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The Global Markets Division Sustainable Finance Disclosure Regulation – Disclosures as required under Article 3 and 4

Goldman Sachs Paris Inc. et Cie Global Markets Division - SFDR disclosures

At an organisational level, Goldman Sachs values and recognises the importance of sustainable finance. Goldman Sachs is deploying $750 billion across investing, financing and advisory activities by 2030 and bringing its commercial expertise to help clients accelerate climate transition and advance inclusive growth. More information on the group’s sustainable finance initiative can be found here https://www.goldmansachs.com/what-wedo/sustainable-finance.

1 Overview

In accordance with Regulation (EU) 2019/2088 (the “Sustainable Finance Disclosure Regulation”), this document sets out the Global Markets Division’s approach to integrating sustainability risks and considering principal adverse impacts on sustainability factors, when providing investment advice.

2 Scope

This document applies to the Global Markets Division business of Goldman Sachs Paris Inc. et Cie to the extent that it provides investment advice as defined under Directive 2014/65/EU (MiFID II).

3 Integration of sustainability risks

The Global Markets Division does not typically provide investment advice on financial products as defined under the Sustainable Finance Disclosure Regulation, and does not advise clients on sustainable investments or the sustainability risks/rewards of products. As such, there are no specific policies on the integration of sustainability risks in our investment advice.

However, should there be occasions where the Global Markets Division provides investment advice, where relevant, we may direct clients to the underlying documentation of the financial products which contain information on relevant sustainability risks. When advising clients, we will also have regard to general market risks, which may include consideration of material sustainability events that cause or are reasonably expected to cause broad disruption to investment performance, asset flows and the financial markets generally.
4 No Consideration of Adverse Sustainability Impacts

Taking due account of our size and the negligible scale of our investment advisory activities, the Global Markets Division does not consider the principal adverse impacts of its investment advice on sustainability factors. However, should there be occasions where the Global Markets Division provides investment advice, we will assess whether to consider such adverse impacts and will take into account client requirements in making such determination. Given the negligible scale of our investment advisory activities, we expect they are also unlikely to have a principal adverse impact on any specific sustainability factors.

5 Information on the Integration of Sustainability Risk into Remuneration Policies [1]

ESG is increasingly important to how companies operate and to our clients as they invest their capital. The success of our business is tied to investment performance, advice, and client satisfaction and ESG expertise is an essential element of these.

Goldman Sachs remuneration principles are consistent with the integration of sustainability risks by evaluating performance on a multi-year basis and by ensuring that the variable compensation process considers all elements of risk including sustainability risk holistically rather than formulaically.

Goldman Sachs compensation principles are designed to encourage prudent risk-taking by employees and in addition to ensuring that risk is monitored and controlled throughout the year. As part of the annual performance review and the variable compensation process, the firm considers the overall risk profile comprising financial and non-financial risks, including sustainability risk. In particular, the firm’s compensation principles discourage excessive or concentrated risk taking consistent with the effective management of sustainability risks.

[1] Applies to certain employees in certain entities/business units