

# Driving Sustainability in Our Own Business

## Our Net Zero Journey: Incremental Progress

Early last year and in conjunction with the announcement of our long-term commitment to align our financing activities with a net zero by 2050 pathway, we expanded our operational carbon neutrality commitment with a goal to achieve net zero carbon emissions in our operations and supply chain by 2030.

Our net zero carbon strategy focuses on five key areas across our operations and supply chain. These five key areas include increasing energy efficiency in our buildings, sourcing renewable energy, engaging with our vendors, encouraging behavior change among our people, and purchasing carbon offsets for the emissions that we cannot reduce.

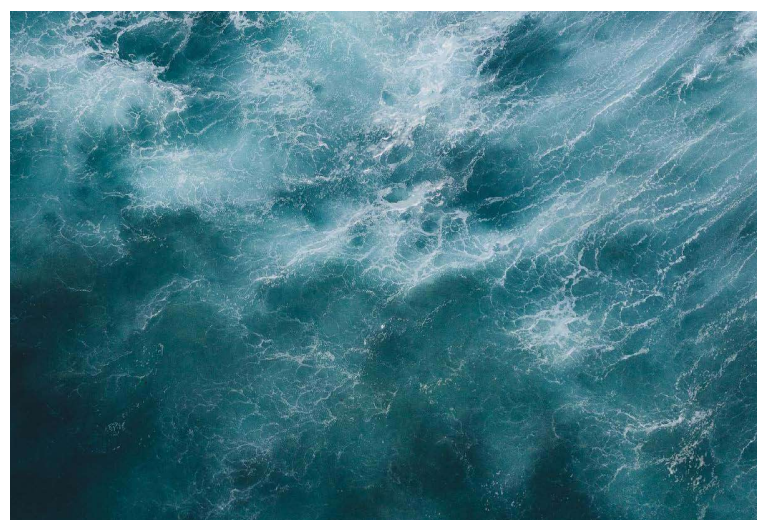
Increasing energy efficiency in our buildings is paramount to our net zero journey. To do this, we have continued to focus on reducing our energy consumption through LEED certified smart building design and upgrading equipment to maintain ongoing operational efficiency. We also continue to source renewable energy for 100% of our electricity use. In the past year, we signed long-term solar power purchase agreements, which will position us to achieve our 2025 target of sourcing 80% of our renewable energy from long-term, impactful agreements.

Engaging with our vendors is an important step in addressing Scope 3 supply chain emissions and is critical to achieving our 2030 net zero carbon commitment. In 2021, to facilitate dialogue with our vendors around their own emissions management programs, we joined CDP Supply Chain as a lead member. Through this program, we engaged with vendors representing a majority of our supply chain emissions to gain a better understanding of their GHG emissions and climate actions. We also integrated standard climate-related RFP and vendor assessment questions in our sourcing and vendor review processes. Combined, this information will allow us to build further dialogue with our vendors to support and catalyze their own decarbonization journeys.

Supporting behavior change among our people will contribute to reducing our firm's emissions footprint by making more sustainable choices in how we work and travel. In Bengaluru, we introduced 40 electric vehicles to our employee commutation program, and we plan to increase this to 150 in the coming year. As part of a developing Green Traveler program, we are exploring ways to provide increased internal transparency on business travel and commuting impacts, which will help our people understand how their actions can support our efforts.

We also recognize that a portion of our journey to net zero will require investments in carbon removal offsets to neutralize the emissions we are unable to eliminate through the four strategies above. This has presented an opportunity to partner with our financing and global markets groups to explore carbon removal projects and bring new solutions to the market that we and our clients can leverage.

With an increase in corporate net zero commitments over the last year, demand for carbon removal has risen faster than existing projects can supply. Through collaboration, we hope to support the nascent carbon project market challenges by connecting corporate needs and available capital, while navigating developing standards, regulations, and transparency.





## Progress Toward Our 2025 Goals

In December 2019, we established a set of 2025 ESG targets with the aim of minimizing the environmental impact of our operations, while enabling collaborative partnerships that help us to drive market transformation.

### PROGRESS TOWARD 2025 ESG AND NET ZERO COMMITMENTS

Category	2021 Status		2025 Goal
<b>Carbon, Energy, and Business Travel</b>			
Reduce energy intensity by 20% from a 2017 baseline for offices under operational control	-36%	<span style="color: green;">●</span>	-20%
Establish a Green Traveler program for Goldman Sachs employees to minimize the environmental impact of business travel	In progress	<span style="color: blue;">●</span>	✓
<b>Water</b>			
Achieve 20% reduction in water use for all new construction and major renovation projects	In progress	<span style="color: blue;">●</span>	✓
Reduce water intensity by 15% from a 2017 baseline for offices under operational control	-47%	<span style="color: green;">●</span>	-15%
<b>Plastics</b>			
Remove 100% of plastic beverage bottles and disposables from on-site cafeterias, micro-markets, and vending machines globally	In progress	<span style="color: blue;">●</span>	100%
Reduce the amount of firm-provided office supplies that contain plastic	In progress	<span style="color: blue;">●</span>	✓
<b>Sourcing</b>			
Reduce internal paper use per-capita by 30% from a 2017 baseline	-79%	<span style="color: green;">●</span>	-30%
<b>Events/Hospitality</b>			
Procure 100% green cleaning products for on-site cafeterias globally	40%	<span style="color: blue;">●</span>	100%
Procure 50% sustainably sourced food for on-site cafeterias globally	21%	<span style="color: blue;">●</span>	50%
<b>Supply Chain</b>			
Assess 100% of global vendors for ESG risks	60%	<span style="color: blue;">●</span>	100%
Increase spending with diverse vendors by 50% from a 2020 baseline	26%	<span style="color: blue;">●</span>	50%

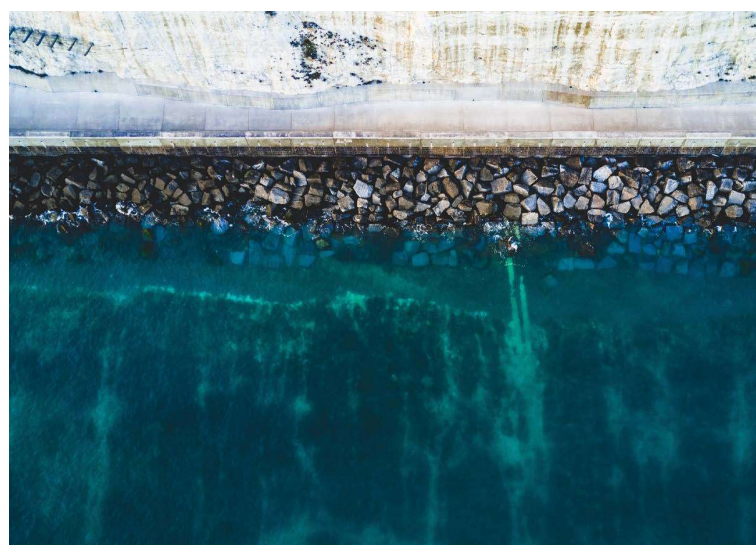
● Already met or exceeded commitment ● On track to meet commitment

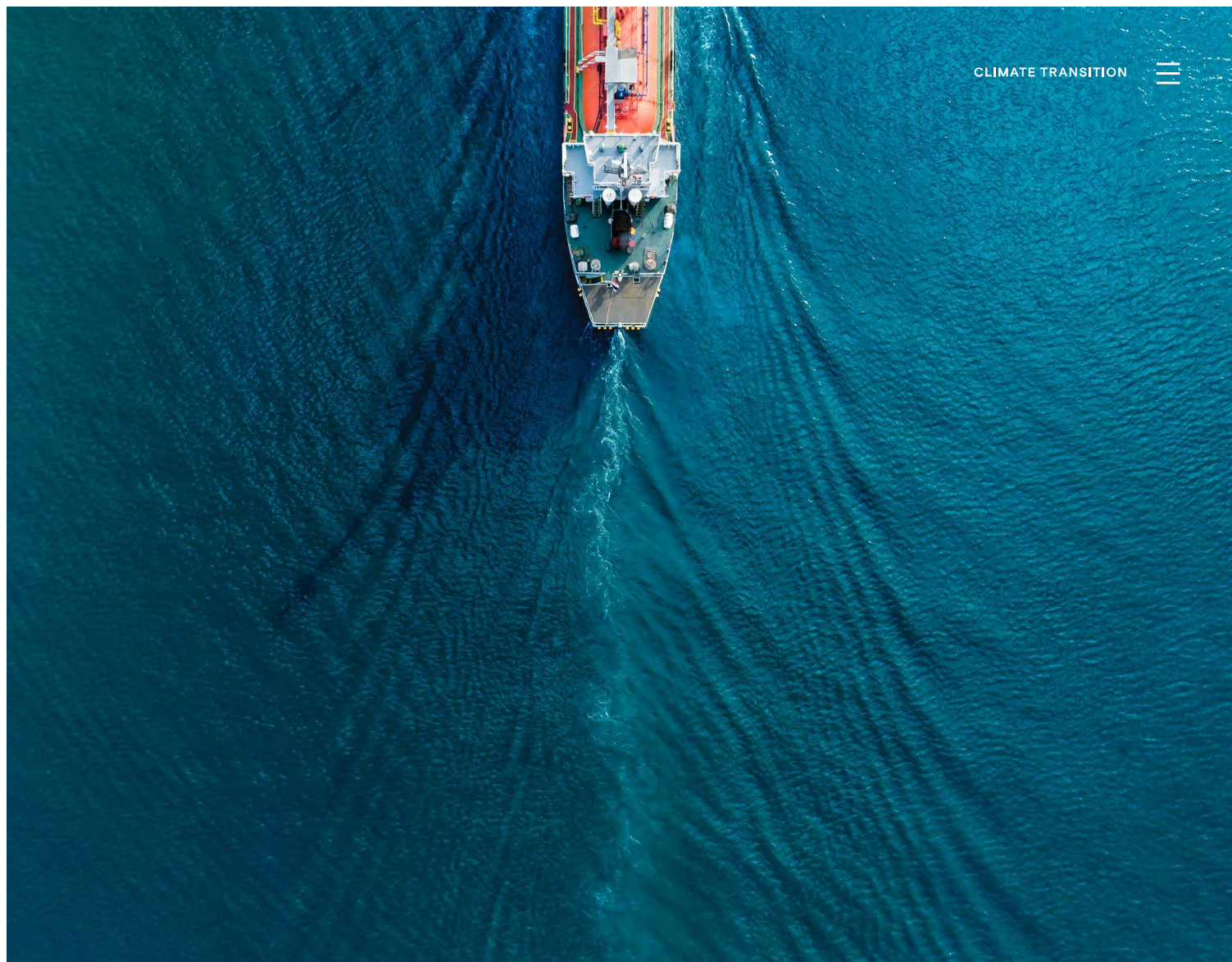


## Progress Toward Our 2025 Goals

2021 is the first year for reporting progress toward our efforts. While COVID-19 continued to have an impact on our operations and supply chain during the last year, we remained focused on our commitments.

- We increased our efforts to advance smarter sourcing choices for the cleaning products used in our offices and the food offered in our cafeterias. **Currently, 40% of our cleaning products and 21% of our food are sustainably sourced.** These products are either certified by an approved standard or meet outlined criteria to be classified as environmentally preferred. We are continuing to work with key vendors toward meeting our commitment of 100% green cleaning products and 50% sustainably sourced food by 2025.
- We continue to progress our strategy to remove 100% of plastic beverage bottles and disposables from on-site cafeterias, micro-markets, and vending machines globally, as well as reduce the amount of firm-provided office supplies that contain plastic by 2025. Over the past year, we have reverted to compostable disposables in our offices following a temporary hiatus in 2020 due to health concerns and supply chain challenges.
- With many employees working from home in 2020 and 2021, **we achieved a 79% reduction per-capita on our internal paper use, far exceeding our 30% reduction target.** We will continue to monitor paper use in offices as our staff fully returns to offices.
- In 2021, the energy and water intensity of our offices decreased by 36% and 42%, respectively, from a 2017 baseline. As a result, we have **already exceeded our energy intensity target of 20% reduction and our water intensity target of 15% reduction by 2025.** We will be closely monitoring performance of these metrics as staff fully returns to our offices.
- We continue to **procure 100% renewable energy** for all of our global electricity consumption — and work toward our commitment to have **80% of this from long-term contracts.**
- **We continue to maintain carbon neutrality for Scope 1, Scope 2, and Scope 3 business travel emissions,** and we neutralized these emissions through a combination of carbon removal and avoidance offset credits. We intend to continue working with our investment team to increase our sourcing of carbon removal credits each year as we work toward phasing out carbon avoidance offsets by 2030.
- **Our Scope 1 and 2 emissions increased by 60% from 2020 to 2021 but are 25% lower than our 2017 baseline.** This year-over-year change reflects an increase in activity as our people began to return to offices, and challenges in sourcing market-matched renewable energy in certain locations, specifically Singapore. We continue to seek opportunities for further reductions.
- As of 2021, **74% of our global square footage has been LEED certified.** All newly certified facilities are LEED Gold or equivalent, with the exception of two LEED Silver certified properties that had leases signed prior to 2021. Also, **100% of our facilities continue to be ISO 14001 certified, and all our on-site events continue to be 100% ISO 20121 certified.**





## Sustainable Supply Chain Management

Last year, we further enhanced our ESG requirements and controls within both our sourcing and ongoing vendor management processes, developing a suite of ESG standards for all vendors to meet. We made significant progress toward our commitment to assess 100% of vendors for ESG risk, with new risk screening criteria embedded into our vendor management platform, with the aim of identifying vendors with higher inherent ESG risks. This in turn enabled us to conduct deeper ESG assessments focused on our

vendors' controls to prevent environmental, modern slavery, and human trafficking issues.

We continue to educate our vendor managers and sourcing professionals on the issue of modern slavery and human trafficking in the supply chain. Last year we invited nonprofit Hope.Inspire.Love to speak to our sourcing teams and provide a better understanding of human trafficking issues in the US, including how to spot the signs of human trafficking and how to take action against it. This year, we will continue to partner with organizations at the forefront of these issues to educate and raise awareness.