ShareAction»

Goldman Sachs Group, Inc.

Meeting date: 29 April 2026
Meeting type: Annual General Meeting
Issue date: 7 April 2026

SHAREACTION'S VIEW

Re-election of David Solomon, Chair and CEO..... **AGAINST**

By downgrading its restrictions on the direct financing of Arctic oil projects, new thermal coal mines, and new coal-fired power plants, we believe Goldman Sachs has traded transparency for uncertainty. While it will continue to conduct due diligence in these areas, the exact borders of its risk appetite are unclear. In the meantime, any step up in the financing of previously restricted activities could lead to significant risks for the bank, communities, and the environment. The overall result of the bank's decision is to make an already weak position on fossil fuels even weaker. Indeed, Goldman Sachs lacks any credible plan to reduce its exposure to these sectors—only a target to reduce the emissions intensity of its energy portfolio. This is despite the fact that burning fossil fuels has to fall dramatically for the economy, society, and planet to stay in a safe operating window. In ShareAction's view, climate and environmental issues are a salient risk for Goldman Sachs and, as such, should be overseen rigorously by David Solomon in his capacity as chair and CEO. The downgrading of Arctic and thermal coal restrictions undermines our confidence that this oversight function is being exercised with sufficient effect. On this basis, we believe a vote against Mr Solomon's re-election is justified.

KEY TAKEAWAYS

Goldman Sachs has significantly weakened its position on Arctic oil in its updated Environmental & Social Due Diligence Guidelines

Goldman Sachs no longer commits to generally forgo dedicated finance for Arctic oil projects. The bank's updated policy does not impose an exclusion but instead triggers enhanced environmental and social due diligence. This means Goldman Sachs retains the discretion to participate in the financing of new or existing projects involving the exploration, appraisal, or expansionary development of Arctic oil.

The bank has similarly diluted the ambition of its restrictions on financing thermal coal

The bank no longer commits to generally forgo dedicated finance for thermal coal mining projects and thermal coal power projects without carbon capture and storage. Instead, it preserves the possibility of participating in project-specific financing, subject to its broader environmental and social due diligence framework.

Goldman Sachs' removed climate policies reflect a trend of increasing fossil fuel financing at the Bank

Goldman Sachs issued $28.5bn in loans towards fossil fuel activities in 2024, significant growth compared to $17.1bn and $18.9bn in 2022 and 2023 respectively. Over half of the 2024 figure ($14.5bn) went towards GCEL- and GOGEL-listed companies[i]—firms actively expanding fossil-fuel operations. This increase is largely driven by oil & gas. On the other hand, the bank almost halved its financing of thermal coal between 2022 and 2024—important progress that should not be lost.

PART 1 – BACKGROUND

Banks face a myriad of risks and opportunities from climate change and the energy transition. Despite political turbulence, 89% of people around the world still support climate action.[ii] Meanwhile, the economics of a just and

orderly transition remain undimmed. Investment in renewables continues to break records[iii], with renewables capacity projected to grow faster between 2025 and 2030 than during the first half of this decade.[iv] These long-run economic trends, coupled with resilient public support, suggest the transition to a cleaner economy is not going away. This creates a significant risk of stranded assets, exposing lenders to potential losses, particularly from the fossil fuel sector.

At the same time, banks need to be increasingly aware of the physical risks from a changing climate, and how these may impact broader economic conditions. Global losses from floods, cyclones, heatwaves, and droughts would double by 2050 compared to current levels were temperatures to rise by an average of 3C.[v] At the same time, climate change presents chronic risks to profitability and prosperity. A 3C increase in temperatures would reduce global labour productivity by 10% and chronic physical risks would impose a 15% hit to GDP around the world.[vi]

This myriad of physical and transition risks not only raises the prospect of credit impairment, but will also result in economic conditions that are less predictable and less conducive to value creation. As the Financial Stability Oversight Council has warned, "the increasing economic effects of climate change imply that climate-related financial risks are an emerging threat to the financial stability of the United States."[vii] Banks need a plan to both manage and minimise these risks by adapting their business models and leveraging their position to advance the energy transition.

At the same time, the growing demand for sustainable financing presents considerable opportunities for banks. Already, the world's largest banks are generating more from green syndication fees than fossil transactions.[viii] To compete for these opportunities in a crowded landscape, banks need plans now to invest in new products, develop expertise, initiative partnerships, and coordinate resources across the institution.

Policies restricting financing to fossil fuels and reducing financed emissions signal banks' strategic alignment with the energy transition and demonstrate a concrete commitment to halt support for the expansion of fossil-based activities. Backtracking on these public commitments severely undermines the credibility of a bank's climate strategy and increases its exposure to reputational, regulatory, and transition risks.

While US law does not impose affirmative obligations on directors to take climate-positive actions, this does not mean climate-related risks and opportunities may not be salient to the long-term value of the business, bringing it within directors' remit to ensure the company acts in the best interests of its shareholders.[ix] Indeed, 89% of board directors surveyed across the UK, US, Australia, Singapore, Germany, and Brazil by the Climate Governance Initiative in 2025 acknowledged that it is part of their role to influence their board on climate action.[x]

By allowing their bank to dilute fossil fuel policies or decarbonisation targets, directors may compromise their responsibility to protect shareholder value and manage long-term risks. It therefore falls on shareholders to hold the board accountable and ensure effective oversight of the bank's climate strategy is restored.

⟩⟩ PART 2 – SUPPORTING ANALYSIS

2.1 Oil & gas

Why this pillar matters

Further oil & gas development breaches planetary boundaries, risks creating a glut of fossil fuels, and undermines long-term financial stability. The IEA has said "no new long lead time conventional oil & gas projects are approved for development" under its 1.5C-compatible Net Zero Emissions by 2050 scenario (NZE).[xi] In the latest 2025 WEO, the IEA again notes that "[a]s in previous editions of the NZE Scenario, upstream investment is directed towards maintaining the output of existing fields."[xii] Based on current expansion plans, the NZE would see significant numbers of oil & gas projects closing before the end of their technical lifetimes by the time we reach 2040, implying significant financial risks from stranded assets. Current trajectories for oil & gas supply greatly outstrip what is required in a 1.5C-compatible transition—a mismatch that would hit the profitability and valuation of oil & gas companies, as well as leading to large volumes of wasted investment. This financial risk could transfer to the banking sector either directly through impaired credit, or through more general macroeconomic and financial instability. Banks that are overly dependent on fees from oil & gas companies for capital markets services

could also suffer from a disorderly loss of revenues, and should instead be planning a smooth transition to clients compatible with the emerging decarbonised economy.

Criteria

After the changes to Goldman Sachs' Environmental & Social Due Diligence Guidelines in December 2025, the bank no longer meets the criterion for dedicated finance of Arctic oil & gas (UOG.A.a).

Criteria	GS (old)	GS (new)	Morgan Stanley	Citi
OG.a - Dedicated finance (upstream)	N	N	N	N
OG.b - Dedicated finance (midstream)	N	N	N	N
OG.c - Corporate finance expansion (upstream)	N	N	N	N
OG.d - Products and services	N/A	N/A	N/A	N/A
UOG.A.a - Dedicated finance (Arctic)	Y**	↓**N**	Y**	Y
UOG.A.b - Corporate finance threshold (Arctic)	N	N	N	N
UOG.A.c - Products and services	N	N/A	Y	Y
UOG.F.a - Dedicated finance (fracking)	N	N	N	N
UOG.F.b - Corporate finance threshold (fracking)	N	N	N	N
UOG.F.c - Products and services	N/A	N/A	N/A	N/A
UOG.O.a - Dedicated finance (oil sands)	N	N	N	N
UOG.O.b - Corporate finance threshold (oil sands)	N	N	N	N
UOG.O.c - Products and services	N/A	N/A	N/A	N/A

UOG.U.a- Dedicated finance (ultra-deepwater)	N	N	N	N
UOG.U.b - Corporate finance threshold (ultra-deepwater)	N	N	N	N
UOG.U.c - Products and services	N/A	N/A	N/A	N/A

Y = Meets criteria	**Y* = Meets criteria, with technical exceptions**	**Y** = Meets criteria, with material exceptions**	**N = Does not meet criteria**

OG.a - Dedicated finance (upstream)	Does the bank exclude dedicated finance for new oil & gas projects?
OG.b - Dedicated finance (midstream)	Does the bank exclude dedicated finance for new infrastructure enabling the transport, liquefaction, or regasification of oil & gas?
OG.c - Corporate finance expansion (upstream)	Does the bank exclude general corporate purpose finance for companies engaged in new oil & gas projects?
OG.d - Products and services	Does the policy apply to all relevant products and services, and at a minimum to the bank's lending and capital markets facilitation activities?
UOG.A/F/O/U.a - Dedicated finance (unconventional)	Does the bank exclude dedicated finance for new Arctic oil & gas / fracking / oil sands / ultra-deepwater oil & gas projects or the expansion of existing projects?
UOG.A/F/O/U.b - Corporate finance threshold (unconventional)	Does the bank restrict general corporate purpose finance for companies that are exposed to Arctic oil & gas / fracking / oil sands / ultra-deepwater oil & gas based on a relative threshold, such as the percentage of oil & gas production or revenues derived from these segments?
UOG.A/F/O/U.c - Products and services	Does the policy apply to all relevant products and services, and at a minimum to the bank's lending and capital markets facilitation activities?

Changes to policy position

Goldman Sachs' approach to financing new upstream Arctic oil exploration or development has shifted from an exclusion to a due diligence-based framework. Under the 2023 policy, the firm stated it would "generally forgo" financing that directly supports new upstream Arctic oil exploration or development, although decisions remained subject to case-by-case assessment of legal, credit, operational, regulatory, and reputational risks. The restriction was already limited in scope but nevertheless meaningful: it applied only to new projects and allowed broad discretion through the "generally forgo" qualifier.

In the 2025 policy, this activity is instead subject only to enhanced environmental and social due diligence, meaning it is no longer framed as an activity the bank would typically avoid. This change shifts direct Arctic oil financing from an exclusion, albeit with material exceptions, to an activity that will still receive financing provided

it meets enhanced due diligence criteria. This leaves the bank without any formal restrictions on its financing to oil and gas activities beyond enhanced due diligence.

For a side-by-side comparison of the bank's old and new policies, see the appendix.

Analysis

Goldman Sachs is already one of the world's largest financers of fossil fuel companies. According to data from Banking on Climate Chaos, between 2021 and 2024, it provided $87 billion of finance across fossil fuel sectors—the twelfth highest in the world and the fifth highest among US banks. Of this, $46 billion was directed towards the 706 largest fossil fuel expanders. Goldman Sachs has also shown little sign of reducing its fossil fuel financing. Its financing for the sector as a whole and for the largest expanders was higher in 2024 than in 2021, despite a dip during the course of 2022 and 2023.[xiii] Removing its commitment to generally forgo financing of Arctic oil projects therefore does little help the bank's positioning when it comes to the energy transition. Moreover, it places it behind key peers, such as Citi and Morgan Stanley, which rule out project financing for oil & gas exploration and production in areas of the Arctic.[xiv]

It remains to be seen how the removal of Goldman Sachs' commitment to generally forgo direct financing of Arctic oil translates into its financing activity. However, the bank already has clients engaged in significant expansion in the region.[xv] One of the bank's clients, ConocoPhillips, is Alaska's largest oil producer.[xvi] ConocoPhillips is currently developing the Willow Project, which the NRDC claims could release 9.2 mt of carbon pollution each year—equivalent to the pollution of 2 million petrol cars.[xvii] In an illustration of the challenges of developing projects in the Arctic, the company has had to increase its cost range for the project by $1 billion.[xviii] It continues to explore development in the region and is working with the US government to streamline permitting.[xix] Goldman Sachs has also served on deals for Equinor, which has been developing the Johan Castberg oilfield in the Barents Sea.[xx] Despite delays of two years and additional costs of $1.2 billion to begin production, the company is still seeking to increase reserves by 250 to 550 million barrels.[xxi]

Further exposure to Arctic oil, particularly direct exposure to new projects, could pose risks to the environment as well as to Goldman Sachs itself. Not only have oil & gas projects been linked to pollution in unique Arctic ecosystems, but those ecosystems take longer to recover due to the extreme cold conditions.[xxii] Moreover, black carbon pollution from oil & gas projects accelerates the melting of Arctic ice, exacerbating the impacts of climate change on global sea levels and significantly affecting the lives of Arctic communities.[xxiii] Infrastructure in the Arctic is also poorly set up to respond to incidents, particularly offshore, where short summers and low temperatures could make it difficult to attend to spills.[xxiv] All of these factors elevate the potential reputational risk of supporting oil development in the Arctic. In the event of a severe incident, this reputational risk could also develop into legal risk. Indeed, there are indications policy developments in the US could increase litigation risk for the country's oil & gas sector.[xxv] Legal risk connected with oil expansion should concern financiers—not only because of potential disruptions to project timelines, but because of increasing litigation against financial institutions that combine both environmental and human rights related arguments.[xxvi]

Aside from the reputational and legal risks of Arctic oil development, there are also salient financial risks that investors should consider when assessing Goldman Sachs' decision to drop its restrictions. Given the average time from lease to production in Alaska is 26 years, companies are making a long-term bet on future oil demand.[xxvii] Constraints on labour and infrastructure mean that projects are expensive to pursue with a typical breakeven of $75 per barrel for Arctic oil.[xxviii] This is below the price projected in Rystad's 2C-aligned current trajectory scenario, which sees oil prices falling below $60 per barrel in the early 2030s, before settling above $65 towards 2050. In a 1.6C-aligned fast transition, prices would fall even further to $40 per barrel and then onwards to $35 over the long-term.[xxix] The IEA's 1.5C NZE scenario implies even lower prices: $33 per barrel by 2035 and $25 by 2050.[xxx] Energy price projections come with a great deal of uncertainty. However, the length of time taken to develop Arctic projects limits their ability to respond to changing conditions and relatively high breakeven prices mean they are among the most exposed to the energy transition.[xxxi]

Arctic oil projects are also particularly exposed to both policy risk and the physical effects of climate change. On the policy side, US government policy has been inconsistent and frequently partisan.[xxxii] Canada, meanwhile, already has an indefinite moratorium on offshore oil & gas development in the Arctic Ocean.[xxxiii] At the same time, the conditions in the Arctic are becoming more difficult. Melting sea ice will lead to increased wave heights and

more frequent storms for offshore projects.[xxxiv] Pipelines are already being impacted by permafrost thawing and flooding. Scientists have estimated 500 kilometres of the Trans-Alaska Pipeline is in areas where permafrost thaw may occur by 2050.[xxxv] Research has also shown Alaskan roads, pipelines, and bridges are set to deteriorate faster than previously predicted.[xxxvi]

Given the reputational, legal, financial, policy, and physical climate risks involved in Arctic oil projects, the potential downside of financing for Goldman Sachs appears significant. It is therefore perplexing why the bank would break from a number of US peers and remove its restrictions in this area. While the bank maintains a process for enhanced due diligence, this does not provide the same reassurance to investors. It is no longer clear which projects are and which projects are not deemed acceptable for financing by the bank. This is step backwards: in terms transparency, safeguards, and stewardship. In 2020, experienced Financial Times' journalist Billy Nauman wrote: "At the end of the day, a banker's job is to assess risk—and investing in Arctic oil exploration is just not a smart bet".[xxxvii] If Goldman Sachs believes there is value removing its restrictions on directing financing of Arctic oil, it is incumbent on the bank to explain why that bet is now worth making.

2.2 Coal

Why this pillar matters

Coal is the most carbon intensive fossil fuel and phasing out its use in the energy system is key to achieving the 1.5C warming limit of the Paris Agreement. In the IEA's Net Zero by 2050 (NZE) scenario, coal demand falls sharply, meaning no new mines are required and higher cost mines are forced to close. In less ambitious scenarios for coal phase-out, demand is particularly dependent on China and India, who account for nearly half of global use.[xxxviii] This dynamic exposes assumptions about coal demand to high levels of policy-related risk, particularly given China's short-term expansion of coal power capacity against a backdrop of falling utilisation rates for existing coal plants and a rapid shift to clean energy.[xxxix] Even in the IEA's stated policies scenario (STEPS), Chinese coal demand is set to fall by around 25% by 2035—equivalent to all the coal currently used in advanced economies.[xl]

Restricting finance to coal should ensure companies that are not transitioning to more sustainable business models find it increasingly challenging to find capital. Rising capital costs will make new high-polluting projects less attractive for companies and for investors in the sector—a shift compounded by the rapidly falling cost of alternative energy sources.

Criteria

After the changes to Goldman Sachs' Environmental & Social Due Diligence Guidelines in December 2025, the bank has significantly weakened its approach to the dedicated financing of thermal coal power and mining (CP.a and CM.a).

Criteria	GS (old)	GS (new)	Morgan Stanley	Citi
CM.a - Dedicated finance (mining)	Y**	↓**N**	Y	Y**
CM.b - Corporate finance threshold (mining)	N	N	By 2025, no companies with >20% of revenue from thermal coal mining unless the company has a diversification strategy or the transaction facilitates diversification**	No capital markets facilitation or M&A advisory for companies deriving ≥25% of revenue from thermal coal mining**

CM.c - Corporate finance expansion (mining)	N	N	N	N
CM.d - Phase-out (mining)	N	N	N	N
CM.e - Products and services	N	N/A	Y	Y
CP.a - Dedicated finance (power)	Y**	↓**N**	Y**	Y
CP.b - Corporate finance threshold (power)	N	N	N	No new clients with ≥20% of power generation from coal-fired power plants unless such client is pursuing a low-carbon transition strategy**
CP.c - Corporate finance expansion (power)	N	N	N	No new clients that have plans to expand coal-fired power generation**
CP.d - Phase-out (power)	N	N	N	2030 in OECD countries, 2040 in non-OECD countries
CP.e - Products and services	N	N/A	Y	Y

Y = Meets criteria	**Y* = Meets criteria, with technical exceptions**	**Y** = Meets criteria, with material exceptions**	**N = Does not meet criteria**

CM/P.a - Dedicated finance	Does the bank exclude dedicated finance for new thermal coal mining / power projects or the expansion of existing projects?
CM/P.b - Corporate finance threshold	Does the bank restrict general corporate purpose finance for companies that are exposed to the thermal coal mining / power sector based on a relative threshold, such as the percentage of mining revenues / power generation derived from coal?
CM/P.c - Corporate finance expansion	Does the bank exclude general corporate purpose finance for clients developing new thermal coal mining / power projects or extending the lifespan and/or capacity of existing projects?
CM/P.d - Phase-out	Has the bank committed to a phase out of thermal coal mining / power by 2030 in OECD countries and 2040 globally?

CM/P.e - Products and services	Does the policy apply to all relevant products and services, and at a minimum to the bank's lending and capital markets facilitation activities?

Changes to policy position

Goldman Sachs' updated policy shifts its approach to thermal coal mining from exclusion to enhanced due diligence. In the 2023 policy, the firm stated it would "generally forgo" financing that directly supports new thermal coal mine development or mountaintop removal mining, although decisions remained subject to case-by-case assessment. The restriction was already limited, applying only to new mine developments and allowing broad discretion through the "generally forgo" qualifier. In the 2025 policy, these activities are instead subject only to enhanced environmental and social due diligence.

A similar shift applies to coal-fired power generation. In the 2023 policy, Goldman Sachs said it would "generally forgo" financing that directly supports new coal-fired power generation unless it included carbon capture and storage (CCS), again subject to case-by-case discretion. In the 2025 policy, this activity is no longer framed as one the firm would "generally forgo" but is instead subject only to enhanced environmental and social due diligence. With these policies now dropped, the bank no longer has any formal restrictions on its financing to coal activities, beyond the enhanced due diligence policy.

For a side-by-side comparison of the bank's old and new policies, see the appendix.

Analysis

Between 2022 and 2024, Goldman Sachs was the eighth largest coal financer in the US and the eleventh largest in the Western Hemisphere.[xli] The bank's decision to drop its pledge to generally forgo financing of new coal mines and power plants puts it even further behind where it would need to be to align its activities with the Paris Agreement. It also puts Goldman Sachs behind major US peers. Morgan Stanley has said it will not provide financing where the specified use of proceeds would be towards new thermal coal mines, the expansion of existing mines, new coal power plants, or the expansion of power plants without the use of carbon capture and storage (CCS). It also said by 2025 it would not provide lending, capital markets, or advisory services to any company with >20% of revenue from thermal coal mining, unless the company has a public diversification strategy or the transaction facilitates diversification.[xlii] Citi has gone even further. It has said it will not facilitate capital markets transactions or offer M&A advisory and financing for companies deriving ≥25% of revenue from thermal coal mining. It also refuses to onboard new clients who have plans to expand coal power, or who generate ≥20% of power from coal with no low-carbon transition strategy. By 2030, Citi has committed to eliminate credit exposure to companies deriving ≥25% of revenue from thermal coal mining. In the same year, it will cease providing capital and financial services to companies with operations in the OECD generating 5% of their power from coal. Companies with more than 5% coal power exposure in non-OECD countries will be required to provide a transition strategy designed to reduce this share of generation to below 5% by 2040.[xliii] More generally, the number of global banks lending to coal companies fell from more than 300 in 2018 to less than 200 in 2020.[xliv] It is not clear why Goldman Sachs is actively moving against this trend by expanding its scope for thermal coal financing.

While coal is a relatively small part of Goldman Sachs' portfolio when compared to oil & gas, deals supported in recent years have established relationships with companies that are extending the life or operations of coal plants or mines. Among these are Peabody, Evergy, Southern Company, and Duke Energy.[xlv] These relationships show there are existing channels through which Goldman Sachs' decision to remove thermal coal restrictions could translate into greater financing.

Expanded support for thermal coal from Goldman Sachs would have a damaging impact on the climate and potentially lock in further stranded assets. Research has shown emissions from developed coal reserves alone would exhaust 80% of the remaining 1.5C-aligned carbon budget.[xlvi] In a 1.5C-aligned scenario, three-quarters of coal mining capacity would have to close early, while the value of stranded coal plants could reach $1.4 trillion.[xlvii] Research suggests the US could be particularly affected by excess coal mining capacity and that technologies like CCUS would have limited impact on asset stranding.[xlviii]

Even if we discard transition scenarios, technological progress alone is projected to strand 32.6% of thermal coal power and mining assets.[xlix] While some businesses in developed countries may seek to extend the life of their operations by exporting to emerging markets, the IEA is forecasting a sharp decline in coal imports, with 2030 prices falling 10% in Europe and 20% in Asia compared to 2024.[l]

We already see some indications of these dynamics at play in the US. No coal power plants have come online in more than a decade. Meanwhile, in 2024, 93% of new electricity generation was solar, wind, or battery power.[li] Even with an increase in government support under the Trump administration, US coal consumption is set to increase in 2025, but decline 6% per year over the medium term to 2030.[lii] This is being driven by long-run changes to the economics of coal, including rising fuel costs, delivery risks, mine closures, and environmental considerations.[liii]

At the same time, further support for thermal coal power, in particular, could impose real costs on the American public. Utilities are already warning that running coal assets at a higher capacity than present would raise consumer bills.[liv] Meanwhile, mandates to retain fossil power plants that would otherwise have been retired could cost US consumers between $3.1 billion and $5.9 billion annually.[lv] With household incomes already strained, further pressure through energy bills could dampen the vibrancy of US consumption, with knock-on effects for the economy as a whole and the opportunities this presents for Goldman Sachs to extend its financial services.

At the same time, RMI estimates that emissions from coal plants kept operating uneconomically by government policy could cost communities $13 to $26 billion in health costs. These communities already had to pay $256 billion in overall added health costs over the course of 2015 to 2023.[lvi] Tragically, coal particulate matter has also been linked to 460,000 deaths across the US between 1999 and 2020.[lvii] Whether the impact is on peoples' financial or physical health, it is ordinary Americans who pay the price.

From stranded assets to environmental damage, health impacts to consumer bills, further support for thermal coal could come with a series of risks to Goldman Sachs. In this context, it is concerning the bank has decided to remove its previously clear restrictions on thermal coal financing. Of all fossil fuels, this is the most impacted by the energy transition, the most in need to careful management, yet in this critical area, it is no longer clear what Goldman Sachs is willing or not willing to finance.

⟩⟩ PART 3 - CONCLUSION

Downgrading Arctic and thermal coal restrictions is a pathway to potential risks

Welcoming Goldman Sachs' 2025 full year earnings, the bank's chair and CEO, David Solomon, made it clear that the bank's "unwavering focus remains on maintaining a disciplined risk management framework and robust standards."[lviii] ShareAction believes a critical element of this aspiration involves managing the unique financial, reputational, and systemic risks that are particularly acute in specific forms of fossil fuel extraction and energy generation. Unfortunately, the bank has taken a step backwards by downgrading its commitments to generally forgo direct financing of Arctic oil projects, new thermal coal mines, and new coal-fired power plants. Compared to this time last year, it is less clear now what level of risk Goldman Sachs may permit from climate- and transition-exposed clients. Given the consequences of misjudging the energy transition—for both society and the bank itself—it is reasonable for shareholders to expect far more transparency about where Goldman Sachs draws the line between acceptable and unacceptable activities.

By reframing its restrictions as part of a due diligence process, the bank signals there are circumstances where it considers new Arctic oil and thermal coal projects acceptable. This not only undermines the bank's own transition, but, as has been suggested throughout our analysis, creates the potential for significant risks. Whether these risks manifest in reputational damage to the bank, increased impairment from stranded assets, or a more challenging lending environment beset by the physical effects of climate change, the costs should be a concern to investors.

The board is ultimately responsible for ensuring the bank effectively manages long-term risks in a comprehensive and coherent manner. As both chair and CEO, David Solomon is uniquely responsible for the bank's strategic decision making. As such, ShareAction believes that shareholders concerned about climate issues should independently consider a vote against Mr Solomon's re-election, within the parameters of their mandates and through exercise of their independent judgement. While there is always a place for engagement with the bank, we

are of the opinion that shareholder action is justified in the immediate term to restore confidence in the board's capacity and commitment to oversee a stable, robust, and ambitious climate strategy.

⟩⟩ PART 4 - APPENDIX

4.1 Oil & gas

Previous policy	New policy
UOG.A.a - Dedicated finance (Arctic) • "The following is a non-exhaustive list of such activities that the firm will generally forgo: […] financing that directly supports new upstream Arctic oil exploration or development." • **Material exceptions:** Only applies to new projects, with no restriction on the expansion of existing Arctic operations; only commits the bank to "generally forgo", implying broad undefined exceptions; only applies to oil	**UOG.A.a - Dedicated finance (Arctic)** • "The firm will conduct enhanced due diligence and review of the following activities: [...] financing that directly supports new upstream Arctic oil exploration or development."

4.2 Coal

Previous policy	New policy
CM.a - Dedicated finance (mining) • "The following is a non-exhaustive list of such activities that the firm will generally forgo: [...] financing that directly supports new thermal coal mine development or any mountaintop removal mining." • **Material exceptions:** Only applies to new mine developments; only commits the bank to "generally forgo", implying broad undefined exceptions	**CM.a - Dedicated finance (mining)** • "The firm will conduct enhanced due diligence and review of the following activities [...] Financing that directly supports new thermal coal mine development or any mountaintop removal mining."
CP.a - Dedicated finance (power) • "The following is a non-exhaustive list of such activities that the firm will generally forgo: [...] financing that directly supports the development of new coal fired power generation unless it has carbon capture and storage or equivalent carbon emissions reduction technology ("CCS")." • **Material exceptions:** Only applies to new plants; exception for plants with CCS; only commits the bank to "generally forgo", implying broad undefined exceptions	**CP.a - Dedicated finance (power)** • "The firm will conduct enhanced due diligence and review of the following activities [...] Financing that directly supports the development of new coal fired power generation unless it has carbon capture and storage or equivalent carbon emissions reduction technology ("CCS")."

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