



DIVISION OF
CORPORATION FINANCE

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

March 12, 2018

Beverly L. O'Toole
The Goldman Sachs Group, Inc.
beverly.otoole@gs.com

Re: The Goldman Sachs Group, Inc.
Incoming letter dated December 28, 2017

Dear Ms. O'Toole:

This letter is in response to your correspondence dated December 28, 2017 and February 5, 2018 concerning the shareholder proposal (the "Proposal") submitted to The Goldman Sachs Group, Inc. (the "Company") by Harrington Investments, Inc. et al. for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders. We also have received correspondence from Harrington Investments, Inc. dated January 29, 2018. Copies of all of the correspondence on which this response is based will be made available on our website at <http://www.sec.gov/divisions/corpfin/cf-noaction/14a-8.shtml>. For your reference, a brief discussion of the Division's informal procedures regarding shareholder proposals is also available at the same website address.

Sincerely,

Matt S. McNair
Senior Special Counsel

Enclosure

cc: John Harrington
Harrington Investments, Inc.
john@harringtoninvestments.com

March 12, 2018

Response of the Office of Chief Counsel
Division of Corporation Finance

Re: The Goldman Sachs Group, Inc.
Incoming letter dated December 28, 2017

The Proposal requests that the Company modify its committee charters or other directives to ensure board committee oversight of issues of human and indigenous peoples' rights.

There appears to be some basis for your view that the Company may exclude the Proposal under rule 14a-8(i)(10). Based on the information you have presented, it appears that the Company's policies, practices and procedures compare favorably with the guidelines of the Proposal and that the Company has, therefore, substantially implemented the Proposal. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on rule 14a-8(i)(10). In reaching this position, we have not found it necessary to address the alternative bases for omission upon which the Company relies.

Sincerely,

William Mastrianna
Attorney-Adviser

DIVISION OF CORPORATION FINANCE INFORMAL PROCEDURES REGARDING SHAREHOLDER PROPOSALS

The Division of Corporation Finance believes that its responsibility with respect to matters arising under Rule 14a-8 [17 CFR 240.14a-8], as with other matters under the proxy rules, is to aid those who must comply with the rule by offering informal advice and suggestions and to determine, initially, whether or not it may be appropriate in a particular matter to recommend enforcement action to the Commission. In connection with a shareholder proposal under Rule 14a-8, the Division's staff considers the information furnished to it by the company in support of its intention to exclude the proposal from the company's proxy materials, as well as any information furnished by the proponent or the proponent's representative.

Although Rule 14a-8(k) does not require any communications from shareholders to the Commission's staff, the staff will always consider information concerning alleged violations of the statutes and rules administered by the Commission, including arguments as to whether or not activities proposed to be taken would violate the statute or rule involved. The receipt by the staff of such information, however, should not be construed as changing the staff's informal procedures and proxy review into a formal or adversarial procedure.

It is important to note that the staff's no-action responses to Rule 14a-8(j) submissions reflect only informal views. The determinations reached in these no-action letters do not and cannot adjudicate the merits of a company's position with respect to the proposal. Only a court such as a U.S. District Court can decide whether a company is obligated to include shareholder proposals in its proxy materials. Accordingly, a discretionary determination not to recommend or take Commission enforcement action does not preclude a proponent, or any shareholder of a company, from pursuing any rights he or she may have against the company in court, should the company's management omit the proposal from the company's proxy materials.

200 West Street | New York, New York 10282
Tel: 212-357-1584 | Fax: 212-428-9103 | e-mail: beverly.otoole@gs.com

Beverly L. O'Toole
Managing Director
Associate General Counsel

**Goldman
Sachs**

February 5, 2018

Via E-Mail to shareholderproposals@sec.gov

Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: The Goldman Sachs Group, Inc.
Request to Omit Shareholder Proposal of Harrington Investments, Inc.

Ladies and Gentlemen:

This letter relates to the request dated December 28, 2017 (the "Initial Request Letter") submitted by The Goldman Sachs Group, Inc. (the "Company") seeking confirmation that the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") will not recommend enforcement action to the Commission if the Company excludes the shareholder proposal received from Harrington Investments, Inc., as primary proponent (the "Primary Proponent"), from its proxy statement and form of proxy for the Company's 2018 Annual Meeting of Shareholders (together, the "2018 Proxy Materials"). The Primary Proponent submitted a letter to the Staff on January 29, 2018 (the "Response Letter") responding to the Initial Request Letter. Electronic copies of this letter are being sent concurrently to the Primary Proponent and all the co-filers listed at the end of this letter (together, the "Proponents").

As discussed in the Initial Request Letter, the Company believes the Proposal properly may be excluded from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal, pursuant to Rule 14a-8(i)(3) because the Proposal contains materially false and misleading statements and is impermissibly vague and indefinite, and pursuant to Rule 14a-8(i)(7) because the Proposal relates to the Company's ordinary business operations.

With respect to substantial implementation, the Response Letter discusses the desired content of a committee charter and provides examples of other company committee charters that, in the Primary Proponent's view, appropriately implement the Proposal's objectives. *See* Response Letter at 3-4. Such examples provide additional support for the Company's argument that the Proposal has already been substantially implemented.

As described on page 10 of the Initial Request Letter, the Company has various policies that provide for Board-level oversight of all issues concerning the Company's reputation, including human rights-related issues. Specifically with respect to Committee charters, each of the Board's Committee charters¹ requires the consideration of the potential effect of any matter on the Company's reputation.² In fact, consideration of reputation is so core to the Board's oversight that it created the Public Responsibilities Committee (the "PRC") with specific oversight for reputational risk and environmental, social and governance ("ESG") matters, as documented in the PRC Charter. For example, under the PRC Charter, the PRC: "review[s] [ESG] issues affecting the Company, including through the periodic review of the Company's ESG report."³

The Company respects and shares the Proponents' views on the importance of protecting human rights, broadly defined, including rights of Indigenous Peoples, and, as set forth in the Initial Request Letter, these beliefs are embedded throughout the Company's existing policies and procedures. Here, however, the Proposal does not focus on a significant policy issue. Rather, the Proposal relates to the Company's credit policies and loan underwriting practices and seeks to dictate the specific method by which the Company implements its human rights policies. As detailed in the Initial Request Letter, the Staff has recognized that these types of overbroad proposals are excludable under Rule 14a-8(i)(7), even where the proposals reference significant policy issues.

¹ Each available at: www.gs.com/charters.

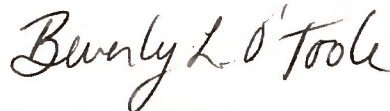
² As the Proposal notes in its Supporting Statement, consideration of human rights is one of many relevant factors in consideration of the Company's reputation.

³ The PRC Charter is available at <http://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/public-responsibilities-committee-charter.pdf>.

Securities and Exchange Commission
February 5, 2018
Page 3

Accordingly, the Company continues to believe that the Proposal may be excluded from the 2018 Proxy Materials for the reasons set forth in the Initial Request Letter and respectfully renews its request that the Staff concur in this view. Should you have any questions or if you would like any additional information regarding the foregoing, please do not hesitate to contact me (212-357-1584; Beverly.OToole@gs.com) or Jamie Greenberg (212-902-0254; Jamie.Greenberg@gs.com). Thank you for your attention to this matter.

Very truly yours,

A handwritten signature in cursive script that reads "Beverly L. O'Toole".

Beverly L. O'Toole

cc: John Harrington, Harrington Investments, Inc.
Valerie Heinonen, Mercy Investment Services, Inc.
Lila Holzman, As You Sow, on behalf of UTE Holdings LLC



January 29, 2018

Via electronic mail to shareholderproposals@sec.gov

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, N.E.
Washington, D.C. 20549

Re: Shareholder Proposal to Goldman Sachs Regarding board fiduciary duty on indigenous and human rights by Harrington Investments, Inc.

Ladies and Gentlemen:

Harrington Investments, Inc. (the "Proponent") is a beneficial owner of common stock of Goldman Sachs (the "Company") and has submitted a shareholder proposal (the "Proposal") to the Company. I am responding to the letter dated December 28, 2017 ("Company Letter") sent to the Securities and Exchange Commission by Corporate Secretary Beverly L. O'Toole. In that letter, the Company claims that the Proposal may be excluded from the Company's 2017 proxy statement under Rule 14a-8(i)(3), Rule 14a-8(i)(10) and Rule 14a-8(i)(7). A copy of this letter is being emailed concurrently to Beverly L. O'Toole.

The Proponent, Harrington Investments, Inc. is a manager of assets of individual and institutional investors requiring social and environmental as well as financial portfolio performance. Our firm utilizes a comprehensive social and environmental screen and commits clients' assets to community investing. The firm also works to advance corporate financial and social responsibility through shareholder resolutions, addressing issues such as U.S. economic security, sustainability, human rights, corporate governance, and CEO compensation. We believe the manner in which these issues are managed affects long-term value creation and societal impact. Therefore, our investing and engagement strategy seeks to improve governance and oversight by clarifying corporate directors' fiduciary duties on issues surfacing at their companies.

A recent report by the US SIF Foundation highlights that one in five investing dollars is currently invested in a fund using one or more sustainable investing strategies. Sustainable, responsible and impact (SRI) investing assets now account for \$8.72 trillion, or one in five dollars invested under professional management in the U.S. according to the US SIF Foundation's biennial Report on US Sustainable, Responsible and Impact Investing Trends 2016. The amount of these invested assets has grown from \$639 billion when first measured in 1995. Increasing numbers of investors, large and small, see financial materiality in ESG performance metrics on issues like climate change, diversity, environmental impact, bribery, and worker safety. There is a wealth of

published data establishing that ESG or sustainability factors are positively and significantly correlated with both company and fund financial performance. Some of that literature comes from the world's largest financial firms, including ones like Bank of America Merrill Lynch, Morgan Stanley, Credit Suisse, UBS, Goldman Sachs and others.¹

Investors' attention to long-term value, systemic risk and sustainability governance and impact investing has grown. Institutional investors, in particular, have been developing new strategies and tools for advancement of long-term value creation and management of systemic risk. A recent state of the industry report, "Tipping Points 2016", collected data from a group of 50 institutions, including 28 asset owners and 22 asset managers. These institutions were selected because of their diversity, including size, geographical locations, institutional missions, and clients. The report sought to assess whether and to what extent institutional investors consider and manage their impacts on environmental, societal, and financial systems, and to what extent they consider those systems' impacts on their portfolios. The report found that financial returns and risk reduction appear to be two primary motivators for approaching investment decisions on a systemic basis. Asset owners and managers frequently cite the financial risks they perceive from environmental, social, and governance risk at the level of specific securities and industries. Institutional investors are also concerned with measuring and managing non-financial returns of their investments. Leaders of various institutions would like to be perceived as contributing positively to society and environmental sustainability.²

The impetus for the present Proposal is a specific concern along these lines that has come to the attention of the Proponent with regard to Goldman Sachs, which shows that the Company has been viewed as one of the major financiers behind the very controversial Dakota pipeline. We believe the Company's differential attention to likely human and indigenous rights concerns, which is differentially higher in project level financing and appears to be weakened in relevant corporate level financing, is part of the problem posed by current governance efforts.

According to the document "Who's Banking on Dakota Access Pipeline" included here in Appendix 2, Goldman Sachs reportedly provided \$243 million in financing three companies -- Sunoco Logistics, Energy Transfer Partners, and Energy Transfer Equity -- which have collaborated to build the North Dakota Access Pipeline across Native American lands and waterways in North Dakota. The oil pipeline's construction is opposed by Native Americans and allies who have requested that the pipeline be rerouted to protect water quality. The pipeline was previously rerouted around a non-Native American community near Bismark, North Dakota due to the threat it posed to that community's water supply. (Bismark Tribune, August 2016) In late 2016, police forces and private security began committing human rights abuses against nonviolent protesters of the project:

¹ The investor interest in these issues is further documented by the groundswell of comment letters to the SEC on the Regulation S-K Concept Release urging the SEC to mandate disclosure of ESG (environmental, social, and governance) information. The Sustainability Accounting Standards Board (SASB) analyzed the comment letters received by the SEC in response to the 2016 Concept Release. Two-thirds of the 276 non-form comment letters discussed ESG disclosures in SEC filings.

² Summary of 50 Asset Owners and Managers Approaches to Investing in Global Systems, State of the Industry Analysis: Tipping Points 2016 William Burckart, Steve Lydenberg, Jessica Ziegler, 2016.
<http://tiiproject.com/tipping-points-2016/>



- Spraying nonviolent protestors with water in freezing temperatures, risking hypothermia.
- Using exploding devices resulting in physical harm to nonviolent protestors, including the amputation of an arm.
- Arrests and suppression of free speech of news media covering the protest.
- Mass arrests of protestors and use of excessive force.

The current Proposal, if it appears on the proxy, will provide an opportunity for fellow investors to help ensure that the board of directors of Goldman Sachs brings effective oversight to human rights issues arising on future financing. The resolve clause of the Proposal (full text of Proposal included as Appendix 1) states:

....shareholders request Goldman Sachs modify its committee charters or other directives to ensure board committee oversight of issues of Human and Indigenous Peoples' Rights. The charter should integrate with the Goldman Sachs Statement on Human Rights, and ensure oversight and policies to require in all relevant instances of corporate level, project or consortium financing that our Company and its fiduciaries ensure consideration of finance recipients' policies and practices for potential impacts on Human and Indigenous Peoples' Rights, including respect for the Free, Prior and Informed Consent of Indigenous communities.

Since 2009, the Proponent has been working with companies in its portfolio to clarify the fiduciary duties of boards of directors to address environment and human rights.

In 2010, Intel, Inc. agreed to amend its Charter of the Corporate Governance and Nominating Committee to include "corporate responsibility and sustainability performance" in the committee's overall policy responsibility.³ Intel also provided the proponent with an outside legal opinion by the law firm of Gibson Dunn & Crutcher stating that under Delaware Law directors have a clear fiduciary duty to address corporate responsibility and sustainability performance when these issues are written into the committee charter.

A Monsanto attorney confirmed for the Proponent, after Monsanto revised its committee charter to include sustainability, that the members of the Committee, as fiduciaries of the Company and its shareowners, have undertaken a duty to review and monitor the performance of the Company as it affects matters relating to sustainability and to report thereon periodically to the full Board of Directors of the Company.⁴

³ The amendment stated: "review(s) and report(s) to the Board on a periodic basis with regards to matters of corporate responsibility and sustainability performance, including potential long and short term trends and impacts to our business of environmental, social and governance issues, including the company's public reporting on these topics."

⁴ Nancy E. Hamilton, Deputy General Counsel, Corporate Governance and Mergers & Acquisitions, Monsanto.

Similarly, the Board of Directors of Target Corporation received an outside counsel opinion that Target, as a Minnesota Corporation, has a duty pursuant to Section 302A.241 of the Minnesota Business Corporation Act to take actions that are set forth in any charter adopted by the Board of Directors setting forth the authority and responsibilities of such committee.

Though not directly as a result of dialogue with the Proponent, Wells Fargo Corporation, which has recently been under fire for numerous failings in corporate responsibility, has clarified board duties in a similar vein. On November 28, 2017, it amended its Corporate Responsibility Committee Charter to state:

The CRC shall oversee the Company's policies and programs related to environmental sustainability, human rights, and other social and public matters of significance to the Company, including the Company's supplier diversity initiatives.

Clarifying these fiduciary duties of directors is a strong option for companies looking to demonstrate a top level, legally effective commitment to environment and human rights. As an approach to portfolio companies, it is also relevant to institutional investors who are seeking tools to address long-term value creation, and to mitigate portfolio companies' systemic or cross-portfolio impacts.⁵

In contrast to the exemplary actions by companies revising board of directors charters, other firms are reticent to make such changes. Conversations with corporate secretaries and boards have indicated that, indeed, some boards are uncomfortable with revising corporate governance documents, precisely because they do not wish to add clearly articulated legal duties on environment or human rights, possibly increasing the likelihood that a director could be liable for a related duty of care, good faith or loyalty in oversight. Limiting the articulation of such issues to voluntary principles, codes or sustainability reports, does not necessarily have the same legal impact of expanding the scope of board fiduciary duties.

The Company's extraordinary no action request, shows the notable lengths that the Company is willing to go, and to stretch credulity, in order to prevent its directors from shouldering fiduciary obligations on indigenous and human rights. In its no action request, the Company has gone out of its way to concoct every possible complexifying argument. We believe the proposal is fully compliant with Rule 14a-8 and urge the Staff to conclude that it is not excludable.

The Company Letter asserts under Rule 14a-8(i)(3) that simple and self-evident concepts are vague, and denies the Company's well known connection to Dakota Pipeline financing (See Appendix2)⁶.

⁵ Summary of 50 Asset Owners and Managers Approaches to Investing in Global Systems, State of the Industry Analysis: Tipping Points 2016 William Burckart, Steve Lydenberg, Jessica Ziegler, 2016.
<http://tiiproject.com/tipping-points-2016/>

⁶ Note that the articles referenced in the proposal reference “ “threatened negative impacts on banks’ customer loyalty and shareholder value,¹ and harmed project companies’ with reputational damage².. The use of banks plural shows that in context the articles were an accurate portrayal of threats to banks generally as a result of their financing, as well as reputational risk associated with the companies financed by the Company. To our knowledge, the Company has not denied engaging in commercial financing of the Dakota Pipeline partner companies.

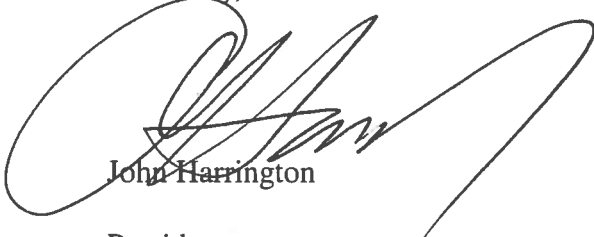
HARRINGTON
INVESTMENTS, INC.

The Company Letter asserts Rule 14a-8(i)(10), substantial implementation, yet the Company has not made the requested changes in Committee charters needed to articulate a board fiduciary duty and so it certainly has not substantially implemented the legally effective change in governance through oversight of the Goldman Sachs environmental policy.

The Letter asserts under Rule 14a-8(i)(7) ordinary business and micromanagement, despite the focus of the Proposal on the broad policy issue of human rights, long recognized by the Staff as a significant policy issue, and clearly connected to this Company by its high visibility and substantial resources implicated. In *Apple, Inc.* (December 21, 2017) (Jing Zhao) the proposal sought the establishment of a human rights committee. The company claimed, as Goldman Sachs does here, that the proposal addressed ordinary business given the extent of focus by the management and a board committee on human rights issues. It is notable that in the present instance, the Board of Directors did not fulfill the expectation stated under Staff Legal Bulletin 14 I that the Board of Directors should weigh in when a significant policy issue is not significant for the company. We believe this is because, as in the Apple (Jing Zhao) example, the Goldman Sachs Board of Directors would be unable to conclude that the issues raised are insignificant. To the contrary, instilling a fiduciary duty in the board to address these indigenous and human rights concerned, and to ensure appropriate scrutiny of all lending that raises substantial human rights issues, is a very significant policy issue indeed, and an ongoing challenge facing the Company. The focus on board of directors oversight and ensuring adequate oversight of human rights issues in commercial lending arrangements demonstrates that the proposal is directed at a high level of policy and governance that is appropriate to shareholder proposals.

None of the Company's arguments hold water. We urge the Staff to find that the Proposal is not excludable under any of the asserted rules, allowing Goldman Sachs shareholders to vote on this important proposal. Please feel free to call me if I can clarify any issues.

Sincerely,



John Harrington

President
Harrington Investments, Inc.

Cc: Beverly O'Toole, Goldman Sachs

APPENDIX 1 THE PROPOSAL

Whereas, our company has been identified as one of the banks financially supporting companies engaged in the development or construction of the Dakota Access Pipeline (DAPL) (Bakken Pipeline), a controversial project which received extensive media coverage and public condemnation because of its environmental destruction, pollution and encroachment upon sacred Sioux Nation land;

Whereas, in accordance with the United Nations Declaration on the Rights of Indigenous Peoples, Article Eleven, asserts "the right to maintain, protect and develop the past, present and future manifestations of their cultures, such as archaeological and historical sites..." yet the Dakota Access Pipeline construction has already desecrated various ancestral sites, disregarding previous treaties in blatant violation of Indigenous Peoples' Human Rights;

Whereas, Article Twenty-Nine of the Declaration states "Indigenous Peoples have the right to the conservation and protection of the environment and the productive capacity of their lands or territories and resources";

Whereas, the United Nations in 1948 adopted the Universal Declaration of Human Rights and the United Nations Human Rights Council in 2011 adopted the United Nations Guiding Principles on Business and Human Rights;

Whereas, our Company's financial support of the Dakota Access Pipeline and corporations involved in the Dakota Access Pipeline's construction has resulted in violations of Human and Indigenous Peoples' Rights, threatened negative impacts on banks' customer loyalty and shareholder value,¹ and harmed project companies' with reputational damage², delays, disruption and litigation;

Whereas, many financial institutions attempted to differentiate between "project financing" and direct corporate loans for general purposes, despite the likely relevance of both forms of financing to effectively supporting companies involved in the Bakken project;

Whereas, we believe it is a fiduciary duty of the board and management to consider Human Rights when making all executive decisions (such as loan agreements and related business affairs) where there is significant potential impact or consequence of our Company's involvement, as well as significant risk to our Company;

Whereas, our bank has issued non-binding policy statements and signed voluntary codes with limited legal teeth or enforcement mechanisms and therefore minimal assurance of respect or protection for Human or Indigenous Peoples' Rights;

Whereas, our Company currently has no committee charter language or bylaws with any commitment to protect Human and Indigenous Peoples' Rights;

Whereas, reputational damage, negative publicity and loss of customer business can result in long term negative consequences for our Company;

Therefore, be it resolved, shareholders request Goldman Sachs modify its committee charters or other directives to ensure board committee oversight of issues of Human and Indigenous Peoples' Rights. The charter should integrate with the Goldman Sachs Statement on Human Rights, and ensure oversight and policies to require in all relevant instances of corporate level, project or consortium financing that our Company and its fiduciaries ensure consideration of finance recipients' policies and practices for potential impacts on Human and Indigenous Peoples' Rights, including respect for the Free, Prior and Informed Consent of Indigenous communities.

¹ <https://www.thenation.com/article/these-cities-are-divesting-from-the-banks-that-support-the-dakota-access-pipeline/>

² <https://sandiegofreepress.org/2017/02/calpers-joins-investors-calling-on-banks-to-address-concerns-about-dakota-access-pipeline/>



APPENDIX 2
DOCUMENTATION OF GOLDMAN SACHS' ALLEGED
RELATIONSHIP TO DAKOTA PIPELINE COMPANIES

Who's Banking on the Dakota Access Pipeline?

The Standing Rock Sioux are inspiring the world with their resistance against the pipeline. But it's not just Big Oil and Gas that they're opposing.

%%%

By Jo Miles, Hugh MacMillan

09.6.16

When the Army Corps of Engineers issued a permit for the 1,100-mile Dakota Access Pipeline in July, executives at the corporations behind the plan probably thought their path forward was clear. They'd moved easily through the permit process, seemingly dodging the concerns of people affected by the pipeline, and were ready to go ahead with construction.

But the communities in the pipeline's path, especially local tribes, had other ideas. Thousands of people, mostly Native Americans, have converged at the Standing Rock Sioux Reservation in North Dakota in an effort to stop the pipeline from being built. The Standing Rock Sioux call the pipeline a black snake, and they know that if it were to rupture and spill — a serious risk, given the well-documented history of pipeline leaks in the U.S. — it could poison their drinking water and pollute their sacred land.

As we will detail, the Standing Rock Sioux are not just up against the oil and gas industry and the federal government, as daunting a challenge that alone would be. They are up against many of the most powerful financial and corporate interests on Wall Street, the profit-driven institutions that are bankrolling this pipeline plan and so many others like it throughout the country.

The pipeline company disrupted the peaceful demonstration this weekend when its security firm unleashed violence on the activists, attacking them with dogs and pepper spray. The tribes are standing strong in their unity, and won't give up despite these frightening and horrifying developments.

These water protectors need your support. **Will you join them in calling on your senator to deny the Bakken Pipeline?**

TAKE ACTION

Corporate Interests Bankrolling the Pipeline

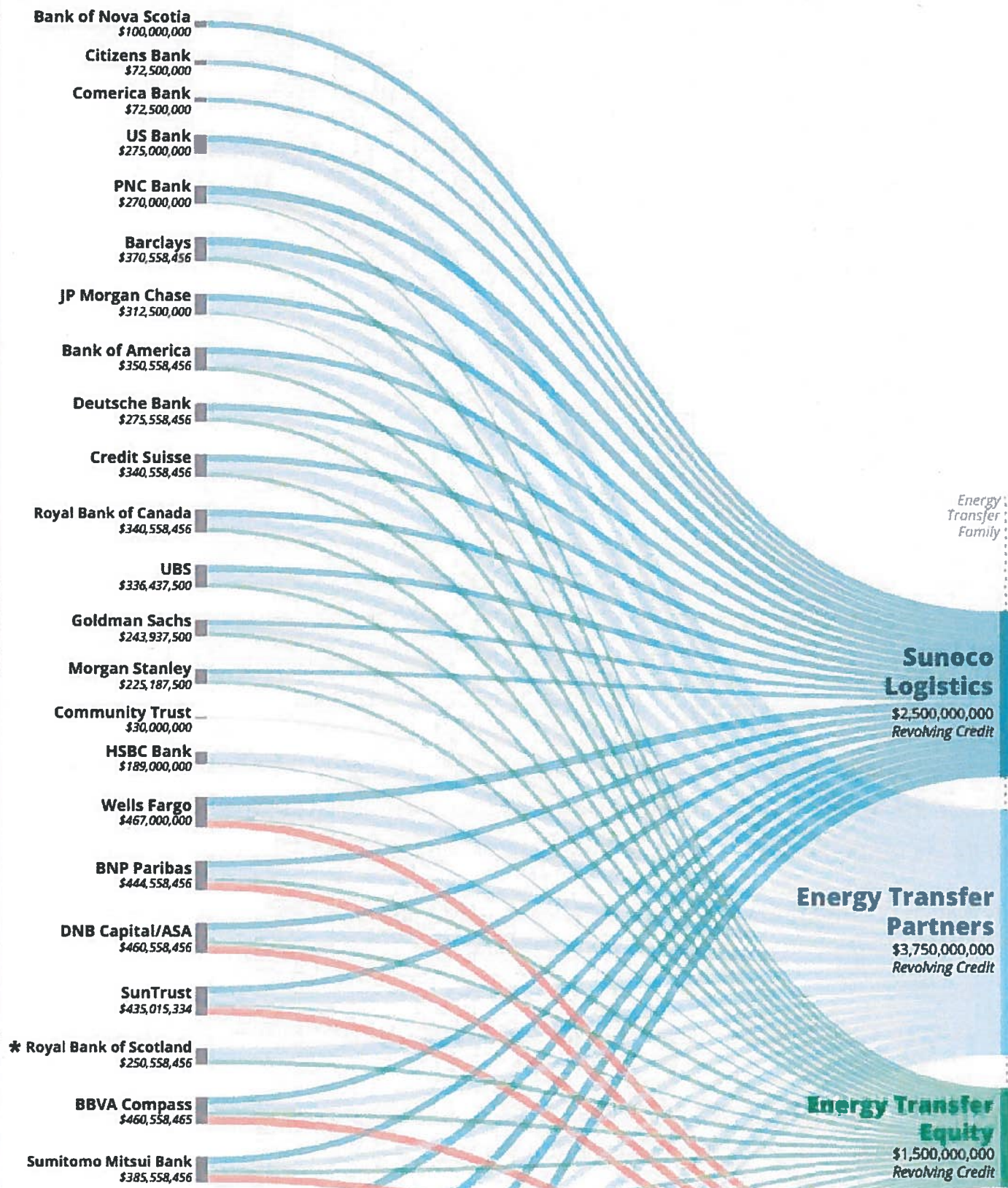
Powerful oil and gas companies are taking appalling steps to override the Sioux's objections, using their immense financial resources to push for building this pipeline, which will further line their pockets. But behind the companies building the pipeline is a set of even more powerful Wall Street corporations that might give you flashbacks to the 2007 financial crisis.

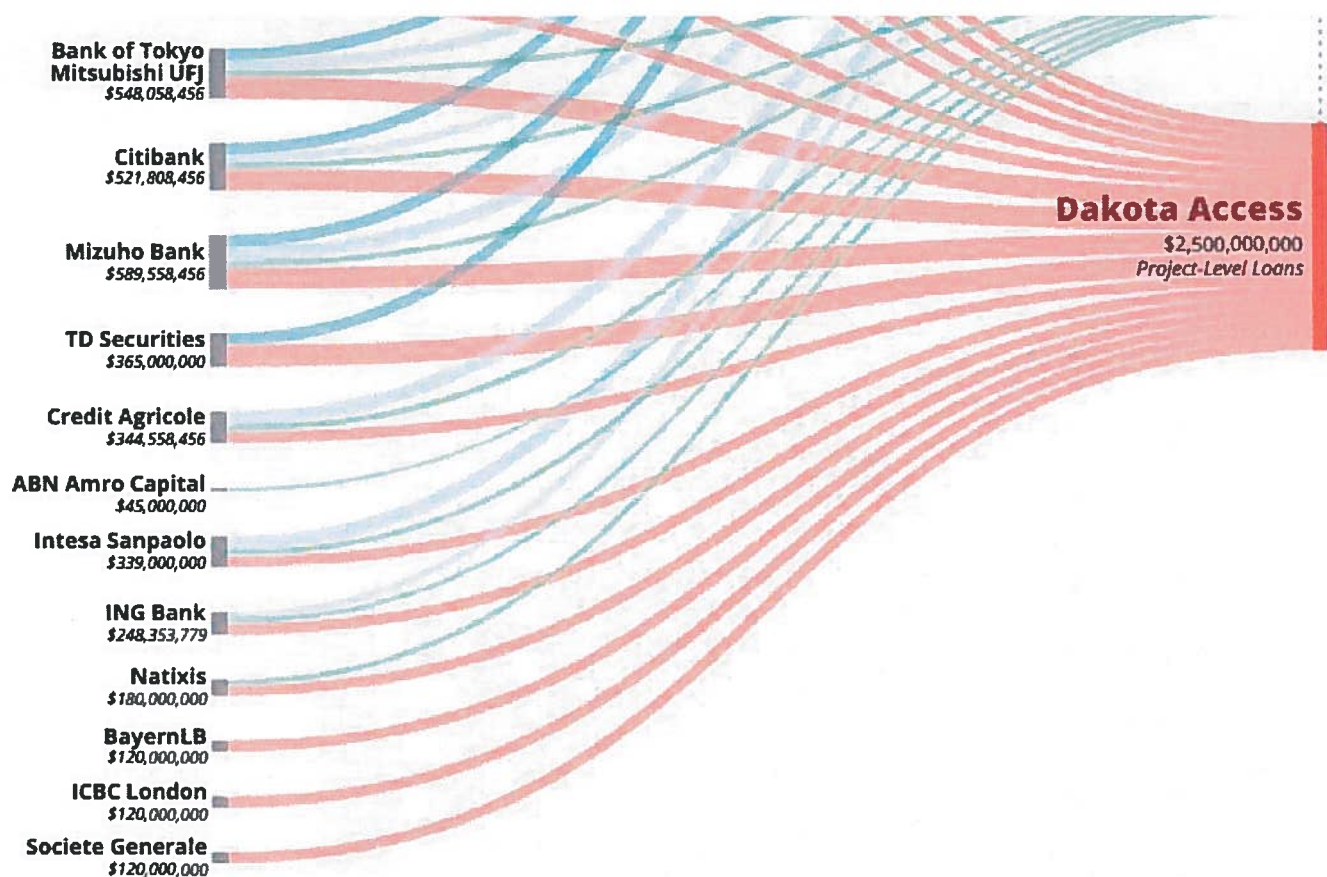
Here are the financial institutions banking on the Dakota Access pipeline:

Who's Banking Against the Sioux?

food & water watch

Funding Behind the Bakken Pipeline





UPDATED ON DECEMBER 5, 2016

If you believe any of this information is no longer accurate, please send documentation and your contact information to hmacmillan@fwwatch.org.

**RBS claims to have exited the funding relationships by November 2015 but declined to provide documentation substantiating that claim.*

SOURCES: Bloomberg Terminal data on Dakota Access, LLC provided by Rainforest Action Network on November 8, 2016; Energy Transfer Equity, SEC Form 8 K filed February 17, 2015, accessed at <http://bit.ly/2cqZ07Y>; Energy Transfer Partners, SEC Form 8 K, filed February 17, 2015, accessed at <http://bit.ly/2bBVotA>; Sunoco Logistics Investor Presentation - July 2016, accessed at <http://bit.ly/2ceCg9X>.

Seventeen financial institutions have loaned Dakota Access LLC \$2.5 billion to construct the pipeline. Banks have also committed substantial resources to the Energy Transfer Family of companies so it can build out more oil and gas infrastructure:

- Energy Transfer Partners has a revolving credit line of \$3.75 billion toward expanding its oil and gas infrastructure holdings, with commitments from just 26 banks.
- Sunoco Logistics has a credit line with \$2.5 billion in commitments from just 24 banks.
- Energy Transfer Equity has a credit line with another \$1.5 billion in commitments from most of the same big international banks.

All told, that's **\$10.25 billion in loans and credit facilities from 35 banks directly supporting the companies building the pipeline.** Beyond the Energy Transfer family of companies, many of the same banks have likewise given big credit lines to the other stakeholders in the pipeline--Phillips 66, Marathon and Enbridge.

These banks expect to be paid back over the coming decades. By locking in widespread drilling and fracking in the false name of U.S. energy independence and security, the banks are increasing our disastrous dependence on fossil fuels.

How Standing Rock Sioux are Fighting Back

The focal point of the resistance is at a camp outside the Standing Rock Sioux Reservation in North Dakota. Thousands of people, most of them Native Americans, have gathered in nonviolent demonstration to stop the pipeline's construction and protect their land and water. In August, youth from the tribe finished a 2,000-mile relay run to Washington, D.C., to bring their message to the White House in their own show of opposition. The tribe is doing everything in their power to stop this pipeline.

Even before Dakota Access's security turned violent, the activists faced harsh responses as Governor Dalrymple has declared a state of emergency, removing water and sanitation resources from the reservation, and the police have set up roadblocks around the reservation. Dozens of protesters have already been arrested, and police have spread false rumors of violence from the peaceful protectors.

But it's the company, not the activists, that's guilty of violence. This weekend, security sprayed activists with mace and released guard dogs into the crowd – even a pregnant woman was bitten by a dog. Democracy Now! captured disturbing footage of the attack.

In the aftermath of such violence, we can't lose sight of how remarkable this gathering is: in a historic show of unity, over 300 North American tribes have united in solidarity with the Oceti Sakowin, or Sioux Nation effort to stop the pipeline.

Philip J. Deloria, a professor of American Culture and History at the University of Michigan, sees the fight as historic:

"The whole thing is kind of amazing, really. It's a conjuncture of local organizing, social media activism, tribal-generated intertribal solidarity, semi-traditional 'march on Washington' strategies, and alliances with environmental and other political action groups... I think a lot of Indian people are seeing it as a moment of new possibility."

Energy Transfer Partners is pushing ahead with their construction — and in North Dakota's dirty-energy-oriented economy, these corporations have the backing of the political establishment. In contrast, the activists stand against them with only their bodies, protecting their sacred and sovereign land and water by physically standing in the way of the construction.

We all owe these activists our support. Communities all along the pipeline route have been carrying out their own protests, and Food & Water Watch has been working with the Bakken Pipeline Resistance Coalition to block the proposal since it was first announced in 2014. Now, as the pipeline is being built, we're asking everyone to call on your senators to intervene.

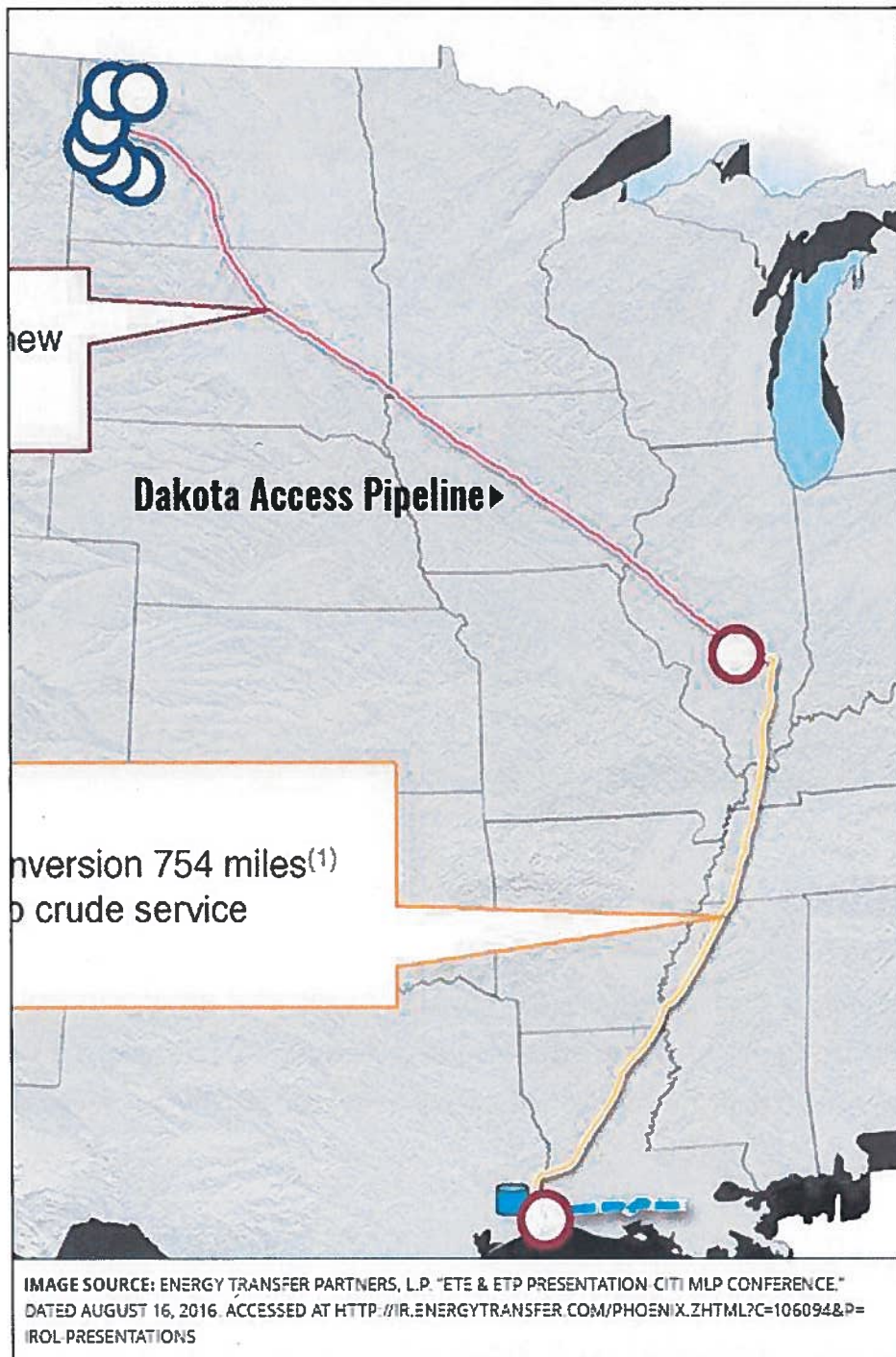


The Problems with Pipelines

Oil pipelines are inherently dangerous, and threaten our communities and environment with spills and explosions. They boost corporate profits and increase our dependence on fossil fuels, while bringing only risks and harms to those who live along the pipelines' paths.

The Dakota Access pipeline would pump about a half-million barrels of oil each day along 1,100 miles through the Dakotas and Iowa to Southern Illinois. There, the oil would be sent to the East Coast refineries and other markets by train, or down another 750 miles to the Gulf Coast through a second pipeline that Energy Transfer Partners is converting to carry oil. Combined, the two pipelines — together called the Bakken Crude

Pipeline and acknowledged here in a presentation ETP made to its stockholders in August — follow a similar path to the Keystone XL pipeline that President Obama rejected:



Overall, the Bakken Crude Pipeline will cost about \$4.8 billion, and Energy Transfer Partners is touting it as a key element of its future plans to “capitalize on U.S. energy exports.” In building this infrastructure, Energy Transfer and its financial backers are banking on increased fracking in the United States in the coming decades. Over that time, communities will be left to deal with the spills, explosions, water pollution, air pollution, and climate impacts that ensue.

Help Stop the Bakken Pipeline

%%%

Pipelines are not the answer to our energy needs. We need to keep fossil fuels in the ground, and we need an urgent shift to 100% renewable energy. The Dakota Access Bakken Pipeline is a direct threat to our air, water, and clean energy future. This is why we need our elected officials to support the Standing Rock Sioux and other activists, and use his authority to revoke the federal permits and deny the Bakken pipeline. **Urge your senators to deny the Bakken pipeline.**

TAKE ACTION

Food & Water Watch champions healthy food and clean water for all. We stand up to corporations that put profits before people, and advocate for a democracy that improves people's lives and protects our environment.

Food & Water Watch is a 501(c)3 non-profit organization.

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An Open Letter To Investors In The Dakota Access Pipeline



November 29th, 2016 by [Susanna Schick](#)



While Norwegian investors pull out because the DAPL does not meet their Corporate Social Responsibility requirements, and Energy Transfer Partners sells its company to Sunoco to better compete against Russia, I would like to propose that all investors pull their funds from this project, as there are other energy projects with a much higher ROI that actually build a stronger US economy. I am addressing Goldman Sachs because of its stated commitment to environmental stewardship and its long track record of successful investments.

Dear Mr. Blankfein,

As one of the best investment banks in the world, Goldman Sachs' job is to keep one foot firmly planted in the future. The oil industry is dying, and "energy" companies that refuse to expand into other forms of energy will die along with it. Do you wish you'd invested in a film camera company 15 years ago? This is the same situation, but with a much bigger industry.

As a journalist covering clean tech, I've seen the future, and it's electric. This was never more clear than on October 28th, when Tesla announced its Powerpack 2 batteries, grid-scale batteries twice as energy dense at the same price. Customers like SoCal

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Edison will install them next month to decrease their dependency on natural gas, the main commodity ETP offers. The same commodity which recently caused the biggest methane leak ever in the US.

As you know, the biggest hurdle in EV pricing is the cost of batteries. The Gigafactory is ending this, and energy companies that jump on this trend now will benefit by being early adopters. The rest of us will benefit by having a habitable planet and drinking water not poisoned by fracking chemicals.

While watching Energy Transfer Partners dig its heels deeper into a terribly bad business decision, I decided to use my MBA and do a bit of research on your behalf. As an investor in the Dakota Access Pipeline, you might be wondering if there's a less controversial and more profitable place for your client's money. Well, there is. As Elon Musk stated in the film Before the Flood, Earth needs 99 more Gigafactories, and he doesn't want to build them all. He called on automakers and energy companies to build them too. Tesla positioned its near what was known to be the largest lithium deposit in North America. Well, MIT made a map of all of them, and here's an interesting article about a much larger one recently discovered in Wyoming.

As vehicle miles traveled decrease and people choose more efficient vehicles, gas stations are going out of business. Meanwhile, EV charging infrastructure is projected to grow to 11.4 million stations worldwide by 2020. This Navigant report shows the CAGR for PEVs in the US was 102% from 2011–2015. As batteries and solar panels continue to get cheaper, it won't be long before developing countries don't bother wasting money on gasoline infrastructure, just as they bypassed telecom infrastructure.

Exporting oil & gas only benefits a handful of people. One of the main reasons hybrids and EVs are growing in popularity is that they free up money for people to spend on things other than fuel. And that's how economies grow, when more people have more money to spend on a broader variety of goods and services.

Best Regards,

Susanna Schick

Thanksgiving 2016 was certainly the most difficult one for America to "celebrate." While we gorged on delicious comfort food, Native Americans were tortured trying to protect water. Not just their water, water for everyone else near the pipeline. So rather than be one of the many white people going there to show my support, I figured this might be a bit more effective.

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Tags: aging natural gas pipelines, cleantech investment, Dakota Access Pipeline, energy transfer partners, Goldman Sachs, Natural gas, NoDAPL, oil investments

About the Author



Susanna Schick Susanna is passionate about anything fast and electric. As long as it's only got two wheels. She covers electric motorcycle racing events, test rides electric motorcycles, and interviews industry leaders. Occasionally she deigns to cover automobile events in Los Angeles for us as well. However, she dreams of a day when Los Angeles' streets resemble the two-wheeled paradise she discovered living in Barcelona and will not rest until she's converted the masses to two-wheeled bliss.

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Our 2018 EV Charging Report

Banks Funding DAPL

The oil companies behind the pipeline are rich, but they aren't rich enough to shell out the whole amount needed to build the pipeline at once.

If Citibank, the Bank of Tokyo-Mitsubishi, Mizuho Bank and TD Securities were to hold back remaining \$1.4 billion the cash for the pipeline could dry up and the project could come grinding to a potentially permanent halt.

Please contact these banks today.

Citibank (Citigroup)*
TD Securities*
The Bank of Tokyo-Mitsubishi UFJ*
Mizuho Bank*

Wells Fargo
BNP Paribas
DNB Capital
BBVA Securities
SunTrust
Sumitomo Mitsui Bank
Credit Agricole
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Royal Bank of Canada
UBS
Goldman Sachs
Morgan Stanley
Origin Bank
(formerly
Community Trust)
HSBC Bank

*primary leaders of the key DAPL loan

Send letters to the CEOs. Post on their Facebook pages. Tweet at them every day.

Some examples of questions you could ask them are,

"Why are you supporting this inherently dangerous and unjust oil pipeline that threatens air and water quality in many states?"

"Why are you funding a project that violates sacred lands of the Standing Rock Sioux tribe?"

"Why are you supporting the human rights violations and violent repression of indigenous people?"

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Beverly L. O'Toole
Managing Director
Associate General Counsel

**Goldman
Sachs**

December 28, 2017

Via E-Mail to shareholderproposals@sec.gov

Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, N.E.
Washington, D.C. 20549

Re: The Goldman Sachs Group, Inc.
Request to Omit Shareholder Proposal of Harrington Investments, Inc.

Ladies and Gentlemen:

Pursuant to Rule 14a-8(j) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), The Goldman Sachs Group, Inc., a Delaware corporation (the "Company"), hereby gives notice of its intention to omit from the proxy statement and form of proxy for the Company's 2018 Annual Meeting of Shareholders (together, the "2018 Proxy Materials") a shareholder proposal (including its supporting statement, the "Proposal") received from Harrington Investments, Inc., as primary proponent, and all the co-filers listed at the end of this letter (together, the "Proponents"). The full text of the Proposal and all other relevant correspondence with the Proponents are attached as Exhibit A.

The Company believes it may properly omit the Proposal from the 2018 Proxy Materials for the reasons discussed below. The Company respectfully requests confirmation that the staff of the Division of Corporation Finance (the "Staff") of the Securities and Exchange Commission (the "Commission") will not recommend enforcement action to the Commission if the Company excludes the Proposal from the 2018 Proxy Materials.

This letter, including the exhibits hereto, is being submitted electronically to the Staff at shareholderproposals@sec.gov. Pursuant to Rule 14a-8(j), the Company has filed this letter with the Commission no later than 80 calendar days before the Company intends to file its definitive 2018 Proxy Materials with the Commission. A copy of this letter is being sent simultaneously to the Proponents as notification of the Company's intention to omit the Proposal from the 2018 Proxy Materials.

I. The Proposal

The resolution included in the Proposal reads as follows:

“Therefore, be it resolved, shareholders request Goldman Sachs modify its committee charters or other directives to ensure board committee oversight of issues of Human and Indigenous Peoples’ Rights. The charter should integrate with the Goldman Sachs Statement on Human Rights, and ensure oversight and policies to require in all relevant instances of corporate level, project or consortium financing that our Company and its fiduciaries ensure consideration of finance recipients’ policies and practices for potential impacts on Human and Indigenous Peoples’ Rights, including respect for the Free, Prior and Informed Consent of Indigenous communities.”

The supporting statement included in the Proposal (the “Supporting Statement”) is set forth in Exhibit A.

II. Reasons for Omission

The Company believes that the Proposal properly may be excluded from the 2018 Proxy Materials pursuant to:

- Rule 14a-8(i)(3), because the Proposal contains materially false and misleading statements and is impermissibly vague and indefinite;
- Rule 14a-8(i)(10), because the Company has substantially implemented the Proposal; and
- Rule 14a-8(i)(7), because the Proposal relates to the Company’s ordinary business operations.

A. The Proposal may be excluded under Rule 14a-8(i)(3), because it contains materially false and misleading statements including those that impugn the character, integrity and reputation of the Company by tying it to human rights violations, and because the Proposal is impermissibly vague and indefinite.

The Proposal is excludable under Rule 14a-8(i)(3) because it both contains materially false and misleading statements and is impermissibly vague and indefinite.

1. The Proposal contains materially false and misleading statements including those that impugn the character, integrity and reputation of the Company by tying it to human rights violations.

Rule 14a-8(i)(3) provides that a company may omit a stockholder proposal from its proxy materials if “the proposal or supporting statement is contrary to any of the Commission’s proxy rules, including Rule 14a-9, which prohibits materially false or misleading statements in proxy

soliciting materials.” According to Note (b) to Rule 14a-9 and Staff Legal Bulletin No. 14B (Sept. 15, 2004), a statement that impugns integrity, character or reputation without factual foundation is misleading within the meaning of the Rule and can result in the entire proposal being excluded under Rule 14a-8(i)(3). Applying these standards, the Staff has concurred with the exclusion of a proposal on this basis where the proposal suggests a company has engaged in wrongdoing without providing any factual support for such implication. *See, e.g., ConocoPhillips* (Mar. 13, 2012) (concurring in the exclusion of a proposal suggesting ConocoPhillips participated in money laundering). As described below, the Supporting Statement impugns the integrity, character and reputation of the Company without factual basis by tying the Company to human rights abuses.

The Supporting Statement states that the “Company’s financial support of the Dakota Access Pipeline and corporations involved in the Dakota Access Pipeline’s construction has resulted in violations of Human and Indigenous Peoples’ Rights, threatened negative impacts on banks’ customer loyalty and shareholder value, and harmed project companies with reputational damage, delays, disruption and litigation.” The Supporting Statement provides two citations that purport to provide a factual basis for these claims. The first citation is to a March 20, 2017 article in *The Nation* magazine titled: “These Cities are Pulling Billions from the Banks that Support the Dakota Access Pipeline” (the “Nation Article”). A copy of this article is attached hereto as Exhibit B. The Proponents use this as a factual basis for the claim that the Company’s financial support of the Dakota Access Pipeline has threatened to negatively impact customer loyalty and shareholder value. The Nation Article, however, does not mention the Company at all and focuses almost exclusively on Wells Fargo and efforts by various municipalities to end their relationships with Wells Fargo. The second citation is to a February 23, 2017 article in the *San Diego Free Press* titled: “CalPERS Joins Investors Calling on Banks to Address Concerns About Dakota Access Pipeline” (the “SDFP Article”), attached hereto as Exhibit C, which purportedly provides the factual basis for the claim that the Company’s financial support of the Dakota Access Pipeline harmed project companies with reputational damage. The SDFP Article also does not mention the Company. In fact, the SDFP Article notes that investors concerned about banks backing the Dakota Access Pipeline “directed the[ir] statement towards 17 banks,” none of which was the Company. Not only is the suggestion that the Company’s actions “resulted in violations of Human and Indigenous Peoples’ Rights, threatened negative impacts on banks’ customer loyalty and shareholder value, and harmed project companies” false and misleading, claiming that these sources provide a factual basis for the Proposal’s claims is also seriously misleading, as neither article so much as mentions the Company.

Further, the Proposal does not even attempt to provide support for the claim that the Company’s actions have “resulted in violations of Human and Indigenous Peoples’ Rights.” The Proposal does not provide any citation to support this claim, and neither of the two articles discussed above provides any factual basis for the assertion that the Company’s actions have resulted in human rights violations. The Company shares the Proponents’ views on the importance of human rights, including the rights of Indigenous Peoples, and to this end has put in place various policy safeguards as described below. However, the suggestion in the Supporting Statement that the Company is somehow involved in, or responsible for, alleged human rights abuses is patently false and inflammatory and the inclusion of this language in the Supporting

Statement is materially misleading to shareholders voting on the Proposal. Because these statements impugn the Company's integrity, character and reputation by tying the Company to alleged violations of human and indigenous peoples' rights without factual foundation, they are, therefore, misleading within the meaning of Rule 14(a)-8(i)(3).

The materiality under Rule 14a-8(i)(3) of false and misleading assertions in a supporting statement is demonstrated by the court's holding in *Express Scripts Holding Co. v. Chevedden*, 2014 WL 631538, at *4 (E.D. Mo. Feb. 18, 2014). There, in the context of a proposal that sought to separate the positions of chief executive officer and chairman, the court ruled that, "when viewed in the context of soliciting votes in favor of a proposed corporate governance measure, statements in the proxy materials regarding the company's existing corporate governance practices are important to the stockholder's decision whether to vote in favor of the proposed measure" and therefore are material. Just as in *Express Scripts*, the statements discussed above are misleading because they materially misconstrue the Company's role in a particular transaction and in alleged human rights abuses, which goes to the heart of a shareholder's determination of whether the additional actions requested in the Proposal are necessary.

As a result of the nature of the false and misleading statements contained in the Supporting Statement that are integrally tied to the requests made in the Proposal, we believe that the Proposal may be omitted in its entirety. Alternatively, if the Staff does not agree, we believe that the portions of the Supporting Statement quoted above may be properly excluded from the Proposal. *See, e.g., Sara Lee Corp.* (July 31, 2007) (permitting omission of specified portions of a supporting statement as being materially false and misleading); *Bob Evans Farms, Inc.* (June 26, 2006) (permitting exclusion of all but one sentence of a paragraph of a supporting statement as being materially false and misleading).

2. The Proposal is impermissibly vague and indefinite in several aspects.

The Staff consistently has taken the position that a shareholder proposal is excludable under Rule 14a-8(i)(3) when it is vague and indefinite such that "neither the stockholders voting on the proposal, nor the company in implementing the proposal (if adopted), would be able to determine with any reasonable certainty exactly what actions or measures the proposal requires." Staff Legal Bulletin No. 14B (Sept. 15, 2004). *See also Dyer v. SEC*, 287 F.2d 773, 781 (8th Cir. 1961) (holding that the exclusion of a proposal, based on the SEC's explanation that "the proposal, as drafted and submitted to the company, is so vague and indefinite as to make it impossible for either the board of directors or the stockholders at large to comprehend precisely what the proposal would entail," was not arbitrary or without rational basis). The Staff has also noted that "[i]n evaluating whether a proposal may be excluded on [a Rule 14a-8(i)(3)] basis, [the Staff] consider[s] only the information contained in the proposal and supporting statement and determine[s] whether, based on that information, shareholders and the company can determine what actions the proposal seeks." *McKesson Corp.* (April 17, 2013).

- a. The Proposal is excludable because it relies upon external guidelines without sufficiently explaining the effects of those guidelines.

The Staff repeatedly has concurred with the exclusion of shareholder proposals pursuant to Rule 14a-8(i)(3) that rely upon a reference to a particular set of external guidelines, but fail to sufficiently describe or explain the substantive provisions of those external guidelines. *See, e.g., General Electric Co.* (Jan. 15, 2015) (proposal calling for the company to have an independent director serve as chairman of the board whenever possible excluded because the proposal referenced Staff Legal Bulletin 14C as the standard for curing the non-independence of a director, but did not explain what that guideline required); *Johnson & Johnson* (Feb. 7, 2003) (proposal requesting a report relating to the company's progress concerning "the Glass Ceiling Commission's business recommendations" excluded as vague and indefinite); *Alcoa Inc.* (Dec. 24, 2002) (proposal calling for the implementation of "human rights standards" and a program to monitor compliance with these standards excluded as vague and indefinite); *H.J. Heinz Co.* (May 25, 2001) (concurring with the exclusion of a shareholder proposal where the proposal requested that the company commit to "full implementation" of the SA8000 Social Accountability Standards, but did not clearly set forth what SA8000 required of the company or what full implementation would entail); *Occidental Petroleum Corp.* (Mar. 8, 2002) (proposal calling for the adoption and implementation of a company-wide policy "consistent with the Voluntary Principles on Human Rights in the Oil, Gas, and Mining Industries" excluded since the proposal did not adequately describe the requirements of the external guideline cited).

The proposal in *H.J. Heinz Co.* (May 25, 2001) is similar to the Proposal here. That proposal requested that Heinz commit itself to the full implementation of the Council on Economic Priorities SA8000 Social Accountability Standards and the conventions of the International Labor Organization. Heinz argued that the proposal "fail[ed] to adequately summarize the obligations which would be imposed on the [c]ompany by those very principles and conventions", and the Staff concurred that the proposal could properly be excluded.

The Proposal here requests the Company to "ensure board committee oversight of issues of Human and Indigenous Peoples' Rights," and to "ensure consideration of finance recipients' policies and practices for potential impacts on Human and Indigenous Peoples' Rights, including respect for the Free, Prior and Informed Consent of Indigenous communities." The Proposal does not provide any detail as to what "Human and Indigenous Peoples' Rights" or "Free, Prior and Informed Consent of Indigenous communities" means or to which standard it may be referring. Although the Supporting Statement quotes Articles 11 and 29 of the United Nations Declaration on the Rights of Indigenous Peoples and notes that the United Nations has adopted the Universal Declaration of Human Rights and that the United Nations Human Rights Council has adopted the United Nations Guiding Principles on Business and Human Rights, the Proposal does not state whether "Human and Indigenous Peoples' Rights" or "Free, Prior and Informed Consent of Indigenous communities" are in fact references to these external guidelines. In fact, the Proponents specifically capitalized these terms, which makes it clear that they are meant to refer to something specific, as if they were readily available or understood.

One thing that is clear in the Proposal is that these undefined terms are central to understanding the Proposal. Without definitions of “Human and Indigenous Peoples’ Rights” and “Free, Prior and Informed Consent of Indigenous communities”, the Company cannot “ensure consideration of finance recipients’ policies and practices for potential impacts on Human and Indigenous Peoples’ Rights.” Since these crucial terms are undefined and represent a key aspect of the proposal, the Proposal may be properly excluded under Rule 14a-8(i)(3).

- b. The Proposal also is excludable because it is subject to differing interpretations by shareholders and the Company.

The Staff has also permitted exclusion of proposals under Rule 14a-8(i)(3) as impermissibly vague and indefinite where the meaning and application of terms or standards under the proposal might be subject to differing interpretations such that that shareholders are likely to have different understandings of what the proposal requires and, if approved by shareholders, how the company should implement the proposal. *See, e.g., Alaska Air* (Mar. 10, 2016) (concurring with the exclusion of a proposal where the proposal required the company to “strictly honor shareholders rights to disclosure identification and contact information” without defining terms); *Cisco Systems, Inc.* (Oct. 7, 2016) (concurring with the exclusion of a proposal “to prevent the effectiveness of shareholder vote” without explanation); *Fuqua Industries Inc.* (Mar. 12, 1991) (noting that the “meaning and application of terms and conditions . . . in the proposal would have to be made without guidance from the proposal and would be subject to differing interpretations”).

The Proposal includes numerous requirements that are impermissibly vague and subject to differing interpretations by the shareholders and the Company. While the Proposal first requests that the Company “modify its committee charters or other directives”, it then states that “[t]he charter should integrate with the Goldman Sachs Statement on Human Rights, and ensure oversight and policies to require in all relevant instances of corporate level, project or consortium financing that our Company and its fiduciaries ensure consideration of finance recipients’ policies and practices for potential impacts on Human and Indigenous Peoples’ Rights, including respect for the Free, Prior and Informed Consent of Indigenous communities.” While the first sentence of the Proposal requests modifications to multiple charters or directives, the second sentence requests a change to “the charter” without specifying which charter is implicated. It is also unclear what Company action the Proponents are requesting when the Proposal notes that the charter “should integrate with” the Statement on Human Rights. Integration with the Statement on Human Rights could mean the Company should formally amend the relevant committee charter to incorporate or refer to the matters set forth in the Statement on Human Rights, or it could mean that the relevant committee should review matters related to the Statement on Human Rights during committee meetings.

The Proposal is again impermissibly vague when it requests that the charter “ensure oversight and policies to require in all relevant instances . . . consideration of finance recipients’ policies and practices”¹ The Proposal’s use of the phrase “in all relevant instances” is

¹ The Proposal’s request that the charter “ensure oversight and policies to require in all relevant instances . . . consideration of finance recipients’ policies and practices” is additionally impermissibly vague in that it does

impermissibly vague. Reasonable shareholders and the Company may disagree as to which of the Company's financing activities should include "consideration of finance recipients' policies and practices for potential impacts on Human and Indigenous Peoples' Rights, including respect for the Free, Prior and Informed Consent of Indigenous communities." Shareholders could reasonably conclude that the Proposal is intended to apply specifically to financing relating to the Dakota Access Pipeline, since this is discussed in the Supporting Statement. Others might reasonably conclude that the Proposal is intended to cover pipeline financings generally, or even all energy projects, since the Proposal does not set forth the scope. The Proposal does not provide enough information to determine the financing activities to which the Proposal applies, and is thus impermissibly vague.

B. The Proposal may be excluded under Rule 14a-8(i)(10) because the Company has substantially implemented the Proposal.

While we believe that the Proposal is impermissibly vague and indefinite, we consider that a reasonable interpretation of the Proposal is that it requests that the Company review, and consider board oversight of, its policies relating to human and Indigenous Peoples' rights. Should the Staff conclude that the Proposal is not impermissibly vague and indefinite, we respectfully request that the Staff concur that the Proposal may be excluded pursuant to Rule 14a-8(i)(10).

Rule 14a-8(i)(10) provides that a company may exclude a shareholder proposal if the company has already substantially implemented the proposal. The Staff has stated that "substantial" implementation under the rule does not require implementation in full or exactly as presented by the proponent. *See* Release No. 34-40018, Amendments to Rules on Shareholder Proposals, [1998 Transfer Binder] Fed. Sec. L. Rep. (CCH) ¶ 86,018, at 80,539 (May 21, 1998) (the "1998 Release"). In applying this standard, the Staff has noted, "a determination that the [c]ompany has substantially implemented the proposal depends upon whether [the company's] particular policies, practices and procedures compare favorably with the guidelines of the proposal." *Texaco, Inc.* (Mar. 28, 1991) (permitting exclusion of a proposal requesting that the company adopt the Valdez Principles where the company had already adopted policies, practices, and procedures regarding the environment). Even if a company's actions do not go as far as those actions requested in the proposal, the company's actions nonetheless may be deemed to "compare favorably" with the requested actions. *See, e.g., Walgreen Co.* (Sept. 26, 2013) (permitting exclusion of a proposal requesting elimination of supermajority voting requirements in the company's governing documents where the company had eliminated all but one of the supermajority voting requirements); *Johnson & Johnson* (Feb. 17, 2006) (permitting exclusion of a proposal requesting that the company confirm the legitimacy of all current and future U.S.

not explain how the charter can "ensure" certain outcomes. The Company and its employees engage in a large number of financing transactions with the Company's many clients and customers. While policies and procedures can be designed to provide reasonable assurance of an outcome, they cannot guarantee an outcome in every case. This vagueness is exacerbated by the fact that the charter is at the Board of Directors level, and, therefore, at a level of general oversight and not implementation. Since the Proposal does not explain how the charter at the Board of Directors level can "ensure consideration," the Proposal is impermissibly vague, and the Company lacks the power and authority to implement it as written.

employees where the company had verified the legitimacy of over 91% of its domestic workforce); *Masco Corp.* (Mar. 29, 1999) (permitting exclusion of a proposal seeking adoption of a standard for independence of the company's outside directors where the company had adopted a standard that, unlike the one specified in the proposal, added the qualification that only material relationships would affect a director's independence).

In *Apple Inc.* (Dec. 11, 2014), the Staff concurred in the exclusion of a proposal, finding that "Apple's policies, practices and procedures compare[d] favorably with the guidelines of the proposal and that Apple has, therefore, substantially implemented the proposal." The proposal in *Apple* requested that Apple "establish a [p]ublic [p]olicy [c]ommittee to assist the [b]oard of [d]irectors in overseeing the [c]ompany's policies and practice[s] that relate to public issues including human rights . . . and others that may affect the Company's operations, performance, reputation, and shareholders' value." While Apple did not establish a separate committee to ensure oversight of human rights and other issues, the Staff agreed that Apple's existing policies compared favorably with, and substantially implemented, the proposal.

We believe the most reasonable interpretation of the Proposal is that it requests that the Company review, and consider board oversight of, the Company's policies relating to human rights, with a specific focus on Indigenous Peoples' rights. Insofar as the Proposal can be read this way, the Company has already substantially implemented the Proposal.

The Company respects and shares the Proponents' views on the importance of protecting human rights, broadly defined, including rights of Indigenous Peoples, and these beliefs are embedded throughout the Company's existing policies and procedures. Specifically with respect to the rights of Indigenous Peoples, the Public Responsibilities Committee (the "PRC") has ongoing oversight of, and has approved, the Company's Environmental Policy Framework (the "GS Environmental Policy"), attached hereto as Exhibit D, which policy is applied with appropriate rigor and care. The GS Environmental Policy clearly demonstrates that the Company already has guidelines in place with respect to human rights and Indigenous Peoples' rights. The pertinent sections of the GS Environmental Policy, which are integrated with the Company's Business Principles, Code of Business Conduct and Ethics, Statement on Human Rights and Statement on Modern Slavery and Human Trafficking, provide:

Human Rights: Goldman Sachs recognizes that environmental and social issues are often linked. We have a responsibility to help protect, preserve and promote human rights around the world. Examples of such rights are articulated in the United Nations Universal Declaration of Human Rights. While national governments bear the primary responsibility for ensuring human rights, we believe that the private sector can and should play a role in championing these fundamental rights. Our respect for human rights is fundamental to and informs our business; it guides us in how we treat and train our people, and how we work with our clients and our vendors. Our Business Principles and our Code of Business Conduct and Ethics also play an important role in determining our responsibilities as corporate citizens, and help to inform our business selection process and guide our business decisions and judgments.

Indigenous People: Goldman Sachs recognizes that the identities and cultures of indigenous peoples are inextricably linked to the lands on which they live and the natural resources on which they depend. We recognize the rights of these communities regarding issues affecting their lands and territories, traditionally owned or otherwise occupied and used. For transactions where the use of proceeds may have the potential to directly impact indigenous peoples, we expect our clients to demonstrate alignment with the objectives and requirements of IFC [International Finance Corporation] Performance Standard 7 on Indigenous Peoples, including free, prior and informed consent.

This clearly sets forth the Company's expectation (as overseen by the Board's PRC) that its clients follow the requirements of IFC Performance Standard 7 on Indigenous Peoples, which include the concept of free, prior and informed consent, and compares favorably with, and is substantially similar to, the Proposal's request that the Company consider the policies and practices of finance recipients for potential impacts on human rights and Indigenous Peoples' rights, including the concept of free, prior and informed consent.

The GS Environmental Policy also provides a number of sector guidelines in addition to the Company-wide review process to provide teams working in certain sensitive sectors with "due diligence guidelines and training to evaluate new business opportunities more effectively." For example, the hydraulic fracturing guidelines state that the Company applies enhanced due diligence, including "engagement with and mitigation of impacts on the local community." The Company's guidelines on oil and gas provide enhanced due diligence to consider "any local community impacts, including those relating to Canada's First Nations people." And, the Company's guidelines on palm oil projects note that the Company "require[s] clients to have a commitment to . . . no human rights violations." That guideline further provides that, where this is not in place, the Company "will introduce or refer clients to credible experts who can help establish such a commitment," and that its "[c]lients should have a plan in place to demonstrate compliance with this commitment." The sector guidelines which underpin the GS Environmental Policy "are reviewed periodically and updated based on emerging best practices, regulatory changes and engagement with stakeholders." GS Environmental Policy at 11-12.

As described in the publicly available policy, the GS Environmental Policy applies to the Company and its majority-owned subsidiaries, and is coordinated by the Environmental Markets Group ("EMG") reporting directly to the Office of the Chairman. As noted above, the policy and its implementation are reviewed with the PRC, which has oversight over the implementation of the GS Environmental Policy and any environmental, social and governance ("ESG") issues affecting the firm. The Company reports on its progress on the key initiatives set forth in the GS Environmental Policy annually through the ESG Impact Report and the Environmental Stewardship section of the Company website.²

The Company's commitment to human rights and Indigenous Peoples' rights extends beyond the GS Environmental Policy. The Company's Business Principles³ state both that the

² Available at: <http://www.goldmansachs.com/citizenship/environmental-stewardship/index.html>

³ Available at: <http://www.goldmansachs.com/who-we-are/business-standards/business-principles/index.html>

firm is “dedicated to complying fully with the letter and spirit of the laws, rules and ethical principles that govern us,” and that the firm expects its “people to maintain high ethical standards in everything they do, both in their work for the firm and in their personal lives.” This is echoed in the Company’s Code of Business Conduct and Ethics⁴ adopted by the Board of Directors (which, among other things, describes the Company’s Business Integrity Program and also states that “concern for the personal dignity of each individual is an indispensable element of the standards we set for ourselves at Goldman Sachs”) and the Company’s Statement on Human Rights (which states that the Company places “a high priority on the identification of potential human rights issues in the due diligence that precedes our business transactions” and that “the [Company] analyzes new and existing clients for a wide array of possible human rights-related issues, including labor practices, impacts on indigenous peoples, and proximity to conflict regions”).⁵ The Company also recently issued its Statement on Modern Slavery and Human Trafficking (approved by the Board of Directors),⁶ which provides that the Company will not “knowingly finance any potential transactions where there is credible evidence of child labor, forced labor or human trafficking.”

The Company’s policies provide for Board-level oversight of all issues concerning the Company’s reputation, including human rights-related issues. At the Board-level, as set forth in the Board’s Corporate Governance Guidelines and in each Committee charter,⁷ each of the Board and its committees considers the potential effect of any matter on the Company’s reputation. As the Proposal notes in its Supporting Statement, consideration of human rights is one of many relevant factors in consideration of the Company’s reputation. In fact, consideration of reputation is so core to the Board’s oversight that it created the PRC with specific oversight for reputational risk and ESG matters as documented in the PRC’s charter.⁸

As part of its oversight of ESG matters, the PRC annually reviews the Company’s interactive ESG Report,⁹ which highlights the Company’s “commitment to sustainability and describes [the Company’s] work on behalf of [] clients and the communities we seek to serve.” The PRC also has oversight of the Company’s Firmwide Client and Business Standards Committee and the Firmwide Reputational Risk Committee, through which it receives reports on client and business standards considerations as well as reports regarding certain transactions that may present heightened reputational risk.

⁴ Available at: <http://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/revise-code-of-conduct.pdf>

⁵ Available at: <http://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/human-rights-statement.pdf>

⁶ Available at: <http://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/statement-on-modern-slavery-and-human-trafficking.pdf>

⁷ Each available at: www.gs.com/corpgov

⁸ Available at: <http://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/public-responsibilities-committee-charter.pdf>

⁹ Available at: <http://www.goldmansachs.com/citizenship/esg-reporting/index.html>

As is evidenced by the foregoing, the Company already has comprehensive, broadly defined human rights policies and practices in place, including specifically with respect to the rights of Indigenous Peoples, with appropriate Board-level oversight thereof. Thus, the Company has already adopted and implemented policies, practices and procedures that compare favorably to the Proposal.

Based on the foregoing, the Company respectfully requests that the Staff concur that the Proposal may be excluded from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(10), since the Company already has substantially implemented the Proposal.

C. The Proposal may be excluded under Rule 14a-8(i)(7) because it relates to the Company's ordinary business operations.

The Proposal is properly excludable from the 2018 Proxy Materials pursuant to Rule 14a-8(i)(7) because the underlying subject matter is within the ordinary course operations of the Company.

Rule 14a-8(i)(7) permits the exclusion of a shareholder proposal that deals with a “matter relating to the company’s ordinary business operations.” According to the Commission, the underlying policy of the ordinary business exclusion is “to confine the resolution of ordinary business problems to management and the board of directors, since it is impracticable for shareholders to decide how to solve such problems at an annual shareholders meeting.” 1998 Release at 80,539. In the 1998 Release, the Commission outlines two central considerations for determining whether the ordinary business exclusion applies: (1) whether the task was “so fundamental to management’s ability to run a company on a day-to-day basis that [it] could not, as a practical matter, be subject to direct shareholder oversight”; and (2) “the degree to which the proposal seeks to ‘micro-manage’ the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *Id.* at 80,539-40 (footnote omitted). In this case, the Proposal deals with a matter relating to the Company’s ordinary business operations, in that it relates to the Company’s credit policies, loan underwriting and customer relations, does not focus on a significant policy issue and seeks to micromanage the Company’s operations by addressing how the Company applies an already existing policy. Therefore, the Proposal is properly excludable pursuant to Rule 14a-8(i)(7).

1. The Proposal relates to the Company’s credit policies, loan underwriting and customer relations.

The recitals and resolution in the Proposal make clear that the objective of the Proposal is to require the Company to assess the operations of clients to whom the Company extends credit to determine whether they engage in activities, including those not financed by the Company, that may raise “potential impacts on Human and Indigenous Peoples’ Rights.” For example, the Proposal discusses various Company financing activities, including “direct corporate loans for general purposes” and the Company “financially supporting companies engaged in the development or construction of the Dakota Access Pipeline.” In addition, the resolution states that the Company’s policies should “ensure consideration of finance recipients’ policies and

practices for potential impacts on Human and Indigenous Peoples' Rights." To the extent that the Staff does not conclude that the Proposal has been substantially implemented by the Company's existing policies and procedures regarding Human and Indigenous Peoples rights, we believe that the next most reasonable interpretation of the Proposal is that it does not in fact specifically focus on human rights, but rather is seeking to impose standards on all of the Company's general corporate financing activities based on the business operations of its clients. As such, the Proposal is excludable under Rule 14a-8(i)(7) because it focuses on the Company's ordinary business operations; specifically, its credit policies, loan underwriting and customer relations.

The Company is a leading global investment banking, securities and investment management firm serving a substantial and diversified client base, including corporations, financial institutions, governments and individuals, with a full range of banking, investing, lending, investment management and other financial and risk management products and services in thousands of transactions each year. As of December 31, 2016, the Company had approximately \$860.2 billion in assets and operated in all 50 states, the District of Columbia, and more than 30 countries. The Company's day-to-day business involves providing these clients with a variety of financial products and services, including providing "corporate level . . . financing" that clients use for a variety of purposes. These customer financing decisions require the Company to consider a wide range of factors, including assessments regarding customer creditworthiness and compliance and risk considerations, among various other factors that the Company may determine to be necessary, desirable or appropriate based on consideration of the facts and circumstances of any particular customer or any particular transaction.

The Staff has long concurred that proposals that, like the Proposal, address credit policies, loan underwriting and customer relations relate to the ordinary business operations of a financial institution and, as such, may be omitted under Rule 14a-8(i)(7). For example, in *BankAmerica Corp.* (avail. Feb. 18, 1977), the Staff concurred with the exclusion of a proposal requesting that the company implement conditions on providing loans to nuclear facilities. In its response, the Staff noted that "the procedures applicable to the making of particular categories of loans, the factors to be taken into account by lending officers in making such loans, and the terms and conditions to be included in certain loan agreements are matters directly related to the conduct of one of the [c]ompany's principal businesses and part of its everyday business operations."

More recently, in *JPMorgan Chase & Co.* (avail. Mar. 16, 2010), the company argued that a proposal was seeking to eliminate the company practice of issuing certain loans that were complex financial instruments about which stockholders may not be in a position to make informed judgments. The Staff concurred, noting that the proposal "concern[ed] the sale of particular services" and therefore permitted *JPMorgan* to exclude the proposal under Rule 14a-8(i)(7). Similarly, in *Bank of America Corp.* (avail. Feb. 27, 2008), the proposal requested the preparation of a report detailing, in part, the company's policies and practices regarding the issuance of credit cards and lending of mortgage funds to individuals without Social Security numbers. The company argued that "[t]he extension of credit and provision of banking services require inherently complex evaluations, and are not matters about which stockholders, as a

group, are in a position to properly and coherently oversee.” The Staff concurred with the proposal’s exclusion under Rule 14a-8(i)(7), noting that the proposal related to the company’s “credit policies, loan underwriting and customer relations.” *See also Bank of America Corp.* (avail. Mar. 7, 2005) (concurring with exclusion of a proposal requesting that the company refrain from providing credit or other financial services to entities that engage in payday lending, noting that the proposal relates to “Bank of America’s ordinary business operations (i.e., credit policies, loan underwriting and customer relations)”; *Mirage Resorts, Inc.* (avail. Feb. 18, 1997) (concurring with the exclusion of a proposal that requested that the company adopt a policy relating to the company’s extension of credit, noting in particular that the proposal was “directed at matters relating to the conduct of the [c]ompany’s ordinary business operations (i.e., business relationships)”).

More generally, the Staff consistently has concurred that proposals relating to customer relations are excludable under Rule 14a-8(i)(7). In *Coca-Cola Co.* (avail. Feb. 17, 2010), the Staff concurred with exclusion of a proposal recommending that the company issue a report “discussing policy options to respond to the public concerns . . . regarding bottled water, including . . . the options of providing additional information to consumers.” The Staff’s response noted that “[p]roposals that concern customer relations and decisions relating to product quality are generally excludable under rule 14a-8(i)(7).” *See also McDonald’s Corp.* (avail. Mar. 19, 1990) (concurring in the exclusion of a proposal recommending that the company adopt policies governing, among other issues, the company’s interactions with its customers and noting that the proposal concerned “the [c]ompany’s customer and business policies,” which “involve decisions dealing with the [c]ompany’s business operations”).

As in the precedents discussed above, the Proposal addresses the Company’s ordinary business operations. As a leading global investment banking, securities and investment management firm, general “corporate level” financing activities are central to the Company’s ordinary business operations. Decisions regarding the Company’s general corporate financing activities require complex business judgments that are a fundamental, day-to-day responsibility of management. As such, and consistent with long-standing Staff precedent, the Proposal addresses ordinary business matters for the Company and therefore is excludable under Rule 14a-8(i)(7).

2. The Proposal does not focus on a significant policy issue.

In the 1998 Release, the Commission stated that proposals focusing on sufficiently significant policy issues generally would not be excludable because the proposals would “transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote.” Here, however, the Proposal does not focus on a significant policy issue. Despite the references to Human and Indigenous Peoples’ rights, the broad scope of the requested charter amendments makes clear that the Proposal does not specifically focus on human rights. This is because the Proposal is overbroad as it requires an assessment, by the Company and its fiduciaries, of the operations, policies and procedures of all clients to whom the Company extends finance services to determine whether those clients may engage in any

activities, regardless if financed by the Company, that may raise Human and Indigenous Peoples' rights concerns.

The Staff has recognized that these types of overbroad proposals are excludable under Rule 14a-8(i)(8), even where the proposals reference significant policy issues. For example, in *JPMorgan Chase & Co.* (avail. Mar. 12, 2010), the proposal's request included the adoption of a policy barring future financing of companies engaged in a specific type of mining. The company argued that the proposal sought "to determine the products and services the Company should offer, as well as those particular customers to whom the Company should provide its products and services." Despite the proposal's discussion of a significant policy issue, the Staff concurred with the proposal's exclusion under Rule 14a-8(i)(7), noting that the proposal addressed "matters beyond the environmental impact of JPMorgan Chase's project finance decisions, such as JPMorgan Chase's decisions to extend credit or provide other financial services to particular types of customers" and that "[p]roposals concerning customer relations or the sale of particular services are general excludable under rule 14a-8(i)(7)." *See also Hewlett-Packard Co.* (avail. Jan. 23, 2015) (concurring with the exclusion of a proposal requesting that the board provide a report on the company's sales of products and services to the military, police, and intelligence agencies of foreign countries, with the Staff noting that the proposal related to ordinary business and "does not focus on a significant policy issue"); *Mattel, Inc.* (avail. Feb. 10, 2012) (concurring with the exclusion of a proposal requesting that the board require its suppliers to produce a report detailing their compliance with the International Council of Toy Industries Code of Business Practices, with the Staff noting that the proposal encompassed "several topics that relate to...ordinary business operations and are not significant policy issues," such as day-to-day workplace conditions); *PetSmart, Inc.* (avail. Mar. 24, 2011) (concurring with the exclusion of a proposal that requested that the board require its suppliers to certify they had not violated "the Animal Welfare Act, the Lacey Act, or any state law equivalents," noting that "[a]lthough the humane treatment of animals is a significant policy issue, we note your view that the scope of the laws covered by the proposal is 'fairly broad in nature from serious violations such as animal abuse to violations of administrative matters such as record keeping'"); *Medallion Financial Corp.* (avail. May 11, 2004) (concurring with the exclusion of a proposal that the company engage an investment bank to evaluate alternatives to enhance stockholder value because "the proposal appears to relate to both extraordinary transactions and non-extraordinary transactions"); *Wal-Mart Stores, Inc.* (avail. Mar. 15, 1999) (concurring with the exclusion of a proposal requesting that the company report on its actions to ensure that it did not make purchases from suppliers using "forced labor, convict labor, or child labor, or who fail to comply with laws protecting" various human rights, because, "although the proposal appears to address matters outside the scope of ordinary business, paragraph 3 of the description of matters to be included in the report relates to ordinary business operations").

The Proposal seeks charter amendments to ensure that, as part of "corporate level . . . financing," the Company and its fiduciaries assesses the operations, policies and procedures of all clients to whom the Company extends credit or provides financing to determine whether those clients engage in any activities, including those not financed by the Company, that may raise Human and Indigenous Peoples' rights concerns. As a result, the Proposal's scope extends beyond matters related to the impact of the Company's specific financing decisions and does not

focus on a significant policy issue. Thus, since the Proposal concerns matters relating to the Company's ordinary business operations, the Proposal is excludable under Rule 14a-8(i)(7).

3. The Proposal seeks to micromanage the Company's operations by addressing how the Company applies an already existing policy.

The Proposal is also excludable because it seeks to "micromanage" the Company. The 1998 Release provides that when a shareholder proposal "involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies" it may be excludable as micromanagement under the ordinary business operations exclusion in Rule 14a-8(i)(7). In this case, the Proposal relates to specific methods for implementing complex policies.

The Staff has concluded that a proponent's request that a company adopt a specific policy seeks to micromanage when the proposal goes too far in the detailed application of such a policy. *See, e.g., Apple Inc.* (December 5, 2016) (permitting exclusion of a proposal to reach a net-zero greenhouse gases emission status on the basis that "the proposal seeks to micromanage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment"); *Apple Inc.* (December 21, 2017) (same); *Deere & Co.* (Dec. 5, 2016) (permitting exclusion of a proposal requesting that the board generate a plan for net-zero greenhouse gas emission status by 2030, on the basis that "the proposal seeks to micromanage the company by probing too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment"); *Marriott Int'l, Inc.* (Mar. 17, 2010) (permitting exclusion of a proposal to install low-flow showerheads because "although the proposal raises concerns with global warming, the proposal seeks to micromanage the company to such a degree that exclusion of the proposal is appropriate."). *See also Dunkin' Brands Group* (Mar. 1, 2016) (permitting exclusion of a proposal requesting a report on strategies for water use management related to toilets in retail facilities where the company already had a policy addressing green achievement, including water reduction strategies).

Like the proposals in the letters cited above, the Proposal goes too far in attempting to dictate the specific methods of how the Company implements its Indigenous Rights-related policies. As discussed in Section II.B., the GS Environmental Policy specifically addresses financing transactions that may impact Indigenous Peoples. The Proposal seeks to micromanage the Company by specifying in which documents the policy must be embedded—a "charter." Since the GS Environmental Policy has been approved by, and is subject to oversight by, the PRC, the Proposal's reference to a "charter" micromanages where the Company determines to describe its policies. The determination of whether a particular committee charter should be modified, or if such charter should integrate with a particular Company policy, probes too deeply into complex matters upon which shareholders, as a group, are not in a position to make an informed judgment.

The Proposal also seeks to micromanage the Company when the Proposal requests that the Company "ensure consideration of finance recipients' policies and practices for potential impacts on Human and Indigenous Peoples' Rights." As noted above, the GS Environmental

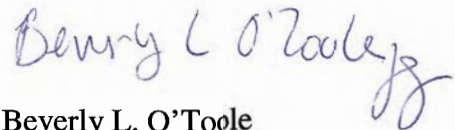
Policy sets forth the Company's policies for human rights-related issues as they arise in the context of the Company's clients, including the Company's expectation that its finance recipient clients will "demonstrate alignment with the objectives and requirements of IFC Performance Standard 7 on Indigenous Peoples, including free, prior and informed consent." The Proposal's request essentially takes issue with how the Company has implemented the GS Environmental Policy. The Proposal is an obvious attempt by the Proponents to dictate the "method[] for implementing complex policies" that hit at the crux of the Company's ordinary business, e.g., the due diligence and terms upon which the Company provides its products (i.e., financing), and, therefore, constitutes impermissible micromanagement.

Based on the foregoing, the Company respectfully requests that the Staff concur that the Proposal may be excluded from the 2018 Proxy Materials as involving a matter of ordinary business pursuant to Rule 14a-8(i)(7).

* * *

Should you have any questions or if you would like any additional information regarding the foregoing, please do not hesitate to contact me (212-357-1584; Beverly.OToole@gs.com) or Jamie Greenberg (212-902-0254; Jamie.Greenberg@gs.com). Thank you for your attention to this matter.

Very truly yours,



Beverly L. O'Toole

Attachments

cc: John Harrington, Harrington Investments, Inc.
Valerie Heinonen, Mercy Investment Services, Inc.
Lila Holzman, As You Sow, on behalf of UTE Holdings LLC

Exhibit A



November 17, 2017

Corporate Secretary
The Goldman Sachs Group, Inc.
200 West Street
New York, NY 10282

RE: Shareholder Proposal

Dear General Counsel and Secretary,

As a shareholder in the Goldman Sachs Group, Inc., I am filing the enclosed shareholder resolution pursuant to Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934 for inclusion in the Goldman Sachs Group, Inc. Proxy Statement for the 2018 annual meeting of shareholders.

I am the beneficial owner of at least \$2,000 worth of the Goldman Sachs Group, Inc. stock. I have held the requisite number of shares for over one year, and plan to hold sufficient shares in the Goldman Sachs Group, Inc. through the date of the annual shareholders' meeting. In accordance with Rule 14a-8 of the Securities Exchange Act of 1934, verification of ownership is included. I or a representative will attend the stockholders' meeting to move the resolution as required by SEC rules.

If you have any questions, I can be contacted at (707) 252-6166.

Sincerely,

A handwritten signature in black ink, appearing to read "John C. Harrington", is written over a horizontal line.

John C. Harrington

President and C.E.O.
Harrington Investments, Inc.

SCHWAB

November 17, 2017

Corporate Secretary
The Goldman Sachs Group, Inc
200 West Street
New York, NY 10282

Account #: *****

Questions: Please call Schwab
Alliance at 1-800-515-2157.

RE: Account XXXX- * John C. Harrington TTEE, Harrington Investments, Inc. 401k Plan, John Harrington FBO**

Dear Corporate Secretary ,

This letter is to confirm that Charles Schwab is the record holder for the beneficial owner of the John C. Harrington TTEE Harrington Investments, Inc. 401k Plan account and which holds in the account 100 shares of common stock in the Goldman Sachs Group, Inc. These shares have been held continuously for at least one year prior to and including November 17, 2017.

The shares are held at Depository Trust Company under the Participant Account Name of Charles Schwab & Co., Inc., number 0164.

This letter serves as confirmation that the account holder listed above is the beneficial owner of the above referenced stock.

Should additional information be needed, please feel free to contact me directly at 877-393-1951 between the hours of 11:30am and 8:00pm EST.

Sincerely,
Melanie Salazar
ASI SERVICE WEST PHOENIX
2423 E Lincoln Dr
Phoenix, AZ 85016-1215

Independent investment advisors are not owned by, affiliated with, or supervised by Charles Schwab & Co., Inc. ("Schwab").

Schwab Advisor Services™ serves independent investment advisors, and includes the custody, trading, and support services of Schwab.

Whereas, our company has been identified as one of the banks financially supporting companies engaged in the development or construction of the Dakota Access Pipeline (DAPL) (Bakken Pipeline), a controversial project which received extensive media coverage and public condemnation because of its environmental destruction, pollution and encroachment upon sacred Sioux Nation land;

Whereas, in accordance with the United Nations Declaration on the Rights of Indigenous Peoples, Article Eleven, asserts "the right to maintain, protect and develop the past, present and future manifestations of their cultures, such as archaeological and historical sites..." yet the Dakota Access Pipeline construction has already desecrated various ancestral sites, disregarding previous treaties in blatant violation of Indigenous Peoples' Human Rights;

Whereas, Article Twenty-Nine of the Declaration states "Indigenous Peoples have the right to the conservation and protection of the environment and the productive capacity of their lands or territories and resources";

Whereas, the United Nations in 1948 adopted the Universal Declaration of Human Rights and the United Nations Human Rights Council in 2011 adopted the United Nations Guiding Principles on Business and Human Rights;

Whereas, our Company's financial support of the Dakota Access Pipeline and corporations involved in the Dakota Access Pipeline's construction has resulted in violations of Human and Indigenous Peoples' Rights, threatened negative impacts on banks' customer loyalty and shareholder value,¹ and harmed project companies' with reputational damage², delays, disruption and litigation;

¹ <https://www.thenation.com/article/these-cities-are-divesting-from-the-banks-that-support-the-dakota-access-pipeline/>

² <https://sandiegofreepress.org/2017/02/calpers-joins-investors-calling-on-banks-to-address-concerns-about-dakota-access-pipeline/>

Whereas, many financial institutions attempted to differentiate between “project financing” and direct corporate loans for general purposes, despite the likely relevance of both forms of financing to effectively supporting companies involved in the Bakken project;

Whereas, we believe it is a fiduciary duty of the board and management to consider Human Rights when making all executive decisions (such as loan agreements and related business affairs) where there is significant potential impact or consequence of our Company’s involvement, as well as significant risk to our Company;

Whereas, our bank has issued non-binding policy statements and signed voluntary codes with limited legal teeth or enforcement mechanisms and therefore minimal assurance of respect or protection for Human or Indigenous Peoples’ Rights;

Whereas, our Company currently has no committee charter language or bylaws with any commitment to protect Human and Indigenous Peoples’ Rights;

Whereas, reputational damage, negative publicity and loss of customer business can result in long term negative consequences for our Company;

Therefore, be it resolved, shareholders request Goldman Sachs modify its committee charters or other directives to ensure board committee oversight of issues of Human and Indigenous Peoples’ Rights. The charter should integrate with the Goldman Sachs Statement on Human Rights, and ensure oversight and policies to require in all relevant instances of corporate level, project or consortium financing that our Company and its fiduciaries ensure consideration of finance recipients’ policies and practices for potential impacts on Human and Indigenous Peoples’ Rights, including respect for the Free, Prior and Informed Consent of Indigenous communities.



AS YOU SOW

1611 Telegraph Ave, Suite 1450
Oakland, CA 94612

www.asyousow.org
1-800-255-8888

November 17, 2017

John F.W. Rogers
Secretary to the Board of Directors
The Goldman Sachs Group, Inc.
200 West Street
New York, New York 10282

Dear Mr. Rogers:

As You Sow is filing a shareholder proposal on behalf of UTE Holdings LLC ("Proponent"), a shareholder of The Goldman Sachs Group stock, in order to protect the shareholder's right to raise this issue in the proxy statement. The Proponent is submitting the enclosed shareholder proposal for inclusion in the 2017 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

We are co-filing this proposal with Harrington Investments, Inc., who is the lead filer and is authorized to act on our behalf in withdrawal of the proposal.

A representative of the Proponent will attend the stockholders' meeting to move the resolution as required.

Sincerely,

Lila Holzman
Energy Program Manager
lholzman@asyousow.org

Enclosure

- Shareholder Proposal

Whereas, our company has been identified as one of the banks financially supporting companies engaged in the development or construction of the Dakota Access Pipeline (DAPL) (Bakken Pipeline), a controversial project which received extensive media coverage and public condemnation because of its environmental destruction, pollution and encroachment upon sacred Sioux Nation land;

Whereas, in accordance with the United Nations Declaration on the Rights of Indigenous Peoples, Article Eleven, asserts "the right to maintain, protect and develop the past, present and future manifestations of their cultures, such as archaeological and historical sites..." yet the Dakota Access Pipeline construction has already desecrated various ancestral sites, disregarding previous treaties in blatant violation of Indigenous Peoples' Human Rights;

Whereas, Article Twenty-Nine of the Declaration states "Indigenous Peoples have the right to the conservation and protection of the environment and the productive capacity of their lands or territories and resources";

Whereas, the United Nations in 1948 adopted the Universal Declaration of Human Rights and the United Nations Human Rights Council in 2011 adopted the United Nations Guiding Principles on Business and Human Rights;

Whereas, our Company's financial support of the Dakota Access Pipeline and corporations involved in the Dakota Access Pipeline's construction has resulted in violations of Human and Indigenous Peoples' Rights, threatened negative impacts on banks' customer loyalty and shareholder value,¹ and harmed project companies' with reputational damage², delays, disruption and litigation;

¹ <https://www.thenation.com/article/these-cities-are-divesting-from-the-banks-that-support-the-dakota-access-pipeline/>

² <https://sandiegofreepress.org/2017/02/calpers-joins-investors-calling-on-banks-to-address-concerns-about-dakota-access-pipeline/>

Whereas, many financial institutions attempted to differentiate between “project financing” and direct corporate loans for general purposes, despite the likely relevance of both forms of financing to effectively supporting companies involved in the Bakken project;

Whereas, we believe it is a fiduciary duty of the board and management to consider Human Rights when making all executive decisions (such as loan agreements and related business affairs) where there is significant potential impact or consequence of our Company’s involvement, as well as significant risk to our Company;

Whereas, our bank has issued non-binding policy statements and signed voluntary codes with limited legal teeth or enforcement mechanisms and therefore minimal assurance of respect or protection for Human or Indigenous Peoples’ Rights;

Whereas, our Company currently has no committee charter language or bylaws with any commitment to protect Human and Indigenous Peoples’ Rights;

Whereas, reputational damage, negative publicity and loss of customer business can result in long term negative consequences for our Company;

Therefore, be it resolved, shareholders request Goldman Sachs modify its committee charters or other directives to ensure board committee oversight of issues of Human and Indigenous Peoples’ Rights. The charter should integrate with the Goldman Sachs Statement on Human Rights, and ensure oversight and policies to require in all relevant instances of corporate level, project or consortium financing that our Company and its fiduciaries ensure consideration of finance recipients’ policies and practices for potential impacts on Human and Indigenous Peoples’ Rights, including respect for the Free, Prior and Informed Consent of Indigenous communities.

Greenberg, Jamie [Legal]

From: Greenberg, Jamie [Legal]
Sent: Wednesday, November 22, 2017 9:01 AM
To: 'Lila Holzman'
Cc: Austin Wilson; Danielle Fugere; O'Toole, Beverly L [Legal]; Mangone, Kara (Succoso) [EO]
Subject: RE: Shareholder Proposal
Categories: SH proposals

Lila –

We would appreciate if you can please provide the requisite proof of ownership of Goldman Sachs shares for UTE Holdings, including the requisite authorization letter.

If you can provide this information by November 29, 2017, it will alleviate the need to send the more formal SEC required notice. We appreciate your help with this

Many thanks and happy Thanksgiving,
Jamie

Jamie Greenberg
Vice President and Associate General Counsel | Goldman, Sachs & Co.
200 West Street | 15th Floor | New York, NY 10282
Telephone: 212-902-0254 | Fax: 212-291-5816
Email: jamie.greenberg@gs.com

This message may contain information that is confidential or privileged. If you are not the intended recipient, please advise the sender immediately and delete this message. See <http://www.gs.com/disclaimer/email> for further information on confidentiality and the risks inherent in electronic communication.

From: Lila Holzman [<mailto:lholzman@asyousow.org>]
Sent: Friday, November 17, 2017 4:34 PM
To: Shareholder Proposals_GS
Cc: Austin Wilson; Danielle Fugere
Subject: Shareholder Proposal

Mr. Rogers,

Please find attached a letter from As You Sow, containing a shareholder proposal filed for inclusion in the 2018 proxy statement. A copy has been sent via FedEx 1-Day. Proof of share ownership will be sent under separate cover.

Best,
Lila

Lila Holzman
Energy Program Manager
As You Sow
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612
(510) 735-8153 (direct line) | (415) 483-9533 (cell)

November 14, 2017

Andrew Behar
CEO
As You Sow Foundation
1611 Telegraph Ave., Ste. 1450
Oakland, CA 94612

Re: Authorization to File Shareholder Resolution

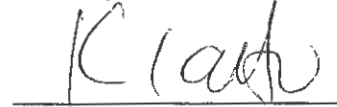
Dear Andrew Behar,

The undersigned, UTE Holdings LLC (the "Stockholder") authorizes As You Sow to file or cofile a shareholder resolution on Stockholder's behalf with Goldman Sachs relating to indigenous rights and that it be included in the 2018 proxy statement, in accordance with Rule 14-a8 of the General Rules and Regulations of the Securities and Exchange Act of 1934.

The Stockholder has continuously owned over \$2,000 worth of Goldman Sachs stock, with voting rights, for over a year. The Stockholder intends to hold the required amount of stock through the date of the company's annual meeting in 2018.

The Stockholder gives As You Sow the authority to deal on the Stockholder's behalf with any and all aspects of the shareholder resolution, including designating another entity as lead filer and representative of the shareholder. The Stockholder understands that the Stockholder's name may appear on the company's proxy statement as the filer of the aforementioned resolution, and that the media may mention the Stockholder's name related to the resolution.

Sincerely,

A handwritten signature in black ink, appearing to read "K Catto", written over a horizontal line.

Kristina Catto
UTE Holdings LLC



RBC Wealth Management

SRI Wealth Management Group
345 California St
29th Floor
San Francisco, CA 94104

Fax: 415-391-9586
Toll Free: 866-408-2667
www.sriwealthmanagement.com

November 30, 2017

John F.W. Rogers
Secretary to the Board of Directors
The Goldman Sachs Group, Inc.
200 West Street
New York, New York 10282

To Whom It May Concern:

RBC Capital Markets, LLC, acts as custodian for UTE Holdings LLC.

We are writing to verify that our books and records reflect that, as of market close on November 29, 2017, UTE Holdings LLC owned 470 shares of The Goldman Sachs Group (Cusip# 38148B504) representing a market value of approximately \$113,439.20 and that, UTE Holdings LLC has owned such shares since 03/29/2016. We are providing this information at the request of UTE Holdings LLC in support of its activities pursuant to rule 14a-8(a)(1) of the Securities Exchange Act of 1934.

In addition, we confirm that we are a DTC participant.

Should you require further information, please contact me directly at 415-445-8378.

Sincerely,

Manny Calayag
Vice President - Assistant Complex Manager



November 17, 2017

John F. W. Rogers, Secretary to the Board of Directors
The Goldman Sachs Group, Inc.
200 West Street
New York, NY 10282

shareholderproposals@gs.com

Dear Mr. Rogers:

Mercy Investment Services, Inc. (Mercy), as the investment program of the Sisters of Mercy of the Americas, has long been concerned not only with the financial returns of its investments, but also with their social and ethical implications. We believe that a demonstrated corporate responsibility in matters of the environment, and social and governance concerns fosters long-term business success. Mercy Investment Services, Inc., a long-term investor, is currently the beneficial owner of shares of The Goldman Sachs Group, Inc. (Goldman Sachs).

We know that Goldman Sachs Board of Directors has established a Public Responsibilities Committee. Mercy's resolution requests that this Committee amend and add to its charter, a duty specifically addressing more comprehensive examination and oversight of all business interactions specific to protecting and ensuring Human and Indigenous Peoples' Rights.

Mercy Investment Services, Inc., is co-filing the enclosed shareholder proposal with Harrington Investments, Inc. for inclusion in the 2018 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Mercy Investment Services, Inc. has been a shareholder continuously for more than one year holding at least \$2,000 in market value, and will continue to invest in at least the requisite number of shares for proxy resolutions through the annual shareholders' meeting. A representative of the filers will attend the Annual Meeting to move the resolution as required by SEC rules. The verification of ownership is being sent to you separately by our custodian, a DTC participant. Harrington Investments, Inc., represented by Brianna Harrington, may withdraw the proposal on our behalf. We respectfully request direct communications from Goldman Sachs and to have our supporting statement and organization name included in the proxy statement.

We look forward to having productive conversations with the company. Please direct your responses to me via my contact information below.

Best regards,

A handwritten signature in black ink that reads "Valerie Heinonen" with "o.s.u." written below it.

Valerie Heinonen, o.s.u.
Director, Shareholder Advocacy
212 674 2542 - phone
vheinonen@mercyinvestments.org

Whereas, our company has been identified as one of the banks financially supporting companies engaged in the development or construction of the Dakota Access Pipeline (DAPL) (Bakken Pipeline), a controversial project which received extensive media coverage and public condemnation because of its environmental destruction, pollution and encroachment upon sacred Sioux Nation land;

Whereas, in accordance with the United Nations Declaration on the Rights of Indigenous Peoples, Article Eleven, asserts "the right to maintain, protect and develop the past, present and future manifestations of their cultures, such as archaeological and historical sites..." yet the Dakota Access Pipeline construction has already desecrated various ancestral sites, disregarding previous treaties in blatant violation of Indigenous Peoples' Human Rights;

Whereas, Article Twenty-Nine of the Declaration states "Indigenous Peoples have the right to the conservation and protection of the environment and the productive capacity of their lands or territories and resources";

Whereas, the United Nations in 1948 adopted the Universal Declaration of Human Rights and the United Nations Human Rights Council in 2011 adopted the United Nations Guiding Principles on Business and Human Rights;

Whereas, our Company's financial support of the Dakota Access Pipeline and corporations involved in the Dakota Access Pipeline's construction has resulted in violations of Human and Indigenous Peoples' Rights, threatened negative impacts on banks' customer loyalty and shareholder value,¹ and harmed project companies' with reputational damage², delays, disruption and litigation;

¹ <https://www.thenation.com/article/these-cities-are-divesting-from-the-banks-that-support-the-dakota-access-pipeline/>

² <https://sandiegofreepress.org/2017/02/calpers-joins-investors-calling-on-banks-to-address-concerns-about-dakota-access-pipeline/>

Whereas, many financial institutions attempted to differentiate between “project financing” and direct corporate loans for general purposes, despite the likely relevance of both forms of financing to effectively supporting companies involved in the Bakken project;

Whereas, we believe it is a fiduciary duty of the board and management to consider Human Rights when making all executive decisions (such as loan agreements and related business affairs) where there is significant potential impact or consequence of our Company’s involvement, as well as significant risk to our Company;

Whereas, our bank has issued non-binding policy statements and signed voluntary codes with limited legal teeth or enforcement mechanisms and therefore minimal assurance of respect or protection for Human or Indigenous Peoples’ Rights;

Whereas, our Company currently has no committee charter language or bylaws with any commitment to protect Human and Indigenous Peoples’ Rights;

Whereas, reputational damage, negative publicity and loss of customer business can result in long term negative consequences for our Company;

Therefore, be it resolved, shareholders request Goldman Sachs modify its committee charters or other directives to ensure board committee oversight of issues of Human and Indigenous Peoples’ Rights. The charter should integrate with the Goldman Sachs Statement on Human Rights, and ensure oversight and policies to require in all relevant instances of corporate level, project or consortium financing that our Company and its fiduciaries ensure consideration of finance recipients’ policies and practices for potential impacts on Human and Indigenous Peoples’ Rights, including respect for the Free, Prior and Informed Consent of Indigenous communities.

Greenberg, Jamie [Legal]

From: Greenberg, Jamie [Legal]
Sent: Wednesday, November 22, 2017 9:00 AM
To: 'vheinonen@mercyinvestments.org'
Cc: O'Toole, Beverly L [Legal]; Mangone, Kara (Succoso) [EO]; 'Shelby Stilp'
Subject: RE: Shareholder proposal

Categories: SH proposals

Sr. Heinonen,

We would appreciate if you can please provide the requisite proof of ownership of Goldman Sachs shares for Mercy Investment Services. If you can provide this information by November 29, 2017, it will alleviate the need to send the more formal SEC required notice. We appreciate your help with this

Many thanks and happy Thanksgiving,
Jamie

From: Shelby Stilp [<mailto:SStilp@Mercyinvestments.org>]
Sent: Friday, November 17, 2017 4:46 PM
To: Shareholder Proposals_GS
Subject: Shareholder proposal

Good afternoon –

Attached please find a cover letter and resolution Mercy Investment Services, Inc. is co-filing with Harrington Investments. The verification of ownership is being sent to you separately by our custodian, a DTC participant.

Thank you.

Shelby Stilp – sending on behalf of Sr. Valerie Heinonen, Director, Shareholder Advocacy

Reporting and Research Analyst
Mercy Investment Services, Inc.



November 17, 2017

John F. W. Rogers, Secretary to the Board of Directors
The Goldman Sachs Group, Inc.
200 West Street
New York, NY 10282

Re: Mercy Investment Services Inc.

Dear Mr. Rogers,

This letter will certify that as of November 17, 2017 The Bank of New York Mellon held for the beneficial interest of Mercy Investment Services Inc., 16 shares of Goldman Sachs Group, Inc.

We confirm that Mercy Investment Services Inc. has beneficial ownership of at least \$2,000 in market value of the voting securities of Goldman Sachs Group, Inc. and that such beneficial ownership has existed continuously for one or more years in accordance with rule 14a-8(a)(1) of the Securities Exchange Act of 1934.

Further, it is Mercy Investment Services Inc., intent to hold at least \$2,000 in market value through the next annual meeting.

Please be advised, The Bank of New York Mellon is a DTC Participant, whose DTC number is 0901.

If you have any questions please feel free to give me a call.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom McNally".

Thomas J. McNally
Vice President, Service Director
BNY Mellon Asset Servicing

Phone: (412) 234-8822

Email: thomas.mcnelly@bnymellon.com

Exhibit B

N.

ENVIRONMENTAL ACTIVISM **DAKOTA ACCESS PIPELINE** **CITIES RISING**

These Cities Are Pulling Billions From the Banks That Support the Dakota Access Pipeline

From Seattle to San Francisco, Albuquerque to Raleigh, cities are joining the fight to defund the controversial pipeline.

By Jimmy Tobias

MARCH 20, 2017



Victory for the Standing Rock Sioux tribe as the Seattle City Council votes to divest from Wells Fargo over its role as a lender to the Dakota Access pipeline project. February 7, 2017. (AP Photo / Elaine Thompson)

Last September, as water protectors faced down militarized police in North Dakota's rural riverlands, activists in Seattle set out to withdraw municipal money from banks backing the Dakota Access Pipeline (DAPL). Above all, they sought to cut their city's ties to Wells Fargo, the Wall Street leviathan that has generously financed and serviced the pipeline's parent companies.

From the start, the Seattle agitators saw their effort as the spark that might ignite a nationwide divestment drive. They meant to be a model.

"We knew if we succeeded here we could create ripple effects in other communities around the country," says Matt Remle, a member of the Standing Rock Sioux tribe and a leading anti-DAPL organizer in the city.

Divestment campaigners worked with allies on the Seattle City Council, especially Councilmember Kshama Sawant, to draft and introduce an ordinance that would effectively bar the local government from doing business with or investing in Wells Fargo in the future. It was an ambitious ask: Seattle was deeply intertwined with the bank, cycling about \$3 billion through the institution each year.

At first, according to Remle, the remaining members of the council were slow to take up and discuss the ordinance. The divestment organizers responded with grassroots pressure: Activists packed City Council chambers, gave testimony at public hearings, staged mass protests at Wells Fargo branches, and even held a house party where people persistently (but politely) called the council president's phone line.

On February 7, the determined DAPL foes finally got their way. The City Council, in a unanimous vote, committed to severing Seattle's relationship with Wells Fargo. In their ordinance, the lawmakers condemned the bank for its "dishonest business practices" as well as its pipeline dealings and declared that they would shun the financial giant when its city contract comes up for renewal in 2018. (The council has yet to select an alternative bank or credit union to do business with.)

It was a big win for anti-DAPL activists. It was also just the beginning.

Since the legislation passed, "hundreds of activists around the country have contacted us by e-mail or social media or on the phone," says Seattle City Council member Sawant, an outspoken socialist politician and committed street activist. "They are

asking us: How did you win this? What did you do to build this movement? They want to know what they can do in their cities.”

Seattle organizers are prepared for such inquiries. They have penned a strategy guide that lays out their step-by-step approach to winning in city councils. They’ve developed a website where activists can learn how to launch a divestment campaign. Alongside Sawant, they’ve also participated in conference calls with hundreds of DAPL opponents around the country.

Now, inspired by the Seattle model, campaigners in cities like San Francisco, Los Angeles, New York, Bellingham, Raleigh, Albuquerque, and even Berlin, are bringing DAPL divestment to their communities.

“When I saw Seattle pass its ordinance, I was like, we’ve got to do this,” says Jackie Fielder, a member of the Hidatsa and Cheyenne River Sioux tribes who lives in San Francisco.

In early February, Fielder formed a “Defund DAPL” coalition with local indigenous and environmental organizers. Roughly a month later, on Tuesday, March 14, the coalition scored its first significant victory when the San Francisco Board of Supervisors passed a resolution directing the city treasurer to apply a social screen to current and

future municipal investments in order to weed out DAPL profiteers. Companies with ties to DAPL reportedly make up as much as 12 percent, or about \$1.2 billion, of the City's portfolio.

Fielder says the resolution is just the opening salvo. Organizers also want municipal officials to end their long-time relationship with Bank of America, which annually handles \$10 billion in City money. The bank, like Wells Fargo, helps provide a multibillion-dollar credit line to the companies developing DAPL. The coalition is pressing the progressive local government to find a more socially responsible financial partner as soon as possible.

As of late February, officials in two other California cities, Davis and Santa Monica, had also pledged to bail on future banking contracts with Wells Fargo. Davis will be withdrawing its \$124 million account from the bank; Santa Monica plans to take its \$1 billion elsewhere as well.

While urban centers on the West Coast may be the leading edge of this energized divestment movement, they don't stand alone.

In Albuquerque, New Mexico, activists returned from a solidarity trip to Standing Rock last fall eager "to bring the struggle home," according to Maya Rommwatt, an environmental organizer there. With support from local chapters of the Sierra Club and

the American Indian Movement, among others, they are in the early stages of petitioning both their county and city government to kick Wells Fargo to the curb, Seattle style. The county uses the bank as its principal financial-service agent, while the City had more than \$500 million invested with Wells Fargo as of June 2016.

Meanwhile, residents of Raleigh, North Carolina, are proposing a break-up with Wells Fargo too. Elizabeth Miller, an IT worker who lives in the city, has been following the standoff at Standing Rock for months.

“I am not a wealthy person and I work full-time, so it didn’t feel like there was much I could do,” she says. “But then I saw what happened in Seattle, and I figured *that* is something I could do too.”

A day after the Seattle victory, Miller was on the phone with Matt Remle, seeking guidance from a seasoned activist. With support from her local 350.org group, she filed a public-records request with the City and learned that it banks with Wells Fargo. Last month, she spoke before the City Council and asked that it develop a social-responsibility ordinance that would prohibit city contracts with businesses that support the fossil-fuel industry or are tied to human-rights violations. Miller says progressive councilmembers were

receptive to her request. She is now at work drafting a social-responsibility plan to present to the local legislators.

By now, the divestment numbers are getting hard to ignore. Between Davis, Santa Monica, and Seattle alone—the three cities that have opted to sever their ties with Wells Fargo—the campaign will ultimately deprive Wells Fargo of more than \$4 billion in deposits, fees, and more. Admittedly, that figure is only a tiny portion of the bank's \$1 trillion in annual deposits, but that doesn't mean that DAPL divestment is mere symbolism.

Movements require momentum and, from that vantage point, something important is happening here.

“Fighting against climate change, fighting for a new direction for our planet and environment, fighting for the rights of oppressed people will require fighting the financial oligarchy and the oil lobby as a whole,” says Seattle's Sawant. “For a movement led by indigenous and environmental activists to deliver this kind of blow to any arm of that oligarchy is very noteworthy.”

Indeed, she adds, “it's a huge step forward.”

JIMMY TOBIAS Jimmy Tobias is a contributor to *The Nation*, where he writes for the Cities Rising series and also covers conservation and environmental justice.

To submit a correction for our consideration, click *here*.
For Reprints and Permissions, click *here*.

COMMENTS (10)

Exhibit C

Exhibit D

Goldman Sachs Environmental Policy Framework





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Overview

In November 2005, Goldman Sachs established our Environmental Policy Framework, which articulated our belief in the importance of a healthy environment and our commitment to addressing critical environmental issues. At that time, we were one of the first financial institutions to acknowledge the scale and urgency of challenges posed by climate change. In the decade since, we have continued to build upon our commitment to the environment across each of our businesses. See our [10-Year Milestones](#) for highlights of our progress.

Our ten-year juncture offers an opportunity to review progress both within Goldman Sachs and broadly across the market, and identify opportunities for us to do more. Our commitment to helping address critical environmental challenges and promoting sustainable economic growth remains unchanged, while our initiatives and progress will continue to advance. This updated document serves as a roadmap for us in that journey and a foundation on which we will continue to build as we look to the future.

Key Tenets: We believe that a healthy environment is necessary for the well-being of society, our people and our business, and is the foundation for a sustainable and strong economy. We recognize that diverse, healthy natural resources – fresh water, oceans, air, forests, grasslands and agro-systems – are a critical component of our society and economy.

We believe that technological and market innovation, driven in large part by the private sector working in concert with the public sector, is central to positive economic growth and environmental progress. Innovation will continue to play a critical role in solving societal challenges, including those relating to the environment. From advancements in clean technology to resource efficiency and the shared, connected economy, innovation can accelerate the transition to a low-carbon economy and sustainable future while creating new jobs and greater economic prosperity.

We take seriously our responsibility for environmental stewardship and believe that as a leading global financial institution we must play a constructive role in helping to address environmental challenges. To that end, we will work to ensure that our people, capital and ideas are used to help find innovative and effective market-based solutions to address climate change, ecosystem degradation and other critical environmental issues, and we will seek to create new business opportunities that benefit the environment. In pursuing these objectives, we will not stray from our central business objective of creating long-term value for our shareholders and serving the long-term interests of our clients.

Climate Change: Goldman Sachs acknowledges the scientific consensus, led by the Intergovernmental Panel on Climate Change, that climate change is a reality and that human activities are responsible for increasing concentrations of greenhouse gases in the earth's atmosphere. We believe that climate change is one of the most significant environmental challenges of the 21st century and is linked to other important issues, including economic growth and development, poverty alleviation, access to clean water, food security and adequate energy supplies.

Delaying action on climate change will be costly for our natural environment, to humans and to the economy, and we believe that urgent action by government, business, consumers and civil society is necessary to curb greenhouse gas emissions. How governments and societies choose to address climate change will fundamentally affect the way present and future generations live their lives.

Markets are particularly efficient at allocating capital and determining appropriate prices for goods and services. Governments can help the markets in this regard by establishing a clear policy framework that, among other things, provides transparency around the costs of greenhouse gas (GHG) emissions and creates long-term value for GHG emissions reductions and investments in new technologies that lead to a less carbon-intensive economy. In addition to mitigation, which is a critical component of any strategy, governments and societies need to improve adaptability and strengthen resiliency as part of a comprehensive solution.

We recognize that we have an impact on the environment through our operations, our investments, and the production and services we finance on behalf of our clients. As an institution that brings providers and users of capital together, we believe that capital markets can and should play an important role in addressing environmental challenges including climate change.

To that end, we are committed to catalyzing innovative financial solutions and market opportunities to help address climate change. The Environmental Policy Framework articulates our initiatives across each of our business areas. The following are key highlights:

- **Climate Mitigation:** We will expand our clean energy target to \$150 billion in financings and investments by 2025 to facilitate the transition to a low-carbon economy.ⁱ To increase access to climate solutions, we will launch a Clean Energy Access Initiative that will target the deployment of clean energy solutions, such as distributed solar and clean cookstoves, to underserved markets. We will look to facilitate the efficient development of carbon markets and other climate-related market mechanisms as opportunities emerge.
- **Climate Adaptation:** We will help our clients more effectively manage exposure to climate impacts through capital market mechanisms, including weather-related catastrophe bonds, and identify opportunities to facilitate investment in infrastructure resiliency. We will also seek opportunities to promote financings and investments to address growing water and wastewater infrastructure needs. Where feasible, we will look to harness green infrastructure solutions such as forests as a complement to traditional infrastructure.
- **Climate Risk Management:** We will conduct a carbon footprint analysis across our Fundamental Equity business in Goldman Sachs Asset Management and work with our clients to analyze and understand the impacts of their portfolios. Across relevant advisory, financing and investing transactions, we will continue to apply a high standard of care in our Environmental and Social Risk Management, which includes guidelines and enhanced review of carbon intensive sectors (e.g., coal power generation, coal mining, oil & gas, forestry and palm oil) as well as climate change-related risk factors.
- **Climate Approach in Our Operations:** We will minimize our operational impact on climate change, strengthen our operational resiliency, and seek smart, sustainable solutions. We will achieve carbon neutrality across our own operations from 2015 onwards and target 100 percent renewable power to meet our global electricity needs by 2020. We will also target \$2 billion in green operational investments by 2020.



Our Business

Each of our business areas has an important role to play in implementing our policy and helping our clients navigate and better manage evolving environmental risks and opportunities. By doing so, we can contribute to sustainable economic development and environmental progress. The following highlights key initiatives that we are undertaking and will continue to build on across our businesses.

I. Environmental Market Opportunities

A. Advisory, Financing, Investing and Market Making

Clean Energy: One of the critical roles we play in the transition to a low-carbon future is to help deploy capital to scale up clean energy technologies. We have established a Clean Technology and Renewables team in our Investment Banking Division to focus on this mission and have become the leading financier for clean energy companies. Through our investing teams, we are also one of the largest investors in alternative energy.

As an example of our ongoing commitment, in 2012 when there was significant volatility in the clean energy markets, we established a target to finance and invest \$40 billion in capital for clean energy globally over the following decade. Less than four years into this effort, we are close to achieving our target with \$37 billion already mobilized.ⁱⁱ As we consider the global energy and sustainability requirements of the future, our role in bringing greater capital access and efficiency to the clean energy market remains critical. As such, we are expanding our target to \$150 billion in capital deployment for the clean energy sector by 2025.ⁱ

In working to meet this target, we will play a catalytic role and facilitate financial innovations in clean energy:

- We will seek to devise investment structures that bring greater investor capital to underserved markets in order to facilitate more equitable and affordable access to clean energy. To that end, we will launch a Clean Energy Access Initiative that will target the deployment of clean energy solutions, such as distributed solar and clean cookstoves, in underserved markets.
- We will look for opportunities to expand the investor base and bring greater capital efficiency to clean energy projects, such as through securitization mechanisms and yield-oriented vehicles. For example, we are targeting \$1 billion in solar and other renewable energy project securitizations in Japan to facilitate clean energy financing through the capital markets.
- We will look for opportunities to finance and co-invest in innovative technologies that provide grid resiliency and facilitate increasing levels of reliable clean energy deployment, as well as platforms that promote smarter, more efficient energy management and consumption. For example, we are targeting \$500 million in financing and co-investments in advanced technologies to modernize the grid.

Water: Water scarcity and lack of access to clean water pose significant challenges around the world. These challenges are exacerbated by climate change, urbanization and population growth. In many markets, aging or inadequate water and wastewater infrastructure are potential risks to sustainable growth efforts, but



there is a compelling opportunity to harness markets to address these challenges. We serve clients in this area through our Public Sector and Infrastructure team within the Investment Banking Division, and also co-invest alongside clients through our investing teams. For example, we have worked with municipal water utilities to devise innovative financial structures to fund projects to address water pollution and combined sewer overflow challenges, including with DC Water on the world's first century green bond.

Through our financial advisory, financing and investments, we will continue to facilitate capital to meet water and wastewater infrastructure needs and look for financial solutions to address access to clean water:

- We will seek to facilitate private capital for much-needed water infrastructure investments, including through well-designed Public-Private-Partnerships (P3s). When appropriately structured, these partnerships bring the benefits of operational efficiency and economies of scale, facilitating rate stability and high-quality, long-term public water access.
- We will look for opportunities to finance and co-invest in technologies that improve the efficiency of delivering and consuming water, as well as technologies that enhance wastewater management and enable water reuse and recycling.
- We will look for opportunities to devise investment structures that can harness green infrastructure solutions as a complement to traditional infrastructure in meeting our water needs. For example, restoring forests, installing green roofs and increasing green space can help alleviate stormwater runoff while improving the health and resiliency of cities.

Green Bonds and Impact Investing: Green bonds are a fixed income instrument where the capital raised is used for environmentally beneficial purposes. Goldman Sachs was part of the initial group of banks to provide input to and support the Green Bond Principles, which are a voluntary set of guidelines. In addition to acting as an underwriter for green bonds, we are committed to developing innovative applications for green bonds. For example, we will seek to leverage green bonds to catalyze greater investments that help address climate change in emerging economies and underserved markets. A key goal is to facilitate the growth of this market by enabling an expanded investor base to allocate capital to additional environmentally beneficial projects, while ensuring transparency, integrity and environmental impact.

Goldman Sachs has also been a pioneer in the deployment of “social impact bonds,” an innovative and emerging financial instrument that leverages private investment to support high-impact social programs, where repayment is tied to specific performance outcomes. There is potential to harness some of the same principles to address green opportunities, where the private and public sectors can partner to bring much-needed capital to high-impact, underserved environmental opportunities.

More broadly, we will continue to look for ways to integrate environmental co-benefits across our impact investing initiatives. For example, Goldman Sachs has had a long-standing commitment to investing in underserved communities with more than \$4 billion deployed in the U.S. since 2001. Given energy expenditures account for a significant portion of low-moderate income families' budgets, integrating energy efficiency, renewables and other green measures as well as access to healthy foods and public transit are an important component of revitalizing communities.

Climate and Weather Risk Solutions: Effective management of catastrophic risk relating to weather extremes has become increasingly important for our clients. We have been a leader in structuring and underwriting catastrophe bonds, which help diversify and transfer catastrophic risks – including from weather-related events such as hurricanes – through the capital markets. We have structured over \$14 billion



of weather-related catastrophe bonds since 2006. Our breadth of financial and market making capacity enables us to be innovative in helping our clients more effectively manage their risk.

Given the increasing focus on resiliency measures by policymakers and the need for greater investment in this field, we will also establish partnerships to develop new models for catastrophe bonds that can better evaluate the benefits of increased investments. For example, enhanced physical resiliency, including flood barriers and stormwater detention structures, can improve the ability to withstand extreme weather events, which in turn could potentially be factored into the pricing and financial return models for catastrophe bonds. To that end, we are partnering with financial institutions, foundations, reinsurers and other stakeholders to explore innovative risk management structures related to infrastructure resiliency.

Market Making in Environmental Commodities: As market mechanisms emerge to help address carbon and other climate-related commodities, we will look for ways to play a constructive role in facilitating the efficient development of these markets. For example, we have been a market maker in carbon credits, including the EU Emissions Trading Scheme from its inception, as well as certain weather derivatives, renewable energy credits and other climate-related commodities.

We will also continue to evaluate opportunities and, where appropriate, inform the development of and participate in markets for water, biodiversity and other ecosystem services. For example, we are a member of the Advisory Board of the Natural Capital Project, a non-governmental organization that uses a science-based approach and software tools to quantify and value services provided by natural systems for key decision makers.

B. Goldman Sachs Asset Management

Goldman Sachs Asset Management (GSAM), which provides institutional and individual investors with investment and advisory solutions, is committed to partnering with our clients to help them navigate today's dynamic markets while seeking to deliver strong long-term and sustainable investment performance to help them achieve their investment objectives.

Building on our long history of incorporating environmental, social and governance (ESG) risk factors as a part of the traditional investment approach, we have made a significant commitment to further expand our ESG and impact investing capabilities.

The foundation of our approach to ESG and impact investing is built on our core philosophy of serving our clients' investment goals and adhering to our fiduciary responsibility as an asset manager. We partner with our clients to provide a broad spectrum of customized solutions, ranging from engineered portfolios that optimize for specific impact factors to custom portfolios of private impact investments. Given the breadth and diversity of both our clients' objectives and our investment capabilities across our global platform, implementation by GSAM teams varies across asset classes and investment styles.

See [GSAM ESG and Impact Investing](#) for further information on our commitment. The following provides examples of key initiatives:

ESG Integration: We have integrated the analysis of ESG factors into our investment and company engagement processes across our Fixed Income and Fundamental Equity strategies, as well as within the



external manager due diligence process of Alternative Investments and Manager Selection (AIMS). We will utilize this analysis to engage with companies on ESG topics, and, as appropriate, integrate environmental considerations into GSAM's proxy voting policies. We will seek to communicate on our progress and contribute to the development of best practices within the investment community.

Portfolio Diagnostics: In addition to traditional screening capabilities, we can work with clients to analyze and understand the impacts of their portfolios. Certain GSAM investment products conduct a carbon footprint analysis – at the portfolio and individual holdings level – to quantify the absolute and intensity of greenhouse gas emissions embedded in the portfolio. We will expand this analysis across our Fundamental Equity business and product offerings to help inform our investment decisions more broadly.

Proprietary In-House Solutions: We will continue to innovate in developing products and solutions to help our institutional and high net worth clients better implement ESG integration and optimize portfolios to better align with values. For example, we are working with clients to develop methodologies by which the carbon intensity of their equity portfolios can be reduced by over 70 percent while applying market-leading risk management techniques. The Fundamental Equity group has actively managed strategies which apply an in-house ESG methodology and the Quantitative Investment Strategy (QIS) group offers equity strategies that exclude fossil fuel heavy sub-industries and emphasize investments that score highly on a range of environmental and social metrics while seeking to minimize tracking error.

Open-Architecture Solutions: AIMS provides a variety of ESG and impact investing strategies on its open-architecture platform. Additionally, GSAM has acquired the business of Imprint Capital Advisors, an asset management firm that advises clients on investing based on their ESG and impact investing views. With the integration of Imprint's team, AIMS will continue to work with clients to develop and manage ESG and impact investment programs and portfolios across investment areas and asset classes, including a focus on custom portfolios of private impact investments.

AIMS also applies its ESG and impact lens to specific asset classes. For example, within our AIMS Real Estate Investment team, we have a heightened awareness of the impact that the built environment has on greenhouse gas emissions and are actively seeking ways to reduce the footprint of the properties in the portfolio. To that end, we have launched a strategic energy efficiency initiative across our current portfolio of real estate holdings, which comprise approximately 5.5 million square feet, to maximize operating efficiencies and minimize environmental impact. For buildings that we acquire in the future, we will look to implement similar energy efficiency measures where appropriate. We will commit to report on the environmental impacts of the initiative through our annual [Environmental, Social and Governance Impact Report](#) and other channels.

C. Global Investment Research

Goldman Sachs is increasing our commitment to systematically incorporate ESG criteria into the fundamental analysis of companies across the Global Investment Research platform. We believe that companies' management of environmental and related social risks and opportunities may affect long-term corporate performance. We further believe that the effects of climate change and other environmental risks are increasingly significant issues for capital market participants globally. Credible investment research can



influence decisions made by investors, policymakers and regulators, which in turn may help to increase management teams' focus on the importance of environmental and social issues.

ESG Integration: We provide training on our approach to incorporating ESG factors as part of a long-term investment strategy for all new equity analysts. We offer access to ESG data to all research analysts in order to incorporate material ESG analysis across our sector investment research.

GS SUSTAIN: Launched in 2007 at the UN Global Compact Leaders Summit, GS SUSTAIN is a global, long-term investment research strategy designed to generate sustainable alpha by integrating analysis of global themes, company fundamentals, and governance and stakeholder factors, including environmental and social considerations. Through GS SUSTAIN, we have been at the forefront of integrating ESG criteria into the fundamental analysis of companies, and bringing greater investor attention to the importance of ESG factors in identifying companies that are best placed to manage 21st century business risks.

We are committed to expanding the scope of GS SUSTAIN coverage and now review more than 3,300 companies for governance factors and 2,200 for stakeholder factors. GS SUSTAIN also maintains a Global Focus List of high-quality companies that are well positioned to sustain industry-leading total shareholder returns. The GS SUSTAIN Global Focus List has outperformed its global benchmark by nearly 40 percent from inception in June 2007 through year end 2014.

Thematic Research: Through our Global Markets Institute and our equity research teams, we have produced thematic research on the risks and opportunities arising from climate change and water accessibility, as well as how environmental issues in countries such as China impact industry leaders and provide market opportunities. Our Global Clean Energy Research and other industry coverage teams follow clean energy companies and innovative technologies around the world, including solar, wind, biofuels/biochemicals, energy efficiency, storage and electric vehicles. We will continue to leverage our market insights and investment research to better inform investors on how climate change and other critical environmental issues impact capital flows and investment opportunities.

Convening: Based on our research, we will continue to actively meet with clients and investors, participate in and convene events, and provide technical input on strategic ESG initiatives, including on disclosure around ESG data and performance where appropriate.

D. Center for Environmental Markets

We recognize that many critical environmental issues cannot be solved through voluntary action alone and that establishing partnerships and ecosystems that bring together key stakeholders across public and private sectors is important. To that end, in 2006, we launched the Goldman Sachs Center for Environmental Markets to undertake partnerships with corporations, academic institutions and non-governmental organizations. Since then, we have established numerous partnerships that have facilitated independent research, the development of new environmental tools, and high-level convenings that have informed climate policy, valuation of forest ecosystems, energy and resource efficiency, renewables in underserved markets, and water risk.

As we look forward, the Center will continue to advance partnerships that synergistically bring together the core competencies of the public and private sectors to help catalyze much-needed capital flows towards



environmentally beneficial solutions. To that end, the Center will invest \$10 million of grant funding in pilot projects that can demonstrate the viability of financial mechanisms that could unlock larger-scale capital for environmental solutions.

Through these partnerships, we will also facilitate case studies and independent research that inform public policy options. We will share our findings through publications, research papers and convenings, as well as through targeted outreach.

See [Center for Environmental Markets](#) for more information on partnerships.



II. Environmental and Social Risk Management

Our [Business Principles and Standards](#) guide our overall approach to environmental and social risk management – we apply a high standard of care to serving our clients, consider reputational sensitivity and excellence in everything we do, and have a deep commitment to individual and collective accountability. We approach the management of environmental and social risks with the same care and discipline as any other business risk, and undertake a robust review process to take the environmental and social impacts and practices of our clients and potential clients into consideration in our business selection decisions.

We recognize that risk management and business selection decisions are complex and often have to balance potential trade-offs. When we identify potentially significant environmental and social issues, we prefer to address the issue by working with the client on appropriate safeguards and more sustainable practices. By facilitating the adoption of more sustainable practices, we are able to better serve the long-term interests of our clients, the communities and the environment in which they operate, while ensuring prudent risk management for the firm. Where such engagement is not feasible and the transaction involves potentially material environmental impact, significant social issues or unacceptable risks that directly conflict with the firm's policy, we will forgo the assignment.

We also believe that it is in the interest of our issuer clients to make appropriate disclosure with respect to the material environmental and social impacts of their businesses, including greenhouse gas emissions, and the potential consequences to their businesses from changes in relevant regulation and policy. To that end, we will encourage and work with our clients to further develop appropriate disclosure.

We actively monitor emerging issues, regulatory developments, concerns of key stakeholders, as well as best practices relating to environmental and social risk management. As part of this undertaking, we frequently engage with non-governmental organizations and periodically review and update our guidelines for emerging issues and evolving environmental and social concerns. We also apply general guidelines and best practices from external sources for relevant transactions we undertake on behalf of our clients.

A. Process and Scope

Advisory, financing and direct investing teams integrate environmental and social due diligence as part of their normal course due diligence requirement where relevant. Transactions which may have significant environmental or social risks, including reputational risks, are elevated for enhanced review and business selection discussion. Our Environmental Markets Group (EMG) assists business teams by providing guidance on environmental-related matters, doing independent reviews and identifying mitigants and positive engagement opportunities with the client to reduce material risk. The Business Intelligence Group (BIG), which is part of our Legal Division, takes a broad view of risk that includes legal, regulatory, governance and social elements, and works closely with EMG on the transaction review process. In certain cases, Corporate Environmental Management, which is an in-house team of environmental consultants with strong technical expertise, will also conduct in-depth due diligence on environmental, health, safety (EHS) and social issues to identify and mitigate transactional risk for business teams.

We have various committees that oversee our business selection decisions and risk management. Our committees coordinate and apply consistent business standards, practices, policies and procedures across the firm, and are integral to the management of environmental, social and reputational risks. For example, our

Physical Commodities Review Committee, which is a cross-divisional firmwide governance committee, ensures that we have a consistent approach to evaluating and managing EHS risks associated with engaging in, investing in, or the financing of physical commodity-related activities. See the [Report of the Business Standards Committee](#) for further details on committee governance structure.

Transactions that have significant environmental and social issues are elevated for discussion and a final business selection decision involving key committees, business leaders and/or the Chairman's office.

B. Sector Guidelines

In addition to the firmwide review process, we equip teams in sensitive sectors with due diligence guidelines and training to evaluate new business opportunities more effectively. This includes background on current environmental and social issues and sensitivities in the sector, as well as potential due diligence questions to discuss with a company. The guidelines are reviewed periodically and updated based on emerging best practices, regulatory changes and engagement with stakeholders. We have fourteen guidelines across key sectors. Below is the list of sectors and summaries are available on our [website](#).

Biofuels	Chemicals	Coal Power Generation	Forestry	Gas Power Generation	Hydro. Power Generation	Metals & Mining
Nuclear Generation	Oil & Gas	Oil Sands	Palm Oil	Transportation	Unconventional Oil & Gas	Water

The following highlights our guidelines in sectors of particular environmental sensitivity:

Power Generation – Coal: Coal fired power generation is one of the largest sources of air pollutants, including greenhouse gas (GHG) emissions, and has other significant environmental, health and safety impacts on local communities. However, coal fired power is currently a major source of electricity generation and a contributor to reliable and diverse energy supply globally, particularly in developing economies as a source of affordable energy.

- We will decline any financing transaction that directly supports the development of new coal fired power generation in the U.S. and other developed economiesⁱⁱⁱ unless it has carbon capture and storage or equivalent carbon emissions reduction technology.
- In many developing economies, access to affordable energy is necessary for economic growth and poverty alleviation, and coal remains a significant source of affordable energy. For financings directly supporting the development of new coal fired power generation in these economies, we will be selective in the transactions we undertake and where the sensitivities are too high, we will forgo the opportunity. We apply enhanced due diligence for these financings and among the factors we consider are: the energy needs and affordability in the region; fair assessment of low carbon alternatives; type of technology and emissions controls, with a preference for supercritical or better power generation technology; regulatory drivers; and the company's efforts to measure, report and reduce GHG emissions and other pollutants.

Metals & Mining – Coal Mining & Mountaintop Removal: Coal mining involves a number of extraction methods, at both the surface and underground level. Mountaintop removal (MTR), a form of surface mining



used in the Appalachian region of the United States, has particularly significant impacts on ecosystems, water quality and local communities.

- For transactions involving coal mining globally, we apply enhanced due diligence, including consideration of the following factors: companies' EHS track records; siting and ecological impacts; regulatory compliance and ability to meet international practices where local regulation is lagging; litigation, violations and citations; remediation methods; impact on water quality; and local community and human rights issues. For financings directly supporting new coal mine development, we will be selective in the transactions we undertake and where the sensitivities are too high, we will forgo the opportunity.
- For financings where the specified use of proceeds would be directed towards mountaintop removal mining, we will decline participation. For other financings involving U.S. coal companies that have production from MTR mining, we will decline participation unless the company has demonstrated that there will be an absolute and permanent reduction in its MTR coal production over a reasonable timeframe.

We have leveraged our *10,000 Small Businesses* program to help entrepreneurs in the Appalachian region create jobs and economic opportunity, especially given that coal mining has been declining and jobs are being lost in the region. Goldman Sachs *10,000 Small Businesses* has deployed over \$9 million through the Kentucky Highlands Investment Corporation and Virginia Community Capital, two local Community Development Financial Institutions (CDFIs), for small business loans. We have also worked with the region through our national business education program. See [10,000 Small Businesses](#) for more information.

Oil & Gas – Hydraulic Fracturing: The rapid expansion of hydraulic fracturing has contributed to the expansion of energy resources, particularly in the U.S., along with greater affordability of energy for consumers and industry, job creation and economic growth. But it has also come with increasing concerns related to water consumption, impact on water quality, wastewater disposal methods, potential seismic impacts, air emissions (including methane) and local community impacts.

- For transactions involving new unconventional oil & gas and hydraulic fracturing, we apply enhanced due diligence. Key issues to be addressed include but are not limited to: companies' care taken on location and site selection; well construction method, including integrity of casing and cementing; management of ongoing operations, including well flow and pressure monitoring; integrated water management, including groundwater testing, water withdrawal, wastewater management; fracking fluid usage and disclosure; air emissions management, including fugitive methane emissions and use of flaring and venting; and engagement with and mitigation of impacts on the local community.

Oil & Gas – Oil Sands: Oil sands, also known as tar sands or bituminous sands, are sandstone or carbonate formations containing a naturally occurring viscous form of petroleum (bitumen) with large deposits found in Canada's Province of Alberta. In many cases, significant amounts of energy and water are necessary to extract and upgrade bitumen, and there is a potential for impacts on boreal forests and local communities.

- For transactions relating to oil sands, we apply enhanced due diligence. Among other factors, we consider: energy use and greenhouse gas emissions; environmental impacts related to integrated water and waste management; forest and biodiversity preservation; and any local community impacts, including those relating to Canada's First Nations people.

Forestry: Forests are critical for the environment and biodiversity and provide livelihoods for many. Deforestation and degradation of forests remains a significant challenge in many regions, and is a major contributor to greenhouse gas emissions.

- For forestry transactions (including logging and primary processing of forest products), we will not knowingly finance companies or projects that collude with or are engaged in illegal logging or utilize illegal or uncontrolled fire.
- As part of our enhanced due diligence, we examine whether clients that process, purchase or trade wood products from particularly high-risk countries have certifiable systems in place to ensure that the wood they process, purchase or trade comes from legal sources. This includes understanding clients' supply chain monitoring systems and chain of custody certification.
- We require clients to obtain or be working towards Forest Stewardship Council or a comparable certification when we finance forestry projects that impact high conservation value forests in order to ensure that crucial forest ecosystems are preserved appropriately. For operations that are not already certified, we will introduce or refer our clients to credible experts who can help establish a rigorous, time-bound, step-wise commitment to achieve certification within three years.

Palm Oil: Palm oil has become the largest source of edible oil globally and is the base for a vast number of household products. At the same time, growing demand for palm oil has placed pressure on crucial ecosystems.

- We apply enhanced due diligence to transactions relating to palm oil companies.
- We will not knowingly finance companies or projects that collude with or are engaged in illegal logging or utilize illegal or uncontrolled fire.
- We require clients' compliance with all legal requirements, including in the case of Indonesia the Indonesian Sustainable Palm Oil (ISPO) system.
- We also require clients to obtain Roundtable on Sustainable Palm Oil (RSPO) or a comparable certification. For operations that are not already certified, we will introduce or refer our clients to credible experts who can help establish a rigorous, time-bound, step-wise commitment to achieve certification within three years.
- Furthermore, we require clients to have a commitment to no net deforestation, no peatland development and no human rights violations. Where this is not in place, we will introduce or refer clients to credible experts who can help establish such a commitment. Clients should have a plan in place to demonstrate compliance with this commitment.

C. Cross-Sector Guidelines

Protected Areas and World Heritage Sites: Goldman Sachs recognizes the importance of critical natural habitats, which have high biodiversity value and include legally protected areas both existing and officially proposed by governments.

- We will not finance any projects or initiate loans where the specified use of proceeds would significantly convert or degrade a critical natural habitat.

- We also recognize the significance of cultural and natural heritage and will not knowingly finance extractive projects, commercial logging or other environmentally sensitive projects in prescribed UNESCO World Heritage sites.
- Furthermore, we will not finance projects that contravene any relevant international environmental agreement which has been enacted into the law of, or otherwise has the force of law in, the country in which the project is located.

Human Rights: Goldman Sachs recognizes that environmental and social issues are often linked. We have a responsibility to help protect, preserve and promote human rights around the world. Examples of such rights are articulated in the United Nations Universal Declaration of Human Rights. While national governments bear the primary responsibility for ensuring human rights, we believe that the private sector can and should play a role in championing these fundamental rights. Our respect for human rights is fundamental to and informs our business; it guides us in how we treat and train our people, and how we work with our clients and our vendors. Our [Business Principles](#) and our [Code of Business Conduct and Ethics](#) also play an important role in determining our responsibilities as corporate citizens, and help to inform our business selection process and guide our business decisions and judgments. See the [Goldman Sachs Statement on Human Rights](#).

- **Indigenous People:** Goldman Sachs recognizes that the identities and cultures of indigenous peoples are inextricably linked to the lands on which they live and the natural resources on which they depend. We recognize the rights of these communities regarding issues affecting their lands and territories, traditionally owned or otherwise occupied and used. For transactions where the use of proceeds may have the potential to directly impact indigenous peoples, we expect our clients to demonstrate alignment with the objectives and requirements of IFC Performance Standard 7 on Indigenous Peoples, including free, prior and informed consent.
- **Stakeholder engagement and resettlement:** For certain transactions where there could be material effects on local communities, we expect our clients to demonstrate an appropriate stakeholder engagement process. In cases where there is large-scale resettlement, we will closely evaluate the stakeholder engagement process and, if appropriate, work with the company to improve aspects such as compensation measures and/or community engagement.
- **Child Labor, Forced Labor and Human Trafficking:** We will not knowingly finance any potential transactions where there is credible evidence of child labor, forced labor or human trafficking.

D. Climate Change Guidelines

As a global financial institution, we serve clients in all industries, including those in carbon intensive sectors of the global economy. For the foreseeable future, carbon-intensive energy sources will continue to be part of the global energy mix but will face increasing policy and regulatory constraints. Our enhanced due diligence guidelines for carbon intensive sectors incorporate climate change-related questions, including the disclosure and management of greenhouse gas emissions. More broadly, even in less carbon-exposed sectors, as part of our due diligence where material and relevant, we will consider how clients manage climate change-related risk factors such as those relating to supply chain risk from weather extremes. Such enhanced due diligence



enables us to better manage the associated long-term risks and more responsibly serve the needs of our clients.

In financings, we primarily act as an underwriter in the capital markets, matching investors with the capital needs of issuers. Lending to carbon intensive sectors is a relatively small part of our overall activities. Even though it is a small share, as part of our prudent risk management, we monitor how carbon-related regulation among other material macro-factors may impact the creditworthiness of these loans to carbon intensive sectors. Our [public reporting](#) includes disclosure of our credit exposure to the Natural Resources and Utilities sector.

For energy investments in our Merchant Banking Division, in addition to enhanced EHS due diligence, we undertake an assessment of pending policy and regulation relating to climate change as well as the economics of various technologies. When relevant, we also conduct assessments of different carbon pricing and energy demand scenarios to inform our investment decisions. Based on such analysis, our energy investment portfolio has made a number of renewable energy investments globally.

More broadly, we monitor policy and regulatory developments relating to climate change and where appropriate, engage in discussions regarding financing for climate mitigation and adaptation. We also engage in efforts to understand and inform the measurement and reporting of greenhouse gas emissions, as well as initiatives that seek to develop pragmatic and meaningful ways of understanding carbon risk exposure in financing and investment activities.

E. Training

We train our people and provide necessary resources to ensure that environmental, social and governance objectives are met and policies, procedures and standards are appropriately implemented. Training on ESG issues is provided globally to relevant employees, while additional specialized training is tailored by region and industry to select employees as appropriate.

In addition, the Environmental Markets Group convenes thought leaders to speak to our people globally on topical environmental and sustainability-related issues.



Our Operations and Our People

I. Our Operations

Minimizing our operational impact is a prerequisite of sound environmental policy and a necessary complement to our core business activities. In all that we do, we strive to find smart, sustainable solutions that make business sense and are environmentally responsible. In addition, through our operational resiliency management we assess and plan for climate-related risks. Our Corporate Services and Real Estate (CSRE) and Technology teams work in close collaboration with the Environmental Markets Group on our key operational priorities.

A. Corporate Services and Real Estate

As part of our commitment to advancing the environmental stewardship of corporate operations, we will use our operational facilities and partnerships to pilot and help scale up innovative clean energy and energy efficiency solutions. For example, at our headquarters in New York we have deployed an innovative HVAC system that shifts electrical loads to off-peak hours.

As part of our carbon reduction framework, we factor an internal price on carbon into energy efficiency, renewable energy and other emission reduction activities through the use of a return on investment model. This return on investment prioritizes internal reduction measures across both our offices and data centers. We also have a dedicated green operational investment budget, which brings greater focus to initiatives that reduce our environmental impacts and enables us to invest in green buildings and innovative green technologies. We are targeting \$2 billion in green operational investments by 2020.

In support of our commitment to transparency regarding our environmental performance, Goldman Sachs has been a signatory to the CDP climate change survey since 2006. We make public our Carbon Accounting Methodology, and ensure the accuracy of our environmental metrics and data collection process through robust internal inventory management planning and a commitment to third party verification of our most important performance metrics including our Scope 1, 2 and 3 (business travel) emissions as well as our water use.

We are committed to minimizing the impact of our operations on the environment with our key goals as follows:

Carbon Neutrality: We will accelerate our previous carbon neutrality commitment by five years to be carbon neutral by 2015. We will also expand the scope from global Scope 1 and 2 emissions to include our Scope 3 business travel as part of our commitment.

Renewable Energy: We will aim to use 100 percent renewable power to meet our global electricity needs by 2020. As part of our commitment to increasing awareness and in support of global best practices, we have joined the RE100 initiative.

Energy Efficiency: We will aim to reduce our absolute energy use across our operationally controlled facilities by 10 percent from 2013 to 2020.



Universal Green Building Standards: We are committed to achieving LEED Gold or equivalent for new buildings or major renovation projects. We will target green building certification across 70 percent of our portfolio by 2020.

Responsible Resource Consumption: We are committed to responsible resource consumption and waste reduction. We have established a goal to achieve 100 percent business waste diversion from landfill by 2020 and a 20 percent reduction of paper per-capita from 2013 to 2020. We are also targeting a 5 percent reduction in water use in operationally controlled facilities from 2013 to 2020.

Responsible Supply Chain Management: We continue to advance our commitments to sustainable supply chain management through the development and deployment of a sustainable procurement framework that is integrated across our whole procurement lifecycle, prioritizing our material risks and promoting innovative collaboration with our vendors.

Operational Resiliency Management: We are committed to assessing and planning for climate-related risks across our operations through infrastructure, business continuity and resiliency reviews of our office space and data centers. Our assessment monitors the hazards posed by climate-related risks, including temperature changes, rising sea levels and severe weather conditions, and we utilize predictive weather modeling to inform our short-term preparedness and long-term resiliency planning.

Certified Management Systems: We have developed an Environmental Management System (EMS) that complies with the ISO 14001 standard and are committed to having the ISO 14001 EMS certified by a third party verification company. We will seek to expand our implementation of the ISO 14001 EMS to all operationally controlled facilities by 2020. In addition, we are committed to aligning our on-site corporate events to the ISO 20121 standard for sustainable events through a sustainable events management system. Through active implementation and continual review and improvement of our management systems, we commit to the following:

- We will comply with applicable legal and regulatory requirements and adhere to other objectives as defined in the Environmental Policy Framework that relate to environmental, social and economic aspects resulting from our operations.
- In association with the Environmental Policy Framework, the management systems will provide a basis for setting and reviewing environmental, social and economic objectives and targets for our operations on a continuous basis.
- We commit to continual improvement in environmental, social and economic performance and pollution prevention for our operations through ongoing review and modification of the management systems in response to emerging environmental, social and economic issues and changing regulations and business activities, as appropriate.

See [Our Operational Impact](#) for further details of our operational commitments.

B. Technology

Sustaining the growth of our business, while minimizing the environmental impact of our technology, is a constant balancing act. As a financial services firm, computing represents the largest portion of the



environmental impact from our technology. Through a combination of market-based and in-house developed products, our engineers seek the best technology solutions with the lowest power consumption to meet the requirements of our business, working alongside the CSRE team to achieve the firm's operational goals. Key initiatives are as follows:

Efficiency: Given our strategic focus on computing efficiency, we will continue to pursue integrated solutions that minimize environmental impact across the technology lifecycle, from the initial purchase of a product to its disposal. We will also continuously optimize for efficiency across our hardware fleet by closely monitoring and striving for higher efficiency per unit of computing capacity.

Shared Solutions: We will seek additional efficiency in our computing solutions through shared computing and virtualization. For example, while we utilize private cloud solutions that right-size our computing resources for applications, we will also leverage public cloud technology as secure solutions become available, including using on-demand computing capacity as needed to reduce our permanent computing footprint.

Innovation and Collaboration: We will look to adopt innovative solutions across our technology platforms and share best practices across the industry. For example, we are adopting modular data centers and collaborating through the Open Compute Project (OCP), which promotes the development of higher-efficiency server hardware.



II. Our People

Environmental stewardship is not only about how we operate our business, but also about how we engage our people. Through programs sponsored across our global businesses, environmental issues are discussed and environmental initiatives are acted upon. We will continue to look for opportunities to further engage our people on environmental opportunities.

Examples of our employee engagement programs, which we will seek to build on, are as follows:

Thought Leadership: Throughout the year, we offer a speaker series that brings thought leaders to the firm to share innovative ideas and thinking on a variety of themes, including environmental topics ranging from renewable energy and conservation to water issues. We also publish timely and topic-specific content on both our internal and external communications portals, including videos, infographics and podcasts, to educate both our people and our clients on the evolving environmental landscape. Additionally, we host conferences on environment and energy issues, with a focus on the intersection of markets and how innovative financial mechanisms can be leveraged. We convene policymakers, NGOs and academic institutions alongside our clients, investors and employees to advance dialogue and collaboration that can facilitate capital flows that benefit the environment.

Communications: We regularly communicate with our people through multiple channels. We publish environmental newsletters offering updates on notable transactions related to the environment and the firm's progress on minimizing our environmental footprint, among other topics. We also publish articles on our intranet to focus on environmental issues and communicate our environmental progress.

Environmental Networks: Employee-led environmental networks in cities around the world raise awareness and engage local employees on initiatives ranging from recycling and composting to reduction of disposable cups and bottles.

Community Team Works: Each year, our *Community Team Works* program allows for employees to participate in volunteer projects in their local communities that have a direct impact on the environment. These projects range from aiding in park clean-ups to installing solar panels on housing for low-income residents.

Goldman Sachs Gives: Through *Goldman Sachs Gives*, the firm's donor-advised fund, current and retired senior employees can recommend grants to qualifying nonprofit organizations globally. Since 2010, *Goldman Sachs Gives* has provided more than \$36 million of grants across 10 countries towards critical societal, conservation and environmental-related programs.



Implementation and Governance

Our environmental policy, which applies to The Goldman Sachs Group, Inc. and its majority-owned subsidiaries, is coordinated by the Environmental Markets Group (EMG), reporting directly to the Office of the Chairman. EMG provides guidance to our various businesses, develops training and engages with a variety of stakeholders to help Goldman Sachs better manage and understand evolving environmental issues. Implementation of the policies and initiatives is the direct responsibility of each of our applicable businesses. We report on our progress annually through our [Environmental, Social and Governance Impact Report](#) and the [Environmental Stewardship](#) section of our website.

The policy and its implementation are reviewed with the Board of Directors' [Public Responsibilities Committee](#), which has oversight of the implementation of the Environmental Policy Framework and any environmental, social and governance issues affecting the firm.

We have consulted many stakeholders and experts in updating this policy framework. We will continue to build upon these relationships and regularly consult our stakeholders to help us stay abreast of evolving environmental risks and opportunities and help us continue our progress towards environmental stewardship.

ⁱ This target extends our existing goal of \$40 billion and includes an additional \$110 billion in capital deployment by 2025. Our target is focused on the clean technology and renewable energy sector, and on commercial transactions. It includes financing and co-investments for solar, wind, sustainable hydro, biomass, geothermal, advanced biofuels, energy efficiency and advanced materials, energy storage, LED lighting, electric vehicles, and renewable energy transmission, among other clean technologies. It does not include financial advisory, market making activities, or grant-related funding for the sector.

ⁱⁱ Progress towards target as of Q3 2015.

ⁱⁱⁱ We define developed economies based on the FTSE Country Classification as of September 2015.