



David Solomon
Chief Executive Officer
Goldman Sachs
200 West Street
New York, NY 10282

Dear Mr. Solomon,

We are writing on behalf of the Interfaith Center on Corporate Responsibility (ICCR), a coalition of over 300 global institutional investors that collectively represent more than \$4 trillion in managed assets, to express our concern over Goldman Sachs Asset Management's 2022 proxy voting record on shareholder proposals related to environmental, social and governance (ESG) risks. Our members, many of whom are Goldman Sachs Asset Management shareholders and clients, are long-term investors who believe that a company's management of environmental and social risks, and commitment to strong governance, are essential to long-term value creation.

As you may know, there has been increasing scrutiny of the proxy voting records of asset managers on ESG-related shareholder proposals and on Board oversight of these issues. Research from [Morningstar](#), [Majority Action](#), [ShareAction](#), [Georgeson](#), and others reflects asset owners' heightened expectations of their asset managers to address these material risks in their proxy voting. While we are mindful of the recent pressures fund managers face from parties attempting to discredit ESG, the fiduciary case for integrating material ESG risk factors into investment decisions and proxy voting is clear and irrefutable.

As a signatory to the United Nations Principles for Responsible Investing, we appreciate Goldman's ongoing recognition that [Environmental, Social and Governance \(ESG\) factors can affect investment performance, expose potential investment risks and provide an indication of management excellence and leadership](#). Yet despite the clearly articulated recognition of the materiality of ESG risks, Goldman Sachs Asset Management's proxy voting record on ESG proposals and board oversight of ESG risks in 2022 was largely lacking.

According to [ShareAction's recent ranking of the top 68 managers'](#) voting record on 252 shareholder proposals on proxy in 2022, Goldman Sachs Asset Management Investments ranked 59th in 68 asset managers assessed. The firm supported only 35% of overall proposals (vs. 47% proposals supported in [2021](#)), and 56% of environmental resolutions examined ([vs 57% in 2021](#)). Furthermore, despite being among the top four CA100+ signatories in terms of assets under management Majority Action's report on [Fulfilling the Promise 2023: How Climate Action 100+ Investor-Signatories Can Mitigate Systemic Climate Risk](#), indicates that Goldman Sachs Asset Management supported all directors at 98% of U.S.-based Climate Action 100+ focus companies and supported all but one of the ten directors opposed and flagged for an "Against" vote by Climate Action 100+ investors at U.S. companies,

Goldman Sachs Asset Management's voting record on shareholder resolutions related to social policy issues, particularly those related to racial justice, was even worse than its voting record on environmental

proposals. Goldman Sachs Asset Management supported only 24% of social policy-related proposals assessed by ShareAction in 2022 (vs [40% such proposals supported in 2021](#)). Most alarmingly, according to Majority Action's report on [Equity in the Boardroom 2022](#), which assessed the proxy voting record of major asset managers (those with more than \$1trillion in assets under management, Goldman (along with Vanguard) was ranked the least supportive of racial equity audit proposals at S&P 500 companies, having supported none of these proposals on proxy in 2022. Many of these racial equity audit proposals received strong support from other shareholders with some receiving majority votes and many others being withdrawn by their proponents due to successful agreements reached in dialogue.

[Morningstar's analysis](#) of asset manager voting on key resolutions, i.e. those shareholder resolutions addressing environmental or social themes that were supported by 40% or more of a company's independent shareholders, found that Goldman's sustainable funds proxy voting on these key resolutions has tracked slightly behind that of the wider firm over the last three proxy years, at 59% vs 63% - a fact which may raise concerns for your sustainable fund clients.

Finally, we also wanted to note that [ShareAction's report Voting Matters 2022](#), indicates that Goldman Sachs Asset Management supported only 24% of shareholder proposals that directly relate to executive compensation or to the company's lobbying and political spending disclosure, policies and practices. This is noteworthy given the growing public attention to corporate misalignments between their public policies and their direct and indirect lobbying and political contributions.

In summary, as a coalition of long-term investors, including many clients of Goldman Sachs Asset Management, we want to underscore that we see the management of material ESG risks as critical to long-term value creation and the safeguarding of shareholder value. As a fiduciary managing the assets of millions of clients, we believe Goldman Sachs Asset Management has an obligation to fully leverage its proxy voting powers to mitigate those ESG risks.

We look forward to your response, which we will gladly share with ICCR members. We will continue to monitor Goldman Sachs Asset Management's proxy voting practices and, in the meantime, would welcome a discussion with management regarding the issues raised in this letter. My colleague Tim Smith, Senior Policy Advisor (tsmith@iccr.org) will be glad to coordinate a call.

Sincerely,



Josh Zinner, CEO

CC:

Catherine Winner, Managing Director, Global Head of Stewardship

Tim Smith, Sr. Policy Advisor, ICCR

^[1] ['Those large companies where fossil fuel production, consumption, and financing are central to their core business have outsized climate impact.'](#)

^[2] [Majority Action's report on Equity in the Boardroom, 2022](#)

^[3] [ibid](#)