

Statement on principal adverse impacts of investment decisions on sustainability factors

Financial Market Participant: Goldman Sachs Bank Europe SE
 (LEI: 8IBZUGJ7JPLH368JE346)

SUMMARY

Under Regulation (EU) 2019/2088 (the “**Sustainable Finance Disclosure Regulation**” or “**SFDR**”), Goldman Sachs Bank Europe SE (“**GSBE**”) (LEI: 8IBZUGJ7JPLH368JE346) considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of Goldman Sachs Bank Europe SE’s in-scope businesses, Public Markets Investing and Private Wealth Management.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.

A summary of the principal adverse impacts (“**PAIs**”) and related indicators is presented below. No investments were made in real estate assets by the in-scope businesses during the reference period, and as such indicators applicable to real estate assets are therefore not applicable.

The consolidated metrics in this report are specific to the in-scope portfolio management activities of GSBE’s Public Markets Investing and Private Wealth Management business lines within the Asset & Wealth Management (“**AWM**”) business segment of The Goldman Sachs Group, Inc. (“**Group**”).

This statement begins with the section ‘**Description of the principal adverse impacts on sustainability factors**’ in which information is provided relating to 18 PAIs of our investment decisions on sustainability factors. In the section ‘**Other indicators for principal adverse impacts on sustainability factors**’, information is provided regarding two additional PAIs relating to climate and human rights

The statement provided for the 18 PAIs includes a description of the ways in which both Public Markets Investing and Private Wealth Management have considered, where relevant, these impacts at an entity level. GSBE uses a combination of activities to mitigate principal adverse impacts, most commonly through stewardship activities undertaken by the Public Markets Investing’s Global Stewardship Team. These activities are ongoing, and potential actions planned for future reference periods are described in the section titled ‘**Description of the principal adverse impacts on sustainability factors – Looking Ahead**’. GSBE’s Public Markets Investing and Private Wealth Management businesses do not currently set targets in relation to any of the PAIs set out in the table below.

There are various limitations associated with the reporting of sustainability-related metrics due to emerging methodologies and data gaps. The section titled ‘**Data Sources and Collection Process**’ describes the data sources and data collection process used for the provision of corporate, sovereign, and supranational PAI indicators data and financial data which have been leveraged for metric calculation. The limitations related to the data sourced and metric calculations are described in the section titled ‘**Data Limitations**’.

This statement further includes a description of policies in place both in Public Markets Investing and Private Wealth Management on identifying and prioritising principal adverse impacts on sustainability factors in the section titled ‘**Description of policies to identify and prioritise principal adverse impacts on sustainability factors**’. References to the engagement approaches are described throughout this statement and discussed in detail in the section titled ‘**Engagement Policies**.’ Finally, the ‘**References to International Standards**’ section below describes the businesses’ approach towards international standards such as the United Nations Global Compact and the Guidelines for Multinational Enterprises developed by the Organisation for Economic Co-operation and Development (“**OECD**”) and the UN Guiding Principles on Business and Human Rights.

No historical comparison to other reference periods has been disclosed in this statement as GSBE did not disclose the principal adverse impacts of its investment decisions on sustainability factors during previous reference periods, as noted in the section titled “**Historical comparison**”.

ENVIRONMENTAL	SOCIAL
Principal Adverse Impact Indicators (18)	
Indicators Applicable to Investees (Corporates) (14)	
<ol style="list-style-type: none"> 1. Greenhouse gas (GHG) emissions 2. Carbon footprint 3. GHG intensity of investee companies 4. Exposure to companies active in the fossil fuel sector 5. Share of non-renewable energy consumption and production 6. Energy consumption intensity per high impact climate sector 7. Activities negatively affecting biodiversity-sensitive areas 8. Emissions to water 9. Hazardous waste and radioactive waste ratio 	<ol style="list-style-type: none"> 10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises 11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises 12. Unadjusted gender pay gap 13. Board gender diversity 14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

Indicators Applicable to Sovereigns and Supranationals (2)	
15. GHG intensity	16. Investee countries subject to social violations
Indicators Applicable to Investments in Real Estate (2) – Not Applicable	
17. Exposure to fossil fuels through real estate assets	18. Exposure to energy-inefficient real estate assets
Other Indicators Applicable to Investees (Corporates) (2)	
Additional 4. Investments in companies without carbon reduction initiatives	Additional 14. Number of identified cases of severe human rights issues and incidents

DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Indicators applicable to investments in investee companies						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Adverse sustainability indicator		Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	635,483 tCO ₂ e	N/A	Coverage: 95% of investee company exposures Of which, Scope 1: Reported: 88% Estimated: 12% Of which, Scope 2: Reported: 86% Estimated: 14% Of which, Scope 3: Reported: 0% Estimated: 100% <i>Estimated data are based on third-party vendor's internal methodology. Any changes to the methodology may have a significant impact on the calculations of PAI indicators resulting in either higher or lower values.</i>	PUBLIC MARKETS INVESTING Public Markets Investing leverage the Global Stewardship Team's approach to the climate transition. Climate transition was a key pillar of the stewardship framework in 2022. The stewardship framework describes the Global Stewardship Team's key stewardship objectives and explains how our voting and engagement efforts aim to help us meet them. We publish our stewardship framework for Public Markets Investing and explain progress in, and outcomes of, our engagements in our annual stewardship reporting on our website and in the 2022 Stewardship Report . While our stewardship activities may relate to matters considered by these PAIs, they are not necessarily designed to avoid or reduce the specific metrics described by the SFDR. We continue to be committed to evaluating companies' corporate strategies, investment and financing activities, management incentives, resource use, regulatory policies, and environmental impact, as well as overall effect on and engagement with consumers, workers, and the communities in which they operate to assess and promote long-term value creation. The Public Markets Investing Global Stewardship Team's approach to the climate transition includes:
		Scope 2 GHG emissions	225,911 tCO ₂ e	N/A		
		Scope 3 GHG emissions	7,187,987 tCO ₂ e	N/A		
		Total GHG emissions	8,049,381 tCO ₂ e	N/A		
	2. Carbon footprint	Carbon footprint	220 tCO ₂ e / €m invested	N/A		
	3. GHG intensity of investee companies	GHG intensity of investee companies	731 tCO ₂ e / €m revenue	N/A		

¹ Impact is calculated using a quarterly average across the reference period by taking snapshots of GSBE's in-scope portfolios at each quarter end date.

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Greenhouse gas emissions (cont'd)				Both PAI 2 and 3 include Scope 1, 2, and 3 GHG emissions. PAI 2 and 3 are calculated using current value of all investments including non-corporate holdings such as cash and derivatives, but excluding sovereign and supranational holdings as defined in the regulation.	<p>Engagement</p> <ul style="list-style-type: none"> Engage with issuers on GHG disclosures, reduction of GHG emissions, and transition strategy Engage with issuers on their impacts on biodiversity <p>Proxy Voting</p> <ul style="list-style-type: none"> Votes on a case-by-case basis on environment-related shareholder proposals May votes against directors at companies identified through the engagement framework described above that disclose no material emissions 	
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	5%	N/A	<p>Coverage: 96% of investee company exposures</p> <p>Of which: Reported: 100% Estimated: 0%</p> <p>Companies active in the fossil fuel sector include companies that derive any revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels, as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council.</p>	<p>Industry Leadership</p> <ul style="list-style-type: none"> Promote disclosure through the Sustainability Accounting Standards Board standards Encourage reporting in line with the Taskforce for Climate-Related Financial Disclosures <p>The Public Markets Investing Global Stewardship Team has partnered with Public Markets Investing's debt and equity investment teams to establish a framework for engagement on key risks and opportunities related to climate matters.</p> <p>Specifically, the climate engagement framework has the following three primary objectives for portfolio companies:</p> <ol style="list-style-type: none"> 1. Disclose Material Data Promote disclosure of material GHG emissions data considered material to a company's business 2. Set Targets Encourage companies to set and disclose a target to reduce GHG emissions, where relevant and material 3. Execute Strategy Engage with companies in high-impact industries on the implementation of a robust and quantifiable climate transition strategy
	5. Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy	60%	N/A	<p>Coverage: 81% of investee company exposures</p> <p>Of which: Reported: 100% Estimated: 0%</p> <p>Non-renewable energy sources means energy sources other than wind, solar (solar thermal and</p>	<p>Exercising clients' shareholder rights via proxy voting is an important portfolio management service that Public Markets Investing provides to its clients.</p> <p>Public Markets Investing has integrated disclosure of material GHG emissions data into its proxy voting policy. Beginning March 2022, Public Markets Investing updated its policy to vote against board directors of relevant committees/bodies at portfolio companies that had not made progress on disclosing material GHG emissions data relevant to their business.</p>

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Greenhouse gas emissions (cont'd)	6. Energy consumption intensity per high impact climate sector	sources, expressed as a percentage of investees' total energy sources Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	A - Agriculture, forestry and fishing	0.5 GWh / €m revenue	N/A	<p>The Global Stewardship Team represents Public Markets Investing at various conferences and industry forums and supports strategic industry initiatives. Public Markets Investing also seeks to build industry influence and promote best practices in stewardship through memberships and affiliations.</p> <p>The Public Markets Investing Global Stewardship Team's engagement objectives are reviewed, enhanced and monitored on an ongoing basis in an effort to ensure they incorporate current issues and evolving views about key ESG topics. Potential actions to support portfolio companies and client assets navigate and benefit from the climate transition as well as any potential engagement targets pertaining to specific portfolios are also kept under review.</p> <p>Public Markets Investing also offers certain strategies / portfolios that promote the environmental themes covered by some of these PAI indicators, including strategies / portfolios that:</p> <ul style="list-style-type: none"> commit to excluding companies that derive significant revenues from fossil fuels, including: the extraction, generation and/or production of thermal coal, and oil sands; seek to limit the weighted average scope 1 and 2 carbon intensity (at portfolio / strategy level) by consistently achieving a lower weighted average carbon intensity relative to a reference portfolio/benchmark. <p>PRIVATE WEALTH MANAGEMENT</p> <p>Private Wealth Management leverages the Public Markets Investing Global Stewardship Team's engagement efforts with investee companies and stakeholders on ESG issues deemed material and relevant to Private Wealth Management mandates where we have delegated portfolio management to Public Markets Investing or managed in accordance with recommendations made by Public Markets Investing. Private Wealth Management does not otherwise take actions to avoid or reduce these PAIs, but it does offer portfolios / strategies that promote the environmental themes covered by some of these PAI indicators (e.g. through exclusions which seek to avoid or reduce certain of these PAI indicators at the portfolio/strategy level).</p> <p>PLANNED ACTIONS AND TARGETS</p> <p>Whilst we take action on the greenhouse gas emission PAIs through the stewardship activities described above, neither Public Markets Investing nor Private Wealth Management have currently planned actions or set targets to avoid or reduce these PAIs.</p>
			B - Mining and quarrying	2.6 GWh / €m revenue	N/A	
			C - Manufacturing	1.6 GWh / €m revenue	N/A	
			D - Electricity, gas, steam and air conditioning supply	4.0 GWh / €m revenue	N/A	
			E - Water supply, sewerage, waste management and remediation	1.2 GWh / €m revenue	N/A	
			F - Construction	0.6 GWh / €m revenue	N/A	
			G - Wholesale and retail trade; repair of Motor vehicles and motorcycles	0.1 GWh / €m revenue	N/A	
			H - Transportation and storage	2.3 GWh / €m revenue	N/A	
			L - Real estate activities	0.6 GWh / €m revenue	N/A	
			Total - High impact climate sectors	13.5 GWh / €m revenue	N/A	

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator		Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Biodiversity	7. Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0.1%	N/A	<p>Coverage: 86% of investee company exposures</p> <p>Of which: Reported: 0% Estimated: 100%</p> <p>Activities negatively affecting biodiversity-sensitive areas include those activities that lead to the deterioration of natural habitats and the habitats of species and disturb the species for which a protected area has been designated by the EU and its member states, national provisions, or international standards. The severity of these activities are estimated based on the third-party vendor's internal methodology.</p>	<p>PUBLIC MARKETS INVESTING</p> <p>Public Markets Investing leverage the Global Stewardship Team's approach to the climate transition.</p> <p>Climate transition was a key pillar of the stewardship framework in 2022, which included a thematic engagement approach to biodiversity, with the objective of identifying and addressing adverse impacts on biodiversity, resulting from deforestation and plastics in the supply chain.</p> <p>While our stewardship activities may relate to matters considered by this PAI, they are not necessarily designed to avoid or reduce the specific metrics described by the SFDR. We continue to be committed to evaluating companies' corporate strategies, investment and financing activities, management incentives, resource use, regulatory policies, and environmental impact, as well as overall effect on and engagement with consumers, workers, and the communities in which they operate to assess and promote long-term value creation.</p> <p>Biodiversity loss can represent a key investment risk related to climate change because of its role in ensuring the resilience of natural capital assets— which society and business depend on—and securing them for the future.</p> <p>Recognising this risk, Public Markets Investing has engaged with a targeted group of fast-moving consumer goods (“FMCG”) portfolio companies, a sector that includes companies having a significant impact on total global plastics and packaging waste and pollution.</p> <p>Through engagement, the goal is to understand the company's approach to managing risks associated with biodiversity and to promote accountability and best practices. In 2022, the Public Markets Investing Global Stewardship Team conducted thematic engagements with portfolio companies on biodiversity topics², focusing on two themes: Plastics and Land Use.</p> <p>1. Plastics</p> <p>The Public Markets Investing Global Stewardship Team has engaged with a number of the largest FMCG companies on how they are approaching key risks and opportunities related to plastics, packaging, and waste. The goal of these engagements is to encourage portfolio companies to disclose their plastics usage and to increase disclosure of plastics waste and pollution resulting from their operations. The Public Markets Investing Global Stewardship Team also encourages portfolio companies to set and disclose high quality targets for plastics waste reduction.</p>

² Many of the Public Markets Investing Global Stewardship Team's engagements cover more than one topic or theme.

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Biodiversity (Cont'd)					<p>2. Land Use Land degradation, or the decline of economic and biological productivity of land due to human treatment, costs the world \$6.3 trillion annually.³ In response, the Public Markets Investing Global Stewardship Team has been engaging with portfolio companies facing controversies relating to the impacts of land use in their operations. This engagement addresses key issues such as deforestation, ecological impact of manufacturing and end products, and sustainable agriculture.</p> <p>PRIVATE WEALTH MANAGEMENT Private Wealth Management leverages the Public Markets Investing Global Stewardship Team's engagement efforts with investee companies and stakeholders on ESG issues deemed material and relevant to Private Wealth Management mandates delegated to Public Markets Investing or managed in accordance with recommendations made by Public Markets Investing. Private Wealth Management does not otherwise take actions to avoid or reduce this PAI.</p> <p>PLANNED ACTIONS AND TARGETS Neither Public Markets Investing nor Private Wealth Management have currently planned actions or set targets to avoid or reduce this PAI.</p>
Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	95 metric tons / €m invested	N/A	<p>Public Markets Investing and Private Wealth Management</p> <p>Neither Public Markets Investing nor Private Wealth Management took strategic action at an entity level during the reporting period to avoid or reduce this PAI. There are currently no actions planned or targets set in relation to this PAI.</p> <p>Coverage: 1% of investee company exposures Of which: Reported: 100% Estimated: 0%</p> <p>Emissions to water means direct emissions in metric tonnes of priority substances as defined in Article 2(30) of Directive 2000/60/EC of the European Parliament and of the Council including nitrates, phosphates and pesticides. Due to limited data availability, PAI 8 may be significantly impacted by the normalisation process which is applied to increase the weights of holdings in the portfolio for which there is data coverage.</p>

³ University of Cambridge Institute for Sustainability Leadership, 2020.
 VERSION 1.2 (ORIGINAL PUBLICATION DATE: 30 JUNE 2023)

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator		Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	7 metric tons / €m invested	N/A	<p>Coverage: 24% of investee company exposures</p> <p>Reported: 100% Estimated: 0%</p> <p>Hazardous waste and radioactive waste means waste defined in Article 3(2) of Directive 2008/98/EC and Article 3(7) of Council Directive 2011/70/Euratom of the European Parliament and of the Council respectively. Due to limited data availability, PAI 9 may be significantly impacted by the normalisation process which is applied to increase the weights of holdings in the portfolio for which there is data coverage.</p>	<p>PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT</p> <p>Neither Public Markets Investing nor Private Wealth Management took strategic action at an entity level during the reporting period to avoid or reduce this PAI. There are currently no actions planned or targets set in relation to this PAI.</p>

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0.5%	N/A	<p>Coverage: 96% of investee company exposures</p> <p>Of which: Reported: 0% Estimated: 100%</p> <p>Investees involved in claims of violations and the severity of these events in relation to the UN Global Compact and OECD principles are estimated based on the third-party vendor's internal assessment methodology.</p>	<p>PUBLIC MARKETS INVESTING</p> <p>Public Markets Investing leverage the Global Stewardship Team's approach to corporate governance.</p> <p>Corporate governance was a key pillar of the Stewardship framework in 2022. As noted previously, the stewardship framework describes the Global Stewardship Team's key stewardship objectives and explains how our voting and engagement efforts aim to help us meet them.</p> <p>We publish our stewardship framework for Public Markets Investing and explain progress in, and outcomes of, our engagements in our annual stewardship reporting on our website and in the 2022 Stewardship Report.</p> <p>While our stewardship activities may relate to matters considered by these PAIs, they are not necessarily designed to avoid or reduce the specific metrics described by the SFDR. We continue to be committed to evaluating companies' corporate strategies, investment and financing activities, management incentives, resource</p>
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Indicators applicable to investments in investee companies

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator	Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Social and employee matters (Cont'd)	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	70%	N/A	<p>Coverage: 95% of investee company exposures</p> <p>Of which: Reported: 100% Estimated: 0%</p> <p>Investee companies who are signatories of UNGC principles are required to report their compliance efforts on an annual basis. PAI 11 is calculated using third-party vendor data that captures evidence, or the lack thereof, of companies mechanisms to monitor compliance.</p>	<p>use, regulatory policies, and environmental impact, as well as overall effect on and engagement with consumers, workers, and the communities in which they operate to assess and promote long-term value creation.</p> <p>The Global Stewardship Team has developed a process for evaluating companies that have been identified by third-party data providers as being in violation of global norms including the United Nations Global Compact and the Guidelines for Multinational Enterprises developed by the Organisation for Economic Co-operation and Development (“OECD”) and the UN Guiding Principles on Business and Human Rights, as well as companies that, in our view, exhibit poor governance practices.</p> <p>The process centers on four primary steps:</p> <ol style="list-style-type: none"> Identify We leverage multiple third-party data providers to generate a list of potential violators of global norms. Review Using the vendor generated list, we evaluate each of the issues raised regarding the companies, considering the external data providers’ assessment as well as additional sources to create an assessment. Evaluate Using the results of the review, we assign each company to one of three tiers: <ul style="list-style-type: none"> Tier One: In our view, this company has an ongoing global norms violation with insufficient remediation Tier Two: The company may have had a global norms violation but some remediation has taken place or there is a serious allegation of wrongdoing where the situation is still developing. Tier Three: The company is not currently considered a global norms violator. Monitor We review and re-tier the list on a semi-annual basis and seek to conduct ongoing monitoring to identify potential new issues. <p>Following the tiering process, the Global Stewardship Team seeks to take appropriate stewardship actions related to the companies, for example seeking to engage with companies or take voting action as appropriate.</p> <p>PRIVATE WEALTH MANAGEMENT</p> <p>Private Wealth Management leverages the Public Markets Investing Global Stewardship Team’s engagement efforts with investee companies and stakeholders on ESG issues deemed material and relevant to Private Wealth Management mandates where we have delegated portfolio management to Public Markets</p>

Indicators applicable to investments in investee companies

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator	Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters (Cont'd)					<p>Investing or managed in accordance with recommendations made by Public Markets Investing. Private Wealth Management does not otherwise take actions to avoid or reduce these PAIs, but it does offer portfolios / strategies that promote the social and employee matters covered by this PAI indicator (e.g., through exclusions which seek to avoid or reduce certain of these PAI indicators at the portfolio/strategy level).</p> <p>PLANNED ACTIONS AND TARGETS</p> <p>Whilst we take action on the social and employee matters covered by these PAIs through the stewardship activities described above, neither Public Markets Investing nor Wealth management have currently set targets to avoid or reduce these PAIs.</p> <p>With respect to actions planned after the reference period - since January 2023, all GSBE Public Markets Investing portfolios making Article 8 and 9 disclosures under the SFDR will adopt this proprietary approach by excluding companies that are believed to have an ongoing and/or serious violation and/or are considered not to be following good governance practices with insufficient remediation. Where it delegates portfolio management to Public Markets Investing or manages mandates in accordance with recommendations made by Public Markets Investing and such mandates are making Article 8 or 9 disclosures under the SFDR, Private Wealth Management will benefit from the actions planned after the reference period.</p>
	12. Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	9%	N/A	<p>COVERAGE: 41% of investee company exposures</p> <p>Of which: Reported: 100% Estimated: 0%</p> <p>Unadjusted gender pay gap is the difference between average gross hourly earnings of male paid employees and of female paid employees as a percentage of average gross hourly earnings of male paid employees, not adjusted to job function or tenure. Due to limited data availability, PAI 12 may be significantly impacted by the normalisation process which is applied to increase the weights of holdings in the portfolio for which there is data coverage.</p> <p>PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT</p> <p>Neither Public Markets Investing nor Private Wealth Management took strategic action at an entity level during the reporting period to avoid or reduce this PAI. There are currently no actions planned or targets set in relation to this PAI.</p>

Indicators applicable to investments in investee companies

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator	Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters (Cont'd)	13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	33%	N/A	<p>PAI 13 is calculated using third-party vendor data investee companies' reported board information.</p> <p>Coverage: 95% of investee company exposures</p> <p>Of which: Reported: 100% Estimated: 0%</p> <p>PUBLIC MARKETS INVESTING</p> <p>Public Markets Investing leverage the Global Stewardship Team's approach to inclusive growth.</p> <p>Inclusive growth was a key pillar of the stewardship framework in 2022. As noted previously, the stewardship framework describes the Global Stewardship Team's key stewardship objectives and explains how our voting and engagement efforts aim to help us meet them.</p> <p>We publish our stewardship framework for Public Markets investing and explain progress in, and outcomes of, our engagements in our annual stewardship reporting on our website and in the 2022 Stewardship Report.</p> <p>While our stewardship activities may relate to matters considered by this PAI, they are not necessarily designed to avoid or reduce the specific metrics described by the SFDR. We continue to be committed to evaluating companies' corporate strategies, investment and financing activities, management incentives, resource use, regulatory policies, and environmental impact, as well as overall effect on and engagement with consumers, workers, and the communities in which they operate to assess and promote long-term value creation.</p> <p>We believe diverse teams have the potential to outperform and we expect our portfolio companies to demonstrate diversity at board level. Based on our belief that diversity is a business imperative, Public Markets Investing have evolved the expectations of board diversity in our proxy voting policy over several years to promote board diversity at portfolio companies.</p> <p>Public Markets Investing expect all boards globally to have at least 10% women on the board or meet higher local market requirements. Further, we expect that S&P 500 and FTSE 100 boards should have at least one diverse director from a minority ethnic group.</p> <p>We see our vote as a way to share our views and have seen progress in increasing levels of board diversity. Public Markets Investing:</p> <ul style="list-style-type: none"> • Vote against members of the nominating committees of boards that have fewer than 10% women or fail to meet higher local market standards • Vote against members of the nominating committees of S&P 500 and FTSE100 boards that lack at least one diverse director from a minority ethnic group, in addition to meeting our gender expectations

Indicators applicable to investments in investee companies

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Adverse sustainability indicator	Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Social and employee matters (Cont'd)					<p>PRIVATE WEALTH MANAGEMENT</p> <p>Private Wealth Management leverages the Public Markets Investing Global Stewardship Team's engagement efforts with investee companies and stakeholders on ESG issues deemed material and relevant to Private Wealth Management mandates where we have delegated portfolio management to Public Markets Investing or managed in accordance with recommendations made by Public Markets Investing. Private Wealth Management does not otherwise take actions to avoid or reduce these PAIs.</p> <p>PLANNED ACTIONS AND TARGETS</p> <p>Whilst we take action on the social and employee matters covered by this PAI through the Stewardship activities described above, neither Public Markets Investing nor Private Wealth Management have currently planned actions or set targets to avoid or reduce these PAIs.</p>
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.1%	N/A	<p>Coverage: 96% of investee company exposures</p> <p>Of which: Reported: 100% Estimated: 0%</p> <p>PAI 14 is calculated using third-party vendor data of investee companies.⁷</p>	<p>PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT</p> <p>Whilst neither Public Markets Investing nor Private Wealth Management took strategic action at an entity level during the reporting period to avoid or reduce this PAI, Public Markets Investing and Private Wealth Management offer certain strategies or portfolios that promote the social themes covered by this PAI indicator. These include strategies or portfolios that commit to excluding companies that derive significant revenues from controversial weapons.</p> <p>There are currently no actions planned or targets set in relation to this PAI.</p>

Indicators applicable to investments in sovereigns and supranationals

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	324 tCO ₂ e / €m GDP	N/A	<p>Coverage: 76% of sovereign and supranational exposures</p> <p>Of which: Reported: 100% Estimated: 0%</p> <p>Neither Public Markets Investing nor Private Wealth Management took strategic action at an entity level during the reporting period to avoid or reduce this PAI.</p> <p>However, certain investing teams within Public Markets Investing may seek to engage with Sovereign, Supranational, Agency and Municipal Issuers despite fewer direct channels for engagement existing in comparison to corporate issuers.</p>

Indicators applicable to investments in sovereigns and supranationals

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
				PAI 15 has been calculated as the total GHG emissions of a country normalised by nominal GDP.	<p>Public Markets Investing may seek to meet with the policymakers responsible for monetary and fiscal decisions, including those in treasury departments, government agencies and debt management offices where appropriate.</p> <p>Public Markets Investing may also seek to express our views to supranational entities such as the International Monetary Fund, World Bank and OECD. We are committed to engaging with sovereigns on environmental policies. We aim to engage on the enhancement of climate-related metrics and disclosures and information-sharing on industry best practices.</p> <p>Public Markets Investing's sovereign engagement can also serve to evaluate opportunities to allocate capital to ESG investments. Government roadshows organized by debt management offices to launch green, social and sustainability bond issuances are a useful setting for dialogue on how a country can achieve sustainable growth.</p> <p>PLANNED ACTIONS AND TARGETS</p> <p>Neither Public Markets Investing nor Private Wealth Management have currently planned actions or set targets to avoid or reduce this PAI.</p>

INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS

Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	Absolute	7	N/A	Coverage: 76% of sovereign and supranational exposures	PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT
			Relative	0.1	N/A	<p>Of which: Reported: 0% Estimated: 100%</p> <p>Investee countries involved in claims of violations and the severity of these events in relation to the UN principles are estimated based on the third-party vendor's internal assessment methodology.</p>	<p>Neither Public Markets Investing nor Private Wealth Management took strategic action at an entity level during the reporting period to avoid or reduce the social matters covered by this PAI. There are currently no actions planned or targets set in relation to this PAI.</p>

Indicators applicable to investments in real estate assets						
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Adverse sustainability indicator		Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A	N/A	PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT Not applicable for this reference period as no investments were made in real estate assets during the reference period.
Energy efficiency	18. Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	N/A	N/A	N/A	PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT Not applicable for this reference period as no investments were made in real estate assets during the reference period.
Other indicators for principal adverse impacts on sustainability factors Additional climate and other environment-related indicators						
Indicators applicable to investments in investee companies						
Adverse sustainability indicator		Metric	Impact [year 2022]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS						
Emissions	4. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	35%	N/A	Coverage: 96% of investee company exposures Of which: Reported: 0% Estimated: 100% Additional PAI 4 is calculated using third-party vendor's data on investee companies without carbon emissions initiatives, however the companies with carbon emission initiatives have not been assessed for alignment with the Paris Agreement due to evolving market practices on temperature increase projection models.	PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT Please refer to the summary provided above for PAIs 1-6.

Indicators applicable to investments in investee companies						
Adverse sustainability indicator	Metric	Impact [year 2022 ¹]	Impact [n-1]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters						
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS						
Human Rights	14. Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0.01	N/A	Coverage: 95% of investee company exposures Of which: Reported: 0% Estimated: 100% Investee companies involved in claims of human rights violations and the severity of these events are estimated based on the third-party vendor's internal assessment methodology.	PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT Please refer to the summary provided above for PAIs 10-11.

Looking Ahead

Public Markets Investing's Global Stewardship Team's Approach to Stewardship and Public Markets Investing's Global Proxy Voting policy are annually reviewed and updated as necessary to ensure they enable effective stewardship. This process is led by our Public Markets Investing Global Stewardship Team and involves seeking input and feedback from a range of investment professionals and teams across the Public Markets Investing business. The annual review of these policies ensures that our stewardship activities are aligned to our priorities and investment beliefs.

Public Markets Investing's Global Stewardship Team expects to continue focussing our stewardship activities in 2023 on material sustainability topics designed to aid our investing process and seek to drive value for clients. GHG emissions reductions targets and the climate transition are important elements of our stewardship approach. Building on our work around plastics, packaging and waste and land use, we are also increasing our engagement efforts on issues in relation to deforestation and responsible land use.

Inclusive growth remains a key pillar of our stewardship program. In 2023, we expect to continue our focus on diversity and inclusion, which we strengthened in 2022 by increasing the gender and ethnic diversity expectations outlined in our proxy voting policy.

As described previously, Private Wealth Management does not engage in stewardship efforts itself, but through its investment in Public Markets Investing strategies and funds, it leverages the Public Markets Investing Global Stewardship Team's engagement efforts with investee companies and stakeholders on ESG issues deemed material and relevant.

Data Sources and Collection Process

GSBE uses a third-party vendor, MSCI, to provide data for corporate investees', sovereigns', and supranationals' PAI indicators data and financial data for metric calculation. Despite improving data availability for select climate indicators from the increasing adoption of climate reporting by investees, data providers continue to rely on estimates and proxies where there is a gap in reported data. This report's PAI calculations include data from the third-party vendor, MSCI, which has been sourced from the latest reported data published by the investees where available (which may also relate to reporting periods earlier than 2022), or the latest estimated data based on MSCI's internal methodology. Public Markets Investing and Private Wealth Management acknowledge that changes in MSCI's coverage of portfolio company, sovereign, and supranational data and their data estimation methodologies may have a significant impact on the calculations of PAI indicators resulting in either higher or lower values; as such, Public Markets Investing and Private Wealth Management will continue to monitor the impact to historical and future disclosures.

Data Gaps, Challenges and Limitations

ESG data is generally of limited availability, and even where available may not necessarily be reliable. GSBE uses its best efforts to source this data by working with third-party providers as inputs into its ESG processes, including for making the disclosures in this statement. However, such data will also be subject to various limitations, including (inter alia): i) methodological limitations in the third-party data provider's methodologies; ii) data lags, data coverage gaps or other issues impacting the quality of the data; iii) the fact that there are divergent ESG-related views, approaches, methodologies and disclosure standards in the market, including among data providers, with respect to the identification, assessment, disclosure or determination of "ESG" factors or indicators and what precise attributes are required for a particular investment, product or asset to be defined as such; iv) the fact that ESG information, including where obtained from third-party data providers, is often based on qualitative or subjective assessment, and any one data source may not in itself represent a complete 'picture' for the ESG metric that it represents; v) the fact that such data may be subject to change without any notice of this to GSBE by the third-party data provider etc. Overall, GSBE does not make any representation or warranty as to the completeness or accuracy of any such third-party data (whether actual or estimated), or of data that is generated using this third-party data, including where disclosed in this statement. GSBE shall have no liability for any errors or omissions in the information contained in this statement, where such information has been obtained from third parties or not.

- **Data gaps related to external and alternative holdings:** Data transparency and quality continue to be a challenge for third-party managed portfolios and alternative holdings. As such, these holdings are excluded from the scope of assets used for calculating the PAI indicators above.
- **Limitations related to corporate actions:** In alignment with regulatory guidance, the price used to value the quarterly holdings of corporate investees are fixed as of the date of the issuer's latest disclosed fiscal year end enterprise value (EVIC). Corporate actions such as stock splits can have significant impact to the price per unit and would which require complex adjustments to the fixed price selected based on the date of disclosure of the EVIC value. Such adjusted price data reflecting all corporate actions are not available in time for the implementation of the first-year reporting of the PAIs. Public Markets Investing and Private Wealth Management continue to investigate market data provider solutions for future reporting periods to account for corporate actions.
- **Limitations related to data coverage:** As described previously, Public Markets Investing and Private Wealth Management rely on a third-party vendor for portfolio company, sovereign, and supranational data, and the coverage universe may contain gaps for certain issuers or securities. Some metrics may be considered nascent where disclosure by corporates is very limited, in particular metrics pertaining to water, waste and social and employee matters metrics pertaining to the gender pay gap. Where there are data gaps, a normalisation process is applied to increase the weights of holdings in the portfolio for which there is data coverage. PAI values reported for indicators with low coverage may be significantly impacted by this normalisation process. Future improvement in data coverage may also have a significant impact on the calculations of PAI indicators resulting in either higher or lower values; as such Public Markets Investing and Private Wealth Management will continue to monitor the impact to historical and future disclosures.
- **Limitations related to financial and indicators data:** EVIC data available for select issuers in the third-party vendor's coverage universe may be too historic to be usable for meaningful metric calculation; to ensure metrics provided in this report are timely and relevant, Public Markets Investing and Private Wealth Management have primarily used the latest data available that are no earlier than 2021 for metric calculations. Where data is not available for 2021 or later, the normalisation process summarised above is applied to increase the weights of holdings in the portfolio for which there is data coverage. Additionally, the reporting period for EVIC and/or indicators data for select issuers in the third-party vendor's coverage universe may not be aligned due to differences in timing between financial and sustainability reporting.
- **Limitations related to estimation methodologies:** Public Markets Investing and Private Wealth Management rely on the third-party vendor's data estimation methodologies. Evolving updates to methodologies may have a significant impact on the calculations of PAIs, as such Public Markets Investing and Private Wealth Management will (as appropriate) continue to monitor the impact to historical and future disclosures.
- **Limitations related to underlier data:** Data look-through for underliers of derivative, structured products and similar products continues to be a challenge and such holdings have been mostly excluded from the PAI calculations above.
- **Limitations related to short positions:** As market practice continues to evolve on interpretation and practical implementation of treatment of short positions within sustainability reporting, we have not reduced long exposures by short positions (floored at zero) for this PAI reporting year. Short positions have not been included in the calculations.
- **Limitations related to financial volatility and inflation:** GHG estimates and climate metrics rely on financial data for normalisation and/or estimation. Enterprise value and revenue may vary due to volatility, rates, and inflationary pressures. Metrics using these financial values for estimation, attribution, or normalisation may display differences from year-to-year that for example do not necessarily reflect changes in real world GHG emissions.

This report includes certain information on GSBE's approach to ESG at an organisational level, which may not be reflected within specific products or strategies offered or managed by GSBE or its affiliates more broadly. Nothing contained in this report shall be relied on as a promise or representation regarding the historic, current or future position or performance of any GSBE product. Please refer to product-specific documentation for details on how each GSBE financial product considers PAIs.

DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

GSBE has put in place policies to support its approach (described below) to identify and prioritise PAIs on sustainability factors for each of Public Markets Investing and Private Wealth Management. These policies are described below.

These policies were approved by the Executive Board of GSBE on 29 June 2023. Responsibility for and oversight of the implementation of the policies has been delegated by the GSBE Executive Board to the Head of GSBE Private Wealth Management and the Head of GSBE Asset Management (Public), for the Private Wealth Management and Public Markets Investing businesses respectively. It is a standard practice for all policies to be reviewed on an annual basis.

Public Markets Investing

Public Markets Investing's policy on PAIs sets out the methodologies and approaches used for identifying and prioritising the principal adverse sustainability impacts, the team's approach regarding data sources, summaries of

engagement policies, adherence to responsible business codes and standards and monitoring in respect of portfolios making disclosures under Article 8 and 9 of SFDR.

Public Markets Investing professionals will be responsible for compliance with this policy in their investment decisions with oversight from the relevant functions, including Public Markets Investing Management, the appropriate Risk and Compliance coverage.

Public Markets Investing also leverages the Public Markets Investing Global Stewardship Team's approach to engagement and voting and the PAIs are further considered by certain portfolios through the application of the binding ESG criteria outlined in their respective SFDR disclosures.⁴

Private Wealth Management

Private Wealth Management's policy on PAIs sets out the approach towards consideration of PAIs with respect to financial products disclosing under Article 8 of the SFDR or where clients have expressed a sustainability preference under the German Securities Trading Act (WpHG), and the MiFID II rules, in particular the Commission Delegated Regulation 2017/565, for certain PAIs to be considered on a non-binding basis for their discretionary portfolio. This policy sets out the methodologies and approaches used by Private Wealth Management to identify and prioritise PAIs in those contexts, the approach regarding data sources, summaries of engagement policies, adherence to responsible business codes and standards and monitoring in respect of products making disclosures under Article 8 and 9 of SFDR. Private Wealth Management professionals will be responsible for compliance with this policy in their investment decisions with oversight from the relevant functions, including PWM Management, appropriate Risk and Compliance coverage.

Private Wealth Management also leverages the Public Markets Investing Global Stewardship Team's engagement efforts with investee companies and stakeholders on ESG issues deemed material and relevant to GSBE Private Wealth Management mandates delegated to Public Markets Investing or managed in accordance with recommendations made by Public Markets Investing. Private Wealth Management does not otherwise undertake traditional public markets shareholder engagement activities to mitigate PAIs.

Methodologies

The methodologies to calculate the PAI indicators have been described in the '**Description of the principal adverse impacts on sustainability factors**' section. For the purposes of this statement, we have adhered to the requirement to report on the mandatory PAI metrics. However, Public Market Investing and Private Wealth Management teams may use a number of methodologies or approaches to select, identify, assess and/or prioritise PAIs within their investment decisions, based on factors and inputs such as the investment strategy or objectives of the relevant portfolio, client demand / specifications, internal priorities, nature of the investments and the availability, reliability and quality of ESG data.

The methodologies will not generally be designed to take into account the probability of occurrence or severity of specific PAI indicators including their potentially irremediable character, as set out in the SFDR rules.

The additional indicators for Emissions and Human Rights have been selected given the availability of data as well as the alignment with the Public Markets Investing Global Stewardship Team's approach and areas of focus.

Margin of Error and Data Sources

For this statement, Public Markets Investing and Private Wealth Management used a third-party vendor, MSCI, as the primary market data provider for PAI data and financial data required for the PAI metrics calculation. However, Public Markets Investing and Private Wealth Management may use a variety of data sources to identify PAIs and, at a product level, to measure and monitor alignment to their binding environmental or social commitments as set out in the SFDR Article 8 and 9 Disclosures of the relevant products. Exact data sources and third-party vendors used for such products are further described in their SFDR Article 10 disclosures.

Given the data challenges identified in the '**Data Limitations**' section above, GSBE is currently unable to quantify the margin of error associated with its methodologies. Please see '**Data Sources and Collection Process**' for further detail on any best efforts taken in data collection.

ENGAGEMENT POLICIES

Summaries of the engagement policies referred to in Article 3g of Directive 2007/36/EC of the European Parliament and of the Council:

Public Markets Investing are committed to promoting and exercising effective stewardship among the companies represented in the portfolios we manage on behalf of our investing clients. We evaluate companies' corporate strategies, investment and financing activities, management incentives, resource use, regulatory policies, and environmental impact, as well as overall effect on and engagement with consumers, workers, and the communities in which they operate to assess and promote long-term value creation.

⁴ These disclosures include those made under Article 6, 8, 9, 10, 11 of the SFDR.

The Public Markets Investing Global Stewardship Team drives the continued enhancement of our approach to stewardship and serves as a dedicated resource to our Public Markets Investment teams globally. The work of the Public Markets Investing Global Stewardship Team is centred around three core activities:

- Engagement with company management of a subset of companies we are invested in on behalf of our clients
- Proxy voting at companies where we have voting authority on behalf of our clients
- Industry leadership to share insights and build best practices across the stewardship space.

In accordance with the requirements of Directive (EU) 2017/828 and its implementing measures (the Shareholder Rights Directive II), the Public Markets Investing Global Stewardship Team published ‘*Our Approach to Stewardship*’ which seeks to set out some of the main components of our approach to stewardship across our Public Markets Investing platform, as summarised above.

Private Wealth 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) that provides further details on Private Wealth Management’s engagement approach. As described in the policy, Private Wealth Management does not undertake traditional shareholder engagement activities, Private Wealth Management clients of GSBE benefit from the capabilities of the Public Markets Investing Global Stewardship team for effective and meaningful engagement with investee companies and stakeholders on ESG issues deemed material and relevant to Private Wealth Management mandates delegated to Public Markets Investing or managed in accordance with recommendations made by Public Markets Investing. No PAIs are expressly considered within the policy given its broader applicability and given the nature of the Private Wealth Management activity.

The Public Markets Investing ‘*Our Approach to Stewardship*’ and Engagement Policy published by Private Wealth Management may relate to matters that consider adverse sustainability impacts but are not designed to avoid or reduce the PAIs set out in the SFDR Delegated Regulation.

The indicators for adverse impacts per the SFDR that were considered through the Public Markets Investing ‘*[Our] Approach to Stewardship*’ within the reference period have been summarised below.

Pillar	Our Thematic Engagement ^{5,6}	Engagement Objectives	Indicators for Adverse Impacts Considered
Climate Transition	<ul style="list-style-type: none"> • Material Greenhouse gas (“GHG”) emissions data • GHG emissions reduction targets • Climate transition strategy • Biodiversity 	<ul style="list-style-type: none"> • Promote disclosure of material GHG emissions • Discuss companies goals to reduce GHG emissions • Identify and address adverse impacts on biodiversity, resulting from deforestation and plastics in the supply chain 	<ul style="list-style-type: none"> • Greenhouse gas emissions • Biodiversity
Inclusive Growth	<ul style="list-style-type: none"> • Board Diversity • Workforce diversity in Japan 	<ul style="list-style-type: none"> • Focus attention on both gender and ethnic diversity on corporate boards globally • Promote best practices and disclosure with respect to diversity and inclusion within the workforce • Encourage best practices related to labor rights 	<ul style="list-style-type: none"> • Social and employee matters
Corporate Governance	<ul style="list-style-type: none"> • Global norms violations • Regional governance best practices 	<ul style="list-style-type: none"> • Identify and address the impacts of controversial business practices and violations of global norms • Strengthen shareholder rights and commitments to best governance practices 	<ul style="list-style-type: none"> • Social and employee matters • Human Rights

No further engagement policies nor approaches are published by either Public Markets Investing or Private Wealth Management.

There are currently no plans to adapt Private Wealth Management’s Engagement Policy or adapt Public Markets Investing’s ‘*Our Approach to Stewardship*’ document described above in cases where there is no reduction of PAIs over more than one reported period. Public Markets Investing and Private Wealth Management businesses do not currently set targets in relation to any of the PAIs set out in this document.

⁵ Our engagement objectives are reviewed, enhanced, and monitored on an ongoing basis in an effort to ensure they incorporate current issues and evolving views about key ESG topics.

⁶ In addition to thematic engagements driven by the Global Stewardship Team’s objectives, for select portfolios we may perform additional targeted engagements.

REFERENCES TO INTERNATIONAL STANDARDS

Public Markets Investing

The Public Markets Investing Global Stewardship Team has developed a proprietary approach for evaluating companies that have been identified by third-party data providers as being in violation of global norms – including the United Nations Global Compact; the Guidelines for Multinational Enterprises developed by the Organisation for Economic Co-operation and Development (OECD); and the UN Guiding Principles on Business and Human Rights – as well as companies with poor governance practices.

The global norms described above are not aligned to the objectives of the Paris Agreement.

Public Markets Investing's proprietary global norms assessment uses the PAIs 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises) and 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) to measure adherence to the above global norms.

The Public Markets Investing Global Stewardship Team leverage multiple third-party data providers to generate a list of potential violators of global norms. Using the vendor generated list, the Public Markets Investing Global Stewardship Team evaluate each of the issues raised at the companies, considering the external data providers' assessment as well as additional sources to create an assessment. Using the results of the review, the Public Markets Investing Global Stewardship Team assign each company to one of three tiers. The list is reviewed and re-tiered on a semi-annual basis and the Public Markets Investing Global Stewardship Team seek to conduct ongoing monitoring to identify potential new issues.

Private Wealth Management

Private Wealth Management does not formally adhere to any international standards such as the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights.

Where Private Wealth Management delegates the management of some aspects of client portfolios to Public Markets Investing it may benefit from the proprietary global norms assessment carried out by Public Markets Investing Global Stewardship Team. In addition, for assets managed by external managers, Private Wealth Management may benefit from the climate- and sustainability-related due diligence conducted by Public Markets Investing external manager selection framework.

No forecasts of the principal adverse impacts of investee companies are undertaken at a GSBE entity level for Public Markets Investing nor Private Wealth Management.

Public Markets Investing and Private Wealth Management

Climate scenario analysis:

Scenario analysis may be used to inform assessments of the resilience of an organisation's business or strategy to potential climate disruption. Public Markets Investing and Private Wealth Management do not currently use forward-looking climate scenarios to consider the PAIs on sustainability factors.

During the reference period, GSBE did not use a forward-looking climate scenario to assess PAIs. Whilst forward-looking scenario can be relevant, GSBE did not consider one during the reference period, the focus was instead placed on developing climate scenario analysis capabilities and assessing available third-party tools for measuring the potential PAIs on sustainability factors.

Going forward Public Markets Investing and Private Wealth Management will continue to review and evolve their approach to scenario analysis.

HISTORICAL COMPARISON

Not applicable, GSBE did not disclose PAIs of its investment decisions on sustainability factors during previous reference periods. Historical comparisons will be further published during the next reference period.

Finanzmarktteilnehmer: Goldman Sachs Bank Europe SE

LEI: 8IBZUGJ7JPLH368JE346

Überblick

Gemäß Verordnung (EU) 2019/2088 („Nachhaltigkeitsbezogene Offenlegungspflichten im Finanzdienstleistungssektor“ bzw. „SFDR“) berücksichtigt die Goldman Sachs Bank Europe SE („GSBE“) (LEI: 8IBZUGJ7JPLH368JE346) die wichtigsten nachteiligen Auswirkungen ihrer Investitionsentscheidungen auf Nachhaltigkeitsfaktoren. Bei der vorliegenden Erklärung handelt es sich um die konsolidierte Erklärung zu den wichtigsten nachteiligen Auswirkungen auf die Nachhaltigkeitsfaktoren der Portfolioverwaltungstätigkeit im Anwendungsbereich der Geschäftsbereiche Public Markets Investing und Private Wealth Management.

Diese Erklärung zu den wichtigsten nachteiligen Auswirkungen auf die Nachhaltigkeitsfaktoren bezieht sich auf den Referenzzeitraum vom 1. Januar 2022 bis zum 31. Dezember 2022.

Ein Überblick über die wichtigsten nachteiligen Auswirkungen und damit zusammenhängende Indikatoren wird in der nachstehenden Tabelle vorgelegt. Anlagen in Immobilien wurden von den Geschäftsbereichen im Anwendungsbereich während des Referenzzeitraums nicht getätigt, sodass die sich auf Immobilienvermögen beziehenden Indikatoren nicht zutreffen.

Diese Erklärung beginnt mit dem Abschnitt **„Beschreibung der wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren“**, in dem Informationen über die achtzehn wichtigsten nachteiligen Auswirkungen unserer Anlageentscheidungen auf Nachhaltigkeitsfaktoren enthalten sind. Im Abschnitt **„Sonstige Indikatoren für die wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren“** sind Informationen über zwei weitere wichtigste nachhaltige Auswirkungen in Bezug auf Klima und Menschenrechte enthalten.

Die für die achtzehn wichtigsten nachteiligen Auswirkungen vorgelegte Erklärung beinhaltet eine Beschreibung, wie sowohl Public Markets Investing als auch Private Wealth Management diese Auswirkungen, falls relevant, auf Unternehmensebene berücksichtigen. GSBE nutzt eine Kombination von Aktivitäten um die wichtigsten nachteiligen Auswirkungen zu mildern, insbesondere durch verantwortungsbewusste Aktivitäten des Global-Stewardship-Teams von Public Markets Investing. Diese Aktivitäten sind fortwährend, und potenzielle geplante Aktionen für zukünftige Referenzzeiträume werden im Abschnitt **„Beschreibung der wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren – Zukunft“** beschrieben. Die GSBE-Unternehmensbereiche Public Markets Investing und Wealth Management legen zurzeit keine Zielwerte für die in der nachstehenden Tabelle angegebenen wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren fest.

Mit der Berichterstattung über nachhaltigkeitsbezogene Messwerte sind aufgrund neu entwickelter Methoden und aufgrund von Datenlücken zahlreiche Einschränkungen verbunden. Der Abschnitt **„Datenquellen und Datenerhebung“** beschreibt die Datenquellen und die Datenerhebung, wie sie für die Vorlage von für die Berechnung der Messwerte eingesetzten Unternehmens-, staatlichen und internationalen Indikatoren für die wichtigsten nachteiligen Auswirkungen verwendet wurden. Die mit den erhobenen Daten und Messwertberechnungen verbundenen Einschränkungen sind im Abschnitt **„Begrenzte Datenverfügbarkeit“** dargestellt.

Die vorliegende Erklärung enthält des Weiteren im Abschnitt **„Beschreibung der zur Identifizierung und Priorisierung der wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren eingesetzten Policies“** eine Beschreibung der Policies, die sowohl Public Markets Investing als auch Private Wealth Management zur Identifizierung und Priorisierung der wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren zur Verfügung haben. Auf die Ansätze zur Mitwirkung wird in der gesamten Erklärung eingegangen, und sie werden im Einzelnen im Abschnitt **„Engagement Policies“** erläutert. Abschließend beschreibt der Abschnitt **„Bezugnahmen auf internationale Standards“** die Herangehensweise der Geschäftsbereiche an internationale Standards, wie etwa den United Nations Global Compact, die von der Organisation für wirtschaftliche Zusammenarbeit und Entwicklung (OECD) entwickelten Leitlinien für multinationale Unternehmen und die UN-Leitprinzipien für Wirtschaft und Menschenrechte.

In der vorliegenden Erklärung ist kein historischer Vergleich mit anderen Bezugszeiträumen enthalten, da die GSBE die wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren in den vorgehenden Referenzzeiträumen nicht angegeben hat, wie im Abschnitt **„Historischer Vergleich“** beschrieben.

UMWELT	SOZIALES
Indikatoren der wichtigsten nachteiligen Auswirkungen (18)	
Sich auf Beteiligungsunternehmen beziehende Indikatoren (14)	
<ol style="list-style-type: none"> 1. Treibhausgasemissionen 2. CO2-Fußabdruck 3. THG-Emissionsintensität der Unternehmen, in die investiert wird 4. Engagement in Unternehmen, die im Sektor Fossile Brennstoffe aktiv sind 5. Anteil des Energieverbrauchs und der Energieerzeugung aus nicht erneuerbaren Energiequellen 6. Intensität des Energieverbrauchs nach klimaintensiven Sektoren Tätigkeiten, die sich nachteilig auf Gebiete mit schutzbedürftiger Biodiversität auswirken 7. Emissionen in Wasser 8. Anteil gefährlicher und radioaktiver Abfälle 	<ol style="list-style-type: none"> 9. Verstöße gegen die Prinzipien des UN Global Compact und die Leitsätze für multinationale Unternehmen der Organisation für wirtschaftliche Zusammenarbeit und Entwicklung (OECD) 10. Fehlende Prozesse und Complianceverfahren zur Überwachung der Einhaltung der Prinzipien des UN Global Compact und der OECD-Leitlinien für multinationale Unternehmen 11. Unbereinigtes geschlechtsspezifisches Verdienstgefälle 12. Geschlechterdiversität in den Leitungs- und Kontrollorganen 13. Engagement in umstrittenen Waffen (Landminen, Streumunition, chemische Waffen und biologische Waffen)
Auf staatliche und übernationale Beteiligungen auswirkende Indikatoren (2)	
15. Treibhausgasintensität	16. Anlagen in Länder, die gegen soziale Bestimmungen verstoßen
Auf Anlagen in Immobilien anwendbare Indikatoren (2) – Nicht zutreffend	
17. Engagement in fossilen Brennstoffen durch die Investition in Immobilien	18. Engagement in Immobilien mit schlechter Energieeffizienz
Sonstige für Beteiligungsunternehmen geltende Indikatoren (2)	
Zusatz 4. Anlagen in Unternehmen ohne CO2-Reduktionsinitiative	Zusatz 14. Anzahl der identifizierten Fälle schwerer Menschenrechtsverletzungen und -vorfälle

The summary of this principal adverse impact statement is available in additional European languages [here](#).

REVISION HISTORY

Version 1.0 – Published on 30 June 2023

Version 1.1. – Published on 20 December 2024 – German translation revision and version annotation

Version 1.2 – Published on 24 January 2025 – Addition of third-party data vendor name