
FINANCIAL MARKET PARTICIPANT: GOLDMAN SACHS ASSET MANAGEMENT BELGIUM N.V.

LEGAL ENTITY IDENTIFIER: 3OP0E66QECMEQ9I7GB39

Summary

Under Regulation (EU) 2019/2088 (the “Sustainable Finance Disclosure Regulation” or “SFDR”), Goldman Sachs Asset Management Belgium N.V., part of Goldman Sachs International Holdings B.V. and Goldman Sachs Asset Management B.V. (“GSAM”), considers principal adverse impacts of its investment decisions on sustainability factors.

This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022. In April 2022, during the reporting period, Goldman Sachs acquired NN Investment Partners. As a result of that, 2022 was a transition year. In this document, reference is made to the activities of the Global Stewardship Team, which became the dominant approach during the reporting period and also best reflects how we operate going forward.

A summary of Principal Adverse Impacts (“PAI’s”) and related indicators considered is presented below. No investments were made in real estate assets by the in-scope businesses during the reference period, and as such indicators applicable to real estate assets are therefore not applicable.

GSAM uses a combination of activities to mitigate principal adverse impacts. The most prominent ones are engagement, voting, and negative screening. These activities are ongoing, and potential actions planned for future reference periods are described in the section of this statement titled ‘Description of the principal adverse impacts on sustainability factors – Looking Ahead.’ GSAM currently does not set targets in relation to any of the PAIs set out in the table below.

Which (combination of) activities we apply depends on the nature of the impact, as well as on the specific context of the investment that is causing the adverse impact. Restricting companies from our investable universe based on negative screening means we can no longer influence them to mitigate their adverse impacts. For this reason, where possible, we prefer inclusion and engagement over exclusion. On top of restrictions that are legally required, we restrict companies involved in specific business activities, and for Article 8 and 9 funds we may restrict companies when those companies are deemed to be violating Global Norms (including the United Nations Global Compact and the Guidelines for Multinational Enterprises developed by the Organization for Economic Co-operation and Development (OECD)), with insufficient remediation. Some products have additional requirements and restrictions in place - more information on these additional requirements and restrictions can be found in the pre-contractual disclosures of these products.

The following statement contains information on the principal adverse impacts on sustainability factors, and where relevant, includes a description of the ways in which GSAM has taken action over the reference period to address these impacts at an entity level. 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.

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

This statement further includes a description of policies in place on identifying and prioritizing principal adverse impacts on sustainability factors in the section titled ‘Description of policies to identify and prioritize principal adverse impacts on sustainability factors’. References to the engagement approach are made 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 Organization for Economic Co-operation and Development (“OECD”) and the UN Guiding Principles on Business and Human Rights.

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

ENVIRONMENTAL		SOCIAL	
Principal Adverse Impact Indicators (18)			
Indicators Applicable to Investees (Corporates) (14)			
1. Greenhouse gas (GHG) emissions		10. Violations of UN Global Compact principles and Organisation for Economic Cooperation Enterprises	
2. Carbon footprint		11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact Enterprises.	
3. GHG intensity of investee companies		12. Unadjusted gender pay gap	
4. Exposure to companies active in the fossil fuel sector		13. Board gender diversity	
5. Share of non-renewable energy consumption and production		14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons)	
6. Energy consumption intensity per high impact climate sector			
7. Activities negatively affecting biodiversity-sensitive areas			
8. Emissions to water			
9. Hazardous waste ratio			
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 Environmental		Additional Social	
4. Investments in companies without carbon reduction initiatives		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					
Adverse sustainability indicator		Metric	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Greenhouse gas emissions	GHG emissions	Scope 1 GHG emissions	24,174.78 tCO2e	The GSAM metrics are not normalized relative to €m current value of all investments. 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 principal adverse impacts indicators resulting in either higher or lower values.	GSAM leverages the Global Stewardship Team's approach to the climate transition. Climate transition was a key pillar of the stewardship framework in 2022. The stewardship framework describes the Global Stewardship Team's key stewardship objectives and explains how our voting and engagement efforts aim to help us meet them.
		Scope 2 GHG emissions	5,871.77 tCO2e		
		Scope 3 GHG emissions	201,767.03 tCO2e		
		Total GHG emissions scope 1 & 2	30,050.66 tCO2e		
		Total GHG emissions scope 1 & 2 & 3	231,587.25 tCO2e		
	Carbon footprint	Carbon footprint scope 1 & 2	10.25 tCO2e / €m invested	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 2022 Stewardship Report . While our stewardship activities may relate to matters considered by these PAIs, they are not necessarily designed to reduce or target 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.	
		Carbon footprint scope 1 & 2 & 3	78.67 tCO2e / €m invested		
	GHG intensity of investee companies	GHG intensity of investee companies scope 1 & 2	21.10 tCO2 / €m revenue		The Global Stewardship Team's approach to the climate transition includes: Engagement Engage with issuers on GHG disclosures, reduction of GHG emissions, and transition strategy Engage with issuers on their impacts on biodiversity Proxy Voting Votes on a case-by-case basis on environment-related shareholder proposals Votes against directors at companies identified through the
		GHG intensity of investee companies scope 1 & 2 & 3	160.19 tCO2 / €m revenue		
	Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	1%		
Share of non-renewable energy consumption and production	Share of non-renewable energy consumption of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of investees' total energy sources	10%	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.		
	Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy	1%			

		sources, expressed as a percentage of investees' total energy sources				engagement framework described above that disclose no material emissions
	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 B - Mining and quarrying C - Manufacturing D - Electricity, gas, steam and air conditioning supply E - Water supply, sewerage, waste management and remediation F - Construction G - Wholesale and retail trade; repair of Motor vehicles and motorcycles H - Transportation and storage L – Real estate activities Total – High impact climate sectors	0.0 GWh / €m revenue 0.02 GWh / €m revenue 0.44 GWh / €m revenue 0.02 GWh / €m revenue 0.00 GWh / €m revenue 0.00 GWh / €m revenue 0.08 GWh / €m revenue 0.00 GWh / €m revenue 0.01 GWh / €m revenue 0.59 GWh / €m revenue		<p>Industry Leadership</p> <p>Promote disclosure through the SASB standards</p> <p>Encourage reporting in line with the TCFD</p> <p>The Global Stewardship Team has partnered with debt and equity investment teams to establish a framework for engagement on key risks and opportunities related to climate matters.</p> <p>Specifically, the climate engagement framework has the following three primary objectives for portfolio companies:</p> <p>Disclose Material Data</p> <p>Promote disclosure of material GHG emissions data considered material to a company's business</p> <p>Set Targets</p> <p>Encourage companies to set and disclose a target to reduce GHG emissions, where relevant and material</p> <p>Execute Strategy</p> <p>Engage with companies in high-impact industries on the implementation of a robust and quantifiable climate transition strategy</p> <p>Exercising clients' shareholder rights via proxy voting is an important portfolio management service that GSAM provides to advisory clients.</p> <p>The Global Stewardship Team represents GSAM at various conferences and industry forums and supports strategic industry initiatives and seeks to build industry influence and promote best practices in stewardship through memberships and affiliations.</p> <p>The 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</p>

					<p>pertaining to specific portfolios are also kept under review.</p> <p>For the assets managed by GSAM, norms-based responsible investing (RI) criteria applied during the reporting period. Based on these RI criteria, several activities with high GHG emissions, namely oil sands extraction and the mining of thermal coal were restricted. GSAM assessed the engagement potential for companies in these sectors and concluded that engagement is not expected to achieve the desired results. While these exclusions are not solely based on their GHG emissions, restricting activities with the highest emissions should c.p. help reduce the total GHG emissions. For a selected group of products, additional restrictions applied for shale oil & gas and arctic drilling.</p> <p>GSAM also offers certain products that promote the environmental themes covered by these PAI indicators – including products that seek to limit the weighted average carbon intensity (at product level) by consistently achieving a lower weighted average carbon intensity relative to a reference portfolio/benchmark.</p> <p>Whilst we take action on the greenhouse gas emission principal adverse impacts through the Stewardship activities described above, GSAM currently does not set targets regarding these PAIs.</p>
Biodiversity	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	1%	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 assessed based on the third-party vendor's internal methodology.	<p>GSAM leverages the Global Stewardship Team's approach to the climate transition.</p> <p>Climate transition was a key pillar of the stewardship framework in 2022, which included a thematic engagement approach to biodiversity, with the objective of identifying and addressing adverse impacts on biodiversity, resulting from deforestation and plastics in the supply chain.</p> <p>While our stewardship activities may relate to matters considered by this PAI, they are not necessarily designed to reduce or target the specific metrics described by the SFDR. We continue to be committed to evaluating companies' corporate strategies, investment and</p>

					<p>financing activities, management incentives, resource use, regulatory policies, and environmental impact, as well as overall effect on and engagement with consumers, workers, and the communities in which they operate to assess and promote long-term value creation.</p> <p>Biodiversity loss can represent a key investment risk related to climate change because of its role in ensuring the resilience of natural capital assets— which society and business depend on—and securing them for the future.</p> <p>Recognising this risk, a targeted group of fast-moving consumer goods (“FMCG”) portfolio companies was engaged with, as this is a sector that includes companies having a significant impact on total global plastics and packaging waste and pollution.</p> <p>Through engagement, the goal is to understand the company's approach to managing risks associated with biodiversity and to promote accountability and best practices.</p> <p>In 2022, the Global Stewardship Team conducted thematic engagements with portfolio companies on biodiversity topics¹, focusing on two themes: Plastics and Land Use.</p> <p>1. Plastics</p> <p>The Global Stewardship Team has engaged with a number of the largest FMCG companies on how they are approaching key risks and opportunities related to plastics, packaging, and waste. The goal of these engagements is to encourage portfolio companies to disclose their plastics usage and to increase disclosure of plastics waste and pollution resulting from their operations. The Global Stewardship Team also encourages portfolio companies to set and disclose high quality targets for plastics waste reduction.</p> <p>2. Land Use</p> <p>Land degradation, or the decline of economic and biological productivity of land due to human treatment, costs the world \$6.3 trillion annually². In</p>
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¹ Many of the Global Stewardship Team's engagements cover more than one topic or theme

² University of Cambridge Institute for Sustainability Leadership, 2020

					<p>response, the Global Stewardship Team has been engaging with portfolio companies facing controversies relating to the impacts of land use in their operations. This engagement addresses key issues such as deforestation, ecological impact of manufacturing and end products, and sustainable agriculture.</p> <p>GSAM currently does not set targets regarding this PAI.</p>
Water	Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	0.02 metric tonnes / €m invested	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. This indicator has very limited data availability and therefore this metric may be significantly impacted when data coverage increases, as the GSAM metrics are not normalized for missing data.	GSAM did not take 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.
Waste	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	0.35 metric tonnes / €m invested	<p>Hazardous waste and radioactive waste means waste as 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.</p> <p>This indicator has very limited data availability and therefore this metric may be significantly impacted when data coverage increases, as the GSAM metrics are not normalized for missing data</p>	GSAM did not take 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.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Social and employee matters	Violations of UN Global Compact principles and Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	0%	Investees involved in claims of violations and the severity of these events in relation to the UN Global Compact and OECD principles are assessed based on the third-party vendor's internal assessment methodology.	<p>GSAM leverages the Global Stewardship Team's approach to Corporate Governance.</p> <p>Corporate Governance was a key pillar of the Stewardship framework in 2022. As noted previously, the stewardship framework describes the Global Stewardship Team's key stewardship objectives and explains how our voting and engagement efforts aim to help us meet them.</p>
	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance	9%	Investee companies who are signatories of UNGC principles are required to report their compliance efforts on an annual basis. This indicator is calculated using third-party vendor data that assesses companies on lack of relevant policies and by monitoring grievance and complaints handling mechanisms.	<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 2022 Stewardship Report.</p> <p>While our stewardship activities may relate to matters considered by this PAI, they are not</p>

	Multinational Enterprises	/complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises			<p>necessarily designed to reduce or target 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>The Global Stewardship Team has developed a process for evaluating companies that have been identified by third-party data providers as being in violation of Global Norms including the United Nations Global Compact and the Guidelines for Multinational Enterprises developed by the Organisation for Economic Co-operation and Development ("OECD") and the UN Guiding Principles on Business and Human Rights, as well as companies that, in our view, exhibit poor governance practices.</p> <p>The process centres on four primary steps:</p> <p>Identify We leverage multiple third-party data providers to generate a list of potential violators of Global Norms.</p> <p>Review Using the vendor generated list, we evaluate each of the issues raised at the companies, considering the external data providers' assessment as well as additional sources to create an assessment.</p> <p>Evaluate Using the results of the review, we assign each company to one of three tiers: Tier One: In our view, this company has an ongoing global norms violation with insufficient remediation Tier Two: The company may have had a global norms violation but some remediation has taken place OR there is a serious allegation of wrongdoing where the situation is still developing. Tier Three: The company is not currently considered a global norms violator.</p>
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					<p>Monitor</p> <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>Following the tiering process, the Global Stewardship Team seeks to take appropriate stewardship actions related to the companies, for example seeking to engage with companies or take voting action as appropriate.</p> <p>Whilst we take action on the social and employee matters covered by these PAI indicators through the Stewardship activities described above, GSAM currently does not set targets regarding these PAIs.</p> <p>With respect to actions planned after the reference period - since January 2023, all GSAM products making Article 8 and 9 disclosures under the SFDR will adopt this proprietary approach by excluding companies that are believed to have an ongoing or and serious violation and/or are considered not to be following good governance practices with insufficient remediation.</p>
	Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	0%	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. Nonetheless, inconsistencies in individual investee companies methodology for such metric may have an impact on calculation of the PAI.	GSAM did not take 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.
	Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	9%	This indicator is calculated using third-party vendor data on companies reported board information.	<p>GSAM leverages the Global Stewardship Team's Approach to Inclusive Growth.</p> <p>Inclusive Growth was a key pillar of the Stewardship framework in 2022. The stewardship framework describes the Global Stewardship Team's key stewardship objectives and explains how our voting and engagement efforts aim to help us meet them.</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 2022 Stewardship Report.</p>

					<p>While our stewardship activities may relate to matters considered by this PAI, they are not necessarily designed to reduce or target 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, the Global Stewardship Team have evolved the expectations of board diversity in our proxy voting policy over several years to promote board diversity at portfolio companies.</p> <p>We expect all boards globally to have at least 10% women on the board or meet higher local market requirements. Further, we expect that S&P 500 and FTSE 100 boards should have at least one diverse director from a minority ethnic group.</p> <p>We see our vote as a way to share our views and have seen progress in increasing levels of board diversity. The Global Stewardship Team: Votes against members of the nominating committees of boards that have fewer than 10% women or fail to meet higher local market standards Votes against members of the nominating committees of S&P 500 and FTSE100 boards that lack at least one diverse director from a minority ethnic group, in addition to meeting our gender expectations</p> <p>Whilst we take action on the social and employee matters covered by this PAI through the Stewardship activities described above, GSAM currently does not set targets regarding this PAI.</p>
	Exposure to controversial weapons (anti-personnel)	Share of investments in investee companies involved in the	0%		<p>For the assets managed by GSAM, norms-based responsible investing criteria applied during the reporting period. GSAM considers certain</p>

	mines, cluster munitions, chemical weapons and biological weapons)	manufacture or selling of controversial weapons			<p>weapons to be controversial due to their disproportionate and indiscriminate impact on the civilian population. This is the case for anti-personnel landmines, cluster munitions, biological weapons, chemical weapons, depleted uranium ammunitions, and white phosphorus weapons. GSAM therefore restricted companies that are involved in activities such as production, research and development, sale or trade, maintenance, system integration and testing of products or services that are considered dedicated and essential for the lethal use of these type of weapons. In defining these weapons, we follow widely accepted international conventions or, where those are not available, we have developed our own criteria applying a precautionary principle.</p> <p>Separate criteria have been developed for nuclear weapons in addition to the criteria above, since they have a different character from other weapon types. During the reporting period, GSAM restricted companies that are involved in nuclear weapon activities and that: (i) are domiciled in countries that are not signatories to the Non-Proliferation Treaty, or (ii) contribute to nuclear weapons programmes of non-NATO member states.</p> <p>GSAM continues to exclude issuers involved in controversial weapons as per the aforementioned criteria. GSAM currently does not set targets at an entity level in relation to this PAI.</p>
Indicators applicable to investments in sovereigns and supranationals					
Adverse sustainability indicator	Metric	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
Environmental	GHG intensity	GHG intensity of investee countries	110 tCO ₂ e / €m GDP	This indicator has been calculated as the total GHG emissions of a country normalised by nominal GDP.	<p>GSAM did not take strategic action at an entity level during the reporting period to avoid or reduce this PAI.</p> <p>In conjunction with the Global Stewardship Team teams, investment teams may seek to meet with the policymakers responsible for monetary and fiscal decisions, including those in treasury departments, government agencies and debt management offices where appropriate. We may also seek to express our views to supranational entities such as</p>

						<p>the International Monetary Fund, World Bank and OECD. We are committed to engaging with sovereigns on environmental policies. We aim to engage on the enhancement of climate-related metrics and disclosures and information sharing on industry best practices.</p> <p>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 we can participate in a country's sustainable growth.</p> <p>GSAM currently does not have actions planned and does not have targets set to avoid or reduce these PAIs.</p>
Social	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 Relative	0 0	Investee countries involved in claims of violations and the severity of these events in relation to the UN principles are assessed based on the third-party vendor's internal assessment methodology.	<p>For the assets managed by GSAM, norms-based responsible investing criteria applied during the reporting period. Based on these RI criteria, GSAM restricted sovereign issuers involved in severe and systemic violations of Human Rights and thus restrict countries against which arms embargoes have been imposed by the United Nations Security Council during the reporting period. Countries on the global money laundering and terrorist financing watchdog, Financial Action Task Force list, that are subject to a "Call for Action" were also restricted.</p> <p>GSAM continues to exclude countries as per the aforementioned criteria. GSAM currently does not set targets at an entity level in relation to this PAI.</p>
Indicators applicable to investments in real estate assets						
Adverse sustainability indicator		Metric	Impact [year 2022]	Explanation		Actions taken, and actions planned and targets set for the next reference period
Fossil fuels	Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	N/A	N/A		Not applicable for this reference period as no investments were made in real estate assets during the reference period
Energy efficiency	Exposure to energy-	Share of investments in	N/A	N/A		Not applicable for this reference period as no investments were

	inefficient real estate assets	energy-inefficient real estate assets			made in real estate assets during the reference period
Other indicators for principal adverse impacts on sustainability factors					
Indicators applicable to investments in investee companies					
Adverse sustainability indicator	Metric	Impact [year 2022]	Explanation	Actions taken, and actions planned and targets set for the next reference period	
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS					
Emissions	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	8%	Investee companies without carbon emissions initiatives aligned with the Paris Agreement, limiting average temperature increase to 1.5° C above pre-industrial levels, are assessed based on the third-party vendor's internal methodology.	Please refer to the summary provided above for PAIs 1-6.
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS					
Human Rights	Number of identified cases of severe human rights issues and incidents	Number of cases of severe human rights issues and incidents connected to investee companies on a weighted average basis	0.34	Investee companies involved in claims of human rights violations and the severity of these events are assessed based on the third-party vendor's internal assessment methodology. Severe issues are types of activities such as child labor, forced labor, involvement with entities violating human rights such as terrorist organization or authoritarian regimes, etc., while taking into account the extent of inflicted harm. This means that cases which might not be severe themselves but may become severe in light of the breadth of the violation are also taken into account.	Please refer to the summary provided above for PAIs 10-11.

Looking ahead

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 is led by our Global Stewardship Team and involves seeking input and feedback from a range of investment professionals and teams across our business. The annual review of these policies ensures that our stewardship activities are aligned to our priorities and investment beliefs.

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

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

Data Sources and Collection Process

GSAM uses a third-party vendor as the primary market data provider for corporate investees, sovereigns, and supranationals' PAI indicators data and financial data for metric calculation. Despite improving data availability for select climate indicators from the increasing adoption of climate reporting, data providers continue to rely on estimates and proxies where there is a gap in reported data. This report's PAI indicator calculations include data from the third-party vendor which they have sourced from the latest

reported data published by the investees where available, or the latest estimated data based on the third-party vendor's internal methodology. GSAM acknowledges 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 principal adverse impacts indicators resulting in either higher or lower values; as such GSAM will continue to monitor the impact to historical and future disclosures.

Data Limitations

ESG data is generally of limited availability, and even where available may not necessarily be reliable. GSAM uses its best efforts to source this data and currently uses data sourced from third party data 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 GSAM by the third-party data provider etc. Overall – GSAM 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. GSAM 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. When no original nor proxy data is available for third party managed portfolios and alternative holdings, these assets are not included for calculating the PAI indicators.
- **Limitations related to current value of investments:** The applied current value of investments is based on the holdings with their corresponding price on each quarter end of this reporting year. In the ESA's consolidated Q&A the misalignment of the timing of quarterly snapshots is addressed. It states that for the averaging of the four quarters the current value of investments that is required for each PAI indicator should be based on the same consistent end of year price multiplied by the end of quarter holdings. This is practically not implementable in our systems and this would lead to difficult situations in the case of material corporate actions, e.g. stock splits. GSAM continues to investigate market data provider solutions for future period reporting to account for this requirement.
- **Limitations related to data coverage:** GSAM relies on a third-party vendor for portfolio company, sovereign, and supranational data, and the coverage universe may contain gaps for certain issuers or securities. Where there are data gaps, normalisation for missing values was not applied. Future improvement in data coverage may have a significant impact on the calculations of principal adverse impacts indicators resulting in either higher or lower values; as such GSAM will continue to monitor the impact to historical and future disclosures.
- **Limitations related to financial and indicators data:** At the time of reporting the date vendor provided the Enterprise Value Data as of the reported GHG emissions. For the 2022 report, only 2021 data was available. 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:** GSAM relies on the third-party vendor's data estimation methodologies; Evolving updates to methodologies may have a significant impact on the calculations of PAI indicators, as such GSAM will continue to monitor the impact to historical and future disclosures.
- **Limitations related to underlying data:** Data look-through for underlying instruments of derivatives, structured products and similar products continue to be a challenge and such holdings are mostly excluded from the PAI indicator calculations above.
- **Limitations related to short positions:** Short positions may result in negative values and market practice continues to evolve on interpretation and practical implementation of treatment of short positions within sustainability reporting. GSAM systems were unable to exclude short positions at holdings level. Therefore, in the aggregation to entity level, negative indicators on portfolio level are manually changed to zero.
- **Limitations related to financial volatility and inflation:** GHG estimates and climate metrics rely on financial data for normalization and/or estimation. Enterprise value and revenue may vary due to volatility, rates, and inflationary pressures. Metrics using these financial values for estimation or attribution 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 GSAM's approach to ESG at an organizational level, which may not be reflected within specific products or strategies offered or managed by GSAM 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 GSAM product. Please refer to product-specific documentation for details on how each GSAM financial product considers PAIs.

Description of policies to identify and prioritize principal adverse impacts on sustainability factors

GSAM applies a Responsible Investment Policy to identify, prioritize, and address principal adverse impacts. A brief summary of these policies is provided below and they are described in more detail in GSAM's Responsible Investment Policy. The latest version of this policy was approved in March 2023.

Restriction Criteria

GSAM has developed norms-based responsible investing criteria to which issuers need to adhere. These criteria are a reflection of relevant laws, our values, and internationally recognized standards such as the UN Global Compact principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The criteria reflect the minimum requirements that the entities in which we invest need to fulfil and are periodically updated if applicable and revised. Furthermore, for our Sustainable & Impact strategies, additional restriction criteria apply to further mitigate adverse impacts in line with the objectives of these financial products. Detailed information on the criteria, rationale, and application can be found in GSAM Responsible Investment Policy and GSAM's RI Viewpoint Policy.

[<link to Responsible Investment Policy>](#)

[< link to Viewpoint Policy for Sustainable and Impact Funds>](#)

Before we start analysing and selecting individual investments, we form an opinion on the investable universe in general and apply this to all our assets where this is possible and feasible. In the event that there are strong indications that an issuer may have failed to meet any of our minimum requirements, GSAM has to determine whether this constitutes a violation. This information on potential violations can come from GSAM's external ESG data providers, input from GSAM's own investment staff, or from other parties, such as NGOs or media sources. We apply an inclusion over exclusion approach and therefore assess whether it is possible to engage with the company in question to mitigate the adverse impacts. GSAM adheres to the centrally managed list of applicable restrictions of the investment universe.

[< link to Exclusion List>](#)

Furthermore, for principal adverse impacts that do not constitute a violation of GSAM's norms-based responsible investing criteria, we aim to mitigate these impacts through our voting decisions and engagement. We do not prioritize one principal adverse impact over the other, but we do prioritize the resources we allocate to addressing the principal adverse impacts, based on the highest material impact on society or the environment. Principal Adverse Indicators (PAIs) are considered by portfolios qualitatively, through the application of the binding ESG criteria outlined in the SFDR Disclosures³. On a non-binding and materiality basis, PAIs are also considered through firm-wide and investment team specific engagement as described below.

Methodologies

The methodologies to calculate the PAI indicators have been described above. For the purposes of this statement, we have adhered to the requirement to report on the mandatory PAI metrics. However, GSAM teams may use a number of methodologies or approaches to identify 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, risk assessments,

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

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 GSAM 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 GSAM 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 Global Stewardship approach and areas of focus.

Data Sources Used and Margin of Error

GSAM used a third-party vendor as the primary market data provider for PAI data and financial data required for the PAI metrics calculation. However, GSAM 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, GSAM is not currently able 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

GSAM is 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 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 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), an engagement policy was published. The Global Stewardship Team has further disclosed [Our Approach to Stewardship](#) which seeks to set out some of the main components of our approach to stewardship across our platform.

The indicators for adverse impacts considered in the engagement policies

The stewardship framework describes our 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 engagement campaigns in our annual stewardship reporting on our website.

The indicators for adverse impacts per the SFDR may be considered through the Public Investing stewardship framework, this is further described below.

Pillar	Our Thematic Engagement campaigns ⁴⁵	Engagement objectives	Indicators for adverse impacts covered
Climate transition	<ul style="list-style-type: none"> Material Greenhouse gas ("GHG") emissions data GHG emissions reduction targets Climate transition strategy Biodiversity 	<ul style="list-style-type: none"> Promote disclosure of material GHG emissions Discuss company's goals to reduce GHG emissions Identify and address adverse impacts on biodiversity, resulting from deforestation and plastics in the supply chain 	<ul style="list-style-type: none"> Green House Gas emissions Biodiversity
Inclusive Growth	<ul style="list-style-type: none"> Board Diversity Workforce diversity in Japan 	<ul style="list-style-type: none"> Focus attention on both gender and ethnic diversity on corporate boards globally Promote best practices and disclosure with respect to diversity and inclusion within the workforce Encourage best practices related to labour rights 	<ul style="list-style-type: none"> Social and employee matters
Corporate Governance	<ul style="list-style-type: none"> Global norms violations Regional governance best practices 	<ul style="list-style-type: none"> Identify and address the impacts of controversial business practices and violations of global norms Strengthen shareholder rights and commitments to best governance practices 	<ul style="list-style-type: none"> Social and employee matters Human Rights

There are currently no plans to adapt Engagement Policies or adapt 'Our Approach to Stewardship' document described above in cases where there is no reduction of the principal adverse impacts over more than one period reported on.

References to international standards

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 with poor governance practices.

The Global Norms described above are not aligned to the objectives of the Paris Agreement.

The proprietary Global Norms assessment measures adherence to the principal adverse impact 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.).

Data sources and methodology

The 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 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 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 Global Stewardship Team seek to conduct ongoing monitoring to identify potential new issues.

Climate scenario analysis

⁴ 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 Global Stewardship Team's objectives, for select portfolios we may perform additional targeted engagements.

Scenario analysis may be used to inform assessments of the resilience of an organisation's business or strategy to potential climate disruption. GSAM does not currently use forward-looking climate scenarios to consider the principal adverse impacts on sustainability factors.

During the reference period, GSAM did not use a forward-looking climate scenario to assess PAIs. Whilst forward-looking scenario can be relevant, GSAM did not consider one during the reference period, the focus was instead placed on developing climate on developing climate scenario analysis capabilities and assessing available third-party tools for measuring the potential PAIs on sustainability factors. An extensive review of these solutions was conducted and, at the end of 2022, a partnership was agreed with a well-established third-party vendor to explore ways to enhance its climate scenario analysis capabilities.

Going forward, we will continue to review and evolve their approach to scenario analysis to ensure it is appropriately adopted within the business and that the outputs are used effectively.

Historical comparison

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