

Whereas: Environmental justice examines disparities in how people are exposed to environmental benefits and harms, which can have material implications for investors.

The United Nations has recognized that all people have a right to a clean, healthy and sustainable environment.¹ Fossil fuel development poses substantial risks to this and other human rights, and has been linked to significantly elevated rates of cancers, and air, soil, and water contamination for nearby residents.² These outcomes disproportionately affect children, workers, and people who are Black, Indigenous, have low income, or live in the Global South.³ Meanwhile, a disproportionate portion of the 17 million Americans exposed to the negative consequences of fossil fuel production are Black.⁴ Since 2016, Goldman Sachs has provided over \$143 billion in financing to fossil fuel companies.⁵

Goldman Sachs has also developed a framework to “put climate transition and inclusive growth at the forefront of” its work with clients.⁶ However, this transition carries several workforce⁷ and environmental justice risks. Research has found that economic and workforce benefits of the energy transition accrue unequally along lines of race and ethnicity, regardless of income or education.⁸ Most minerals required for electric vehicle, wind turbine, and battery production are concentrated in the Global South, where local people bear environmental harms associated with minerals extraction, and where climate change threatens production collapse.⁹ Resultant civic unrest, loss of social license, legislative or regulatory actions, and systemic risk of global failure of a transition can lead to stranded assets and reputational harm.

These environmental justice risks are not effectively addressed or managed in Goldman Sachs’ policies and reporting. Rigorous assessment and disclosure of these risks would enhance the bank’s risk management framework, improve its reputation, and advance its stated goals.

In recent years, Goldman Sachs has faced regulatory action and public scrutiny regarding its sustainability practices and disclosures. In 2022, the bank’s asset management subsidiary incurred a \$4 million penalty to settle SEC charges for sustainability-related policies and procedures failures.¹⁰ The bank has committed to help reduce racial disparities,¹¹ to “protect,

¹ <https://news.un.org/en/story/2022/07/1123482>

² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6344296/>

³ <https://www.sciencedirect.com/science/article/pii/S2214629623001640>

⁴ <https://www.nature.com/articles/s41370-022-00434-9>

⁵ https://www.ran.org/wp-content/uploads/2023/04/BOCC_2023_vF.pdf

⁶ <https://www.goldmansachs.com/media-relations/press-releases/2021/announcement-04-mar-2021.html>

⁷ <https://www.nber.org/papers/w31539>

⁸ <https://www.liebertpub.com/doi/10.1089/scc.2022.0112;>

<https://www.scientificamerican.com/article/solar-powers-benefits-dont-shine-equally-on-everyone/>

⁹ <https://media.business->

[humanrights.org/media/documents/2023_Transition_Minerals_Tracker_JX5pGvf.pdf;](https://humanrights.org/media/documents/2023_Transition_Minerals_Tracker_JX5pGvf.pdf)

<https://iea.blob.core.windows.net/assets/ffd2a83b-8c30-4e9d-980a-52b6d9a86fdc/TheRoleofCriticalMineralsinCleanEnergyTransitions.pdf>

¹⁰ <https://www.sec.gov/news/press-release/2022-209>

¹¹ <https://www.goldmansachs.com/our-commitments/diversity-and-inclusion/racial-equity/>

preserve and promote human rights around the world,”¹² and shared its view that “companies' management of environmental and related social risks and opportunities may affect long-term corporate performance.”¹³ By implementing this proposal, the bank can advance its commitments and deliver value to shareholders.

Resolved: Shareholders request that the Goldman Sachs Board of Directors conduct a rigorous assessment of material risks and opportunities related to the environmental justice impacts of its energy and power sector financing and underwriting and disclose the results, at reasonable expense and omitting proprietary and privileged information.

Supporting statement: At the Board and management’s discretion, Proponents suggest that “material risks and opportunities” encompass both enterprise and systemic considerations, and that outcomes and recommendations from the assessment be integrated in a revised version of the bank’s Environmental Policy Framework.

¹² <https://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/human-rights-statement.pdf>

¹³ <https://www.goldmansachs.com/citizenship/environmental-stewardship/epf-pdf.pdf>