

## Integration of sustainability risks in investment decision-making and investment advice

### 1 Overview

In accordance with Regulation (EU) 2019/2088 (the “**Sustainable Finance Disclosure Regulation**”), this disclosure provides information on Goldman Sachs Bank Europe SE Private Wealth Management Division’s (“**PWM**” or “**we**”) policy on the integration of sustainability risks into its investment decision-making processes and investment advice. If you have any questions about this document, please contact your Goldman Sachs team.

### 2 Sustainability Risk

Sustainability risk is defined in the Sustainable Finance Disclosure Regulation as an environmental, social or governance event or condition, that if it occurs, could cause an actual or a potential material negative impact on the value of discretionary portfolios that we manage or the investments we advise on.

The universe of sustainability risks is broad and may include, for example, the physical, transitional and liability risks of climate change, such as impacts of severe weather events, social risks, and governance risks. Certain PWM discretionary and non-discretionary offerings may be exposed to different sustainability risks from time to time, depending on their investment strategy, asset classes and geographic focus (among other considerations).

### 3 Sustainability Risk Integration

PWM looks to implement processes to identify, monitor and manage environmental, social and other sustainability risks that we consider to be most relevant in relation to discretionary portfolios that we manage or the investments we advise on. These processes are summarised below.

For discretionary accounts that hold a centrally managed strategy that is managed by our affiliate Goldman Sachs Asset Management (“**GSAM**”) or the PWM Portfolio Management Group (“**PMG**”) based on recommendations from GSAM, we periodically engage with GSAM to understand any sustainability risks in connection with the strategy, the impacts of such risks and GSAM’s approach to manage and mitigate these risks. For this purpose, we have set up a Multi-Asset Class Sustainability Risk and Principal Adverse Impact Working Group alongside GSAM, which meets on a quarterly basis.

For internally managed PWM portfolios, PWM continues to develop a process for considering the unintended consequences of the adoption of an ESG approach in portfolio construction, including the potential for sustainability risks to arise. PWM’s approach for understanding sustainability risk in these offerings draws on ESG content it receives from Global Investment Research, as well as content from the firmwide Sustainable Finance Group, Asset Management, where appropriate, and the Global Stewardship Team within Goldman Sachs. PWM similarly continues to develop its own ESG thought leadership, which focuses on thoughtful ESG asset allocation and portfolio construction and integrates sustainability risk considerations.

Additionally, where a discretionary or non-discretionary account holds a fund that is offered through PWM's diversified funds platform offering, we periodically engage with the relevant fund manager through our affiliates to understand any sustainability risks in connection with the fund and the impacts of such risks.

Where relevant, we also direct clients to the underlying fund documentation prepared by the fund manager, which may contain information on the underlying fund's sustainability risks.

As part of the process of embedding sustainability risk analysis into our processes and procedures, PWM has targeted training in place for its Private Wealth Advisors, to facilitate their ongoing conversations with clients on sustainability risk and sustainable investing. Where clients have expressed ESG preferences, including their views on sustainability risks relevant to their portfolios, such preferences are captured as part of the initial and ongoing client discussions. PWM is also developing a process for considering the unintended consequences of the adoption of an ESG approach in portfolio construction, including the potential for sustainability risks to arise.

Whilst sustainability risks play an important part in our investment approach for managed portfolios, we consider sustainability risks, where relevant, alongside all other risks relevant to the portfolio, and take a holistic view on the composition of the portfolio or the holding of specific investments from a risk perspective. In line with existing risk management processes, where we are not comfortable with the level of risk (including sustainability risk, where relevant) posed by an investment, we will take steps to mitigate and manage that risk – which may even include divestment from that particular investment. Similarly, when advising clients on the risks or merits of making certain investments, we will consider potential sustainability risks, where relevant, alongside all other risks relevant to the investment by having regard to the underlying fund documentation prepared by the fund manager.