



**WHEREAS:** Goldman Sachs has established a Net Zero by 2050 goal and aligned 2030 emission reduction targets for its financing activity in the oil and gas, power, and auto manufacturing sectors. It is also a Net Zero Banking Alliance member.<sup>1</sup> Despite investor demand for disclosure of its transition plan, shareholders lack sufficient information as to whether Goldman is on a path to meet its 2030 targets.<sup>2</sup>

Critically, Goldman’s annual disclosures lack clear information on whether portfolio companies with no or slow transition plans in these sectors are likely to impair its ability to meet its 2030 targets. Independent assessments show that many companies in these sectors lack a 2030 Net Zero aligned pathway. The Transition Pathway Initiative finds no public companies in the oil and gas sector have 2030 targets aligned with a 1.5°C scenario;<sup>3</sup> and no public auto manufacturers, besides dedicated electric vehicle manufacturers, are on a 2030-aligned Net Zero pathway.<sup>4</sup> In order for the electricity generation sector to reach a Net Zero aligned 2030 milestone, the rate of electrification needs to double.<sup>5</sup>

This omission leaves investors unable to assess the potential for misalignment between Goldman’s 2030 targets and its clients’ transition progress, and what actions, if any, Goldman is proactively taking to address such misalignment.

The potential for misalignment carries significant risk. If Goldman fails to meet its targets, it faces the possibility of reputational harm, litigation risk, and financial costs.<sup>6</sup> Failure to meet targets also contributes to systemic climate risk that harms Goldman and investors’ portfolios.

Goldman must have a fully informed, realistic transition plan in place to meet its goals. This requires assessing its clients’ likelihood of meeting Net Zero-aligned 2030 goals. As the Institutional Investors Group on Climate Change explains, “[t]o deliver on their targets and commitments, banks should independently establish and disclose... protocols and strategies specific to each business activity,” which will require “phasing out financing of inconsistent activities which present particular risks... while pivoting

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<sup>1</sup> <https://www.goldmansachs.com/media-relations/press-releases/2021/2021-tcfdecarbonization-targets.html>;  
<https://www.unepfi.org/net-zero-banking/members/>

<sup>2</sup> <https://www.asyousow.org/press-releases/2023/4/26/shareholders-call-on-goldman-sachs-to-disclose-a-climate-transition-plan>

<sup>3</sup> <https://www.transitionpathwayinitiative.org/sectors/oil-gas>

<sup>4</sup> <https://www.transitionpathwayinitiative.org/sectors/autos>

<sup>5</sup> <https://www.iea.org/energy-system/electricity/electrification>

<sup>6</sup> <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/banks-face-mounting-risk-of-fines-regulatory-probes-over-sustainability-claims-74385257>



financing towards climate solutions.”<sup>7</sup> Other actions may include developing criteria related to financing misaligned clients and setting firm-wide targets to increase the share of financing, facilitation, and revenue derived from 1.5°C-aligned companies and activities.

**BE IT RESOLVED:** Shareholders request that, for each of its sectors with a Net Zero-aligned 2030 target, Goldman Sachs annually disclose the proportion of sector emissions attributable to clients that are not aligned with a credible Net Zero pathway, whether this proportion of unaligned clients will prevent Goldman from meeting its 2030 targets, and actions it proposes to address any such emissions reduction shortfalls.

**SUPPORTING STATEMENT:** Emissions attributable to unaligned clients can be measured using estimates or other appropriate method. At management discretion, the assessment should take into account all material financing mechanisms and asset classes that contribute to Goldman’s emissions, including direct lending, underwriting, and investments.

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<sup>7</sup> <https://139838633.fs1.hubspotusercontent-eu1.net/hubfs/139838633/Past%20resource%20uploads/IIGCC-Net-Zero-Standard-for-Banks-June-2023.pdf>, p.7,9