Goldman Sachs

CAPITAL WITH PURPOSE

The Future of Sustainable Finance

Goldman Sachs 2018 Sustainability Report

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INTRODUCTORY LETTER

FELLOW SHAREHOLDERS

(from left to right)

David M. Solomon
Chairman and
Chief Executive Officer

John E. Waldron
President and
Chief Operating Officer

Stephen M. Scherr
Chief Financial Officer

This has been an important year for Goldman Sachs. We have made tangible progress in our commitments to becoming a more sustainable company, including by completing many of our 2020 operational impact goals and by surpassing $80 billion in our goal to finance or invest $150 billion in clean energy by 2025. We also made new commitments to promote the diversity of our workforce and announced a major initiative to invest in women-led companies.

For us, sustainability is about acknowledging the important role we can play in catalyzing capital to help address issues facing our society today — from the environment to health care to urban development. If we are serious about delivering superior long-term shareholder returns, we must continue to focus on managing ourselves responsibly and identifying opportunities to allocate capital more purposefully across our businesses.

For example, our Urban Investment Group (UIG) has been a major investor in community development projects, committing more than $7 billion in underserved American markets since 2001. In 2018, UIG continued its long-term support of the Brooklyn Navy Yard by committing $35 million to renovate Building 127, a 95,000-square-foot manufacturing center that will drive the creation of approximately 300 quality urban manufacturing jobs.

We recently announced *Launch With GS*, a $500 million initiative to invest in women-led companies and investment managers, which represents the firm's first for-profit program with a gender lens. We are proud of this effort, which is informed by our *10,000 Women* program.

Core to creating long-term shareholder value is having a workforce that allows us to effectively serve a broad and diverse set of clients. We are undertaking new initiatives aimed at increasing the representation of diverse communities at all levels across the firm. In this report, we outline our recently announced aspirational goals to increase the representation of women, Hispanic/Latino professionals and black professionals within our analyst and entry-level associate new joiners — which represents more than 70 percent of our annual hiring. Fundamental change takes time, but if we're rigorous in our execution of incremental change, we will make it happen.

We have also continued the fast-paced growth of our Environmental, Social and Governance (ESG) and impact investing platform, which reached $17 billion in assets under supervision at the end of 2018. This includes the launch of an ESG-focused exchange traded fund (ETF) that provides our clients with broad exposure to US large cap companies that rank favorably based on values identified by the American public.

We view sustainability as core to our mission, and will continue to innovate on behalf of clients, shareholders and the communities where we live and work.

We look forward to the work ahead.

David M. Solomon
Chairman and
Chief Executive Officer

John E. Waldron
President and
Chief Operating Officer

Stephen M. Scherr
Chief Financial Officer

MAKING SUSTAINABILITY OUR BUSINESS

At Goldman Sachs, sustainability is an important driver of our engagement with clients and how we conduct our business. We provide the advice and capital companies need to grow, the expertise needed to manage risks, and the information and perspectives our clients must have to make business and investment decisions. Increasingly, all of these activities demand focus on sustainability issues, from the looming impacts of climate change, to health- and safety-associated risks, to credit and investment gaps that limit business opportunities and hamper economic progress in many parts of the world.

COMMITMENTS & GOALS

$150B	$500M	100%
Clean energy financing and investment target by 2025	Commitment to invest in women-led businesses	Renewable power for our global electricity needs by 2020

Achieve representation in hiring analysts and entry-level associates of:

50%	11%	14%	9%
Women globally	Black professionals in the Americas	Hispanic/Latino professionals in the Americas	Black professionals in the UK

This commitment to sustainability also underscores the responsibility we have to our stakeholders — our clients, shareholders, people and communities — to build long-term value by managing our firm in a responsible way. This includes the way we assess risk, how we train and develop our workforce, and how we engage within the communities where we live and work.

FOR CLIENTS, BUILDING OPPORTUNITIES AND MANAGING RISKS

As a financial institution and leader within global capital markets, we enable our clients to manage their lives and businesses for the long term.

INSTITUTIONAL INVESTORS

- Provide suitable and appropriately priced investment products
- Help manage risks and hedge exposures
- Identify commercial solutions to global challenges, thereby creating new investment and risk management opportunities

CORPORATIONS & GOVERNMENTS

- Provide access to capital, strategic advice and risk management services
- Enable companies to scale, expand to new markets and serve broader stakeholders
- Provide solutions to reduce volatility in expenses
- Help companies meet — and progress — public commitments to sustainability

INDIVIDUALS

- Enable savings and investment for retirement, education and other goals
- Help expand financial literacy
- Help individuals gain clarity on their financial well-being
- Provide access to passive and active investment strategies, including those incorporating ESG factors

2018 MILESTONES

$80B
Progress toward clean energy target of $150B since 2012

$19B
Weather-related catastrophe bonds since 2006

$35B
Green, social and sustainability bonds underwritten since 2014

$7B+
Investments in underserved American communities since 2001

$17B
AUS in ESG and Impact Investing as of 2018 year-end

This report examines how sustainability is integrated across our firm — in the opportunities we offer, the research we conduct, the advice we provide to our clients, the risks in our own operations worldwide and how we manage our broader impact.

SUSTAINABILITY IN ACTION

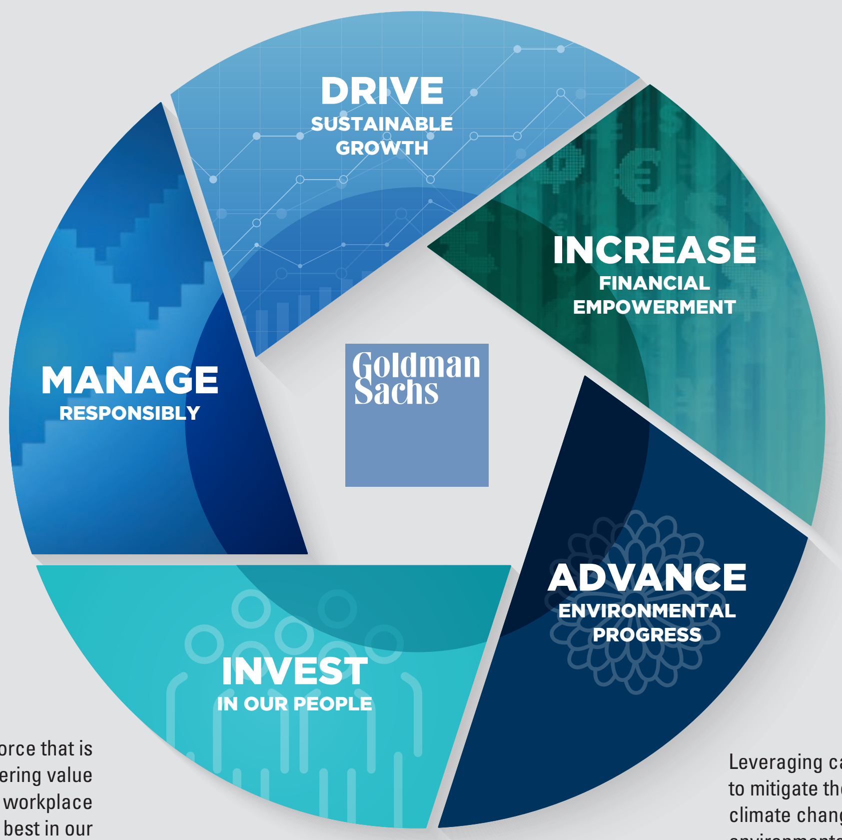
FIVE WAYS WE HAVE IMPACT

"Only by integrating sustainability across our businesses can we deliver strong, long-term returns for our shareholders."

David Solomon, Chairman and Chief Executive Officer

Raising capital to support sustainable business models; creating opportunities for investors; investing directly to drive growth in underserved communities.

Running our business with a culture of integrity and accountability; effectively managing environmental and social risks.



Creating innovative tools and products to help consumers take control of their financial lives; opening doors globally for local entrepreneurs.

Maintaining a workforce that is highly engaged in delivering value to clients; creating a workplace that brings out the best in our people through diversity, inclusion and holistic support.

Leveraging capital markets to mitigate the impacts of climate change; minimizing environmental impacts of our own operations.

In **Driving Sustainable Growth**, we look at how we deploy capital to support sustainable new business models and make direct investments in initiatives that drive growth in underserved communities. We also examine the rapid expansion of our ESG and impact investing platform, where we provide clients with increasing opportunities to align portfolios with ESG priorities and manage risks and hedge exposures with data-driven ESG strategies.

In **Increasing Financial Empowerment**, we cover our growing emphasis on digital consumer finance — including tools we are building to help consumers take control of their financial lives. In addition, we examine how we are driving the empowerment of local entrepreneurs in both developed and emerging markets.

In **Advancing Environmental Progress**, we cover our long-standing commitment to combating climate change through our work with clients and our own determination to limit our operational impact. In 2018, we surpassed the halfway mark in our goal of deploying $150 billion in renewable clean energy financings and investments by 2025. We also look at the innovative approach we are taking to drive the growth of green, social and sustainability bonds, and our efforts to strengthen the green bond market in the United States.

In **Investing in Our People**, we describe our commitment to maintaining a global workforce that is highly engaged in delivering value to our clients. We note our efforts to sustain this advantage long-term, through increasing diversity, fostering a workplace that emphasizes inclusion, and providing holistic support that enables our people, from analysts to senior managers, to achieve their fullest potential.

Finally, in **Managing Responsibly**, we describe our focus on responsible governance, which is key to the sustainability of our business. This includes our risk management framework, which helps us manage a wide range of risks across the breadth of our global operations, and our dedication to maintaining a culture of integrity, compliance and escalation.

At Goldman Sachs, we view sustainability as fundamental to supporting long-term growth. We are working across our divisions, and across sectors and geographies to drive sustainable growth. We do this by harnessing the capital needed to support and scale innovative business models, integrating ESG data and perspectives into investment research, and partnering with clients and others to invest in initiatives that advance sustainable development, promote increased resiliency and foster community progress.

DRIVING SUSTAINABLE GROWTH

181 Mercer Street, New York University

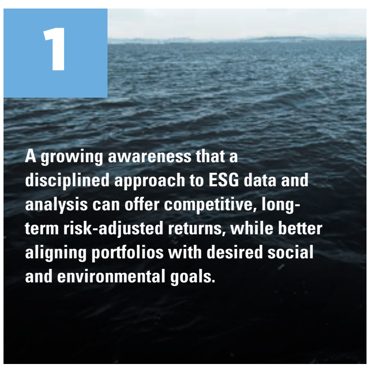
HOW WE ACCELERATE SUSTAINABLE GROWTH

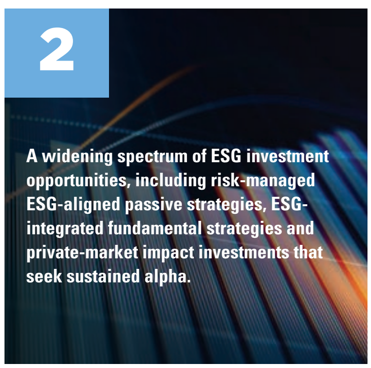
- Expand sustainable investment
- Finance innovative business models
- Invest in communities

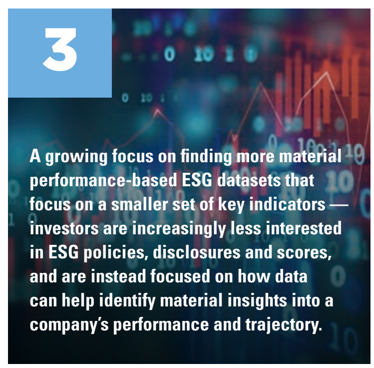
EXPANDING ESG AND IMPACT INVESTING

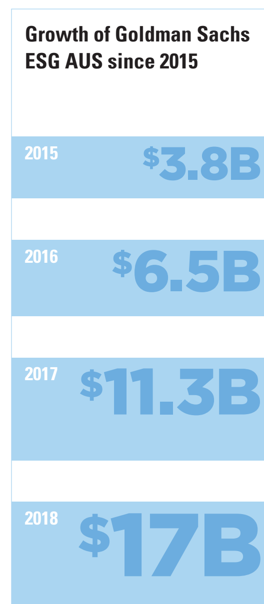
ESG and impact investing have grown rapidly, driven by increasing interest among institutional and individual investors and the firm's ability to deliver innovative and differentiated investment strategies. We are focused on deepening and enhancing the integration of ESG data and analysis into products, tools and investment strategies for our clients. In our Investment Management business, ESG and impact investing assets under supervision (AUS) have quadrupled since 2015, from $4 billion to more than $17 billion.

In 2018, growth continued to accelerate, driven by three key trends:









These insights derived from analyzing ESG data help us weigh risks and opportunities across our entire investment complex and also allow us to offer dedicated ESG and impact investment strategies. By integrating ESG data into analyses of companies, we gain insights into such intangible factors as corporate culture, operational excellence and potential environmental risks — all critical to long-term, sustainable performance. With increased disclosure of quantifiable metrics (from energy use and CO_2 emissions to employee turnover and injury rate), ESG data play an increasing role in our investment process, from identifying material credit risks due to the effects of climate change to employing ESG as an alpha-additive signal in quantitative portfolios.

MEETING RISING DEMAND FOR SUSTAINABLE OPPORTUNITIES

ESG investing has been largely the province of institutional investors, including family offices, endowments, sovereign wealth funds, trusts and pension funds. That, however, is beginning to change as demand and interest in sustainable investments among individual investors deepens.

Despite this growing demand, ESG strategies for individuals have posed a number of challenges: 1) many ESG strategies are extremely narrow and specifically tailored to niche interests (e.g., fossil fuel-free); 2) more broad-based ESG strategies have opaque methodologies and are predominantly driven by a company's ESG policies and disclosures (not ESG performance); and 3) many ESG strategies are poorly structured relative to standard market benchmarks, are very expensive, or both.

90%

of millennial investors want sustainable investments in their 401(k).

$24T

Expected net worth as high as $24 trillion by 2020

Meeting Rising Demand for Sustainable Opportunities (continued)

In 2018, Goldman Sachs Asset Management (GSAM) launched an ETF that seeks to provide our clients with broad exposure to US large cap companies that rank favorably based on values identified by the American public, including how companies treat their workers and how they impact the environment. We saw this as an interesting thesis — if people have the right information, they will buy from, invest in, work for and otherwise support companies that align with their values.

In a related 2018 development, a GSAM money market fund invested in US Government securities broadened its focus to help drive diversity by channeling business to women-, minority- and veteran-owned broker-dealers. Expanding and executing with these trading partners will benefit the broker-dealers while providing investors with new, highly capable trading partners and an added ESG component to their portfolios.

PUTTING AN ENDOWMENT TO WORK

Since 1951, The Nature Conservancy (TNC) has worked across the globe to "conserve the lands and waters on which all life depends." To further expand its impact, TNC sought to leverage the potential of its $2 billion endowment and long-term investment portfolio. Working with Goldman Sachs, TNC aimed to further amplify the endowment's impact through investments that advance its mission while pursuing market rates of return. This includes a three-year, $75 million commitment to environmentally-focused private market impact investments.

Working closely with TNC to design a solution, GSAM leveraged experience in manager selection in private-impact investment themes and extensive research in conservation- and climate-linked environmental issues. The team designed a portfolio of private equity, private credit and real assets; themes ranged from renewable energy development to urban electric bus fleets aimed at replacing high-carbon diesel.

Building the impact portfolio is the latest chapter in a long relationship with TNC, as the nonprofit has grown and expanded the environmental programs for which it is known worldwide. As an example, The Goldman Sachs Center for Environmental Markets partnered with TNC's Center for Sustainable Hydropower to explore innovative financial structures that have better impacts on the environment.

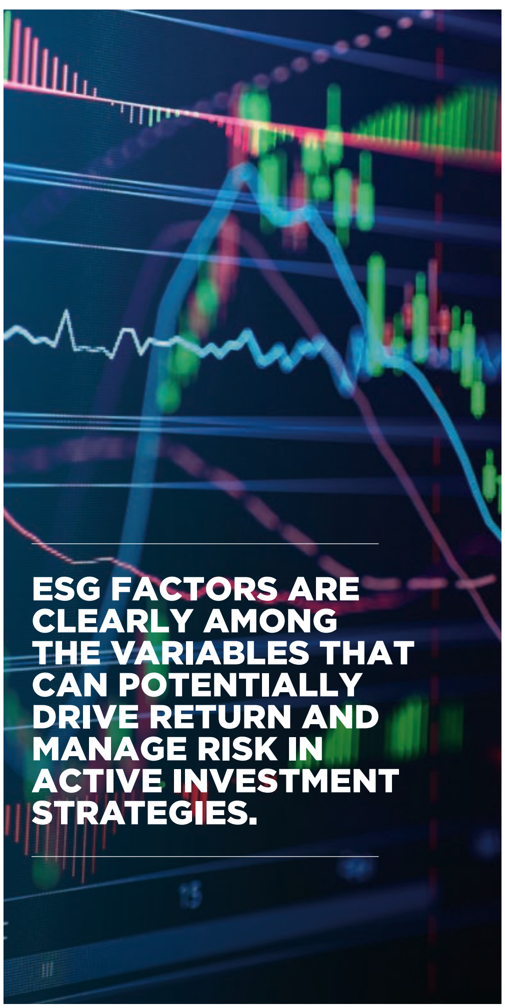
DRIVING SUSTAINABLE GROWTH

IN FRANCE, INDEXING SUSTAINABILITY

In June, Goldman Sachs launched the Euronext CDP Environmental France Index, the first index of its kind. Developed by our Paris-based Equity team, the index is based on data from the nonprofit CDP (formerly Carbon Disclosure Project), which covers 7,000 companies in the world's largest self-reported corporate environmental dataset. CDP's A-F scores are considered one of the most comprehensive research tools available for measuring environmental performance — particularly, how well companies manage climate, water and deforestation risks. The index is built from a universe of the 100 most liquid stocks on France's SBF120, and selects the 40 best performers from that group in terms of the three key environmental challenges — climate change, water security and deforestation. The Euronext is the first equity index to base its selections on CDP Climate change, Water and Forest scores.

The Euronext CDP Environmental France Index is directed to retail and institutional investors, for whom ESG themes are a growing component of investment analysis. It provides investors with an alternative to traditional structured products to invest in ways that support companies that are best at managing environmental impacts.

Subsequently, we launched two additional CDP indices: the World Index, comprising European, US and Canadian stocks, and the Eurozone Index.



INTEGRATING ESG FACTORS IN ANALYSIS

GS SUSTAIN is our global investment research team that integrates ESG criteria into analyses of companies worldwide to identify those best prepared to weather new and emerging risks. GS SUSTAIN covers approximately 4,000 companies within the firm's global research footprint.

In 2018, GS SUSTAIN released a number of key reports, including *Revolution Rising — Low Chatter to Loud Roar*. This report confirmed acceleration in ESG investment and cited important trends, including soaring assets under management, increased CEO conversations about ESG topics, and rising ESG-inspired shareholder activism. In *Momentum & Materiality*, the team notes that momentum in reaching sustainability objectives is key to analyzing a company's ESG progress. *ESG in the Compensation Conversation*, meanwhile, cites ESG-targeted management incentives as a signal of better company engagement with ESG risk.

At the core of our research is an acknowledgment that ESG factors are among the variables that have the potential to drive return and manage risk in active investment strategies. And we leverage our big data capabilities to identify specific ESG data that may be tied to alpha signals in investing. The firm also supports efforts to bring clarity to specific markets that are heavily impacted by ESG factors. In November and December, for example, we co-hosted investor launches of the *2019 Access to Medicine Index*, in partnership with the Access to Medicine Foundation. This annual index ranks pharma companies according to their efforts to make medicines more available, analyzing company strategy, governance, research and development, and pricing.

FINANCING NEW MODELS OF SUSTAINABLE ENTERPRISE

Supporting innovation is a key component of driving sustainable growth. Goldman Sachs Investment Partners (GSIP) is dedicated to partnering with entrepreneurs around the world to help them as they build disruptive businesses, investing more than $4 billion since 2010.

FUELING A REVOLUTION IN FOOTWEAR

With an investment in 2018, GSIP partnered with Rothy's to support its mission to build sustainability into every aspect of its business.

Rothy's makes stylish and comfortable women's shoes composed entirely from sustainable materials — uppers made from 100% post-consumer plastic water bottles, insoles made of recycled foam, adhesives that are nontoxic and vegan, soles that are carbon-free, and packaging that is biodegradable and made of 85% post-consumer recycled materials. What's more, the company's processes have cut waste to a minimum — from 37 percent in traditional shoemaking to less than six percent. Over the past three years, Rothy's has diverted more than 25 million plastic bottles from landfills. In addition, the company has offset carbon created in shipping operations by protecting more than 2,000 acres of Amazon forest to date.

25M

Rothy's has diverted 25 million plastic bottles from landfills since 2016.

INVESTING IN A CONSUMER PARADIGM SHIFT

$24B

The used-clothing market has high-impact sustainability potential; in 2018, the market reached $24 billion domestically and diverted millions of garments from landfills.

Another company GSIP has supported is California-based thredUP, the world's largest online platform for buying and selling like-new clothing and a prime example of waste reduction via the redistribution of used goods. The platform makes it easy for sellers to purge their closets of gently used garments, buyers to purchase their favorite brands up to 90 percent off and the company to create a virtuous cycle that boosts affordability as it reduces waste. By meeting growing demand from shoppers — particularly millennials and Gen Z — for value in purchases, it is diverting millions of garments from landfills, the fate of 85 percent of discarded clothing.

GSIP has participated in several rounds of funding, including an investment in 2018, that has enabled thredUP to expand its operation and distribution network. thredUP is expanding the secondhand apparel and accessories market that reached $24 billion domestically in 2018; the company reports that 70 percent of its first-time shoppers have never bought pre-owned clothing before.

Aside from lowering impacts on landfills, secondhand shopping offers a host of other environmental benefits. thredUP calculates that if everyone in the US bought one used item instead of new this year it would save 25 billion gallons of water, 440 million pounds of textile waste and 5.7 billion pounds of carbon emissions.

TARGETING IMPACT INVESTMENTS TO FUEL LOCAL ECONOMIES

BUILDING AFFORDABLE HOUSING

Goldman Sachs' Urban Investment Group (UIG) has long focused on development projects that revitalize local communities while earning a return. After the New York City Economic Development Corporation released the Jamaica Now Action Plan in 2015 to revive neighborhood development, UIG had a natural opportunity to become involved.

In 2018, UIG financed the acquisition and development of an underutilized site in Jamaica, Queens, to be created into a $425 million mixed-use and mixed-income community. The development features 667 affordable housing units and 18,000 square feet of retail space for community facilities and 24,969 square feet of commercial space. To ensure the development maintains its commitment to providing mixed-income housing, apartments are restricted by formula to families earning between 50 and 165 percent of median incomes in the surrounding area.

SUPPORTING A TURNAROUND

Since its days as a shipbuilding and repair facility for the US Navy, the Brooklyn Navy Yard has reemerged as an urban industrial center and become a model for urban industrial development nationwide. In 2018, Goldman Sachs continued its long-term support of this turnaround by investing $35 million in its capstone project — the renovation of Building 127, a 95,000-square-foot manufacturing center.

Building 127 was built in 1904 and its renovation is the Navy Yard's final adaptive reuse project. It is expected to be completed in 2020 and generate more than 300 quality urban manufacturing jobs.

In its entirety, the Navy Yard redevelopment has added more than 2 million square feet of commercial space and is expected to add 10,000 jobs by 2020. This project epitomizes how underutilized space can become a hub for growing businesses, creating a blueprint for revitalizing urban manufacturing and generating quality jobs.

FINANCING EDUCATION AND SOCIAL PROGRESS

FUELING EXPANSION OF COLLEGES AND UNIVERSITIES

As an advisor and financier, Goldman Sachs helps major educational institutions finance expansion, housing and infrastructure in cities across the country and in the local New York community. These developments are boons to more than the institutions themselves. Major expansions help to drive economic activity while creating substantial opportunities to leverage green solutions in construction and renovation. Most recently, Goldman Sachs led financings for both New York University (NYU) and Columbia University.

Goldman Sachs led an $862 million bond offering to help finance a series of projects at NYU. One project, a major 23-story student hub, will become the university's largest classroom building, a student housing complex, and center for athletics, performances and other student activities. The building will incorporate a wide range of sustainable design features, including low-flow plumbing, and green roofs and terraces with low-irrigation plantings to help naturally cool the building. Another is the construction of a new science building that will become a major center of scientific and medical research. This, too, will incorporate green approaches — both buildings aim to achieve LEED Gold certification.

The issuance will also fund key upgrades to the university's cogeneration facility, which produces electricity, heat and chilled water with a minimum of greenhouse gas emissions and pollutants. The project will improve the plant's capacity and resiliency, as well as connect to more NYU facilities, including the new student hub on Mercer Street.

The firm also managed a $325 million bond offering for Columbia University, enabling a range of capital projects in both Morningside Heights and Manhattanville. The Manhattanville open-campus plan is designed to be pedestrian-friendly and environmentally sustainable, featuring publicly accessible open spaces, commercial spaces designed to feature local entrepreneurs to serve local needs and tree-lined sidewalks to encourage community engagement. The campus is also the nation's first to achieve Stage 1 LEED Platinum certification under the US Green Building Council's Neighborhood Development pilot rating system.

DRIVING SUSTAINABLE GROWTH IN UNDERSERVED MARKETS

In May, Goldman Sachs served as joint lead manager on a €1.25 billion social bond for the African Development Bank (AfDB), following the €500 million inaugural issuance in 2017. The issuance drew more than 50 participating investors from around the world, attracted by the bank's record of financing programs that have had significant impact. Proceeds will be deployed to support AfDB's five main priorities: infrastructure development, regional economic integration, private sector development, skills and technology development, and food security. These priorities aim to spur inclusive economic and social progress by creating jobs and reducing poverty across a variety of demographics and geographies.

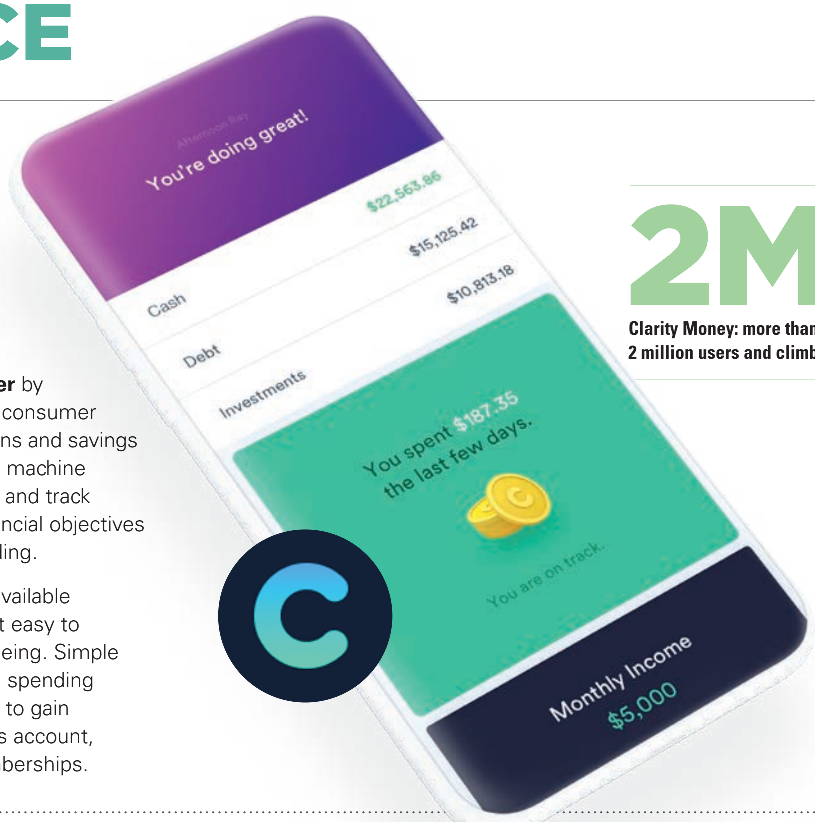
In September, Goldman Sachs advised Groupe BPCE, France's second-largest banking group, to raise €1.25 billion through its inaugural social bonds; this was the first social bond issued by a bank following the ICMA Social Bond Principles. Proceeds will fuel an ambitious plan to provide financing to small businesses and nonprofits focused on local economic development in underserved areas of France. Groupe BPCE leveraged an innovative identification process using a scoring system that used data from internationally recognized organizations to determine which small and medium businesses and nonprofits were best positioned to make the most impact with the funding.

Financial education and empowerment for families and small business owners are crucial to driving local commercial activity and job creation. These, in turn, create more resilient local economies and a stronger global economy. Through our businesses and philanthropic engagement, we promote financial inclusion, increase knowledge and financial skills, expand access to capital, and offer advice and opportunities that increase financial independence.

INCREASING FINANCIAL EMPOWERMENT

IMPROVING FINANCIAL INDEPENDENCE

MAKING FINANCIAL MANAGEMENT SIMPLER



2M

Clarity Money: more than 2 million users and climbing

In 2018, we expanded our efforts to empower the consumer by adding Clarity Money to Marcus by Goldman Sachs, the firm's consumer digital finance platform, which currently also offers personal loans and savings products. Clarity Money leverages a user-friendly interface and machine learning to provide actionable insights to help consumers save and track their spending. It enables consumers to work toward their financial objectives knowledgeably and gain a holistic picture of earning and spending.

Clarity Money is a personal financial management tool and is available through the web and as a mobile app. The tool and app make it easy to track money flow and map an individual path to financial well-being. Simple and approachable, the app consolidates accounts and analyzes spending habits over time. It then suggests simple steps users can take to gain financial control, including building wealth by opening a savings account, understanding your credit score and canceling unwanted memberships.

EXPANDING INVESTMENT PROWESS

- **E** — **Evaluate** your situation
- **M** — **Manage** your finances
- **P** — **Plan** for your future
- **O** — **Own** and protect your assets
- **W** — **Work** with a financial advisor
- **E** — **Educate** yourself
- **R** — **Review** your plan regularly

We believe investment literacy and access to expert advice are crucial to making financial progress, but hard to obtain if investors lack investing confidence and financial advisors lack awareness of potential client needs. To address this, Goldman Sachs Asset Management designed GSAM EMPOWER, a new framework and comprehensive suite of materials that helps financial advisors specifically address the needs of women, millennial and LGBT investors.

Through this program, advisors learn more about the challenges these groups can face when investing and enables them to speak directly to issues that matter most. For example, research shows that many women, despite considerable assets, lack confidence about investment, yet their need to build wealth is especially critical because of their unique set of circumstances, like longer life spans and disproportionate responsibility for children and elders. Studies also show that women seek to take greater control of their financial lives, with the majority interested in financial planning and learning more about investing.

In the same way, the nation's LGBT population has unique circumstances. The community wants to work with financial advisors — studies show that nearly all married same-sex couples said they need assistance with some type of financial planning — but they want to work with professionals who are familiar with the financial challenges of changing tax codes, adoption law, and complexities in trust and estate planning.

Through a mnemonic seven-step framework, the GSAM EMPOWER series aims to address common investment challenges, highlight ways to build confidence and identify solutions to help investors empower themselves financially. We also partner with our third-party advisors to provide training around our GSAM EMPOWER framework.

ADVANCING ENTREPRENEURSHIP

CLOSING THE GENDER INVESTMENT GAP

Although women have made significant strides in creating and growing companies, a gender investment gap continues to limit the potential of women entrepreneurs — currently, women-owned businesses attract just 2.2 percent of venture capital funding in the United States and just over five percent of US private equity firms are owned or managed by women. In 2018, we announced *Launch With GS*, Goldman Sachs' commitment to invest $500 million in women-led companies and investment managers. Ultimately, we believe investing in diverse teams — diversity of gender, thought and background — leads to outperformance and will drive growth for our clients, shareholders and communities.

Informed by our long-standing commitment to the economic empowerment of women, including through our *10,000 Women* program, *Launch With GS* identified three opportunities to drive change: investing in women-led companies through Goldman Sachs' principal investing business, focusing on later-state growth equity; backing women-centered investment managers by investing client capital across venture capital, growth equity and private equity strategies; and building a community of entrepreneurs, investors and other business leaders to facilitate connections and grow the pipeline of future investment opportunities.

By year-end 2018, we committed more than $100 million to women-led businesses. The initiative received thousands of inquiries from more than 50 countries and we met with hundreds of women entrepreneurs in the process of growing their organizations — building teams, launching innovative products and entering new markets. Investments are being led by world-class investing teams at Goldman Sachs, including women with more than 200 years of combined investing experience.

DRIVING GLOBAL ECONOMIC EMPOWERMENT

$1B

WEOF surpassed $1 billion in investments to financial institutions in 31 countries.

***10,000 Women*, one of our signature philanthropic programs, is an ongoing global initiative to foster economic growth by providing women entrepreneurs around the world with a business education and access to capital. In 2018, *10,000 Women* introduced its curriculum online, enabling women in more corners of the world to access business knowledge. The program provides in-depth learning that guides participants to identify growth opportunities, gain financial planning and resource management skills, and develop their staff through a business growth plan. In India, where both the online course and in-person training are available, *10,000 Women* partnered with the Indian Institution of Management Bangalore to deliver 15 days of entrepreneurship classroom learning. The first cohort entered the program in January 2019.**

Also in January 2019, Goldman Sachs hosted *When Women Lead*, a reception at the World Economic Forum in Davos, Switzerland, to elevate and amplify the importance of women in the economy and highlight the firm's ongoing commitment to women's economic empowerment. The event featured a discussion between CEO David Solomon and Christine Lagarde, Managing Director of the International Monetary Fund, and introduced *10,000 Women* alumni from Brazil, India, Egypt and Nigeria.

To address the more than $1.5 trillion gap in financing to women-led, small and medium-sized enterprises in the developing world, *10,000 Women* and the World Bank Group's International Finance Corporation (IFC) made meaningful strides on a number of existing programs. In 2018, the Women Entrepreneurs Opportunity Facility (WEOF) — launched in 2014 by Goldman Sachs and the IFC as a first-of-its-kind gender-focused facility — surpassed $1 billion in investments to financial institutions in 31 countries. This was more than 60 percent above the original target, and WEOF is well on its way to providing capital to 100,000 women.

BUILDING CONNECTIONS FOR SMALL BUSINESS OWNERS

Small businesses are critical to the US economy: they comprise 99 percent of US employer firms, employ 58 million people and create 63 percent of all private sector net new jobs. Helping small businesses scale has been the mission of Goldman Sachs *10,000 Small Businesses,* and 2018 data continued to show the program's lasting impact on participants and the communities in which they live and work.

10,000 Small Businesses partners with local colleges and other higher-education institutions to provide a practical business education to entrepreneurs. Through a curriculum designed with Babson College, the program has reached 8,200 small business owners across all 50 states, as well as Puerto Rico and Washington, D.C. In addition, *10,000 Small Businesses* creates opportunities to leverage expert advice, participate in one-on-one mentoring with a robust alumni network, and increase access to capital via partnerships with Community Development Financial Institutions and local mission-driven community-based lenders.

47% **of graduates from *10,000 Small Businesses* report new job creation within six months.**

In the 2018 *10,000 Small Businesses* progress report by Babson College, revenues significantly increased among program graduates. In all, ~67 percent report revenue increases within six months of graduation and ~78 percent report increases 30 months out. Job creation has also been strong, with ~47 percent adding jobs within six months and ~57 percent adding jobs within 30 months. Both measures are significantly higher than national averages, as measured by the National Small Business Association in 2016.

At year's end, *10,000 Small Businesses* announced expansion of the program to new business markets in Iowa and New Hampshire. The classes, started in early 2019, drew small business owners from both rural and urban communities.

ADVANCING ENVIRONMENTAL PROGRESS

A sustainable global economy demands global environmental action, from addressing climate change and the need to shift to a low carbon future, to investing in resilient infrastructure and sustainable means of production and distribution. As a firm, we have a long-standing commitment to environmental progress on many fronts and to harnessing innovation and expertise to mitigate the impact of climate change. In 2018, we continued to deliver on our commitments. We surpassed the halfway point in our goal to deploy $150 billion in clean energy by 2025, helped clients worldwide leverage green and sustainable financing to invest in a wide range of sustainability projects, and made significant strides to minimize our own daily operational impacts by reducing plastic and paper waste, increasing implementation of energy efficiency measures, and procuring renewable power.

ADVANCING ENVIRONMENTAL PROGRESS

GOLDMAN SACHS ENVIRONMENTAL PROGRESS

Accelerate energy transition

- Finance and invest $150 billion in clean energy by 2025
- Facilitate clean energy access in underserved markets
- Promote development of green finance markets and structures — $35 billion in green, social and sustainability bonds since 2014

Drive climate adaptation and resiliency

- Financed $19 billion of catastrophe bonds since 2006
- Finance and invest in sustainable infrastructure

Improve operations

- Achieve net carbon neutrality (reached in 2015)
- Meet 100 percent of global energy needs through renewable sources by 2020
- Eliminate 85 percent of single-use plastics from operations by 2019
- Target $2 billion in green operational investments by 2020

SCALING CLEAN ENERGY GLOBALLY

One of our most crucial tasks in helping to drive the transition to a low carbon future is deploying capital to scale renewable energy and other clean technologies that can have real impact. We do this in a variety of ways, from advising clients and raising capital from investors to directly investing the firm's own capital.

Goldman Sachs has been a long-standing advisor and investor in ReNew Power, now the largest renewable energy developer and operator in India. Most recently, the firm was a bookrunner on a $375 million green bond and advised ReNew Power on its purchase of Ostro Energy in one of India's largest-ever renewable energy deals in early 2018. With this acquisition, ReNew Power's total clean energy capacity reached 5.6 gigawatts, 65 percent of which was operational by that year's end. Earlier, we developed an innovative long-term purchase agreement to procure the power generated from a 50-megawatt solar power plant built by ReNew Power; together with existing wind capacity, this enabled our campus in Bengaluru to meet 70 percent of its energy needs from renewable sources.

In Japan, following the 2011 East Coast earthquake and the devastating tsunami at Fukushima, enthusiasm for nuclear power declined considerably. The firm helped to increase renewable capacity through investments in Japan Renewable Energy (JRE), now Japan's leading renewable energy producer, with more than 260 employees and 41 solar/wind power plants and the prospect of reaching 1,000 megawatts of capacity by 2020. In a country with few fossil fuel resources, renewables have become an obvious solution — and scaling solar, wind and other renewables has become imperative.

JRE commissioned its first commercial solar power plant in Namegata in 2014 and made its first foray into biomass in 2015. The company commissioned its first greenfield wind power plant, the 16,000-kilowatt Nakakyushu Onitayama wind farm, in 2016, and its first solar/wind hybrid plant in Hibikinada in 2018.

ADVANCING ENVIRONMENTAL PROGRESS

Scaling Clean Energy Globally (continued)

JRE is now on track to expand capacity over the next two years, including offshore wind power as well as next-generation solar. By the end of 2018, it had 38 solar projects and three wind farms on line, and a range of solar, wind and biomass projects under construction.

In another transaction enabling the scaling of renewables, the firm helped ENGIE North America's distributed Solar Group, part of the ENGIE S.A. Group, accelerate deployment of distributed solar across the US. Smaller than utility-scale solar and less dispersed than residential rooftop, distributed solar involves midsize arrays on sites that range from corporate campuses to box-store rooftops and distribution warehouses. The firm's investment is expected to finance a 75-megawatt portfolio that will stretch from California to Massachusetts.

Projects like these traditionally require up to three separate investments — from tax equity, debt and often additional sponsor equity investors — but in this case, Goldman Sachs was able to provide all three as a single source of financing. This enabled ENGIE, as developer, to achieve both the scale and efficiency benefits of a single source of funding, while creating a replicable, simplified approach to raising long-term capital for the future development and growth of its distributed solar platform.

The portfolio includes behind-the-meter installations that will provide power to commercial and municipal customers, and small-scale front-of-the-meter projects with rural electric cooperatives under previously signed long-term power purchase agreements (PPAs). The investment will be deployed over 12 months, and some projects will begin providing solar power to the customers who are party to these PPAs immediately.

Financing Renewable Energy from Distributed to Utility Scale

ENGIE, USA

75 MW

Japan Renewable Energy

1K MW

ReNew Power, India

5.6 GW

ADVANCING SUSTAINABLE TECHNOLOGIES

In 2018, the firm enabled the development of a wide range of advanced technologies that address environmental issues. A prime example is Red Rock Biofuels ("Red Rock"), which is building a biorefinery in southern Oregon that will convert waste woody biomass from the surrounding forests into renewable jet, diesel and gasoline blendstock fuels.

With Goldman Sachs as lead underwriter, a $246 million bond was issued in April 2018. Red Rock's potential was already endorsed by the US Departments of Agriculture, Energy and Navy, which made a Defense Production Act award of $74 million of the project's total $338 million cost. In addition, Red Rock came to market with commitments from both feedstock suppliers and jet fuel off-takers, including contracts with FedEx and Southwest Airlines.

Red Rock commenced construction in the summer of 2018, and the biorefinery is expected to begin operations in 2020. Importantly, Red Rock is seen as a model that can be replicated across the western US, not only creating renewable fuels but also helping to diminish the threat of wildfires by reducing forest residues.

In another transaction involving the advancement of a waste-to-energy company, Goldman Sachs, through affiliated funds, acquired Restaurant Technologies of Minneapolis and will work closely with the company's management to support its next phase of growth. Restaurant Technologies provides a closed-loop cooking oil solution that is a safer, cleaner and more sustainable way to manage cooking oil usage and disposal in restaurant kitchens. As part of the solution, Restaurant Technologies removes used cooking oil and sells it to biofuel producers as a feedstock in the production of biodiesel. The company operates 41 depots throughout the US and serves a diverse base of more than 27,000 customers, from local independent restaurants to nationwide chains.

In another example of industrial reinvention, Goldman Sachs raised capital and invested in TBM, a Japanese developer of a new technology that is revolutionizing paper and plastic by inventing green alternatives to both. The company's Limex "paper," suitable for virtually any printing application, requires no trees or water, both heavily used in traditional papermaking. Instead, it makes paper from limestone, of which there is a globally plentiful supply. Its "plastic" pellets, meanwhile, combine limestone and small amounts of petroleum-derived resin, which the company plans to replace with materials that are 100% biological and biodegradable.

TBM has now begun development of a full production facility that will be ready to make its products at scale in 2020. With patents in more than 20 countries, including the United States, Japan and countries in Europe, the company is also using proceeds to market its products, add new people and accelerate expansion overseas.

THE POWER OF GREEN BONDS

A YEAR OF INNOVATIVE ISSUANCES

Goldman Sachs has been at the forefront of the design and issuance of innovative green, social and sustainable bonds, raising financing to benefit everything from critical infrastructure projects to initiatives that fuel commercial activity in local economies. These are among the most notable issuances of 2018:

Long-Standing Partnership on Clean Rivers: Goldman Sachs has been a long-time advisor and financier to the District of Columbia Water and Sewer Authority (DC Water). In 2014, the firm helped DC Water underwrite its inaugural green bond with the first-ever 100-year maturity. In subsequent years, Goldman Sachs' Urban Investment Group worked with DC Water and the Calvert Foundation to structure and invest in a first-of-its-kind environmental impact bond. In DC Water's latest green financing in 2018, the firm helped raise a $300 million bond that included $100 million in green bonds. Proceeds from the green bonds will finance a portion of the $2.7 billion Clean Rivers Project, which is designed to significantly reduce combined sewer overflows into District waterways, helping to improve water quality and provide flood mitigation and waterway restoration.

Green High-Yield Bonds: Goldman Sachs was joint global coordinator, bookrunner and structuring advisor in a €550 million green bond for GetLink, operator of Eurotunnel and Europort. The issuance, one of a few high-yield green bonds, will finance a range of green assets, primary among them ElecLink, a 1,000-megawatt direct-current interconnector between France and the United Kingdom capable of carrying enough electricity to power 2 million homes (completion subject to regulatory approval). The project increases power flow between the two countries by 50 percent, and enables France, with its relatively low carbon infrastructure, to send more power to the UK, which is more reliant on fossil fuels. Construction began in 2017 and is expected to last three years, with service scheduled to begin by early 2020.

First-of-Its-Kind Renewable Natural Gas Bond: The firm structured a $61 million green issuance for Equilibrium Capital, a global manager of sustainable real assets, to build a pioneering renewable natural gas (RNG) project in Arizona. The issuance was the first RNG financing in the capital markets to finance a refinery capable of turning dairy waste, one of the largest sources of methane emissions, into vehicle fuel. RNG is fully interchangeable with conventional natural gas, whether compressed or in liquefied form. To serve as vehicle fuel, a likely application, the raw gas is further processed to standard pipeline purity, removing water, carbon dioxide, hydrogen sulfide and other trace elements. Environmental benefits of the technology are considerable: from a lifecycle perspective, RNG has very low or even negative carbon intensity given that the carbon content of RNG is sourced from dairy waste that would otherwise decompose naturally and be released into the atmosphere.

Greening Telecommunications: In early 2019, the firm helped Verizon issue an inaugural green bond that was the first of its kind for a US telecom company and tied for the third-largest US corporate green bond issuance ever. The billion-dollar transaction will fund new and ongoing projects that help to drive Verizon's sustainability initiatives, including investment in renewable energy, energy efficiency and waste reduction projects. Verizon has publicly committed to sourcing the equivalent of half of its annual electric power from renewables by 2025.

$35B

Green, social and sustainability bonds underwritten since 2014

FROM CLEAN ENERGY TO RESILIENT INFRASTRUCTURE TO CORPORATE GREEN INITIATIVES, INNOVATIVE FINANCING IS INSTRUMENTAL IN THE DRIVE FOR SUSTAINABILITY.

ADVANCING ENVIRONMENTAL PROGRESS

BUILDING A THRIVING US GREEN BOND MARKET

While the market for green bonds is growing worldwide, the US market has room for expansion, and closing that gap was the subject of a groundbreaking report in 2018, with Goldman Sachs Asset Management as a co-sponsor and lead participant. Published by the Milken Institute, with support from the California State Treasurer's Office, the report, *Growing the US Green Bond Market*, takes the discussion of green bonds to a new level by focusing not only on the challenges these issuances can help governments and companies address, but on innovative structures and applications that can accelerate the use of green bonds in America.

The report notes that updating the nation's infrastructure to mitigate climate change may have a price tag as high as $4 trillion — well out of the reach of cash-strapped governments. Seen in this light, green bonds are an important tool, attractive to investors seeking long-term yields, potential tax advantages and the ability to add sustainability to their portfolios.

$4T

A repaired and resilient US infrastructure will cost $4 trillion. A robust green bond market is crucial to meeting the challenge.

As a long-time thought leader and innovator in the green bond space, the firm provided research to buttress concrete recommendations for creating an efficient and scalable green bond market — one that will make it easier for governments and companies to carry out much-needed projects, from improving water and wastewater facilities, to increasing charging capacity for electric vehicles, to enhancing infrastructure to better withstand climate-caused stresses.

CHARTING THE FUTURE OF SUSTAINABLE FINANCE

In November, the firm hosted its second Sustainable Finance Innovation Forum (SFI), drawing more than 400 participants from leading corporations, investors, NGOs and public-sector entities, as well as our people. Unfolding against a backdrop of critical events — from extreme weather events to the release of the Intergovernmental Panel on Climate Change report — SFI covered key themes shaping markets and sustainability, including the megatrends of population growth, urbanization, the rise of the middle class and technology innovation.

To kick off SFI, CEO David Solomon spoke about how sustainability is core to our long-term strategy and stressed our commitment to advancing capital to drive positive impacts. The day brought together leading experts to discuss sustainability trends and the role of financial innovation and markets. Topics included the industry transition across energy, mobility and infrastructure, the role of investment in bridging the gender gap, technology innovation and sustainability. In addition, business leaders shared their perspectives on why sustainability is a strategic agenda across the C-suite and the boardroom.

MINIMIZING OPERATIONAL IMPACTS: FURTHERING OUR COMMITMENT

In 2018, we continued to manage our operations according to our Environmental Policy Framework and worked toward a set of ambitious 2020 operational targets. These targets range from sourcing 100 percent of global electrical needs from renewable sources, to significantly reducing energy and resource consumption, to striving for a real estate portfolio that is 70 percent green-building certified and deploying a sustainable procurement framework across our supply chain.

Goldman Sachs Targets and Milestones

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.

Our Environmental Policy Framework articulates our commitment to advancing the environmental stewardship of our operations. The following are our 2020 goals. Our progress toward achievement can be found on page 43.

0
Net carbon emissions across our global operations and business travel from 2015 onwards

100%
Renewable power goal for our global electricity needs by 2020

$2B
Targeted in green operational investments by 2020

70%
Real estate green-building certified by 2020

Carbon and Energy

- **100%** renewable power for global electricity needs
- **Zero** net carbon emissions across our global operations and business travel from 2015 onwards
- **10%** reduction in energy use

Green Buildings

- **70%** green-building certified real estate

Waste

- **0%** business waste to landfill
- **20%** reduction in paper use per capita

Water

- **5%** reduction in water use

Certified Management

- **100%** ISO 14001 certification for environmental management
- **100%** ISO 20121 certification for sustainable events

Supply Chain

- Deploy sustainable procurement framework

As 2020 draws near, we have furthered our commitments to minimizing our operational impact with the following 2025 targets:

- **Carbon Neutrality:** Maintain carbon-neutral operations
- **Universal Green Building Standards:** Continue to certify 100 percent of all new construction and major renovation projects to LEED Gold or equivalent
- **Responsible Resource Consumption:** Remove 100 percent plastic bottles and disposables. In addition, achieve 20 percent reduction in water use for all new construction and major renovation projects
- **Certified Management Systems:** Certify 100 percent of global events, both on and off campus, to ISO 20121 event sustainability management
- **Responsible Supply Chain Management:** Increase spend with diverse vendors by 50 percent from our 2020 baseline and assess 100 percent of our vendors for ESG risks

Learn more at **www.goldmansachs.com/environmental-stewardship**

ADVANCING ENVIRONMENTAL PROGRESS

SAYING GOODBYE TO PLASTIC, REDUCING USE OF PAPER

100%

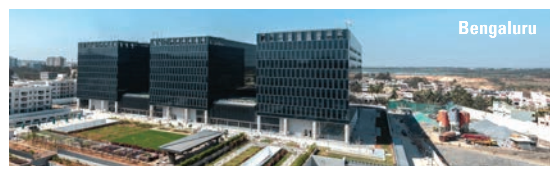
Eliminating Disposable Plastic: 85% by 2019, 100% by 2025

Our goal is to eliminate single-use plastic across our operations, particularly in vending machines and cafeterias on our campuses, because plastic is difficult to recycle, and much of it becomes plastic pollution. Plastic bottles, for example, are being replaced by glass, aluminum and cardboard alternatives.

Working with our vendors, the firm is on track to remove 85 percent of the plastics we consume by the end of 2019. In addition to plastic bottles and straws, this effort includes plastic film presentation covers and bindings. Together, these efforts are expected to eliminate 38 tons of waste per year.

As a firm, we are also decreasing paper use. We recently eliminated paper cups globally; this shift to nondisposable cups eliminated more than 200 tons of paper cups. We are also focused on reducing our reliance on printed materials. Each year, Goldman Sachs mails an estimated 75 million pages to clients. In 2018, we reviewed legal communication requirements and asked clients to update mailing preferences, resulting in the elimination of paper communications from thousands of accounts. Internally, we are reducing paper in favor of digital media to communicate with our people. This creates an opportunity to eliminate another 10 million pages of output annually.

CREATING A MORE SUSTAINABLE WORKPLACE



In line with our 2020 commitment to certify 70 percent of our real estate to green building standards, our new campuses in Bengaluru and London feature smart design and maximize efficiency to mitigate environmental impacts. In partnership with our vendors, who share our sustainability goals, we have introduced new programs, processes and policies that extend beyond the walls of our new buildings and aim to positively impact on-site construction workers, our employees and the community at large.

In Bengaluru, the new campus consolidates previously dispersed operations into an interconnected three-building development. The campus incorporated the latest green features and has achieved LEED Platinum certification. It is also our first building to seek the WELL Building certification for a healthy workplace. The 1.22 million-square-foot development is powered through a power purchase agreement for solar and wind that cuts our current carbon footprint in Bengaluru by approximately 50 percent. Green-building features include strategic orientation to maximize daylight, cladding that reduces solar heat gain, lighting that adapts to natural light and usage, underfloor air conditioning that contributes to air quality and energy savings, systems that harvest, store and recycle rain and condensation for the building's use, and technology that maximizes efficiency in hot-water generation and cooling. In addition to our environmental efforts, during the construction phase of the building, we achieved 18 million safe working hours, offered free health camps and provided English classes to more than 1,000 workers.

In London, our new Plumtree Court office is designed to achieve a BREEAM New Construction rating of "Excellent," which will minimize environmental impact while providing an enriching work environment for Goldman Sachs employees. Among the highlights is a green roof that will feature native plantings, facilities for composting and rainwater harvesting technology for the garden. Plumtree Court will also employ leading-edge heating and cooling technology and 100% LED lighting to reduce annual CO_2 emissions by 25 percent. Kitchen, bathroom and cooling appliances use 40 percent less water than their standard counterparts.

During the construction and fit-out phases of our Plumtree Court office, we focused our spending on local small and medium-sized enterprises, hired local labor, and provided nearly 200,000 hours of work to apprentices and trainees. Our commitment to the on-site workforce centered on fostering a diverse and inclusive work environment with a focus on health, London living-wage pay as a minimum and engagement in the local community.

In Bengaluru:

50%

A 50% reduction in carbon footprint;

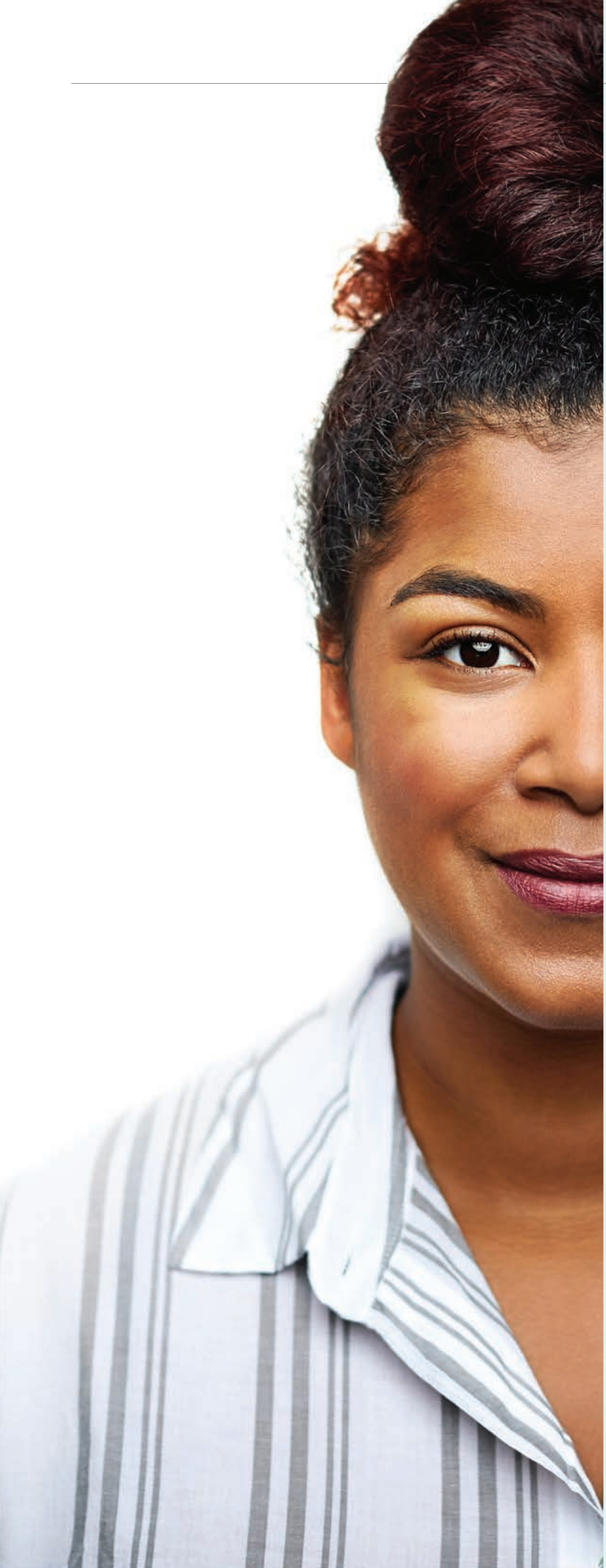
0

Zero construction waste to landfill, and 100% incineration of all hazardous waste

In London:

25%

A 25% reduction in CO_2 emissions



INVESTING IN OUR PEOPLE

CULTURE
INCLUSION
DIVERSITY
TRAINING
SUPPORT
EQUALITY
SERVICE
COMMUNITY

Above all, Goldman Sachs is a relationship-driven business. Our most important form of capital is human, and the quality, engagement and diversity of our workforce is what differentiates the firm. Effectively serving a broad and diverse set of clients means having an appreciation for their different experiences, interests and values. That's why we invest heavily in recruiting, developing and retaining our people, and set aspirational goals to improve the diversity of our workforce.

INVESTING IN OUR PEOPLE

By investing in our people, we build a level of support that enables employees to reach their fullest potential throughout the arc of their careers. We recognize that their dedication deserves a work/life experience that is continually enriched, whether through valuable learning opportunities, a strong framework for career advancement, or a health and wellness support system that makes an optimal work-life balance attainable.

We seek to create an environment where people can reach their fullest potential, meet the wide-ranging needs of our clients by leveraging diverse perspectives, and reflect the diversity of the regions and communities where our clients do business. We view diversity broadly at Goldman Sachs, including with respect to gender, race, sexual orientation, gender identity, veterans and disability or whatever contributes to who we are. While we have made progress in recent years — we have more diverse representation on our Board of Directors and our most recent partner class had the highest percentage of women and black partners in our history — we recognize there is a long way ahead of us and still much work to be done.

Our Commitment

Driven by our management team and Global Diversity Committee, we are undertaking new initiatives aimed at increasing the representation of diverse communities at all levels across the firm. This includes a commitment to having women represent 50 percent of our global talent over time. In addition, we are committed to increasing the representation of our analyst and entry-level associate new joiners — which represents more than 70 percent of our annual hiring — to 50 percent women, 11 percent black professionals and 14 percent Hispanic/Latino professionals in the Americas, and 9 percent black professionals in the UK.

Experienced lateral hiring has been an important part of the firm's growth. However, it has also been a significant contributor to the dilution of our diversity at more senior levels. To expand our sources for diverse talent, we will require businesses to interview two or more qualified diverse candidates for each open role.

To drive progress, we are holding business unit heads accountable for working to ensure an inclusive environment. In addition, we have a range of initiatives in place to increase diverse representation at all levels while fostering inclusion:

- Recruiting the best, most diverse talent by leveraging technology and engaging with new media outlets to search for people in new ways. Our aim is to engage with the broadest possible range of candidates, including pipeline programs designed to attract people who might never otherwise look to pursue a career in financial services

- Building and sustaining an inclusive work environment requires building a common language, skills and accountability. Our diversity and inclusion curriculum includes offerings that increase awareness of the diverse backgrounds and experiences of our people. Most recently, we launched Identity Matters: Race & Ethnicity in the Workplace, a classroom curriculum that addresses inclusion barriers with a focus on race and ethnicity

- Enhancing the experience of our diverse professionals at every phase of their career, in all the regions where we do business. Examples include our Women Vice President (VP) Sponsor Programs, which encourage our highest-performing VPs to assume larger leadership roles, and our Asian Talent Initiative, which resulted in noticeable increased promotion rates for our Asian professionals

- More than 50 percent of our people opt in to one or more of our affinity networks globally and more than 300 of our senior managers hold network leadership roles

INVESTING IN OUR PEOPLE

Advancing Leadership Diversity: Goldman Sachs 2018 Participating Managing Director Class

Advancing Leadership Diversity 2018

69
New Partners

	New Partners
2016	84
2014	78
2012	71

Partnership Size with New Class: **484***

Divisional Breakdown

Compliance	1
Consumer and Investment Management	4
Executive Office	1
Finance	1
Global Investment Research	1
Investment Banking	21
Legal	1
Merchant Banking	6
Operations	1
Risk	1
Securities	28
Technology	3

29%
Millennials

67%
Started at GS as Analysts/Associates

28%
Worked in More Than One Division

- **79** Schools
- **13** Years Average Tenure
- **18** Countries of Citizenship
- **19** Languages Spoken

More Women and Diverse Professionals**

26% WOMEN
Highest Percentage Ever

20% ASIAN
Highest in 8 Years

6% BLACK
Highest Percentage Ever

Diversity of Partnership with New Class

Women	83 / 17%
Black	12 / 2%
Hispanic	9 / 2%
Asian	74 / 15%
LGBT	5 / 1%

*Partnership data includes new class and excludes announced retirements as of November 7. **Based on self-identification information.

Diversity and Inclusion (continued)

In addition, in 2018, we enhanced our efforts to recruit top, diverse talent by introducing several new programs and extending proven programs. We launched our inaugural Hispanic/Latino Leadership Summit to enhance connectivity with Hispanic/Latino students, particularly those attending Hispanic-Serving Institutions. The Summit featured career workshops, skills training, networking and on-site interviews for participants. In addition, we launched the Africa Recruiting Initiative, which sends Goldman Sachs engineers from New York and London to Lagos, Nigeria, to engage with students over four days of coding quizzes, mock presentations and technical evaluations. We also expanded our efforts to source black talent from Historically Black Colleges and Universities (HBCU) and engaged with more than 2,500 HBCU students across more than 21 events, including our second annual Leadership Summit — a three-day event focused on skills-building, networking and exploring what it means to be a leader. In addition, we hosted our third annual Women Emerging in Finance program in our Bengaluru office, which provides women a perspective on career paths across the financial services industry — 96 students from 18 business and engineering schools attended.

Our efforts extend to thought leadership and research with partner organizations. In 2018, we partnered with Working Mother Media to launch the report *Uncovering Hidden Potential: Non-Apparent Disabilities in the Workplace* and hosted the Council of Urban Professionals Fellows Program, a one-year leadership development experience for early- to mid-career black and Hispanic/Latino professionals.

HOLISTIC SUPPORT

We recognize that for our people to be successful in the workplace, they may need our support in other aspects of their lives. The firm offers significant resources for all of our people as they strive to balance work and their personal responsibilities.

EXPECTANT PARENTS

Expectant parents (and those planning a family) can tap into programs on work/life coordination, including access to a dedicated expectant-parent coordinator, who can help provide guidance on the firm's benefits, facilities and mentoring opportunities for first-time parents. The firm's healthcare plans include a healthy-pregnancy program focusing on prenatal care, labor and delivery, and newborn care. Available to all employees, but especially useful to expectant mothers, are ergonomic services that create a more comfortable work environment; areas of focus include proper work-station setup and addressing such potential issues as stiffness, pain, aching and eye discomfort.

Upon returning to work, new parents are supported by a wide range of services, including lactation consultants, on-site lactation rooms, and on-site and near-site childcare in many locations. Another offering is MilkShip, a breast milk–shipping program available to mothers who are traveling on Goldman Sachs business. Through MilkShip and other Goldman Sachs programs, new moms can safely ship breast milk home, using a simple, secure shipping kit delivered to their destinations overnight, or submit their own shipping expenses for reimbursement.

All Goldman Sachs managers and leaders are encouraged to understand and implement best practices for supporting mothers and fathers who are starting or growing a family. Through a new eLearning program designed to better equip leaders to support new parents, managers are guided through the steps of preparing for a colleague's parental leave. The steps include encouraging new parents to take advantage of the benefits that are available to them and recognizing that life events, such as birth, can generate natural anxieties, and that it is often best to keep people on leave updated on news and team developments at the office.

We also offer robust family resources to all of our people, which includes paid leaves of absence available to new parents, backup care systems for mildly ill children, and confidential advocacy and healthcare system guidance when an employee or family member faces a serious medical condition. Other additional resources include high school curriculum planning and assistance in applying and preparing for college, as well as education on medical, savings, tax and estate plans.

BUILDING GREATER RESILIENCY

At Goldman Sachs, we believe that our people's well-being is vital to the firm, and we seek to help them succeed both personally and professionally. This includes assisting them with a wide range of issues, from everyday stress, to work/life management, to career challenges or worries at home. The firm supports personal resilience training through a variety of channels, from guidance and skill-building workshops, to discussions on sleep and increasing optimism, to clinical support, if needed, to manage behavioral health concerns. Additionally, the firm provides training to managers and leaders on how to promote resilience within their teams, and how to identify when an employee or colleague may need clinical resources and support.

Our programs seek to build resilience across five dimensions:

- *State of mind:* Taking control of thinking and staying focused on the present
- *Physical strength:* Increasing energy and stamina for work and life
- *Connection:* Cultivating positive work and personal relationships
- *Purpose:* Aligning goals and priorities with values, and focusing on the impact of actions on others
- *Self-awareness:* Developing a clear perception of self, including strengths, motivations and areas to develop

To aid in this effort, Goldman Sachs adopted a resilience management platform in 2018, offering employees a mobile-based, clinically validated self-development tool that helps users mitigate stress, achieve emotional balance and improve work performance. The tool applies proprietary analytics and a 90-question self-assessment, and then prescribes a customized skills-building plan for each individual.

Easy-to-use tracking tools benchmark progress as new skills are developed, while reminders help to reinforce key concepts and behaviors. The platform is available to all employees and helps to improve one's ability to respond to daily events, understand mood and stress triggers, and gain confidence and build critical skills.

A SERVICE-ORIENTED CULTURE

A dedication to service has long been a core element of our culture. We seek to support our people as they actively apply themselves to making contributions to their communities — particularly through self-generated initiatives in areas that are personally meaningful and where focus, hard work and expertise can make a significant difference.

Goldman Sachs Gives, a donor-advised fund for our firm's partners, emphasizes innovative approaches to philanthropy, programs that solve specific economic and social challenges, and initiatives that enable progress in underserved communities.

GOLDMAN SACHS GIVES

$350M

in need-based scholarships over the past decade

One example is our commitment to providing increased opportunities to access education, in particular through grants supporting need-based financial aid. In 2018, we contributed $30 million in grants to higher education, surpassing $350 million in *Goldman Sachs Gives* grants over the past 10 years to more than 400 colleges and universities in 20 countries. Included among the hundreds of scholarship recipients are first-generation students, students from diverse racial and ethnic backgrounds, students suffering from unexpected financial hardship, veterans, and students matriculating at community colleges. *Goldman Sachs Gives*' academic grants provide opportunities for students who might not otherwise be able to afford the cost of their education. With the expense of higher education continuing to increase, *Goldman Sachs Gives* remains committed to supporting access to academic institutions around the world.

Another 2018 *Goldman Sachs Gives* initiative was our support of "Honor Code," a collaboration between the Navy SEAL Foundation and EVERFI, the online training platform, to create a curriculum that takes on bullying. The program, aimed at empowering students to create positive change in their school communities, keys off the SEALs' 10-part ethos: Integrity, Responsibility, Loyalty, Respect, Teamwork, Discipline, Selflessness, Leading by Example, Goal Orientation and Standing Up for Others. By teaching social skills in realistic, scenario-based modules, the program enables students to counteract bullying by building courage, resiliency and leadership skills.

Finally, the ***Goldman Sachs Gives* Analyst Impact Fund** offers our analysts the opportunity to collaborate with peers from across the firm to pitch innovative nonprofits for the chance to secure a grant from *Goldman Sachs Gives*. In 2018, the six finalist teams presented a range of nonprofits working to address global challenges. The firm judges proposals on criteria, including scalability, uniqueness, and the strength of an organization's leadership and partnerships. The top winner: a London-based team representing the organization Bondh-E-Shams and its Solar Water Project, which uses sustainable energy to address water crises in under-resourced communities. Other finalists included a nonprofit leveraging 3-D printing technology to combat homelessness and an initiative to support survivors of human trafficking through a coding education program.

INVESTING IN OUR PEOPLE

(continued)

Community TeamWorks (CTW): Through traditional and skills-based volunteering, our people can pursue their desire to do good in ways that maximize their potential for impact. From coaching small business owners to delivering workshops on career readiness and financial literacy, CTW enables our people to contribute time and effort to high-impact, team-based projects completed in the course of a day. The program, now in its 23rd year, is open to all employees, from analysts to senior managers. In developing projects, the firm coordinates with hundreds of nonprofit partner organizations worldwide. In addition, CTW supports employee-initiated projects, enabling our people to create programs that are personally meaningful, like building houses and leading outdoor beautification efforts by planting trees and cleaning beaches. In 2018, more than 20,000 colleagues across 49 offices in 25 countries volunteered through CTW, completing 1,300 projects with nonprofits from Tokyo to London and Mexico City to Chicago.

Community TeamWorks

25
countries

1,300
projects

20,000
volunteers

INVESTING IN LOCAL PARTNERSHIPS

In addition to the Community TeamWorks program, we also manage stakeholder relationships in and around our buildings with the goal of being responsive to community needs, on an ongoing basis, within our operational footprint. Examples include the following:

The Local College Collaborative is a unique leadership program that brings college students together with Goldman Sachs business leaders to develop leadership, career readiness, business management, analytical, teamwork, networking and presentation skills. The Local College Collaborative is an annual program that selects 40 high-performing students from four academic institutions near our Jersey City and New York City offices: Borough of Manhattan Community College, Hudson County Community College, New Jersey City University and Saint Peter's University. Over the course of two semesters, students work alongside their peers and Goldman Sachs coaches, forming "school pods." Each pod is assigned a public company to evaluate and is given a series of business case challenges to address. Students also visit a corporate campus, where they hear from leaders at their assigned partner company. The work culminates in a capstone presentation, and students receive academic credit and/or a financial stipend from their respective school for successful completion of the program.

Singapore Student Art Project is a partnership with the Autism Resource Centre (ARC-Singapore) and The Art Faculty by Pathlight School, a local charitable organization providing art programs for differently-abled student artists. In 2018, the firm launched an annual effort, to lease various art pieces created by students to display in a communal area gallery at the firm's Singapore office. Using art created by local youth was a way to decorate our office space while also connecting our people with their communities. At year-end, and as part of the firm's Disability Awareness Month commemoration, the artwork was auctioned off to employees, raising nearly $7,000, which was donated to the organization in support of its programs.

At Goldman Sachs, managing our business responsibly means effectively managing risks — for the firm and for the companies and investors we work with. Mitigating environmental and social risks is fundamental to all of our businesses. Reputational risk can pose serious threats and must be managed accordingly. For all of these reasons, the firm prioritizes exemplary corporate governance, including a robust risk management infrastructure, and principles and processes that govern the way we do business around the world.

PRINCIPLES AND POLICIES

Environmental & Social Risk Management Framework

Our Environmental Policy Framework guides our overall approach to sustainability issues, including the management of environmental and social risk. This Framework, as well as many of our other sustainability-related policies, was developed with the consultation of stakeholders, including investors, NGOs and regulators. Our Framework includes a number of basic tenets:

- That we manage environmental and social risks with the same care and discipline as we do other business risks
- That we weigh environmental and social impacts in all relevant business selection decisions
- That we engage clients in identifying significant ESG issues, and help them adopt appropriate safeguards and sustainable practices where feasible
- That we decline assignments when client engagement is not possible, when potential impacts cannot be mitigated, and when unacceptable risks conflict with our environmental and social policy guidelines

Our Framework also helps clients develop environmental and social risk disclosures as appropriate. In addition, we proactively monitor developments — from emerging ESG issues to evolving best practices — and periodically review and update our guidelines to reflect that evolution.

Culture

Our culture has been a cornerstone of our business and performance throughout our 150-year history. Our 14 Business Principles, which were codified in 1979, outline our commitment to our clients and our cultural expectations, including how teamwork, excellence, personal initiative and accountability are integral to our long-term success.

Conduct

Our Code of Business Conduct and Ethics outlines our shared responsibility to our clients, our colleagues and our communities.

As part of our ongoing commitment to dialogue, education and formal training, the firm offers a range of programs focused on our business standards and conduct. During 2017 and 2018, our Chairman and CEO hosted *The Chairman's Forum*, a mandatory program for partners and managing directors. The Forum leverages an interactive video case study to reinforce the critical responsibility of those in leadership positions to promote good conduct and protect our reputation. Facilitated by members of the Management Committee, the training reached more than 2,350 leaders across eight cities globally.

In addition, *The Control Side Learning Initiative* is a series of scenario-based learning modules and roundtable discussions which aim to empower all employees at the firm to serve as the first line of defense against transactional, operational and reputational risks. Throughout the sessions, participants practice exercises in good decision-making and review how to escalate and challenge actions and potential issues.

Climate Risk Disclosure

We continue to engage in climate-related disclosure initiatives across the financial services industry. In 2018 we announced our support for the Task Force on Climate-related Financial Disclosures ("TCFD"), joining more than 500 other global organizations. We also engaged with a group of peer banks in the US to develop pilot stress testing for climate-related risk in the oil and gas sector that forms part of our bank lending portfolios. As part of our ongoing process, we plan to further enhance our disclosure through a TCFD-aligned report.

MANAGING RISK ACROSS THE FIRM

The practice of environmental and social risk management is fundamental to managing our firm responsibly. Because our employees are the firm's first line of defense, we train our people in risk management globally, including with respect to potential sustainability-related risk. Specialized training is given by sector and industry — for example, in sectors, such as metals & mining or oil & gas, which we believe have higher potential for environmental and social risk.

In our advisory, financing and investing activities, we are highly focused on transactional risk, and conduct enhanced review when transactions involve companies with the potential for ESG impacts or vulnerabilities.

Across the firm, our Environmental Markets Group (EMG), reporting directly to the Office of the Chairman, coordinates the firm's Environmental Policy Framework and works closely with our businesses globally, to both manage environmental and social risks and identify market opportunities. In 2018, we reviewed nearly 1,300 transactions for environmental and social sensitivities.

Our risk management infrastructure is integrated throughout the firm. At the highest level, we broadly examine legal, regulatory, environmental, social and governance risks, and review potential transactions through a risk management lens. In addition, at an operational level, in-house teams with strong technical expertise guide environmental, health and safety (EHS) standards for our investing activities; they also perform EHS due diligence on proposed investment transactions, helping business teams identify and remedy potential risk factors. In these direct investments, we closely and continuously examine potential risks in our portfolio. This includes monitoring portfolio companies and engaging with their managers as appropriate.

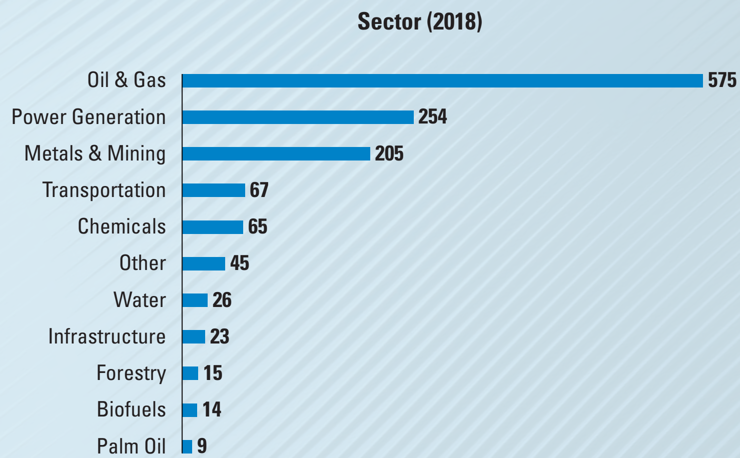
MANAGING RESPONSIBLY

POTENTIAL TRANSACTIONS REVIEWED

For Environmental and Social Risks

1,298

Deals Reviewed (2018)



Managing Risk Across the Firm (continued)

In 2018, we effectively managed EHS risks in a number of potential transactions and portfolio companies.

For example, when the firm sought to acquire a food ingredient and personal care products distributor, due diligence identified that the existing EHS programs needed to be further improved. Working with the Operational Risk Management & Analysis Environmental Specialist Team, we required rotating third-party EHS audits to be performed annually at critical company locations, and the implementation of a central EHS data management program to centralize regulatory compliance and permitting activity and to improve corporate oversight. As a result of the tactical and programmatic improvements, the company's corporate culture became more EHS risk–focused.

In another case, when considering a potential financing for a palm oil producer located in Southeast Asia, the team noted EHS-related concerns associated with the company's operations, including allegations of deforestation and peatland clearance. The team also noted a lack of the industry certifications required by our Environmental Policy Framework for certain of the client's subsidiaries. Despite additional due diligence, we were unable to work with the company to develop sufficient measures to address these concerns and declined to participate in the transaction.

STEWARDING CLIENT INVESTMENTS

GSAM IS:

- UN Principles of Responsible Investment signatory
- Carbon Disclosure Project (CDP) investor signatory
- Signatory to stewardship codes of the UK, Japan and Singapore
- Member of the Investor Stewardship Group (ISG)
- Adherent to numerous global corporate governance and stewardship codes

Managing responsibly also means managing risks in client investments, from conducting effective due diligence of portfolio companies, to engagement with company management, to exercising proxy votes on our clients' behalf.

GSAM has a diverse group of portfolio managers, but each team operates within an integrated risk management structure and assumes responsibility for stewardship of its investments. While these teams differ in ways commensurate with their investment themes and philosophies, they partner on key stewardship initiatives.

GSAM's fundamental and quantitative equity teams hold companies in which our clients invest to highly specific performance expectations. The teams work to ensure that these expectations are realistic and achievable, but when companies fall short, we meet those shortfalls with the most appropriate actions, from expressing our views through proxy voting to engaging directly with management.

The firm has developed global guidelines to govern execution of GSAM's proxy voting responsibilities. These guidelines are updated yearly to incorporate emerging issues, as well as our latest views and priorities regarding governance topics, from shareholder voting rights and anti-takeover defenses to executive compensation, shareholder proposals, and issues of corporate and social responsibility. In 2018, GSAM's Global Stewardship Team and active equity investors engaged with approximately 2,350 companies to discuss board composition, governance best practices, executive compensation and shareholder proposals.

Proxy voting, July 1, 2017–June 30, 2018:

Number of meetings voted	Number of votable items	% of votes with management	% of votes against management	% of votes on shareholder proposals
10,834	105,968	89%	11%	2%

Learn more at **www.gsam.com/stewardship**

A MORE SUSTAINABLE AND DIVERSE SUPPLY CHAIN

In 2018, we reaffirmed our commitment to inclusive and responsible supply chain management and relaunched the firm's Sustainable Supply Chain Strategy. We have developed an ESG risk management model that enables clear assessment of ESG supply chain risks globally and launched an online training course covering modern slavery risks. The firm also released its Vendor Code of Conduct, clearly outlining the firm's expectations on sustainability, with topics ranging from ethical business conduct and human rights protections to responsible sourcing practices and environmental stewardship. In the next year we will fully embed our ESG risk management model to ensure 100 percent of our vendors are assessed for ESG risks.

Our vendor diversity and inclusion strategy is a key component of this effort and seeks to drive opportunities with small and minority business owners. We continue to discover and partner with exceptional businesses through the program in our efforts to achieve a supply chain that reflects the diversity of our people and clients. However, we believe we can always do better, and have set 2025 targets accordingly, including publicly reporting our spend with certified diverse vendors, and increasing that spend by 50 percent from our 2020 baseline.

RISK-CENTERED GOVERNANCE

Appropriate oversight by our management and Board of Directors, as well as strong policies and practices, are key contributors to our ability to effectively manage a broad spectrum of financial and nonfinancial risks across our businesses, including with respect to ESG considerations.

Our Board and each of its committees are responsible for overseeing the management of the firm's most significant risks. Our Board and its committees place significant focus in their oversight duties on reputational risk and management's operation of the firm responsibly for the long term. The Board's Public Responsibilities Committee (PRC) has primary oversight of our firmwide approach to ESG and related risks, including through the review of key ESG policies. Our ESG policies and procedures provide transparency into our practices and are generally developed with the consultation of stakeholders, including regulators and investors.

Oversight of the firm's culture is an important element of how the Board engages on the firm's reputation, particularly because our people are our greatest asset. Our Board sets the "tone at the top," and holds senior management accountable for embodying, maintaining and communicating the firm's culture throughout the firm. Core to our success is that our focus on risk and reputation extends throughout every level of Goldman Sachs. To this end, our people are trained on our business standards and culture, underscoring the responsibility of every employee to uphold our culture of teamwork, excellence, personal initiative and accountability.

At the management level, our firm's committee structure serves to emphasize these points. The firm has a series of committees, generally comprised of senior managers from our first and second lines of defense, with specific risk management mandates that have oversight or decision-making responsibilities for various risk management activities. For example, our Enterprise Risk Committee is globally responsible for overseeing all of the firm's risks, both financial and nonfinancial. In addition, the Firmwide Reputational Risk Committee is accountable for vetting certain transactions that have the potential for heightened reputational risk.

There are always important lessons to be learned from difficult situations, and as it relates to 1Malaysia Development Berhad (1MDB), over the past several years, we have looked back and will continue to reflect on anything else the firm could have done better. It remains a priority for the Board and management that our culture of integrity, compliance and escalation only improves from this experience. Effective risk management is demanding and difficult but we are committed to it and believe it is a core competence that helps define Goldman Sachs.

METRICS

KEY METRICS AND INDICATORS

Below we provide an overview of selected key metrics. For a complete list of our ESG-related resources and disclosures, please visit our Resource Guide.

GOLDMAN SACHS U.S. WORKFORCE DEMOGRAPHICS

	White	Asian	Black or African American	American Indian/ Alaskan Native	Hispanic or Latino	Two or More Races	Native Hawaiian or Other Pacific Islander	Females
Exec/Sr. Officials & Managers	78.3%	14.0%	2.7%	0.1%	4.3%	0.8%	0.0%	23.0%
Officials & Managers	59.7%	29.2%	4.8%	0.2%	4.7%	1.4%	0.1%	29.0%
Professionals	54.0%	28.7%	5.6%	0.1%	9.2%	2.3%	0.2%	38.0%
All Others	61.0%	8.0%	13.8%	0.3%	14.5%	2.5%	0.2%	60.3%
Total	57.2%	25.2%	6.2%	0.1%	9.0%	2.1%	0.2%	38.7%

Source: Goldman Sachs 2018 Equal Employment Opportunity (EEO-1) reports. "All Others" is a combination of the following EEO-1 job categories: technicians, sales workers, administrative support, craft workers (skilled), operatives (semi-skilled), laborers & helpers and service workers. Data as of 11/30/2018 (U.S. Only)

ENVIRONMENTAL INDICATORS

	Trend 2017–2018	2018	2017	2016
Organization				
Global Facilities Reported	↑	187	178	186
Revenues ($M)	↑	$36,616	$32,730	$30,790
Operational Rentable Square Feet (million sq. ft.)	↑	10.6	9.4	9.5
Employees	↑	36,600	33,600	32,400
Certification				
◊LEED-Certified Buildings (% of sq. ft.)[1]	↑	57%	55%	55%
◊ISO 14001 Certified Operations (% of sq. ft.)	↑	95%	79%	70%

METRICS

	Trend 2017–2018	2018	2017	2016
Energy				
Global Direct Energy Consumption (MWh)	↑	41,237	41,207	42,283
Natural Gas		91%	90%	88%
Fuel Oil		9%	10%	12%
Global Intermediate Energy Consumption (MWh)	↑	502,790	493,164	502,837
Purchased Electricity		96%	97%	97%
Purchased Steam & Chilled Water		4%	3%	3%
Global Direct and Intermediate Energy Consumption (MWh)	↑	544,027	534,370	545,120
◊Reduction in Global Energy Consumption from Baseline (%)	↑	-10%	-12%	-10%
Global Renewable Energy Consumption (MWh)	↑	463,192	453,518	440,902
◊Percent Renewable Energy	↑	96%	95%	90%
Greenhouse Gas (GHG) Emissions				
Scope 1 — Direct (metric tons CO_2 equivalent [tCO_2e])	↑	11,482	11,147	11,520
Natural Gas		66%	67%	66%
Fuel Oil		8%	9%	11%
HFC Refrigerants		26%	24%	23%
Scope 2 (location) — Indirect (tCO_2e)	↓	184,809	186,991	210,054
Purchased Electricity		98%	99%	99%
Purchased Steam & Chilled Water		2%	1%	1%
Scope 2 (market) — Indirect (tCO_2e)	↓	13,676	15,802	34,179
Purchased Electricity		77%	85%	93%
Purchased Steam & Chilled Water		23%	15%	7%
Scope 3: Category 6 — Business Travel (tCO_2e)	↑	139,893	120,001	102,266
Commercial Air		88%	88%	88%
Other Transport[2]		12%	12%	12%
Total Emissions: Scope 1 & 2 (location) (tCO_2e)	↓	196,291	198,138	221,573
Office Scope 1 & 2		53%	53%	54%
Data Center Scope 1 & 2		47%	47%	46%
Total Emissions: Scope 1, 2 (market) (tCO_2e)	↓	25,158	26,949	45,699
Total Emissions: Scope 1, 2 (market), and 3 Category 6 (tCO_2e)	↑	165,051	146,950	147,965
◊Net Emissions: Scope 1, 2 (market), and 3 Category 6 (tCO_2e)		0	0	0
Verified Carbon Offset Emissions Reductions (tCO_2e)		165,051	146,950	147,965
Revenues (tCO_2e/$M)[3]	↓	5.4	6.1	7.2
Rentable Square Feet ($kgCO_2e$/sq. ft.)[3]	↓	18.4	21.1	23.3
Full-Time Occupants (tCO_2e/Employee)[3]	↓	5.4	5.9	6.8

METRICS

	Trend 2017–2018	2018	2017	2016
Water				
Global Water Withdrawal (m^3)	↑	1,012,929	979,323	981,060
◊Reduction in Global Water Withdrawal from Baseline (%)	↑	-2%	-5%	-5%
Waste				
Global Business Waste (metric tons)	↓	5,920	5,979	6,083
Recycled/Composted Material		61%	57%	51%
◊Landfilled Material		2%	7%	9%
Waste to Energy		37%	36%	40%
Global e-Waste (metric tons)	↑	431	265	138
Recycled Material		100%	100%	100%
Global Construction Waste (metric tons)	↑	6,115	4,171	56,639
Recycled Material		93%	99%	99%
Landfilled/Waste to Energy Material		7%	1%	1%
Paper				
Paper Consumption (million sheets)	↑	236	233	258
New Fibers (FSC/SFI)		65%	69%	71%
Post-Consumer Recycled		21%	22%	20%
New Fibers		14%	9%	9%
◊Paper Consumption/Employee (sheets)	↓	6,433	6,944	7,977
CDP				
Climate Change Survey: Score		A	A	A
Climate Change Survey: Leadership Recognition		A List	A List	A List
Supply Chain				
◊Vendor Code of Conduct[4]		100%	100%	–
CDP Supply Chain Engagement[4]		–	–	148/83%

Notes:

Note 1: This symbol ◊ before an indicator denotes an environmental commitment through Goldman Sachs' 2015 EPF; reductions are from a 2013 baseline.

Note 2: This includes charter air, rail/bus, ferry and car.

Note 3: Metrics are normalized using Scope 1 & Scope 2 (location) emissions.

Note 4: The Supplier Code of Conduct was launched to all active suppliers in 2017, and to all newly onboarded vendors in 2018.
Prior to this, the CDP Supply Chain program was used to engage suppliers on climate, with number of vendors and response rate indicated.

METRICS

PROGRESS TOWARD 2020 GOALS FOR OUR OPERATIONS

Many of the environmental commitments set out in our updated 2015 Environmental Policy Framework have been achieved, and in 2018, we expanded those commitments to a new set of goals for 2025. We have reached our target of reducing energy use by 10 percent from our 2013 baseline through the rightsizing of our real estate portfolio and migration to newer, certified green-building spaces. In 2018, more than 96 percent of our global electricity needs were met by renewable energy, and we are on track to achieve 100 percent by 2020.

Category	Progress to Date[1]	2020 Goal[2]
Renewable Energy Sourcing renewable power to meet our global electricity needs	96%	100%
Energy Efficiency Reducing absolute energy use across our operationally controlled facilities	10%	10%
Green Buildings Achieving LEED Gold or equivalent green-building certifications	57%	70%
Business Waste Diverting business waste from landfill	98%	100%
Paper Reducing our consumption per capita	26%	20%
Water Reducing our absolute consumption in operationally controlled facilities	2%	5%
Certified Management Systems Environmental Management Systems across our operationally controlled facilities	95%	100%
Green Operational Investments Dedicated budget for investing in green buildings and innovative green technologies	$1.2B	$2B

[1]As of 2018 year-end. [2]2020 goals are from a 2013 baseline except for our Green Operational Investments, which includes capital invested since 2015.

Met or surpassed goal

RECOGNITION

FEATURED AWARDS AND RECOGNITION

Each year, Goldman Sachs receives awards across categories including business, employer of choice, and environmental, social and governance (ESG). Selected awards are shown below. For a complete list, please visit our Awards page.

ENVIRONMENTAL AWARDS AND RANKINGS:

EPA Green Power Partnership
February 2019

National Top 100 ranked #42
Fortune 500 Partners List ranked #20

The re100: Companies Going 100% Renewable
January 2019

Listed

Carbon Disclosure Project
January 2019

Supplier Engagement Leaderboard
Listed

Climate Change
"A List"

Dow Jones Sustainability Index North America
September 2018

Listed

Climate Leadership Awards
March 2018

Innovative Partnership Certificate

BUSINESS AWARDS AND RANKINGS:

Fast Company: 10 Most Innovative Companies in Finance
March 2019

Marcus by Goldman Sachs ranked #5

IFR Awards
December 2018

Top Equity House
Top Loan House
Top Bank For Financial Sponsors

Risk Awards
November 2018

Asset Manager of the Year

Euromoney Awards for Excellence
July 2018

World's Best Bank for Advisory
Latin America's Best Bank for Advisory
Best Investment Bank in Japan
Asia's Best Bank for Advisory

RECOGNITION

EMPLOYER OF CHOICE AWARDS AND RANKINGS:

Fortune 100 Best Companies to Work For
February 2019

Ranked #62

Fortune World's Most Admired
January 2019

Ranked #26

Working Mother
October 2018

Listed

Universum: World's Most Attractive Employers
September 2018

Ranked #2 amongst business students
Ranked #21 amongst engineering/IT students

Vault Banking 50
August 2018

Best Banking Firm ranked #1
Most Prestigious Banking Firm ranked #1

CR Magazine: 100 Best Corporate Citizens
May 2018

Ranked #61

DIVERSITY AWARDS AND RANKINGS:

Human Rights Campaign's Corporate Equality Index
March 2019

Rating of 100%

National Association of Female Executives: Top Companies for Executive Women
March 2019

Listed

Bloomberg Gender-Equality Index
March 2019

Listed

DisabilityIN's Disability Equality Index Awards
July 2018

Scored 100%

Asia Society's Best Asian Pacific American Employer Awards
May 2018

Overall Best Employer

Hong Kong Community Business Awards: LGBT Workplace Inclusiveness Index
May 2018

LGBT+ Mentoring Award

SASB INDEX

This report marks the first time we have reported under the Sustainability Accounting Standards Board (SASB) standards. We have included the below disclosures related to the three sectors that are most closely aligned to our mix of businesses: Asset Management & Custody Activities, Investment Banking & Brokerage and Commercial Banks. Disclosures that appeared in more than one of these sector standards are included in a separate section on this page. Unless otherwise noted, all data and descriptions apply to our entire firm, not just the businesses relevant to that sector. We do not currently disclose all metrics included in the standards for these three sectors, but we will continue to evaluate them in the future. All data is as of or for the year ended December 31, 2018 unless otherwise noted.

Topic	Accounting Metric	Category	Code	Response
Disclosures Included in Multiple Sectors' Standards				
Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Quantitative	FN-AC-330a.1 FN-IB-330a.1	U.S. Workforce Demographics As part of our commitment to improving diversity at the firm we have also published diversity goals here.
Business Ethics	Description of whistleblower policies and procedures	Discussion and Analysis	FN-AC-510a.2 FN-IB-510a.2 FN-CB-510a.2	Raising Integrity Concerns Code of Business Conduct and Ethics
	Total amount of monetary losses as a result of legal proceedings associated with: • Marketing and communication of financial product-related information to new and returning customers; • Fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations; and • Professional integrity, including duty of care	Quantitative	FN-AC-270a.2 FN-AC-510a.1 FN-IB-510a.1 FN-IB-510b.3 FN-CB-510a.1	During 2018, our total net provisions for all litigation and regulatory proceedings were $844M.
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category	Quantitative	FN-IB-550a.1 FN-CB-550a.1	As a US G-SIB, we are required to calculate the G-SIB buffer under two methodologies and are bound by the higher of the two. "Method 1" is based upon the Basel Committee's methodology, which, among other indicators, relies upon measures of the size, activity and complexity of each G-SIB. "Method 2" uses similar inputs, but it includes a measure of reliance on short-term wholesale funding and applies only to US G-SIBs. Further information about Method 1 can be found on the Bank for International Settlement's website and further information about Method 2 can be found on the Federal Reserve Board's website. We are bound by Method 2 and our applicable G-SIB buffer is 2.5%. Please see pages 8–9, 71 and 165–166 of our 2018 Form 10-K for further information. Further information about the indicators that factor into the calculation can be found in our FR Y-15 filing, which can be accessed here.
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Discussion and Analysis	FN-IB-550a.2 FN-CB-550a.2	We conduct various scenario analyses, including as part of the Comprehensive Capital Analysis and Review and Dodd-Frank Act Stress Tests, as well as our resolution and recovery planning. Please see pages 10–12 and 69 of our 2018 Form 10-K.

SASB INDEX

Topic	Accounting Metric	Category	Code	Response
Asset Management & Custody Activities				
Transparent Information & Fair Advice for Customers	Description of approach to informing customers about products and services	Discussion and Analysis	FN-AC-270a.3	We believe our clients are best served by having a clear understanding of how we work together, the capacities in which we act and the fees we charge. In addition to contracts for products and services, as well as regulatory disclosures, we provide Private Wealth Management (PWM) clients a comprehensive brochure outlining the services we provide and the related fee structures, including how their advisor is compensated for each type of service and fee. Please also refer to the Business Standards Committee Impact Report and Code of Business Conduct and Ethics for additional firmwide information.
Incorporation of ESG Factors in Investment Management and Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability-themed investing, and (3) screening	Quantitative	FN-AC-410a.1	As of December 2018, we had $17B in dedicated ESG and impact investing assets under supervision and $64B in screened ESG assets under supervision. We are working to quantify our assets under supervision with ESG integration under the definitions proposed by SASB, which will include a broader set of products and strategies. See our website for further information.
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment and/or wealth management processes and strategies	Discussion and Analysis	FN-AC-410a.2	Statement on ESG and Impact Investing
	Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	FN-AC-410a.3	GSAM Stewardship Report
Systemic Risk Management	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	Discussion and Analysis	FN-AC-550a.2	Goldman Sachs Asset Management (GSAM) oversees liquidity risk management for the funds and client portfolios for which it serves as fund manager/investment advisor. GSAM monitors liquidity risk associated with a portfolio's ability to meet potential cash outflows related to investor redemptions/withdrawals or potential liabilities related to derivative positions and secured funding trades, as well as changes in the liquidity of positions within the portfolio. GSAM manages the liquidity of its portfolios in line with the investment strategy of each portfolio, applicable regulatory requirements, potential investor redemption requests and broader macro market conditions, at all times in the context of GSAM's obligations and its role as a fiduciary, where applicable.

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Topic	Accounting Metric	Category	Code	Response
Asset Management & Custody Activities				
Systemic Risk Management (continued)	Total exposure to securities financing transactions	Quantitative	FN-AC-550a.3	As of December 2018, we had $20.98B of credit exposure from secured financing transactions. Please see page 98 of our 2018 Form 10-K for further information.
	Net exposure to written credit derivatives	Quantitative	FN-AC-550a.4	As of December 2018, written credit derivatives had a total gross notional amount of $554.17B and purchased credit derivatives had a total gross notional amount of $603.00B, for a total net notional purchased protection of $48.83B. Please see page 132 of our 2018 Form 10-K for further information.
n/a	(1) Total registered and (2) total unregistered assets under management (AUM)	Quantitative	FN-AC-000.A	Registered Assets Under Supervision: $358B Unregistered Assets Under Supervision: $1,184B
n/a	Total assets under custody and supervision	Quantitative	FN-AC-000.B	$1.54T assets under supervision

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<table>
<tr><th>Topic</th><th>Accounting Metric</th><th>Category</th><th>Code</th><th>Response</th></tr>
<tr><td colspan="5">Investment Banking & Brokerage</td></tr>
<tr><td>Incorporation of ESG Factors in Investment Banking & Brokerage Activities</td><td>Description of approach to incorporation of environmental, social and governance (ESG) factors in investment banking and brokerage activities</td><td>Discussion and Analysis</td><td>FN-IB-410a.3</td><td>Environmental Policy Framework</td></tr>
<tr><td>Professional Integrity</td><td>Description of approach to ensuring professional integrity, including duty of care</td><td>Discussion and Analysis</td><td>FN-IB-510b.4</td><td>The firm maintains a Code of Business Conduct and Ethics and requires employees to annually certify they have reviewed and will comply with the code. See the Business Standards Committee Impact Report and our Business Principles for further information.</td></tr>
<tr><td rowspan="3">Employee Incentives and Risk Taking</td><td>Percentage of total remuneration that is variable for Material Risk Takers (MRTs)</td><td>Quantitative</td><td>FN-IB-550b.1</td><td>MRT is a regulatory term applied in the UK, but not a concept we apply to our global workforce. Within our UK workforce only, 45% of total remuneration awarded to MRTs for 2017 performance was variable.

Note that we apply a pay-for-performance philosophy across our organization. Please see our Compensation Principles for further information.</td></tr>
<tr><td>Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied</td><td>Quantitative</td><td>FN-IB-550b.2</td><td>All equity-based awards granted to employees are subject to robust forfeiture and clawback provisions. Please see page 53 of our 2019 Proxy Statement for further information.</td></tr>
<tr><td>Discussion of policies around supervision, control and validation of traders' pricing of Level 3 assets and liabilities</td><td>Discussion and Analysis</td><td>FN-IB-550b.3</td><td>Please see pages 48–49 of our 2018 Form 10-K.</td></tr>
<tr><td>n/a</td><td>(1) Number and (2) value of (a) underwriting, (b) advisory and (c) securitization transactions</td><td>Quantitative</td><td>FN-IB-000.A</td><td>Per Dealogic, our transaction volumes for 2018 were:
<table><tr><td>Announced Mergers and Acquisitions</td><td>$1,292B</td></tr><tr><td>Completed Mergers and Acquisitions</td><td>$1,217B</td></tr><tr><td>Equity and Equity-Related Offerings</td><td>$67B</td></tr><tr><td>Debt Offerings</td><td>$257B</td></tr></table>
Please see page 56 of our 2018 Form 10-K for further information.</td></tr>
</table>

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Topic	Accounting Metric	Category	Code	Response
Commercial Banks				
Data Security	Description of approach to identifying and addressing data security risks	Discussion and Analysis	FN-CB-230a.2	Client Security Statement
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	Quantitative	FN-CB-240a.1	As of December 2018, our Urban Investment Group had $1.03B of debt assets outstanding from 94 transactions and $1.47B of equity assets outstanding from 142 transactions. See our Urban Investment Group's website for further information. Please also refer to our programs 10,000 Small Businesses, which provides entrepreneurs in the US and UK access to education, capital and business support services, and 10,000 Women, a global initiative providing women entrepreneurs with a business and management education, mentoring and networking, and access to capital.
Incorporation of ESG Factors in Credit Analysis	Commercial and industrial credit exposure, by industry	Quantitative	FN-CB-410a.1	Credit Exposure from Commercial Loans and Lending Commitments by Sector: Consumer, Retail & Healthcare: 16% Diversified Industrials: 16% Financial Institutions: 9% Funds: 4% Natural Resources & Utilities: 15% Real Estate: 10% Technology, Media & Telecommunications: 18% Other (including Special Purpose Vehicles): 12% Please see page 97 of our 2018 Form 10-K for further information.
	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Discussion and Analysis	FN-CB-410a.2	Environmental Policy Framework
n/a	(1) Number and (2) value of loans by segment: (a) personal, (b) small business and (c) corporate	Quantitative	FN-CB-000.B	Corporate Loans: $40.10B PWM Loans: $24.47B Consumer Loans: $4.54B Please see page 65 of our 2018 Form 10-K for further information.