

**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 2023 to 31 December 2023.

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 on real estate assets are therefore not applicable.

The 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 sources and metric calculations are described in the section titled ‘Data Limitations’. Both of these sections should be considered when assessing the PAI metrics in the reference period.

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.

The current reporting period includes metrics reported in the prior reporting period (ending 31 December 2022), as noted in the section titled ‘Historical Comparison’. The section also describes the limitations on comparability of the reference periods, including the transfer of Public Markets Investing activities during 2023, resulting in activities being included in PAIs only for quarters prior to such transfer.

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

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 2023 <sup>1</sup> ]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Greenhouse gas emissions	1. GHG emissions	Scope 1 GHG emissions	490,434 tCO <sub>2</sub> e	635,483 tCO <sub>2</sub> e	All coverage % are for 2023:  <b>Coverage:</b> 88% of investee company exposures  Of which, Scope 1: <b>Reported:</b> 90% <b>Estimated:</b> 10%  Of which, Scope 2: <b>Reported:</b> 87% <b>Estimated:</b> 13%  Of which, Scope 3: <b>Reported:</b> 0% <b>Estimated:</b> 100%  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.	<b>PUBLIC MARKETS INVESTING</b>  Public Markets Investing leverage the Global Stewardship Team's approach to the climate transition.  Climate transition remained a key pillar of the stewardship framework in 2023. 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 and explain progress in, and outcomes of, our engagements in our annual stewardship reporting on our website and in the <a href="#">2023 Stewardship Report</a> .  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 collaborates with the Fundamental Equity and Fixed Income investment teams to engage with companies on material climate-related risks and opportunities.
		Scope 2 GHG emissions	153,606 tCO <sub>2</sub> e	225,911 tCO <sub>2</sub> e		
		Scope 3 GHG emissions	4,565,473 tCO <sub>2</sub> e	7,187,987 tCO <sub>2</sub> e		
		Total GHG emissions	5,197,205 tCO <sub>2</sub> e	8,049,381 tCO <sub>2</sub> e		
	2. Carbon footprint	Carbon footprint	70 tCO <sub>2</sub> e / €m invested	220 tCO <sub>2</sub> e / €m invested		
	3. GHG intensity of investee companies	GHG intensity of investee companies	161 tCO <sub>2</sub> e / €m revenue	731 tCO <sub>2</sub> e / €m revenue		

<sup>1</sup> Impact is calculated using a quarterly average across the reference period.

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact [year 2023 <sup>1</sup> ]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
				<p>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> <p>Short positions for non-corporate holdings, where netting is not applicable, are excluded similar to the prior year, which increases the current value of all investments (CVI), the denominator used for calculation of PAI 2 and 3. However, the increase in CVI in the current period has been much more considerable, compared to prior period, when coupled with the exclusion of external accounts holdings due to data quality issues. This has resulted in a material decrease in PAI 2 and 3 that are not fully representative of business activity drivers. Further details on data sourcing and limitations are described in the 'Data Sources and Collection Process' and 'Data Limitations' sections respectively.</p>	<p>Building on the Public Markets Investing Global Stewardship Team's prior engagement initiatives, in 2023 they expanded engagement efforts by assessing companies against the criteria in our proprietary <b>Paris Alignment Lens</b>. This tool combines quantitative and qualitative information from internal and external data sources on a company's ambitions and target-setting, emissions performance, climate disclosures, decarbonization strategies, and capital allocation to provide a forward-looking categorization of its alignment with the aims of the 2015 Paris Agreement.</p> <p>This analysis is then used to identify companies for potential engagement, encouraging companies to:</p> <ol style="list-style-type: none"> <li><b>1. Disclose Data</b> Encourage disclosure of greenhouse gas (GHG) emissions data considered material to a company's business.</li> <li><b>2. Set Targets</b> Discuss companies' goals to reduce greenhouse gas emissions where material.</li> <li><b>3. Execute Strategy</b> Engage with companies in high-impact industries on the implementation of a robust and quantifiable climate transition strategy.</li> </ol> <p>Exercising clients' shareholder rights via proxy voting is an important portfolio management service that Public Markets Investing provides to its clients.</p> <p><b>Board Accountability</b></p> <p>The Public Markets Investing Global Stewardship Team expects boards to be accountable for climate transition risk and may vote against board members for failure to disclose material climate data.</p> <p><b>Climate Transition Plans</b></p> <p>When evaluating climate transition plans for proxy voting purposes (such as in the context of "say on climate" proposals), the Public Markets Investing Global Stewardship Team seeks to conduct analysis based on the following framework. We seek to make our decisions primarily based on our observations of the company's strategy relative to industry peers and best practices. In general, the Global Stewardship Team considers three key elements of a company's climate transition plan:</p>
	4. Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	10%	5%	<p><b>Coverage:</b> 90% of investee company exposures</p> <p>Of which:  <b>Reported:</b> 100%</p> <ol style="list-style-type: none"> <li><b>1. Disclosure:</b> Does the company currently disclose material scopes of emissions?</li> <li><b>2. Targets:</b> Does the company have reasonable GHG reduction targets?</li> <li><b>3. Credibility:</b> Has the company provided a credible strategy for implementing its plan?</li> </ol>

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact [year 2023 <sup>1</sup> ]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
				<p><b>Estimated:</b> 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>In 2023, the Public Markets Investing Global Stewardship Team voted on a number of management- and shareholder-sponsored “say on climate” proposals.</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 these PAI indicator, including strategies / portfolios that:</p> <ul style="list-style-type: none"> <li>• commit to excluding companies that derive significant revenues from fossil fuels, including; the extraction, generation and/or production of thermal coal and oil sands;</li> <li>• 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.</li> </ul>
5. Share of non-renewable energy consumption and production	(a) Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	65%	60%	<p><b>Coverage:</b> 56% (PAI 5a) / 2% (PAI 5b) of investee company exposures</p> <p>Of which:  <b>Reported:</b> 100%  <b>Estimated:</b> 0%</p> <p>Non-renewable energy sources means energy sources other than wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas.</p> <p>Data is available for separate calculations of non-renewable energy consumption and production, for greater metric transparency, from third-party data provider for</p>	<p><b>PRIVATE WEALTH MANAGEMENT</b></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 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><b>PLANNED ACTIONS AND TARGETS</b></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) Share of non-renewable energy production	76%			

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact [year 2023 <sup>1</sup> ]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
				the current year metric. There has been no restatement of the prior period metrics due to data availability. The separate calculations are considered to be in line with regulatory expectations.		
6. Energy consumption intensity per high impact climate sector	Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector	A - Agriculture, forestry and fishing	1 GWh / €m revenue	0.5 GWh / €m revenue	<p><b>Coverage:</b> 75% of investee company exposures</p> <p>Of which: <b>Reported*:</b> 0% <b>Estimated*:</b> 100%</p> <p>*While the third-party data vendor uses energy consumptions data as reported by investee companies, these reported values are normalised within the companies' respective NACE sector, and such sector information are estimated. Coverage for this data set is limited for companies domiciled outside of the European Union.</p> <p>High impact sectors include activities in NACE codes A to H and L; NACE is an EU statistical classification of economic activities.</p>	
		B - Mining and quarrying	1.2 GWh / €m revenue	2.6 GWh / €m revenue		
		C - Manufacturing	0.5 GWh / €m revenue	1.6 GWh / €m revenue		
		D - Electricity, gas, steam and air conditioning supply	4.1 GWh / €m revenue	4.0 GWh / €m revenue		
		E - Water supply, sewerage, waste management and remediation	0.8 GWh / €m revenue	1.2 GWh / €m revenue		
		F - Construction	0.1 GWh / €m revenue	0.6 GWh / €m revenue		
		G - Wholesale and retail trade; repair of Motor vehicles and motorcycles	0.4 GWh / €m revenue	0.1 GWh / €m revenue		

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact [year 2023 <sup>1</sup> ]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
		H - Transportation and storage 2.2 GWh / €m revenue	2.3 GWh / €m revenue			
		L – Real estate activities 0.4 GWh / €m revenue	0.6 GWh / €m revenue			
		Total – High impact climate sectors 10.7 GWh / €m revenue	13.5 GWh / €m revenue			
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	8%	0.1%	<p><b>Coverage:</b> 90% of investee company exposures</p> <p>Of which:  <b>Reported:</b> 0%  <b>Estimated:</b> 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 is estimated based on the third-party vendor’s internal methodology, which has been updated for the current year, including enhancing the data assessment for investees, which is reflected in the increase in the current year’s PAI metric. There has been no restatement of prior period metrics.</p>	<p><b>PUBLIC MARKETS INVESTING</b></p> <p>Public Markets Investing leverage the Global Stewardship Team’s approach to the climate transition.</p> <p>Climate transition remained a key pillar of the stewardship framework in 2023. This framework included a thematic engagement objective designed to identify and address adverse impacts on biodiversity and nature, 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 that can manifest itself in a company’s operations or across its supply chain. Biodiversity has a role in ensuring the resilience and preservation of natural capital assets on which society and business depend.</p> <p>Recognizing this risk and understanding the regulatory landscape, the Public Markets Investing Global Stewardship Team seek to engage with a targeted group of companies across the public markets investing business portfolios to understand their approach to managing risks associated with nature and biodiversity and to promote accountability and best practices.</p> <p>In 2023, stewardship work related to biodiversity was focussed on two themes:</p> <p>1. <b>Plastics</b></p>

Indicators applicable to investments in investee companies

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact [year 2023 <sup>1</sup> ]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
					<p>Encouraging companies to disclose plastics packaging usage in line with the Sustainability Accounting Standards Board (“SASB”) standards for Fast Moving Consumer Goods (FMCG) companies.</p> <p><b>2. Deforestation</b>                      Engaging with companies in sectors identified as being exposed to potentially material deforestation risk to understand their approach to addressing deforestation in their supply chains.</p> <p><b>PRIVATE WEALTH MANAGEMENT</b></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 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><b>PLANNED ACTIONS AND TARGETS</b></p> <p>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	0.6 metric tons / €m invested	95 metric tons / €m invested	<p><b>Public Markets Investing and Private Wealth Management</b></p> <p><b>Coverage:</b> 0.3% of investee company exposures</p> <p>Of which:  <b>Reported:</b> 100%  <b>Estimated:</b> 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</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

CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS

Adverse sustainability indicator	Metric	Impact [year 2023 <sup>1</sup> ]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
				is data coverage. Such normalisation can lead to volatile metrics year over year due to sensitivity to changes in a limited number of investees' indicators.		
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	15 metric tons / €m invested	7 metric tons / €m invested	<p><b>Coverage:</b> 30% of investee company exposures</p> <p><b>Reported:</b> 100%</p> <p><b>Estimated:</b> 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><b>PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT</b></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 2023 <sup>1</sup> ]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and	Share of investments in investee companies that have been involved in violations of the	0.2%	0.5%	<p><b>Coverage:</b> 90% of investee company exposures</p> <p>Of which:</p> <p><b>Reported:</b> 0%</p> <p><b>Estimated:</b> 100%</p>	<p><b>PUBLIC MARKETS INVESTING</b></p> <p>Public Markets Investing leverage the Global Stewardship Team's approach to Corporate Governance.</p> <p>Corporate Governance remained a key pillar of the Stewardship framework in 2023. As noted previously, the stewardship framework describes the Global</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 2023 <sup>1</sup> ]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
	Development (OECD) Guidelines for Multinational Enterprises	UNGC principles or OECD Guidelines for Multinational Enterprises			<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>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 <a href="#">2023 Stewardship Report</a>.</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>
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	0.5%	70%	<p><b>Coverage:</b> 90% of investee company exposures</p> <p>Of which: <b>Reported:</b> 0% <b>Estimated:</b> 100%</p> <p>PAI 11 is calculated using third-party vendor data that captures evidence, or the lack thereof, of companies' mechanisms to monitor compliance with human rights, labor due diligence, or anti-briber, the areas of focus for UN Global Compact and OECD guidelines. The methodology has been updated for the current year, including enhancing the assessment of investees policies and compliance mechanisms, which is reflected in the increase in the current year's PAI metric. There has been no restatement of the prior period metrics.</p> <p>The 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 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"> <li><b>1. Identify</b> We leverage multiple third-party data providers to generate a list of potential violators of global norms.</li> <li><b>2. Review</b> 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.</li> <li><b>3. Evaluate</b> Using the results of the review, we assign each company to one of three tiers:                         <ul style="list-style-type: none"> <li>• Tier One: In our view, this company has an ongoing global norms violation with insufficient remediation</li> <li>• 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.</li> <li>• Tier Three: The company is not currently considered a global norms violator.</li> </ul> </li> <li><b>4. Monitor</b></li> </ol>

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 2023 <sup>1</sup> ]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
					<p>We review and re-tier the list on a semi-annual basis and seek to conduct ongoing monitoring to identify potential new issues.</p> <p>The assessment of global norms violations helps the Public Markets Investing Global Stewardship Team to identify companies for which we implement appropriate stewardship actions, including engagement and voting escalation. Further, certain clients may choose to exclude companies that violate global norms.</p> <p>Since January 2023, all GSBE<sup>2</sup> Public Markets Investing portfolios making Article 8 and 9 disclosures under the SFDR adopted the Public Markets Investing Global Stewardship Team’s proprietary approach by-excluding companies that are believed to have an ongoing or serious violation and/or are considered not to be following good governance practices with insufficient remediation.</p> <p><b>PRIVATE WEALTH MANAGEMENT</b></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 social and employee matters covered by 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><b>PLANNED ACTIONS AND TARGETS</b></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. There are currently no actions planned or targets set in relation to this PAI.</p>
12.	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	10%	9%	<p><b>Coverage:</b> 18% of investee company exposures</p> <p>Of which:  <b>Reported:</b> 100%  <b>Estimated:</b> 0%</p> <p><b>PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT</b></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>

<sup>2</sup> As of Q4 2023, these portfolios have been transferred to GSAM BV for business alignment purposes.

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 2023 <sup>1</sup> ]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
				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.	
13. Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	33%	33%	<p><b>Coverage:</b> 90% of investee company exposures</p> <p><b>Of which:</b>  <b>Reported:</b> 100%  <b>Estimated:</b> 0%</p> <p>PAI 13 is calculated using third-party vendor data investee companies' reported board information.</p>	<p><b>PUBLIC MARKETS INVESTING</b></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 2023. 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 and explain progress in, and outcomes of, our engagements in our annual stewardship reporting on our website and in the <a href="#">2023 Stewardship Report</a>.</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. We view our voting activities as the primary method of engagement on board diversity with companies held in our public markets investing business portfolios.</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 2023] <sup>1</sup>	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
					<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&amp;P 500 and FTSE 100 boards should have at least one diverse director from a minority ethnic group.</p> <p><b>PRIVATE WEALTH MANAGEMENT</b></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><b>PLANNED ACTIONS AND TARGETS</b></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 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%	0.1%	<p><b>Coverage:</b> 90% of investee company exposures</p> <p>Of which:  <b>Reported:</b> 100%  <b>Estimated:</b> 0%</p> <p>PAI 14 is calculated using third-party vendor data of investee companies.</p>	<p><b>PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT</b></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

Adverse sustainability indicator	Metric	Impact [year 2023]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
Environmental	15. GHG intensity	GHG intensity of investee countries	234 tCO2e / €m GDP	324 tCO2e / €m GDP	<p><b>Coverage:</b> 77% of sovereign and supranational exposures</p> <p>Of which:</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>Public Markets Investing teams in conjunction with the Global Stewardship Team teams may seek to meet with the policymakers responsible for monetary and fiscal</p>

						<p><b>Reported:</b> 100% <b>Estimated:</b> 0%</p> <p>PAI 15 has been calculated as the total GHG emissions of a country normalised by nominal GDP.</p>	<p>decisions, including those in treasury departments, government agencies and debt management offices where appropriate.</p> <p>The Public Markets Investing Fixed Income teams are committed to engaging with sovereigns on environmental policies. The teams aim to engage on the enhancement of climate-related metrics and disclosures, transition plans, and information-sharing on industry best practices.</p> <p>Our 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><b>PLANNED ACTIONS AND TARGETS</b></p> <p>Neither Public Markets Investing nor Private Wealth management have currently planned actions or set targets to avoid or reduce these PAIs.</p>
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	7	<p><b>Coverage:</b> 82% of sovereign and supranational exposures</p> <p>Of which: <b>Reported:</b> 0% <b>Estimated:</b> 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>The denomination for the Relative metric has been updated to be expressed as a percentage for current and prior year, the value for prior year has not changed.</p>	<p><b>PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT</b></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>
			Relative	8%	9%		

Indicators applicable to investments in real estate assets						
Adverse sustainability indicator	Metric	Impact [year 2023]	Impact [year 2022]	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	N/A	N/A	N/A	<p><b>PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT</b></p> <p>Not applicable for this reference period as no investments were made in real estate assets during the reference period.</p>

		manufacture of fossil fuels				
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	<b>PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT</b>  Not applicable for this reference period as no investments were made in real estate assets during the reference period.

Indicators applicable to investments in investee companies

Other indicators for principal adverse impacts on sustainability factors

*Table 2*

Additional climate and other environment-related indicators

Adverse sustainability indicator	Metric	Impact [year 2023]	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
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	9%	35%	<b>Coverage:</b> 90% of investee company exposures  Of which: <b>Reported:</b> 0% <b>Estimated:</b> 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.	<b>PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT</b>  Please refer to the summary provided above for PAIs 1-6.

*Table 3*

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	0.00	0.01	<b>Coverage:</b> 95% of investee company exposures  Of which: <b>Reported:</b> 0% <b>Estimated:</b> 100%	<b>PUBLIC MARKETS INVESTING AND PRIVATE WEALTH MANAGEMENT</b>  Please refer to the summary provided above for PAIs 10-11.
--------------	--	--	------	------	--	---

Indicators applicable to investments in investee companies					
		weighted average basis			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.

Looking Ahead

Public Markets Investing's Global Stewardship Team's Approach to Stewardship and Global Proxy Voting policy are annually reviewed and updated as necessary to ensure they enable effective stewardship. This process 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. New and emerging regulations in Europe have put increased focus on biodiversity-related engagements. The Public Markets Investing Global Stewardship Team have begun engaging with companies to understand their plans to manage deforestation risk in their supply chains and to encourage disclosure of material plastic usage and waste metrics. These efforts will continue into 2024.

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 to provide data for corporate investees', sovereigns', and supranationals' PAI indicators data and financial data for metric calculation. Data availability continue vary significantly for non-climate indicators, and data providers continue to rely on estimates and proxies where there is a gap in reported data. This report's PAI calculations includes data from the third-party vendor which has been sourced from the latest reported data published by the investees where available (which may also relate to reporting periods earlier than 2023), or the latest estimated data based on the third-party vendor's internal methodology. Public Markets Investing and Private Wealth Management acknowledge that changes in the third-party vendor'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. Changes in data availability, quality, and methodology are often on a prospective basis, therefore retrospective restatements of prior year metrics are not always feasible.

Additionally, calculation of PAIs require granular holdings data, which are particularly challenging for select product types such as externally managed funds and accounts, alternative funds, derivatives, and structured products. Public Markets Investing and Private Wealth Management continue to explore solutions, internal and external, to standardise data sourcing, and will continue to monitor industry efforts on improving data availability for PAI indicators.

Data Limitations

ESG data availability and quality continues to evolve. GSBE sources 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, for both internal and external funds. As such, these holdings are excluded from the scope of assets used for calculating the PAI indicators above, which can impact the total current value of all investments, further impacting the calculations of PAI indicators resulting in either higher or lower values.
- **Limitations related to price alignment to EVIC:** 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 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 available for many investees from reporting year 2023 and have been applied to the current year PAIs for direct holdings. However, such data is not available for any retrospective restatements of reporting year 2022 PAIs. Public Markets Investing and Private Wealth Management continue to work with market data provider to increase investee coverage for future reporting periods.

- **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 are still 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 2022 for metric calculations. For current period metrics, where data is not available for 2022 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 evidenced by the current year PAI 7 metric as a result from the updates to investee indicator data. 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 numerator of the PAI calculations above, but the market value is included in the total current value of all investment, the denominator for the calculation of PAI 2 and 3.
- **Limitations related to short positions:** Netting of long and short positions (floored at zero) where appropriate at an issuer level for investees has been implemented prospectively from this PAI reporting year onwards. Further, short positions for non-corporate exposures have not been included in the calculations of total current value of all investment, such exclusions can materially increase the current value of all investments and lower specific PAI indicators such as PAI 2 and 3, as reflected in the current year metrics.
- **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 the Group 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 (as described above) 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 in June 2023. Responsibility for and oversight of the implementation of the policies has been delegated by the Executive Board to the Head of GSBE Private Wealth Management and the Head of GSBE Public Markets Investing, for the Private Wealth Management and Public Markets Investing businesses respectively.

### 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 (as summarized below), 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 control 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 SFDR Disclosures.<sup>3</sup>

### Private Wealth Management

Private Wealth Management's policy on PAIs sets out the team's approach towards consideration of PAIs with respect to financial products disclosing under Article 8 of the SFDR or where clients have expressed a sustainability

---

<sup>3</sup> These disclosures include those made under Article 6, 8, 9, 10, 11 of the SFDR.



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 team's 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 PWM 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 set out in the SFDR rules. However, in the case of GSBE portfolios that disclose under Article 8 or 9 of SFDR, the investment teams will consider the probability of occurrence or severity of PAI indicators (e.g., GHG emissions) that correlate to the binding environmental or social characteristics or sustainable investment objective of such portfolios (e.g., portfolios with climate focussed characteristics or objectives). Further details on which PAI indicators and how the investment teams consider these for GSBE portfolios that disclose under Article 8 or 9 of SFDR are set out in the SFDR pre-contractual disclosures and periodic reports for those portfolios.

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 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 as the primary market data provider for PAI data and financial data required for the PAI metrics calculation. However, Public Market Investing and Private Wealth Management teams 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.

---

## 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.

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.

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 <sup>4</sup>	Engagement Objectives	Indicators for Adverse Impacts Considered
<b>Climate Transition</b>	<ul style="list-style-type: none"> <li>Material Greenhouse gas (“GHG”) emissions data</li> <li>GHG emissions reduction targets</li> <li>Climate transition strategy</li> <li>Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Promote disclosure of material GHG emissions</li> <li>Discuss companies’ goals to reduce GHG emissions</li> <li>Identify and address adverse impacts on biodiversity, resulting from deforestation and plastics in the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Greenhouse gas emissions</li> <li>Biodiversity</li> </ul>
<b>Inclusive Growth</b>	<ul style="list-style-type: none"> <li>Board Diversity</li> <li>Workforce diversity in Japan</li> </ul>	<ul style="list-style-type: none"> <li>Focus attention on both gender and ethnic diversity on corporate boards globally</li> <li>Promote best practices and disclosure with respect to diversity and inclusion within the workforce</li> <li>Encourage best practices related to labor rights</li> </ul>	<ul style="list-style-type: none"> <li>Social and employee matters</li> </ul>
<b>Corporate Governance</b>	<ul style="list-style-type: none"> <li>Global norms violations</li> <li>Regional governance best practices</li> </ul>	<ul style="list-style-type: none"> <li>Identify and address the impacts of controversial business practices and violations of global norms</li> <li>Strengthen shareholder rights and commitments to best governance practices</li> </ul>	<ul style="list-style-type: none"> <li>Social and employee matters</li> <li>Human Rights</li> </ul>

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

There are currently no plans to adapt GSBE’s 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 period reported on. 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.

## 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 principal adverse indicators 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.

<sup>4</sup> 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. In addition to thematic engagements driven by the Public Markets Investing Global Stewardship Team’s objectives, for select portfolios we may perform additional targeted engagements.

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. 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 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**

The current reporting period includes metrics reported in the prior reporting period (ending 31 December 2022). The nascency of the report necessitates an evolution of approach and methodology to address various limitations, such as those noted above in 'Data Limitations' section, many of which continue to remain a challenge for current and future years and should be carefully considered for historical comparisons. These limitations and significant business model changes for reporting year 2023 render limited comparability for the year over year changes of the PAI indicators.

- **Business model changes:** In 2023, GSBE transferred its Public Markets Investing asset management activities to Goldman Sachs Asset Management BV (GSAM BV), Group's primary E.U. asset management entity, consistent with Group's resolution planning and commercial objectives of its asset management business. The transfer materially decreased the holdings included in the calculation of PAI indicators and account for much of the decrease in PAI indicators year over year.
- **Limitations on data:** The approach to the limitations noted above regarding price alignment to EVIC and netting of long/short positions for corporates continue to impact reporting year 2022 but have been prospectively applied for reporting year 2023.
- **Treatment of short positions:** Exclusion of non-corporate short positions materially increased the current value of all investments, the denominator for PAI 2 and 3, and therefore lowered both metrics for reporting year 2023.

**Finanzmarktteilnehmer:** Goldman Sachs Bank Europe SE  
**LEI:** 8IBZUGJ7JPLH368JE346

#### Überblick

Gemäß Verordnung (EU) 2019/2088 („Nachhaltigkeitsbezogene Offenlegungspflichten im Finanzdienstleistungssektor“ bzw. „SFDR“) berücksichtigt Goldman Sachs Bank Europe SE („GSBE“) (LEI: 8IBZUGJ7JPLH368JE346) die wichtigsten nachteiligen Auswirkungen von Investitionsentscheidungen auf Nachhaltigkeitsfaktoren der Goldman Sachs Bank Europe SE. Die vorliegende Erklärung ist die konsolidierte Erklärung über die wichtigsten nachteiligen Auswirkungen in Bezug auf die Nachhaltigkeitsfaktoren der Portfolioverwaltungstätigkeit im Anwendungsbereich der Geschäftsbereiche Public Markets Investing und Private Wealth Management.

Diese Erklärung über die wichtigsten nachteiligen Auswirkungen bezieht sich auf den Referenzzeitraum vom 1. Januar 2023 bis zum 31. Dezember 2023.

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.

Die Messwerte in diesem Bericht beziehen sich auf die Portfolio-Management-Aktivitäten der GSBE-Geschäftsbereiche Public Markets Investing und Private Wealth Management innerhalb des Geschäftssegments Asset & Wealth Management („AWM“) der Goldman Sachs Group, Inc. („Group“).

Diese Erklärung beginnt mit dem Abschnitt **„Beschreibung der wichtigsten nachteiligen Auswirkungen auf Nachhaltigkeitsfaktoren“**, in dem Informationen über die 18 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 wichtige nachhaltige Auswirkungen in Bezug auf Klima und Menschenrechte enthalten.

Die für die 18 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 zur Verminderung der wichtigsten nachteiligen Auswirkungen, insbesondere durch verantwortungsbewusste Aktivitäten des Global-Stewardship-Teams von Public Markets Investing. Diese Aktivitäten werden fortgesetzt, 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. Beide Abschnitte sollten bei der Beurteilung der Messwerte der wichtigsten nachteiligen Auswirkungen während des Bezugszeitraums berücksichtigt werden.

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 untenstehende 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.

Ein historischer Vergleich mit anderen Bezugszeiträumen ist in der vorliegenden Erklärung enthalten, wie im Abschnitt **„Historischer Vergleich“** bemerkt. Der Abschnitt beschreibt auch die Einschränkungen der Vergleichbarkeit der Bezugszeiträume, einschließlich der Übertragung der Public Markets Investing Geschäftstätigkeiten im Jahr 2023 mit der Folge, dass diese Aktivitäten in den wichtigsten nachteiligen Auswirkungen nur für Quartale vor der Übertragung abgebildet sind.

UMWELT	SOZIALES
<b>Indikatoren der wichtigsten nachteiligen Auswirkungen (18)</b>	
<b>Sich auf Beteiligungsunternehmen beziehende Indikatoren (14)</b>	
<ol style="list-style-type: none"> <li>1. THG-Emissionen</li> <li>2. CO2-Fußabdruck</li> <li>3. THG-Emissionsintensität der Unternehmen, in die investiert wird</li> <li>4. Engagement in Unternehmen, die im Bereich der fossilen Brennstoffe tätig sind</li> <li>5. Anteil des Energieverbrauchs und der Energieerzeugung aus nicht erneuerbaren Energiequellen</li> <li>6. Intensität des Energieverbrauchs nach klimaintensiven Sektoren</li> <li>7. Tätigkeiten, die sich nachteilig auf Gebiete mit schutzbedürftiger Biodiversität auswirken</li> <li>8. Emissionen in Wasser</li> <li>9. Anteil gefährlicher und radioaktiver Abfälle</li> </ol>	<ol style="list-style-type: none"> <li>1. Verstöße gegen die UNGC-Grundsätze und gegen die Leitsätze der Organisation für wirtschaftliche Zusammenarbeit und Entwicklung (OECD) für multinationale Unternehmen</li> <li>2. Fehlende Prozesse und Compliance-Mechanismen zur Überwachung der Einhaltung der UNGC-Grundsätze und der OECD-Leitsätze für multinationale Unternehmen</li> <li>3. Unbereinigtes geschlechtsspezifisches Verdienstgefälle</li> <li>4. Geschlechtervielfalt in den Leitungs- und Kontrollorganen</li> <li>5. Engagement in umstrittenen Waffen (Antipersonenminen, Streumunition, chemische und biologische Waffen)</li> </ol>
<b>Auf staatliche und übernationale Beteiligungen auswirkende Indikatoren (2)</b>	
15. THG-Emissionsintensität	16. Länder, in die investiert wird, die gegen soziale Bestimmungen verstoßen
<b>Auf Anlagen in Immobilien anwendbare Indikatoren (2) – Nicht zutreffend</b>	
15. THG-Emissionsintensität	16. Länder, in die investiert wird, die gegen soziale Bestimmungen verstoßen
<b>Sonstige für Beteiligungsunternehmen geltende Indikatoren (2)</b>	
Zusatz 4. Investitionen in Unternehmen ohne Initiativen zur Verringerung der CO2-Emissionen	Zusatz 14. Anzahl der Fälle von schwerwiegenden Menschenrechtsverletzungen und sonstigen Vorfällen

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