, which reflects the Goldman Sachs Asset Management Global Stewardship Team's thematic priorities and guides voting and engagement efforts. The Global Stewardship Team are also responsible for Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be involved in poor governance practices, as described above.

Assessing and promoting effective stewardship among the companies and issuers represented in the strategy is a key part of the investment process. The Global Stewardship Team focus on proactive, outcomes-based engagement, in an attempt to promote best practices. The engagements conducted by the Global Stewardship Team are designed to complement the engagements conducted by our investment teams.

PWM and Goldman Asset Management have published their respective Engagement Policies in accordance with the requirements of Directive (EU) 2017/828 and their implementing measures (the Shareholder Rights Directive II) which provide further details on the engagement approach.

#### **Designated Reference Benchmark**

An index has not been designated as a reference benchmark to determine whether the strategy is aligned with the environmental or social characteristics that it promotes.

## GS Fixed Income Strategies

### 1. GS: Corporate Fixed Income (ESG)

#### Summary

This strategy, managed by Goldman Sachs Asset Management, promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments. Goldman Sachs Asset Management implements an approach to Environmental, Social and Governance (ESG) considerations into its fundamental investment process which consists of exclusionary screens as set forth below (the "ESG Criteria"). In addition to applying the ESG Criteria as set forth above, Goldman Sachs Asset Management's credit investment professionals may integrate ESG factors with traditional fundamental factors as part of their fundamental research process to seek to: (i) determine whether a particular fixed income security and/or sector is suitable and attractively priced for investment and (ii) assess their potential impact on the credit quality and spreads of a particular fixed income security. The strategy leverages Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. The Global Stewardship Team will seek to implement a proprietary approach to identify, review, evaluate and monitor companies who are flagged by external data providers on various criteria to establish a proprietary list of global norms violators. This strategy considers principal adverse impacts on sustainability factors (PAIs) across the environmental and/or social pillars.

It is expected that under normal portfolio management processes, 90% of investments will be aligned to the environmental and/or social characteristics promoted by this strategy, namely the application of the ESG Criteria. The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis. Goldman Sachs Asset Management uses proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics of the strategy contained within the investment guidelines in line with the Goldman Sachs Asset Management Investment Guidelines Policy. The ESG Criteria for this strategy includes exclusionary screens. Goldman Sachs Asset Management leverages external data sources to supplement internal research on the environmental and/or social characteristics of the products. While ESG data availability and quality continues to improve, Goldman Sachs Asset Management does not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Therefore, Goldman Sachs Asset Management leverages multiple third-party vendors to meet the diverse set of needs and use cases. ESG evaluation is a core component of Goldman Sachs Asset Management's fundamental analysis. ESG practices are assessed as part of the investment process where they are deemed material to credit risk. Assessing and promoting effective stewardship among the companies and issuers represented in the portfolios we manage on behalf of our investing clients is also a key part of our investment process.

An index has not been designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

A statement has been issued to confirm that the environmental or social characteristics promoted, as set out in the Article 8 disclosure, have been met over the reporting period.



### **No Sustainable Investment Objective**

This strategy promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments.

### **Environmental or Social Characteristics of the Financial Product**

This strategy promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments. Goldman Sachs Asset Management's credit investment professionals will adhere to the ESG Criteria by seeking to avoid investing in debt securities issued by corporate and sovereign issuers that are, in the opinion of Goldman Sachs Asset Management, directly engaged in, and/or deriving significant revenues from the following activities:

- controversial weapons (including nuclear weapons);
- tobacco;
- alcohol;
- predatory lending;
- extraction and/or production of certain fossil fuels (including thermal coal, oil sands);
- gambling;
- adult entertainment, and;
- civilian firearms.

The strategy will seek to avoid investing in issuers that, in the opinion of Goldman Sachs Asset Management, have high carbon intensity (scope 1 and 2 greenhouse gas emissions, measured in tonnes CO<sub>2</sub>-equivalent GHG emissions per \$MM of revenue) and will seek to restrict investing in any companies that have zero women on their board.

The strategy will also seek to identify and exclude from its investment universe companies with severe controversies and/ or involved in activities which may create negative externalities using various criteria, including:

- excluding companies violating the United Nations Global Compact ten principles (which are widely recognised corporate sustainability principles that meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption);
- excluding companies with a 0 controversy score, (companies are attributed a 0-10 controversy score, 0 being the worst, this signals whether a company has a notable controversy related to operations and/or products, and the severity of the social or environmental impact of the controversy), and;
- excluding issuers with the lowest ESG rating (calculated from MSCI's industry-adjusted overall ESG score).

Adherence to these ESG Criteria will be based on thresholds pre-determined by Goldman Sachs Asset Management in its sole discretion and will be applied to data provided by a third-party vendor(s). The exclusionary criteria applied by Goldman Sachs Asset Management are determined in reliance on one or a number of third-party ESG vendors. Goldman Sachs Asset Management will rely on third-party data that it believes to be reliable, but it does not guarantee the accuracy of such third-party data. Potential omissions may include but are not limited to new issues or new issuers to which a third-party ESG vendor would not yet have data mapped (in respect of which Goldman Sachs Asset Management may make reasonable estimates). In the course of gathering data, vendors may make certain value



judgements (e.g., regarding the adequacy of a company's program for addressing an ESG issue). Goldman Sachs Asset Management does not verify those judgements, nor quantify their impact upon its analysis. Goldman Sachs Asset Management, in its sole discretion, retains the right to disapply data and/or ratings provided by third-party vendors where it deems the data and/or ratings to be inaccurate or inappropriate.

Additionally, the screening process for the strategy generally excludes government and corporate issuers that have the lowest category of ESG ratings according to Goldman Sachs Asset Management's proprietary internal scoring system. The government and corporate issuers with the lowest ESG ratings according to Goldman Sachs Asset Management's proprietary internal scoring system generally account for less than 10% of the issuers for which Goldman Sachs Asset Management has assigned an internal ESG rating. There are instances where an internal ESG rating may not be available, which include but are not limited to, in-kind transfers, corporate actions, new issues, holdings that are soon to reach their maturity date, and/or certain short-term holdings. Goldman Sachs Asset Management in its sole discretion may periodically update its screening process, amend the type of activities that are excluded for investment or revise the thresholds applicable to any such activities.

### **Investment Strategy**

Goldman Sachs Asset Management implement the ESG Criteria on a binding basis into its investment process, as described above.

In addition to applying the ESG Criteria as set forth above Goldman Sachs Asset Management's credit investment professionals may integrate ESG factors with traditional fundamental factors as part of their fundamental research process to seek to: (i) determine whether a particular fixed income security and/or sector is suitable and attractively priced for investment and (ii) assess their potential impact on the credit quality and spreads of a particular fixed income security. Traditional fundamental factors that Goldman Sachs Asset Management may consider on a non-binding basis include, but are not limited to, leverage, earnings, enterprise value, industry trends and macroeconomic factors. ESG factors that Goldman Sachs Asset Management may consider include, but are not limited to, carbon intensity and emissions profiles, workplace health and safety and cyber risk, stakeholder relations, employee relations, management incentives, governance structure and practices, environmental issues, physical climate risk exposure, loan servicer governance and controversies and labour practices. The identification of a risk related to an ESG factor will not necessarily exclude a particular fixed income security and/or sector that, in Goldman Sachs Asset Management's view, is otherwise suitable and attractively priced for investment. The relevance of specific traditional fundamental factors and ESG factors to the fundamental investment process varies across asset classes, sectors and strategies. Goldman Sachs Asset Management may utilise data sources provided by third-party vendors and/or engage directly with issuers when assessing the above factors. Goldman Sachs Asset Management employs a dynamic fundamental investment process that considers a wide range of factors, and no one factor or consideration is determinative.

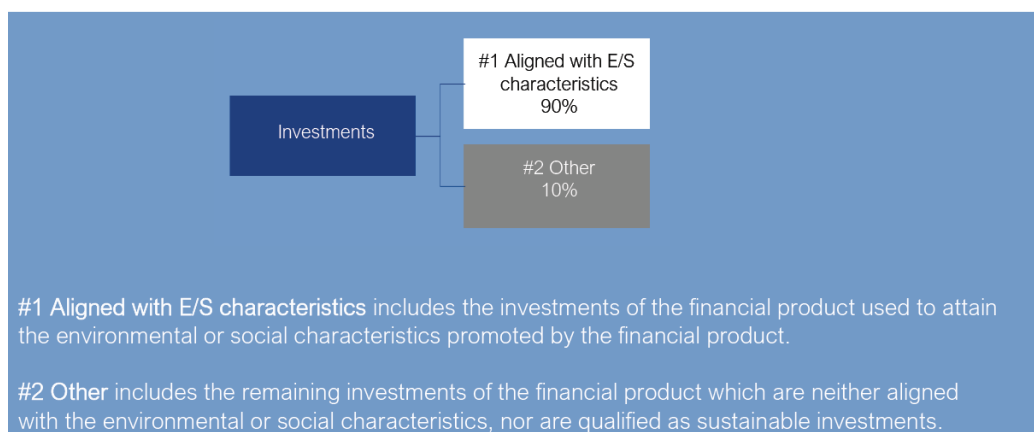
The strategy leverages Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. This proprietary approach seeks to identify, review, evaluate and monitor companies that are flagged by external data providers as being in violation of, or otherwise not aligned with, the United Nation Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as well companies that have received high controversy scores (including significant governance controversies, severe labour rights controversies and severe tax compliance controversies). Following review of these external data inputs, companies that Goldman Sachs Asset Management believes to have an ongoing and serious

violation and/or are considered to not be following good governance practices with insufficient remediation will be excluded from the strategy. This list of companies will be reviewed on a semi-annual basis.

This strategy considers principal adverse impacts on sustainability factors (PAIs) across the environmental and/or social pillars. PAIs are taken into account qualitatively through the application of the binding ESG Criteria outlined above. On a non-binding and materiality basis, PAIs are also considered through firm-wide and investment team specific engagement. The PAIs considered by this strategy include:

PAI Category	PAI
Mandatory PAIs	<ul style="list-style-type: none"> <li>• GHG emissions</li> <li>• Carbon footprint</li> <li>• GHG intensity of investee companies</li> <li>• Exposure to companies active in the fossil fuel sector</li> <li>• Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</li> <li>• Board gender diversity</li> <li>• Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)</li> </ul>

### Proportion of Investments



It is expected that under normal portfolio management processes, 90% of investments will be aligned to the environmental and/or social characteristics promoted by this strategy, as noted above. Up to 10% could be held in cash, however, this is expected to be much lower.

Investments included under “#2 Other” includes cash for short-term liquidity purposes. These may be used to achieve the investment objective of the strategy but may not promote the environmental or social characteristics of the strategy and will not qualify as sustainable investments. The percentage shown is expected to be the maximum which may be held in these instruments but the actual percentage may vary from time to time. These financial instruments are not subject to any minimum environmental or social safeguards.

## Monitoring of Environmental or Social Characteristics

The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis.

Goldman Sachs Asset Management uses proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics and minimum sustainable investment commitments of the strategy contained within the investment guidelines. Utilising proprietary firm or third-party systems, monitoring of binding environmental and social characteristics and minimum sustainable investment commitments of the strategy includes pre-trade compliance and post-trade guideline reviews, performing evaluations against investment guidelines on a positional and transactional level, and providing Portfolio Managers with the necessary tools to adhere to the investment guidelines.

Breaches or errors regarding investment guidelines (including breaches or errors regarding the binding environmental or social characteristics of the strategy) are required to be handled in accordance with relevant Goldman Sachs Asset Management policies.

## Methodologies

Goldman Sachs Asset Management investment teams may use a number of different styles to embed ESG considerations into asset selection and strategy construction. For this strategy, the following indicators are used to measure the attainment of the environmental and/or social characteristics promoted by it:

- % of companies in the strategy deriving significant revenues from:
  - controversial weapons (including nuclear weapons);
  - tobacco;
  - alcohol;
  - predatory lending;
  - extraction and/or production of certain fossil fuels (including thermal coal, oil sands);
  - gambling;
  - adult entertainment, and;
  - civilian firearms.
- % of companies that, in the opinion of Goldman Sachs Asset Management, have high carbon intensity, as outlined above.
- % of companies with zero women on their board.
- % of companies with severe controversies and/or involved in activities which may create negative externalities using various criteria, as outlined above.
- % of corporate and sovereign issuers in the strategy with an ESG rating according to Goldman Sachs Asset Management's proprietary internal scoring system of less than or equal to 1.

## Data Sources and Processing

Goldman Sachs Asset Management uses a variety of data sources such as Bloomberg, MSCI and ISS alongside proprietary investment tools to measure and monitor the attainment of the environmental or social characteristics of the strategy. The Fixed Income research analysts and sovereign economists also apply internal ESG ratings across the majority of the Fixed Income team's corporate credit and sovereign coverage. These ESG ratings are based on an internal methodology that identifies material ESG data and themes based on sector level weightings. This proprietary research may incorporate information collected via engagement to determine how companies may evolve going forward. Goldman Sachs Asset Management further utilizes Fluent, a platform which facilitates content



management, workflow and screening for research analysts and is used as a centralized repository of all external and internally generated research. Goldman Sachs Asset Management also leverages third-party data to meet the sustainable investment criteria outlined in this document.

Goldman Sachs Asset Management may ensure data quality by liaising closely with the different data providers and by conducting due diligence on the external data providers in order to confirm that their methodologies are reliable.

Due to gaps in data coverage, a small proportion (0-10%) of the data which is used to assess alignment with the environmental / social characteristics may be estimated data. Goldman Sachs Asset Management estimates this data due to a lack of availability of reliable data. Goldman Sachs Asset Management will keep this lack of data under review and replace the estimated data with third-party data sources or data obtained by other means (e.g., directly from investee companies) when available.

### **Limitations to Methodologies and Data**

While ESG data availability and quality continues to improve, Goldman Sachs Asset Management does not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Furthermore, fixed income investments can present challenges with gathering reliable data to determine that a specific investment meets the criteria required to promote environmental and social characteristics (in particular due to the relative inability to undertake direct engagement with portfolio companies relative to equity investments).

Multiple third-party vendors and proprietary research are therefore leveraged to meet the diverse set of needs and use cases. The Fixed Income Team prefer to use more granular, performance-based data, such as carbon emissions, where available, while also selectively leveraging both broad based and qualitative ESG reports written by external analysts. Where there are data gaps which cannot be filled with information from proprietary research and engagement, these investments are not included in the proportion of assets which commit to either promoting the environmental or social characteristics, or becoming a sustainable investment. To the extent that this is relevant, this would be disclosed above.

The Fixed Income Team may estimate or seek additional data sources for missing data and such approaches can provide useful and appropriate assessments. Goldman Sachs Asset Management does not rely exclusively on external data providers and leverages external ESG data to enhance its bottom-up analysis and research processes, implement exclusions and inform internal analysis of the environmental and social characteristics.

Despite these limitations, which impact all consumers of ESG data and are not specific to Goldman Sachs Asset Management, Goldman Sachs Asset Management takes reasonable steps to mitigate the risk of these limitations hindering the strategy's ability to meet its environmental and social characteristics – these include (as appropriate), assessing vendor data quality and methodologies, comparing ESG data points between vendors or against its own internal analyses and using appropriate estimations to manage data gaps.

### **Due Diligence**

Goldman Sachs Asset Management seeks to understand the impact of ESG related risks and opportunities. ESG evaluation is a core component of Goldman Sachs Asset Management's fundamental analysis. ESG practices are assessed as part of the investment process where they are deemed material to credit risk. Goldman Sachs Asset Management considers these ESG factors alongside corporate fundamentals, bond valuations, market technical factors, and duration, currency and sector risks & forms part of the assessment of a bond's risk-adjusted return potential.

One of the key parts of the investment process and ongoing ESG risk management is the assessment and promotion of effective stewardship among the companies and issuers represented in the portfolios



managed on behalf of our investing clients. Engagement with portfolio companies and issuers is conducted across asset classes and may vary by investment teams. Goldman Sachs Asset Management also uses monitoring systems including Sentinel to check security positions against guidelines crafted to ensure compliance with sustainability indicators.

### **Engagement Policies**

Goldman Sachs Asset Management intends to engage with corporate issuers in this strategy that Goldman Sachs Asset Management believes to have low ESG credentials or involvement in sustainability-related controversies, with the objective to encourage issuers to improve their ESG practices relative to peers.

Goldman Sachs Asset Management may invest in a corporate issuer prior to or without engaging with such corporate issuer. Goldman Sachs Asset Management intends to engage with sovereign issuers in this strategy that have a low environmental score with the objective to encourage sovereigns to improve their overall environmental performance and to encourage enhanced disclosures of climate related metrics. Goldman Sachs Asset Management may invest in a sovereign issuer prior to or without engaging with such sovereign issuer.

Assessing and promoting effective stewardship among the companies and issuers represented in the strategy is a key part of the investment process.

The Global Stewardship Team focus on proactive, outcomes-based engagement, in an attempt to promote best practices. The engagements conducted by the Global Stewardship Team are designed to complement the engagements conducted by our investment teams. The Fixed Income Team regularly engage with companies including in one-on-one and investor group settings to corporate issuers that Goldman Sachs Asset Management believes to have low ESG credentials, with the objective to encourage issuers to improve their ESG practices relative to peers. Engagement with management teams is an important component of the fixed income research process, which may inform investment selection. It gives a unique insight into management quality, business model, financial performance and strategy and future business prospects.

The engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues, evolving views about key environmental, social, and governance topics and sustainability-related controversies. To guide engagements, the Global Stewardship Team creates an annual Focus List, which reflects thematic priorities and guides voting and engagement efforts and will include environmental, social and governance matters that are considered to be principal in terms of potential adverse impacts.

Goldman Sachs Asset Management has published an Engagement Policy in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (the Shareholder Rights Directive II) which provides further details on our engagement approach.

### **Designated Reference Benchmark**

An index has not been designated as a reference benchmark to determine whether the strategy is aligned with the environmental or social characteristics that it promotes.

## 2. GS: Corporate High Yield Portfolio (ESG)

### Summary

This strategy, managed by Goldman Sachs Asset Management, promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments. Goldman Sachs Asset Management implements an approach to Environmental, Social and Governance (ESG) considerations into its fundamental investment process which consists of exclusionary screens as set forth below (the "ESG Criteria"). In addition to applying the ESG Criteria as set forth above, Goldman Sachs Asset Management's credit investment professionals may integrate ESG factors with traditional fundamental factors as part of their fundamental research process to seek to: (i) determine whether a particular fixed income security and/or sector is suitable and attractively priced for investment and (ii) assess their potential impact on the credit quality and spreads of a particular fixed income security. The strategy leverages Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. The Global Stewardship Team will seek to implement a proprietary approach to identify, review, evaluate and monitor companies who are flagged by external data providers on various criteria to establish a proprietary list of global norms violators. This strategy considers principal adverse impacts on sustainability factors (PAIs) across the environmental and/or social pillars.

It is expected that under normal portfolio management processes, 90% of investments will be aligned to the environmental and/or social characteristics promoted by this strategy, namely the application of the ESG Criteria. The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis. Goldman Sachs Asset Management uses proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics of the strategy contained within the investment guidelines in line with the Goldman Sachs Asset Management Investment Guidelines Policy. The ESG Criteria for this strategy includes exclusionary screens. Goldman Sachs Asset Management leverages external data sources to supplement internal research on the environmental and/or social characteristics of the products. While ESG data availability and quality continues to improve, Goldman Sachs Asset Management does not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Therefore, Goldman Sachs Asset Management leverages multiple third-party vendors to meet the diverse set of needs and use cases. ESG evaluation is a core component of Goldman Sachs Asset Management's fundamental analysis. ESG practices are assessed as part of the investment process where they are deemed material to credit risk. Assessing and promoting effective stewardship among the companies and issuers represented in the portfolios we manage on behalf of our investing clients is also a key part of our investment process.

An index has not been designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

A statement has been issued to confirm that the environmental or social characteristics promoted, as set out in the Article 8 disclosure, have been met over the reporting period.

### No Sustainable Investment Objective

This strategy promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments.

## Environmental or Social Characteristics of the Financial Product

This strategy promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments. Goldman Sachs Asset Management's credit investment professionals will adhere to the ESG Criteria by seeking to avoid investing in debt securities issued by corporate and sovereign issuers that are, in the opinion of Goldman Sachs Asset Management, directly engaged in, and/or deriving significant revenues from the following activities:

- controversial weapons (including nuclear weapons);
- tobacco;
- alcohol;
- predatory lending;
- extraction and/or production of certain fossil fuels (including thermal coal, oil sands);
- gambling;
- adult entertainment, and;
- civilian firearms.

The strategy will seek to avoid investing in issuers that, in the opinion of Goldman Sachs Asset Management, have high carbon intensity (scope 1 and 2 greenhouse gas emissions, measured in tonnes CO<sub>2</sub>-equivalent GHG emissions per \$MM of revenue) and will seek to restrict investing in any companies that have zero women on their board.

The strategy will also seek to identify and exclude from its investment universe companies with severe controversies and/ or involved in activities which may create negative externalities using various criteria, including:

- excluding companies violating the United Nations Global Compact ten principles (which are widely recognised corporate sustainability principles that meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption);
- excluding companies with a 0 controversy score, (companies are attributed a 0-10 controversy score, 0 being the worst, this signals whether a company has a notable controversy related to operations and/or products, and the severity of the social or environmental impact of the controversy), and;
- excluding issuers with the lowest ESG rating (calculated from MSCI's industry-adjusted overall ESG score).

Adherence to these ESG Criteria will be based on thresholds pre-determined by Goldman Sachs Asset Management in its sole discretion and will be applied to data provided by a third-party vendor(s). The exclusionary criteria applied by Goldman Sachs Asset Management are determined in reliance on one or a number of third-party ESG vendors. Goldman Sachs Asset Management will rely on third-party data that it believes to be reliable, but it does not guarantee the accuracy of such third-party data. Potential omissions may include but are not limited to new issues or new issuers to which a third-party ESG vendor would not yet have data mapped (in respect of which Goldman Sachs Asset Management may make reasonable estimates). In the course of gathering data, vendors may make certain value judgements (e.g., regarding the adequacy of a company's program for addressing an ESG issue). Goldman Sachs Asset Management does not verify those judgements, nor quantify their impact upon its analysis. Goldman Sachs Asset Management, in its sole discretion, retains the right to disapply data and/or ratings provided by third-party vendors where it deems the data and/or ratings to be inaccurate or inappropriate.



Additionally, the screening process for the strategy generally excludes government and corporate issuers that have the lowest category of ESG ratings according to Goldman Sachs Asset Management's proprietary internal scoring system. The government and corporate issuers with the lowest ESG ratings according to Goldman Sachs Asset Management's proprietary internal scoring system generally account for less than 10% of the issuers for which Goldman Sachs Asset Management has assigned an internal ESG rating. There are instances where an internal ESG rating may not be available, which include but are not limited to, in-kind transfers, corporate actions, new issues, holdings that are soon to reach their maturity date, and/or certain short-term holdings. Goldman Sachs Asset Management in its sole discretion may periodically update its screening process, amend the type of activities that are excluded for investment or revise the thresholds applicable to any such activities.

### **Investment Strategy**

Goldman Sachs Asset Management implement the ESG Criteria on a binding basis into its investment process, as described above.

In addition to applying the ESG Criteria as set forth above Goldman Sachs Asset Management's credit investment professionals may integrate ESG factors with traditional fundamental factors as part of their fundamental research process to seek to: (i) determine whether a particular fixed income security and/or sector is suitable and attractively priced for investment and (ii) assess their potential impact on the credit quality and spreads of a particular fixed income security. Traditional fundamental factors that Goldman Sachs Asset Management may consider on a non-binding basis include, but are not limited to, leverage, earnings, enterprise value, industry trends and macroeconomic factors. ESG factors that Goldman Sachs Asset Management may consider include, but are not limited to, carbon intensity and emissions profiles, workplace health and safety and cyber risk, stakeholder relations, employee relations, management incentives, governance structure and practices, environmental issues, physical climate risk exposure, loan servicer governance and controversies and labour practices. The identification of a risk related to an ESG factor will not necessarily exclude a particular fixed income security and/or sector that, in Goldman Sachs Asset Management's view, is otherwise suitable and attractively priced for investment. The relevance of specific traditional fundamental factors and ESG factors to the fundamental investment process varies across asset classes, sectors and strategies. Goldman Sachs Asset Management may utilise data sources provided by third-party vendors and/or engage directly with issuers when assessing the above factors. Goldman Sachs Asset Management employs a dynamic fundamental investment process that considers a wide range of factors, and no one factor or consideration is determinative.

The strategy leverages Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. This proprietary approach seeks to identify, review, evaluate and monitor companies that are flagged by external data providers as being in violation of, or otherwise not aligned with, the United Nation Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as well companies that have received high controversy scores (including significant governance controversies, severe labour rights controversies and severe tax compliance controversies). Following review of these external data inputs, companies that Goldman Sachs Asset Management believes to have an ongoing and serious violation and/or are considered to not be following good governance practices with insufficient remediation will be excluded from the strategy. This list of companies will be reviewed on a semi-annual basis.

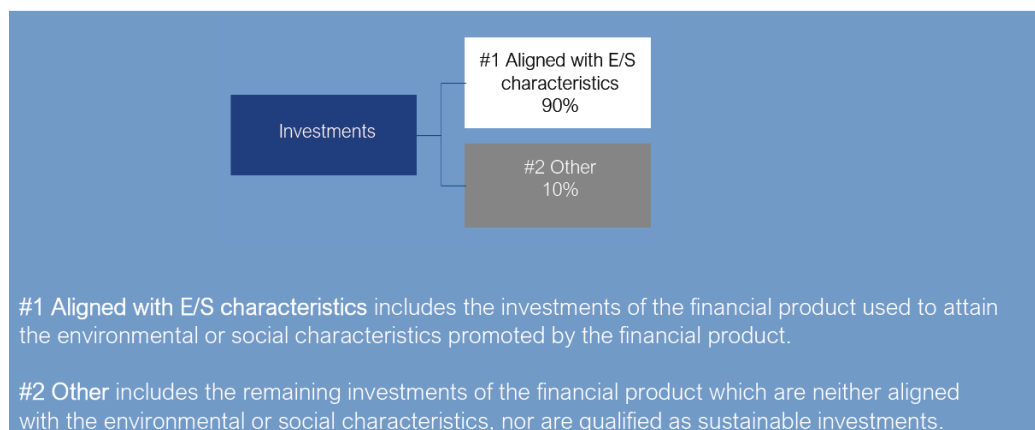
This strategy considers principal adverse impacts on sustainability factors (PAIs) across the environmental and/or social pillars. PAIs are taken into account qualitatively through the application of



the binding ESG Criteria outlined above. On a non-binding and materiality basis, PAIs are also considered through firm-wide and investment team specific engagement. The PAIs considered by this strategy include:

PAI Category	PAI
Mandatory PAIs	<ul style="list-style-type: none"> <li>• GHG emissions</li> <li>• Carbon footprint</li> <li>• GHG intensity of investee companies</li> <li>• Exposure to companies active in the fossil fuel sector</li> <li>• Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises</li> <li>• Board gender diversity</li> <li>• Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)</li> </ul>

### Proportion of Investments



It is expected that under normal portfolio management processes, 90% of investments will be aligned to the environmental and/or social characteristics promoted by this strategy, as noted above. Up to 10% could be held in cash, however, this is expected to be much lower.

Investments included under “#2 Other” includes cash for short-term liquidity purposes. These may be used to achieve the investment objective of the strategy but may not promote the environmental or social characteristics of the strategy and will not qualify as sustainable investments. The percentage shown is expected to be the maximum which may be held in these instruments but the actual percentage may vary from time to time. These financial instruments are not subject to any minimum environmental or social safeguards.

### Monitoring of Environmental or Social Characteristics

The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis.

Goldman Sachs Asset Management uses proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics and minimum sustainable investment commitments of the strategy contained within the investment guidelines. Utilising proprietary firm or

third-party systems, monitoring of binding environmental and social characteristics and minimum sustainable investment commitments of the strategy includes pre-trade compliance and post-trade guideline reviews, performing evaluations against investment guidelines on a positional and transactional level and providing Portfolio Managers with the necessary tools to adhere to the investment guidelines.

Breaches or errors regarding investment guidelines (including breaches or errors regarding the binding environmental or social characteristics of the strategy) are required to be handled in accordance with relevant Goldman Sachs Asset Management policies.

### Methodologies

Goldman Sachs Asset Management investment teams may use a number of different styles to embed ESG considerations into asset selection and strategy construction. For this strategy, the following indicators are used to measure the attainment of the environmental and/or social characteristics promoted by it:

- % of companies in the strategy deriving significant revenues from:
  - controversial weapons (including nuclear weapons);
  - tobacco;
  - alcohol;
  - predatory lending;
  - extraction and/or production of certain fossil fuels (including thermal coal, oil sands);
  - gambling;
  - adult entertainment, and;
  - civilian firearms.
- % of companies that, in the opinion of Goldman Sachs Asset Management, have high carbon intensity, as outlined above.
- % of companies with zero women on their board.
- % of companies with severe controversies and/or involved in activities which may create negative externalities using various criteria, as outlined above.
- % of corporate and sovereign issuers in the strategy with an ESG rating according to Goldman Sachs Asset Management's proprietary internal scoring system of less than or equal to 1.

### Data Sources and Processing

Goldman Sachs Asset Management uses a variety of data sources such as Bloomberg, MSCI and ISS alongside proprietary investment tools to measure and monitor the attainment of the environmental or social characteristics of the strategy. The Fixed Income research analysts and sovereign economists also apply internal ESG ratings across the majority of the Fixed Income team's corporate credit and sovereign coverage. These ESG ratings are based on an internal methodology that identifies material ESG data and themes based on sector level weightings. This proprietary research may incorporate information collected via engagement to determine how companies may evolve going forward. Goldman Sachs Asset Management further utilizes Fluent, a platform which facilitates content management, workflow and screening for research analysts and is used as a centralized repository of all external and internally generated research. Goldman Sachs Asset Management also leverages third-party data to meet the sustainable investment criteria outlined in this document.

Goldman Sachs Asset Management may ensure data quality by liaising closely with the different data providers and by conducting due diligence on the external data providers in order to confirm that their methodologies are reliable.



Due to gaps in data coverage, a small proportion (0-10%) of the data which is used to assess alignment with the environmental / social characteristics may be estimated data. Goldman Sachs Asset Management estimates this data due to a lack of availability of reliable data. Goldman Sachs Asset Management will keep this lack of data under review and replace the estimated data with third-party data sources or data obtained by other means (e.g., directly from investee companies) when available.

### **Limitations to Methodologies and Data**

While ESG data availability and quality continues to improve, Goldman Sachs Asset Management does not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Furthermore, fixed income investments can present challenges with gathering reliable data to determine that a specific investment meets the criteria required to promote environmental and social characteristics (in particular due to the relative inability to undertake direct engagement with portfolio companies relative to equity investments).

Multiple third-party vendors and proprietary research are therefore leveraged to meet the diverse set of needs and use cases. The Fixed Income Team prefer to use more granular, performance-based data, such as carbon emissions, where available, while also selectively leveraging both broad based and qualitative ESG reports written by external analysts. Where there are data gaps which cannot be filled with information from proprietary research and engagement, these investments are not included in the proportion of assets which commit to either promoting the environmental or social characteristics, or becoming a sustainable investment. To the extent that this is relevant, this would be disclosed above.

The Fixed Income Team may estimate or seek additional data sources for missing data and such approaches can provide useful and appropriate assessments. Goldman Sachs Asset Management does not rely exclusively on external data providers and leverages external ESG data to enhance its bottom-up analysis and research processes, implement exclusions and inform internal analysis of the environmental and social characteristics.

Despite these limitations, which impact all consumers of ESG data and are not specific to Goldman Sachs Asset Management, Goldman Sachs Asset Management takes reasonable steps to mitigate the risk of these limitations hindering the strategy's ability to meet its environmental and social characteristics – these include (as appropriate), assessing vendor data quality and methodologies, comparing ESG data points between vendors or against its own internal analyses and using appropriate estimations to manage data gaps.

### **Due Diligence**

Goldman Sachs Asset Management seeks to understand the impact of ESG related risks and opportunities. ESG evaluation is a core component of Goldman Sachs Asset Management's fundamental analysis. ESG practices are assessed as part of the investment process where they are deemed material to credit risk. Goldman Sachs Asset Management considers these ESG factors alongside corporate fundamentals, bond valuations, market technical factors, and duration, currency and sector risks & forms part of the assessment of a bond's risk-adjusted return potential.

One of the key parts of the investment process and ongoing ESG risk management is the assessment and promotion of effective stewardship among the companies and issuers represented in the portfolios managed on behalf of our investing clients. Engagement with portfolio companies and issuers is conducted across asset classes and may vary by investment teams. Goldman Sachs Asset Management also uses monitoring systems including Sentinel to check security positions against guidelines crafted to ensure compliance with sustainability indicators.



## Engagement Policies

Goldman Sachs Asset Management intends to engage with corporate issuers in this strategy that Goldman Sachs Asset Management believes to have low ESG credentials or involvement in sustainability-related controversies, with the objective to encourage issuers to improve their ESG practices relative to peers.

Goldman Sachs Asset Management may invest in a corporate issuer prior to or without engaging with such corporate issuer. Goldman Sachs Asset Management intends to engage with sovereign issuers in this strategy that have a low environmental score with the objective to encourage sovereigns to improve their overall environmental performance and to encourage enhanced disclosures of climate related metrics. Goldman Sachs Asset Management may invest in a sovereign issuer prior to or without engaging with such sovereign issuer.

Assessing and promoting effective stewardship among the companies and issuers represented in the strategy is a key part of the investment process.

The Global Stewardship Team focus on proactive, outcomes-based engagement, in an attempt to promote best practices. The engagements conducted by the Global Stewardship Team are designed to complement the engagements conducted by our investment teams. The Fixed Income Team regularly engage with companies including in one-on-one and investor group settings to corporate issuers that Goldman Sachs Asset Management believes to have low ESG credentials, with the objective to encourage issuers to improve their ESG practices relative to peers. Engagement with management teams is an important component of the fixed income research process, which may inform investment selection. It gives a unique insight into management quality, business model, financial performance and strategy and future business prospects.

The engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues, evolving views about key environmental, social, and governance topics and sustainability-related controversies. To guide engagements, the Global Stewardship Team creates an annual Focus List, which reflects thematic priorities and guides voting and engagement efforts and will include environmental, social and governance matters that are considered to be principal in terms of potential adverse impacts.

Goldman Sachs Asset Management has published an Engagement Policy in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (the Shareholder Rights Directive II) which provides further details on our engagement approach.

## Designated Reference Benchmark

An index has not been designated as a reference benchmark to determine whether the strategy is aligned with the environmental or social characteristics that it promotes.

### 3. GS: Green and Social Bonds

#### Summary

This strategy, managed by Goldman Sachs Asset Management, promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments. Goldman Sachs Asset Management implements an approach to Environmental, Social and Governance (ESG) considerations into its fundamental investment process which consists of investing into green, social and sustainability bonds and applying exclusions as forth below (the "ESG Criteria"). In addition to applying the ESG Criteria as set forth above, Goldman Sachs Asset Management's credit investment professionals may integrate ESG factors with traditional fundamental factors as part of their fundamental research process to seek to: (i) determine whether a particular fixed income security and/or sector is suitable and attractively priced for investment and (ii) assess their potential impact on the credit quality and spreads of a particular fixed income security. The strategy leverages Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance. The Global Stewardship Team will seek to implement a proprietary approach to identify, review, evaluate and monitor companies who are flagged by external data providers on various criteria to establish a proprietary list of global norms violators. This strategy considers principal adverse impacts on sustainability factors (PAIs) across the environmental and/or social pillars.

It is expected that under normal portfolio management processes, 70% of investments will be aligned to the environmental and/or social characteristics promoted by this strategy, namely the application of the ESG Criteria. The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis. Goldman Sachs Asset Management uses proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics of the strategy contained within the investment guidelines in line with the Goldman Sachs Asset Management Investment Guidelines Policy. Goldman Sachs Asset Management leverages external data sources to supplement internal research on the environmental and/or social characteristics of the products. While ESG data availability and quality continues to improve, Goldman Sachs Asset Management does not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Therefore, Goldman Sachs Asset Management leverages multiple third-party vendors to meet the diverse set of needs and use cases. ESG evaluation is a core component of Goldman Sachs Asset Management's fundamental analysis. ESG practices are assessed as part of the investment process where they are deemed material to credit risk. Assessing and promoting effective stewardship among the companies and issuers represented in the portfolios we manage on behalf of our investing clients is also a key part of our investment process.

An index has not been designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

A statement has been issued to confirm that the environmental or social characteristics promoted, as set out in the Article 8 disclosure, have been met over the reporting period.

#### No Sustainable Investment Objective

This strategy promotes environmental or social characteristics but does not have as its objective a sustainable investment and does not commit to make any sustainable investments.

## Environmental or Social Characteristics of the Financial Product

For this strategy, Goldman Sachs Asset Management implements an approach to Environmental, Social and Governance (ESG) considerations into its investment process which consists of investing into green, social and sustainability bonds and exclusions as set forth below (the "ESG Criteria").

The strategy includes a combination of investment grade sovereign and corporate bonds, of which at least 70% will be investments in green, social and sustainability bonds defined by the International Capital Markets Association (ICMA) Green Bond Principles, ICMA Social Bond Principles and ICMA Sustainability Bond Guidelines.

Green bonds are bonds whose proceeds are used to finance climate and environmental projects contributing to positive benefits to the environment. Social bonds are bonds whose proceeds are used to finance projects that are beneficial to society. Sustainability bonds finance projects whose proceeds positively contribute to both the environment and society and include the principles of both the green and social bonds.

The green bond investments of the Strategy will seek to align with the ICMA Green Bond Principles, ICMA Social Bond Principles and following categories set forth therein:

- Renewable energy;
- Energy efficiency;
- Pollution prevention and control;
- Environmentally sustainable management of living natural resources and land use;
- Terrestrial and aquatic biodiversity;
- Clean transportation;
- Sustainable water and wastewater management;
- Climate change adaptation;
- Circular economy adapted products, production technologies and processes;
- Consumption and Production;
- Green buildings;
- Affordable basic infrastructure;
- Access to essential services;
- Affordable housing;
- Employment generation;
- Food security and sustainable food systems;
- Socioeconomic advancement and empowerment.

Where relevant, this strategy will also adhere to the ESG Criteria by seeking to avoid investing in debt instruments issued by corporate issuers that are, in the opinion of GSAM, directly engaged in, and/or deriving significant revenues from the following activities:

- controversial weapons (including nuclear weapons);
- tobacco;
- alcohol;
- predatory lending;
- extraction and/or production of certain fossil fuels (including thermal coal, oil sands);

- gambling;
- adult entertainment, and;
- civilian firearms.

This strategy will also seek to identify and exclude from its investment universe companies with severe controversies and/or involved in activities which may create negative externalities, by excluding companies violating the United Nations Global Compact ten principles (which are widely recognised corporate sustainability principles that meet fundamental responsibilities in the areas of human rights, labour, environment and anti-corruption.)

The exclusionary criteria applied by Goldman Sachs Asset Management are determined in reliance on one or a number of third-party ESG vendors. Goldman Sachs Asset Management will rely on third-party data that it believes to be reliable, but it does not guarantee the accuracy of such third-party data. Potential omissions may include but are not limited to new issues or new issuers to which a third-party ESG vendor would not yet have data mapped (in respect of which Goldman Sachs Asset Management may make reasonable estimates). In the course of gathering data, vendors may make certain value judgements (e.g., regarding the adequacy of a company's program for addressing an ESG issue). Goldman Sachs Asset Management does not verify those judgements, nor quantify their impact upon its analysis. Goldman Sachs Asset Management, in its sole discretion, retains the right to disapply data and/or ratings provided by third-party vendors where it deems the data and/or ratings to be inaccurate or inappropriate.

### **Investment Strategy**

For this strategy, GSAM implements the ESG Criteria on a binding basis into its investment process, as described above. The strategy leverages GSAM's proprietary Green, Social and Sustainability Bond Assessment Methodology.

This methodology details the technical screening criteria for each economic activity that appears in green, social and sustainability bonds. Each economic activity should meet these technical screening criteria which are formed from the EU Taxonomy, Climate Bonds Initiative, ICMA Social Bond Principles, ICMA Sustainability Bond Guidelines and internal environmental and social screening criteria.

In line with the Green, Social and Sustainability Bond Assessment Methodology, the strategy assesses the following metrics:

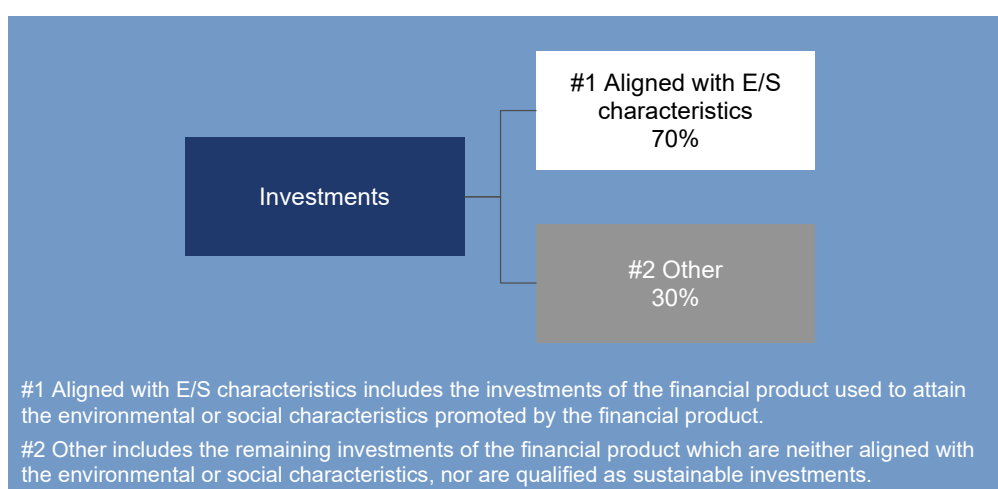
- Annual Greenhouse Gas emissions avoided (tons CO2 equivalent);
- Number of beneficiaries;

The strategy leverages Goldman Sachs Asset Management's proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

This proprietary approach seeks to identify, review, evaluate and monitor companies that are flagged by external data providers as being in violation of, or otherwise not aligned with, the United Nations Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as well companies that have received high controversy scores (including significant governance controversies, severe labour rights controversies and severe tax compliance controversies).

Following review of these external data inputs, companies that the Goldman Sachs Asset Management believes to have an ongoing and serious violation and/or are considered to not be following good governance practices with insufficient remediation will be excluded from the strategy. This list of companies will be reviewed on at least a semi-annual basis. Goldman Sachs Asset Management may not be able to readily sell securities that are intended for exclusion from the strategy based on this review (for example, due to liquidity issues or for other reasons outside of Goldman Sachs Asset Management's control), however, will seek to divest as soon as possible in an orderly manner and in the best interests of the client.

### Proportion of Investments



It is expected that under normal portfolio management processes, 70% of investments (all of which will be investments in green, social or sustainable bonds) will be aligned to the environmental and/or social characteristics promoted by this strategy (shown under #1).

Investments included under “#2 Other” includes investment grade other sovereign and/or corporate bonds (non-green, non- social or non-sustainable bonds) and cash for short-term liquidity purposes. These may be used to achieve the investment objective of the strategy but may not promote the environmental or social characteristics of the strategy. The percentage shown is expected to be the maximum which may be held in these instruments but the actual percentage may vary from time to time.

These financial instruments may not be subject to any minimum environmental or social safeguards.

### Monitoring of Environmental or Social Characteristics

The sustainability indicators of the strategy will be measured and evaluated on an ongoing basis.

Goldman Sachs Asset Management uses proprietary firm and third-party systems to monitor compliance with binding environmental or social characteristics of the strategy contained within the investment guidelines. Utilising proprietary firm or third-party systems, monitoring of binding environmental and social characteristics of the strategy includes pre-trade compliance and post-trade guideline reviews, performing evaluations against investment guidelines on a positional and transactional level and providing Portfolio Managers with the necessary tools to adhere to the investment guidelines.



Breaches or errors regarding investment guidelines (including breaches or errors regarding the binding environmental or social characteristics of the strategy) are required to be handled in accordance with relevant Goldman Sachs Asset Management policies.

### **Methodologies**

Goldman Sachs Asset Management investment teams may use a number of different styles to embed ESG considerations into asset selection and strategy construction. For this strategy, the following indicators are used to measure the attainment of the environmental and/or social characteristics promoted by the strategy:

- Number of issuers excluded from the investment universe based on an exclusion list;
- Number of issuers against which arms embargoes have been issued by the UN Security Council and subject to a 'Call for Action' on the Financial Action Task Force list;
- Number of issuers involved in material violations of internationally recognised standards, for example: OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and UN Global Compact;
- % of the net assets of the strategy invested in green, social and sustainability bonds

### **Data Sources and Processing**

Goldman Sachs Asset Management uses a variety of data sources such as Bloomberg, MSCI and ISS alongside proprietary investment tools to measure and monitor the attainment of the environmental or social characteristics of the strategy. The Fixed Income research analysts and sovereign economists also apply internal ESG ratings across the majority of the Fixed Income team's corporate credit and sovereign coverage. These ESG ratings are based on an internal methodology that identifies material ESG data and themes based on sector level weightings. This proprietary research may incorporate information collected via engagement to determine how companies may evolve going forward. In terms of data processing, Goldman Sachs Asset Management further utilizes Fluent, a platform which facilitates content management, workflow and screening for research analysts and is used as a centralized repository of all external and internally generated research. Goldman Sachs Asset Management also leverages third-party data to meet the sustainable investment criteria outlined in this document.

Goldman Sachs Asset Management seeks to ensure data quality by liaising closely with the different data providers and by conducting due diligence on the external data providers in order to confirm that their methodologies are reliable.

Due to gaps in data coverage, a small proportion (0-10%) of the data which is used to assess alignment with the environmental / social characteristics may be estimated data. Goldman Sachs Asset Management estimates this data due to a lack of availability of reliable data. Goldman Sachs Asset Management will keep this lack of data under review and replace the estimated data with third-party data sources or data obtained by other means (e.g., directly from investee companies) when available.

### **Limitations to Methodologies and Data**

While ESG data availability and quality continues to improve, Goldman Sachs Asset Management does not believe there is currently one ESG data provider that holistically packages the most useful underlying data. Furthermore, fixed income investments can present challenges with gathering reliable data to determine that a specific investment meets the criteria required to promote environmental and social characteristics (in particular due to the relative inability to undertake direct engagement with portfolio companies relative to equity investments).

Multiple third-party vendors and proprietary research are therefore leveraged to meet the diverse set of needs and use cases. The Fixed Income Team prefer to use more granular, performance-based

data, such as carbon emissions, where available, while also selectively leveraging both broad based and qualitative ESG reports written by external analysts. Where there are data gaps which cannot be filled with information from proprietary research and engagement, these investments are not included in the proportion of assets which commit to either promoting the environmental or social characteristics or becoming a sustainable investment. To the extent that this is relevant, this would be disclosed above.

The Fixed Income Team may estimate or seek additional data sources for missing data and such approaches can provide useful and appropriate assessments. Goldman Sachs Asset Management does not rely exclusively on external data providers and leverages external ESG data to enhance its bottom-up analysis and research processes, implement exclusions and inform internal analysis of the environmental and social characteristics.

Despite these limitations, which impact all consumers of ESG data and are not specific to Goldman Sachs Asset Management, Goldman Sachs Asset Management takes reasonable steps to mitigate the risk of these limitations hindering the strategy's ability to meet its environmental and social characteristics – these include (as appropriate), assessing vendor data quality and methodologies, comparing ESG data points between vendors or against its own internal analyses and using appropriate estimations to manage data gaps.

### **Due Diligence**

Goldman Sachs Asset Management seeks to understand the impact of ESG related risks and opportunities. ESG evaluation is a core component of Goldman Sachs Asset Management's fundamental analysis. ESG practices are assessed as part of the investment process where they are deemed material to credit risk. Goldman Sachs Asset Management considers these ESG factors alongside corporate fundamentals, bond valuations, market technical factors, and duration, currency and sector risks & forms part of the assessment of a bond's risk-adjusted return potential.

One of the key parts of the investment process and ongoing ESG risk management is the assessment and promotion of effective stewardship among the companies and issuers represented in the portfolios managed on behalf of our investing clients. Engagement with portfolio companies and issuers is conducted across asset classes and may vary by investment teams. Goldman Sachs Asset Management also uses monitoring systems including Sentinel to check security positions against guidelines crafted to ensure compliance with sustainability indicators.

### **Engagement Policies**

Where relevant, Goldman Sachs Asset Management engages with corporate issuers in this strategy that Goldman Sachs Asset Management believes to have low ESG credentials or involvement in sustainability-related controversies, with the objective to encourage issuers to improve their ESG practices relative to peers.

Goldman Sachs Asset Management may invest in a corporate issuer prior to or without engaging with such corporate issuer. Goldman Sachs Asset Management intends to engage with sovereign issuers in this strategy that have a low environmental score with the objective to encourage sovereigns to improve their overall environmental performance and to encourage enhanced disclosures of climate related metrics. Goldman Sachs Asset Management may invest in a sovereign issuer prior to or without engaging with such sovereign issuer.

Assessing and promoting effective stewardship among the companies and issuers represented in the strategy is a key part of the investment process.



The Global Stewardship Team focus on proactive, outcomes-based engagement, in an attempt to promote best practices. The engagements conducted by the Global Stewardship Team are designed to complement the engagements conducted by our investment teams. The Fixed Income Team regularly engage with companies including in one-on-one and investor group settings to corporate issuers that Goldman Sachs Asset Management believes to have low ESG credentials, with the objective to encourage issuers to improve their ESG practices relative to peers. Engagement with management teams is an important component of the fixed income research process, which may inform investment selection. It gives a unique insight into management quality, business model, financial performance and strategy and future business prospects.

The engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues, evolving views about key environmental, social, and governance topics and sustainability-related controversies. To guide engagements, the Global Stewardship Team creates an annual Focus List, which reflects thematic priorities and guides voting and engagement efforts and will include environmental, social and governance matters that are considered to be principal in terms of potential adverse impacts.

Goldman Sachs Asset Management has published an Engagement Policy in accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (the Shareholder Rights Directive II) which provides further details on our engagement approach.

#### **Designated Reference Benchmark**

An index has not been designated as a reference benchmark to determine whether the strategy is aligned with the environmental or social characteristics that it promotes.



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*Last Updated: January 2025 Amendments enacted for consistency and strategy addition.*