

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name:
Goldman Sachs Frontier Markets Debt (Hard Currency)

Legal entity identifier:
5493006YQLBPCXT3ZZ34

Environmental and/or social characteristics

Does this financial product have a sustainable investment objective?



Yes



☒ No

☐ It will make a minimum of **sustainable investments with an environmental objective**: ____%

☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective**: ____%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ____% of sustainable investments

☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ with a social objective

☒ It promotes E/S characteristics, but **will not make sustainable investments**



What environmental and/or social characteristics are promoted by this financial product?

The Sub-Fund promotes environmental and social characteristics, as described in Article 8 of the SFDR. Specifically, the Sub-Fund promotes environmental and social characteristics by:

- **Restricting issuers involved in controversial activities.** This is done by applying a norms-based responsible investment criteria, restricting investments involved in the development, production, maintenance or trade of controversial weapons, the production of tobacco products, thermal coal mining and/or oil sands extraction.
- Countries subject to country-wide arms embargo sanctions imposed by the United Nations Security Council, and countries on the Financial Action Task Force list, that are subject to a "Call for Action", are also restricted.
- **Adherence in the areas of good governance, respecting human rights and labour rights, protecting the environment and prevention of bribery and corruption.** The Sub-Fund does so by assessing the extent to which issuers act in accordance with relevant laws and internationally recognised standards, for example: OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and UN Global Compact.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained

Principal adverse impact are the most significant negative impacts of investment decision on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The following sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by the Sub-Fund:

- Number of issuers excluded from the investment universe based on the Exclusion List
- Number of issuers against which arms embargoes have been issued by the UN Security Council and subject to a 'Call for Action' on the Financial Action Task Force list
- Number of issuers involved in material violations of internationally recognised standards, for example: OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and UN Global Compact.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?**

N/A - This question is not applicable as the Sub-Fund does not commit to make Sustainable Investments.

● **How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?**

N/A - This question is not applicable as the Sub-Fund does not commit to make Sustainable Investments.

– *How have the indicators for adverse impacts on sustainability factors been taken into account?*

N/A - This question is not applicable as the Sub-Fund does not commit to make Sustainable Investments.

– *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A - This question is not applicable as the Sub-Fund does not commit to make Sustainable Investments.

The EU Taxonomy sets out a 'do not significant harm' principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The 'do not significant harm' principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

- ☒ Yes, the Sub-Fund does consider Principal Adverse Impacts (PAIs) on Sustainability Factors. PAI Indicators are incorporated as part of the documented investment process of the Sub-Fund. The PAIs themselves are embedded within the Management Company's investment process, via the restrictions criteria and Stewardship, as well as via the Management Company's policy documents.

Information on how the Sub-Fund considered PAIs on sustainability factors will be available in the Sub-Fund's annual report.

☐ No



What investment strategy does this financial product follow?

To attain the environmental and social characteristics promoted by the Sub-Fund, the Sub-Fund applies:

- Norms-based RI criteria
- ESG integration approach
- Stewardship

Norms-based RI criteria

The Sub-Fund applies the Management Company's norms-based responsible investment criteria that, as stipulated in the Management Company's Responsible Investment Policy, restricts investment in issuers involved in controversial activities.

For the sovereign investments of the Sub-Fund attributable to the investment strategy, each country is reviewed by the Management Company's ESG Committee as to whether any arms embargoes have been issued by the UN Security Council or whether it appears as a 'Call for Action' on the Financial Action Task Force list. If the country appears on either list, then it is included on the Exclusion List, resulting in an exclusion from the investment universe.

ESG integration approach

The Sub-Fund integrates the information on environmental, social and governance factors for its investments based on the Management Company's ESG Integration approach. The first step towards ESG integration is to identify material ESG risk and opportunities. Secondly, the material ESG risks and opportunities are assessed and expressed via a number of ESG ratings. The final step of ESG Integration involves incorporating this ESG analysis into investment screening and security selection of issuers.

For sovereign issuers most ESG factors - from the quality and availability of education and healthcare to political stability and energy sources – tend to be significant for all countries around the world.

Stewardship

This Sub-Fund leverages the Goldman Sachs Asset Management Global Stewardship Team's engagement initiatives. The Goldman Sachs Asset Management Global Stewardship Team focuses on proactive, outcomes-based engagement, in an attempt to promote best practices. Engagement initiatives are continually reviewed, enhanced and monitored to ensure they incorporate current issues and evolving views about key environmental, social and governance topics. To guide engagement efforts, the Goldman Sachs Asset Management Global Stewardship Team creates an annual Focus List, which reflects the Goldman Sachs Asset Management Global Stewardship Team's thematic priorities and guides voting and engagement effort.

Additionally, engagement with sovereigns on (potential) bond issuance is also conducted to better assess investment risks and opportunities. The Management Company also intends to

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

engage with sovereign issuers in this Sub-Fund that have a low environmental (E)-score with the objective to improve their overall environmental performance and to encourage enhanced disclosures of climate related metrics.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund's binding elements are listed below:

Exclusions based on the norms-based RI criteria. The Sub-Fund, as per the Management Company's norms-based responsible investment criteria, will exclude investment in issuers involved in activities including but not limited to, the development, production, maintenance or trade of controversial weapons, the production of tobacco products, thermal coal mining and/or oil sands production. Adherence to the norms-based responsible investment criteria is based on pre-set revenue thresholds, as stated in the Management Company's Responsible Investment Policy, and relies on third-party data. For the latest thresholds and activities, please refer to the Management Company's Responsible Investment Policy available on the website.

The Sub-Fund will not invest in any countries subject to country-wide arms embargo sanctions imposed by the United Nations Security Council, and countries on the global money laundering and terrorist financing watchdog, Financial Action Task Force list, that are subject to a "Call for Action".

● ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

N/A - Prior to the application of the investment strategy, the Sub-Fund does not commit to a minimum rate to reduce the scope of the investments.

Good governance practices include sound management structures, employees' relations, remuneration of staff and tax compliance.

● ***What is the policy to assess good governance practices of the investee companies?***

The Sub-Fund leverages a proprietary approach to identifying and evaluating global norms violators and issuers that may be engaged in poor governance practices, in particular with respect to sound management structures, employee relations, remuneration of staff and tax compliance.

This proprietary approach seeks to identify, review, evaluate and monitor companies that are flagged by external data providers as being in violation of, or otherwise not aligned with, the United Nation Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights as well as companies that have received high controversy scores (including significant governance controversies, severe labour rights controversies and severe tax compliance controversies). Following review of these external data inputs, companies that the Management Company believes to have an ongoing and serious violation and/or are considered to not be following good governance practices with insufficient remediation will be excluded from the Sub-Fund. This list of companies will be reviewed on a semi-annual basis. The Management Company may not be able to readily sell securities that are intended for exclusion from the Portfolio at each semi-annual review (for example, due to liquidity issues or for other reasons outside of the Management Company's control), however, will seek to divest as soon as possible in an orderly manner and in the best interests of investors.



Asset allocation describes the share of investments in specific assets.

Taxonomy-aligned activities are expressed as a share of:

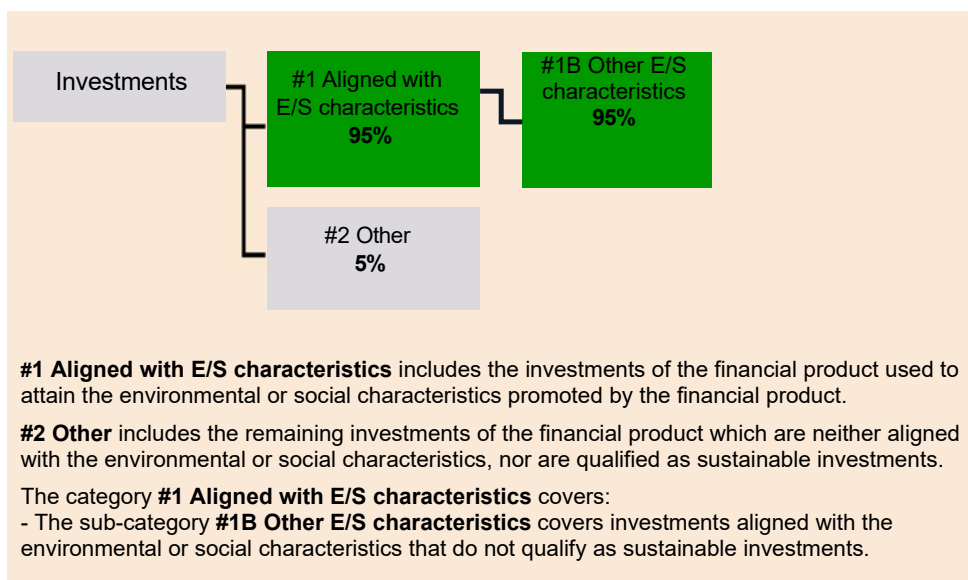
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

What is the asset allocation planned for this financial product?

The planned asset allocation of the Sub-Fund aligned with environmental and social characteristics and other is represented in the table below.

The planned asset allocation is that 95% of the investments of the Sub-fund are aligned with the E/S characteristics. 5% of the investments of the Sub-fund is estimated to be in the category 'other' and not used to promote E/S characteristics. These investments are mostly in cash, cash equivalents, derivatives used for efficient portfolio management techniques and UCI's and UCITS that do not promote environmental or social characteristics and that do not have a sustainable investment objective.

The Sub-Fund does not commit to making investments in Sustainable Investments.



How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

N/A - Derivatives are not used for attaining the environmental or social characteristics promoted by the Sub-Fund.



To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Sub-Fund does not commit to make sustainable investments with an environmental objective aligned with the EU Taxonomy. Hence, the minimum extent is 0%.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?

☐ Yes

☐ In fossil gas

☐ In nuclear energy

☒ No, 0%

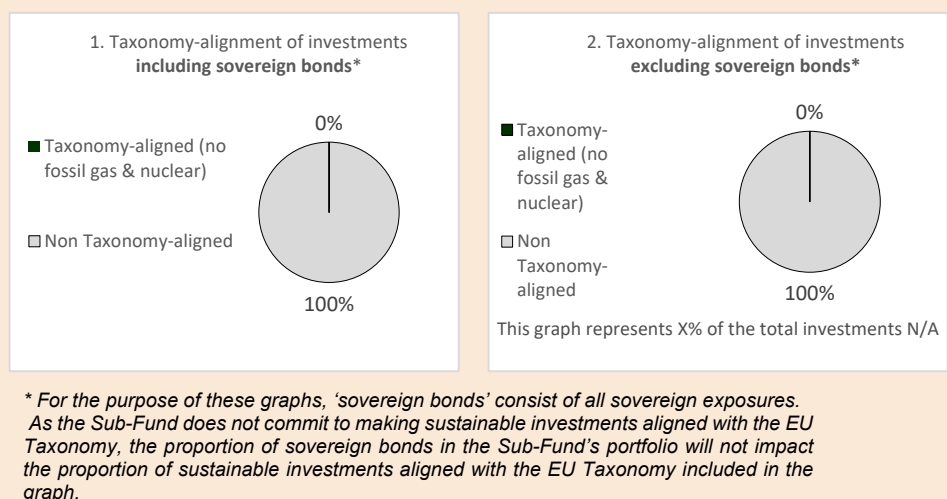
¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



● What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments in transitional and enabling activities is 0%.

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Sub-Fund does not commit to making Sustainable Investments. Hence, the minimum commitment is 0%.



What is the minimum share of socially sustainable investments?

N/A - This question is not applicable as the Sub-Fund does not commit to make Sustainable Investments.



What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Investments included under 'other' may include cash used for liquidity purposes, derivatives for efficient portfolio management/investment purposes and/or investments in UCITS and UCIs which may be used to achieve the investment objective of the Sub-Fund but neither promote the environmental or social characteristics of the Sub-Fund, nor qualify as Sustainable Investments.

The percentage shown is the planned percentage which may be held in these instruments but the actual percentage can vary from time to time.

These financial instruments are not subject to any minimum environmental or social safeguards.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

N/A – This Sub-Fund is actively managed and therefore does not have a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

N/A – This Sub-Fund is actively managed and therefore does not have a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

N/A – This Sub-Fund is actively managed and therefore does not have a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

- ***How does the designated index differ from a relevant broad market index?***

N/A – This Sub-Fund is actively managed and therefore does not have a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.

- ***Where can the methodology used for the calculation of the designated index be found?***

N/A – This Sub-Fund is actively managed and therefore does not have a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental or social characteristics that it promotes.



Where can I find more product specific information online?

More product-specific information can be found on the website <http://www.gsam.com/responsible-investing> by going to the products and/or SFDR page.

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote