

RESOLVED that shareholders of Goldman Sachs Group Inc. (“Goldman”) urge the Board of Directors to oversee a racial equity audit analyzing Goldman’s impacts on nonwhite stakeholders and communities of color. Input from civil rights organizations, employees, and customers should be considered in determining the specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be publicly disclosed on Goldman’s website.

SUPPORTING STATEMENT

High-profile police killings of black people—most recently George Floyd—have galvanized the movement for racial justice. That movement, together with the disproportionate impacts of the COVID-19 pandemic, have focused the attention of media, the public and policy makers on systemic racism, racialized violence and inequities in employment, health care, and the criminal justice system.

Goldman touts its \$10 million Fund for Racial Equity, which will “support organizations addressing racial injustice,” and the \$17 million it “deployed” to “organizations supporting [COVID-19] relief efforts in communities of color.”¹ We urge Goldman to implement its commitment to racial justice by assessing its impacts on nonwhite stakeholders and communities of color.

Although Goldman has set diversity goals for its professional workforce, it faces challenges with respect to inclusion. A viral June 2020 email from a black managing director stated: “[W]hile our firm expresses a commitment to equality and social justice up top, [junior colleagues] don’t necessarily see commitment and support from their direct managers.”²

Goldman underwrites municipal bonds whose proceeds pay police brutality settlements. For example, Goldman was lead underwriter for a 2017 Chicago offering that allocated \$225 million for settlements and judgments. One report characterized these bonds as “a transfer of wealth from over-policed communities of color to Wall Street and wealthy investors.”³

Goldman’s philanthropy fund has donated to the Los Angeles and New York City police foundations⁴ and the company reportedly sponsors the Salt Lake City

¹ <https://www.goldmansachs.com/citizenship/fund-for-racial-equity/index.html>

² <https://www.reuters.com/article/us-usa-goldman-sachs-race/goldman-sachs-executives-email-making-plea-for-racial-equality-goes-viral-at-firm-idUSKBN23C086>

³ <http://nathancummings.org/wp-content/uploads/PoliceBrutalityBonds-Jun2018-1.pdf>, at 7.

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<https://projects.propublica.org/nonprofits/organizations/311774905/201922279349300402/IRS990ScheduleI>

police foundation.⁵ Goldman Sachs Asset Management co-chaired the New York City police foundation's 2019 annual gala.⁶ Police foundations buy equipment for police departments, including surveillance technology that has been used to target communities of color and nonviolent protestors.

Although Goldman does not disclose all of its trade associations, it lists membership in the Securities Industry Financial Markets Association ("SIFMA") in its "Statement on Policy Engagement and Political Participation."⁷ SIFMA lobbied most frequently in the current Congress on the Wall Street Tax Act of 2019, which would tax financial transactions.⁸ Supporters argue that the revenue raised through the tax could fund measures such as student loan forgiveness and the Green New Deal,⁹ which would mitigate impacts of systemic racism.¹⁰

We urge Goldman to assess its behavior through a racial equity lens to identify how it contributes to systemic racism, including areas of misalignment between Goldman's stated values and the impacts of its actions, and could begin to help dismantle it.

⁵ <https://www.politico.com/news/2020/09/18/new-racial-justice-target-defund-police-foundations-417423>

⁶ <https://www.institutionalinvestor.com/article/b1m0xjc8wmn3mf/Color-of-Change-Calls-on-Larry-Fink-to-Stop-Supporting-NYC-Police-Foundation>

⁷ <https://www.goldmansachs.com/investor-relations/corporate-governance/corporate-governance-documents/political-statement.pdf>

⁸ <https://www.opensecrets.org/orgs//summary?id=D000000229>

⁹ E.g., <https://thehill.com/blogs/congress-blog/economy-budget/463361-a-wall-street-tax-can-help-pay-for-bold-policy-solutions>; <https://www.cfo.com/tax/2019/05/bernie-sanders-introduces-plans-for-wall-street-speculation-tax/>

¹⁰ See <https://www.marketwatch.com/story/you-have-a-degree-but-who-do-you-know-why-student-debt-is-a-racial-justice-issue-2020-06-15>; https://www.cjr.org/covering_climate_now/green-new-deal-climate-justice.php