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Goldman Sachs Bank Europe SE, Private Wealth Management

Adverse sustainability impacts statement

1 Overview

Private Wealth Management offers investment advisory services in relation to a wide range of asset classes, sectors and regions on behalf of clients, and in doing so indirectly finances a variety of economic activities with positive and negative impacts on environmental, social and governance ("**ESG**") matters.

In accordance with Regulation (EU) 2019/2088 (the "**Sustainable Finance Disclosure Regulation**" or "**SFDR**"), this document (the "**Statement**") sets out Private Wealth Management's policy for considering the adverse impacts of its investment advice on sustainability factors. In particular, this document sets out how Private Wealth Management considers principal adverse sustainability factors for the non-discretionary portfolio.

If you have any questions about this document, please contact your Goldman Sachs team.

2 Scope

This disclosure applies to Goldman Sachs Bank Europe SE, Private Wealth Management ("**Private Wealth Management**" or "**we**").

3 Identification and prioritisation of principal adverse sustainability impacts

Sustainability factors are defined in the Sustainable Finance Disclosure Regulation as environmental, social and employee matters, as well as respect for human rights, anti-corruption and anti-bribery matters.

Private Wealth Management considers an adverse impact on sustainability factors to be principal where it has a material, negative impact on efforts to transition to a low carbon economy and/or to advance inclusive growth (supporting communities, drawing on innovative finance and partnerships to mitigate unequal access and affordability among underserved populations). Private Wealth Management also considers an adverse impact to be principal where available data and client feedback indicate that it is of material concern to a significant majority of Private Wealth Management's clients.

Broadly, Private Wealth Management's approach for understanding and monitoring principal adverse impacts ("**PAIs**") in its investment advice services draws on ESG content it receives from third-party product and data providers as well as product information from Goldman Sachs Asset Management and, where appropriate, Goldman Sachs Asset Management Global Stewardship Team. Private Wealth Management primarily uses third-party data for assessing and monitoring a client's sustainability preferences, where the client has expressed a preference to integrate PAI indicators in the entirety of their portfolio, which includes but is not limited to their non-discretionary portfolio (for which Private Wealth Management provide investment advice).

Private Wealth Management is developing robust, data-driven processes and procedures to enable visibility into sustainability preference alignment across the entirety of a client's portfolio, including but not limited to alignment with respect to the PAI indicators. This will better enable Private Wealth Management to consider PAIs in its investment advice, specifically as it pertains to alignment of the portfolio with the client's expressed sustainability preferences. Where a client has expressed a preference to integrate PAI indicators, Private Wealth Management assesses the PAI across the entirety of a client's portfolio, which may contain non-discretionary assets (for which Private Wealth Management provide investment advice).

The PAIs that Private Wealth Management most commonly encounters are those contained within Table 1 of Annex 1 of the final SFDR Regulatory Technical Standards ("RTS"). However, given Private Wealth Management relies on information supplied from third-party product or data providers, there may be certain types of financial instruments that do not incorporate PAIs or disclose how they consider PAIs and coverage may be limited across certain asset classes as the data landscape continues to evolve. Private Wealth Management would therefore not consider PAIs for these types of financial instruments.

4 Process for selection of financial instruments

4.1 Use of adverse sustainability information published by management entities

Where a client expresses a sustainability preference across their portfolio, including their non-discretionary assets with a preference of integrating PAI indicators in their portfolio, Private Wealth Management will look through to the underlying investments in such client's portfolio, utilizing third-party data as well as data from product providers, to assess whether these investments incorporate any of the indicators set out in Table 1 of Annex 1 to the RTS.

Private Wealth Management may also have regard to the 'principal adverse sustainability impact statements' ("**PASI statements**") published by European fund managers in accordance with SFDR at fund level where available. Such fund managers may include Goldman Sachs Asset Management and/or third-party fund managers. In addition to PASI statements, Private Wealth Management may also rely on information provided by third-party product or data providers, in particular where Private Wealth Management seeks to obtain information on how PAI indicators are integrated into financial investments held across a client's portfolio, including but not limited to its non-discretionary portfolio.

In its selection of financial instruments to achieve alignment with a client's sustainability preferences, Private Wealth Management may consider (i) the fund's PAIs assessment / score; (ii) any relevant actions proposed or taken by the fund manager to address and/or mitigate PAIs for that fund; and (iii) the sustainability preferences.

Some fund managers may not publish PASI statements and others may publish PASI statements at an entity level only, without disclosing the PAIs at a product level. This means that there may be certain types of financial instruments that do not incorporate PAIs or disclose how they consider PAIs. In such scenarios, Private Wealth Management may rely on information supplied from third-party data providers or other alternative sources of data to ascertain whether these investments incorporate any of the indicators.

4.2 Methodology for selecting and ranking financial instruments based on adverse sustainability indicators

Private Wealth Management does not formally select and rank financial instruments based on the indicators set out in Table 1 of Annex 1 of the RTS. However, where a client expresses a sustainability preference of integrating PAI indicators in their portfolio, Private Wealth Management may look through to the underlying investments in such a client's portfolio, including their non-discretionary portfolio, and assess whether or not these investments incorporate any of the indicators set out in Table 1 of Annex 1 to the RTS.

4.3 Criteria or thresholds for selecting and advising on financial instruments based on principal adverse sustainability impacts

Where a client has expressed a sustainability preference regarding PAI indicators, Private Wealth Management will seek to ensure that the client's overall portfolio meets these sustainability preferences to the greatest extent possible. However, under the MiFID II rules, sustainability preferences are non-binding criteria and will always rank as a secondary consideration to the other suitability criteria of a client's knowledge and experience, risk profile, financial situation and investment objectives. As a result, a client's sustainability preferences, including in relation to PAI indicators, may not be reflected in Private Wealth Management's recommendations for the portfolio (in whole or part), as Private Wealth Management will seek to give priority to the other suitability criteria.