

OUR IMPACT DRIVES GLOBAL PROGRESS

Selected Highlights from 2012 ESG Report

This document highlights our environmental efforts and key awards and rankings during 2012.

For additional information related to our approach to sustainability, including specific examples of our work on behalf of clients, please visit the current version of our full Environmental, Social and Governance Impact Report.

www.gs.com/esg-impact

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SALT LAKE CITY
NEW JERSEY
NEW YORK CITY
BRAZIL
LONDON
GERMANY
JOHANNESBURG
INDIA
BEIJING
TOKYO

ENVIRONMENTAL OVERVIEW

A healthy environment is the foundation of economic progress and contributes to the well-being of all people. At Goldman Sachs, we recognize our responsibility to help find market solutions that improve the environment. Our commitment to environmental sustainability takes many forms. It includes providing financing for clean technology companies, working collaboratively with the public and private sectors to address infrastructure challenges, and partnering with non-governmental organizations to conduct research on environmental and energy issues.

In 2005, Goldman Sachs established the **Environmental Policy Framework**. Under the Framework we committed to deploy our people, capital and ideas to help find effective market-based solutions to environmental issues. Our **Environmental Markets Group** coordinates and oversees our Framework, while respective business units implement the commitments and contribute to environmental progress. The Board reviews the Framework and the **Corporate Governance, Nominating and Public Responsibilities Committee of the Board** reviews environmental, social and governance issues affecting the firm, including through the periodic review of the ESG Report.

We put our environmental policies into practice and continue to deliver on our commitments across three areas:

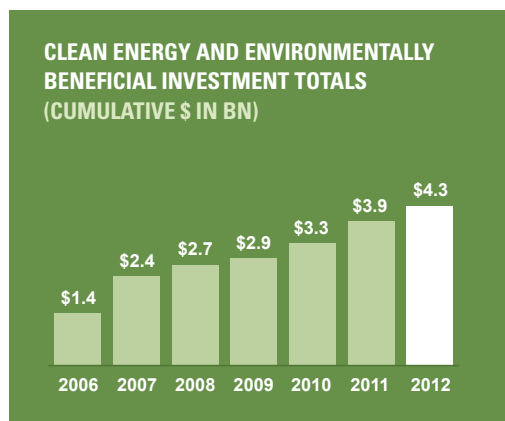
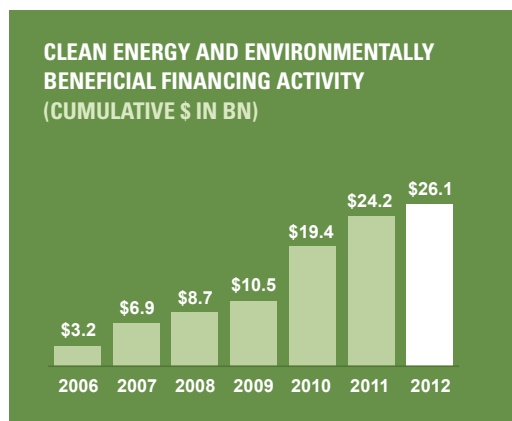
- **Our core businesses**
- **Our operations**
- **Our thought leadership**

To read a more detailed summary of our environmental policies, practices and initiatives, please visit www.gs.com/environment.

OUR BUSINESS INITIATIVES

Clean Energy

In 2012, we extended our longstanding commitment to clean energy by establishing a \$40 billion target to finance and invest in companies that promote clean technology alternatives over the next decade. Despite a challenging global market environment that was particularly difficult for clean energy, we continued to identify opportunities to meet this goal. In 2012, we financed nearly \$2 billion and co-invested more than \$430 million in the sector. We served as financial advisor on clean energy transactions valued at more than \$1.1 billion. Since 2006, we have financed more than \$26 billion and co-invested more than \$4.3 billion toward clean technology companies globally. Recent transactions include the following examples.



- **Distributed solar**

In December 2012, we were the lead underwriter on SolarCity's initial public offering, helping to raise \$106 million. The initial public offering was the first for a distributed solar generation company and the first renewable energy company initial public offering in six months. Earlier in the year, we provided financing to the company to help fund the purchase of inventory. SolarCity has expanded to serve more than 50,000 customers in 14 states, including more than 300 schools and government agencies, as well as all four branches of the U.S. military.

- **Transmission**

In July 2012, the firm helped raise \$98 million in debt financing for Citizens Energy Corporation to purchase a 30-year, 50 percent leasehold interest in a portion of a high-voltage transmission line. The line is being built by San Diego Gas & Electric and will link clean energy sources in Imperial Valley to load centers in San Diego and reduce transmission congestion. Citizens has committed to use 50 percent of its profits to assist with the energy needs of low-income and senior homes in the region, and has begun a program to install rooftop solar panels on homes to reduce electric bills by up to 50 percent.

- **Advanced biofuels and feedstock**

We served as lead underwriter on the \$75 million initial public offering for Ceres in early 2012. The company develops next-generation seeds for the production of high-yielding, dedicated energy crops that can enable large-scale sustainable feedstock for biofuel producers. Proceeds from the transaction are being used to grow the business via further commercialization of existing products, support increased sales and marketing and fund next-generation research and development.

- **Electric vehicles**

In September 2012, we were the sole manager in the \$225 million follow-on equity offering for Tesla Motors, the Palo Alto, California, manufacturer of high-performance fully electric vehicles and advanced electric vehicle powertrain components. This was the second capital markets transaction we led for the company since advising on its initial public offering in 2010. Strong demand from investors led to a significant oversubscription for the offering, demonstrating the broad interest from both new and existing investors in the electric vehicle sector.

OUR BUSINESS INITIATIVES

For more information on our financing and advisory initiatives, [click here](#). For details about our investments toward a low-carbon future, [click here](#).

Water Infrastructure

Extreme weather, inadequate water infrastructure systems and growing demand have made water needs more acute. While increasingly constrained government funding has made meeting the infrastructure needs challenging, we are committed to helping communities meet their capital needs to address these challenges. For example, last November, the firm helped finance an innovative public-private partnership between the city of Rialto, Table Rock Capital, Union Labor Life Insurance Company and Veolia Water on a 30-year concession to manage Rialto's water and wastewater systems. A portion of the proceeds will be used to upgrade the water systems, reduce water loss from leakage and improve operations.

Catastrophe-Linked Securities

We develop and place catastrophe-linked securities that help our clients mitigate financial risk, including from extreme weather events. For example, in April 2012, we helped Citizens Property Insurance Corporation, a state-owned insurer of last resort for Florida homeowners, transfer \$750 million in risk of loss from hurricanes to capital market investors in the form of a catastrophe risk-linked security known as Everglades Re. The firm has placed several such weather risk-linked transactions and was recognized by *Environmental Finance* as the "Best Dealer in Catastrophe Risk Management" in 2012.

ESG Research

Our **GS SUSTAIN** research team continues to expand its analysis of companies, further helping clients identify environmental, social and governance outperformers and structural leaders. In May 2012, GS SUSTAIN announced a major expansion of its analysis to nearly 1,400 mid-to-large-sized companies globally, following the collection and analysis of nearly 100,000 ESG data points from publicly available sources. From its inception in June 2007 through the end of 2012, the GS SUSTAIN Focus List has outperformed the MSCI All Country World Index (ACWI) global equity benchmark by more than 40 percent.

Goldman Sachs Asset Management

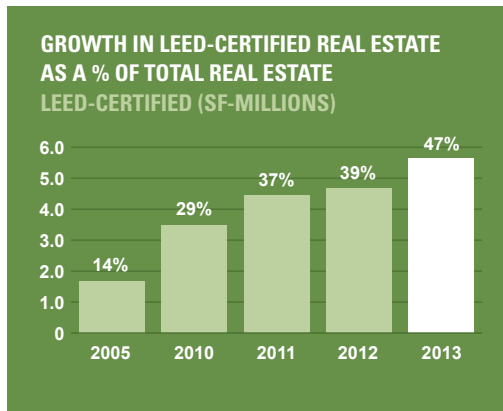
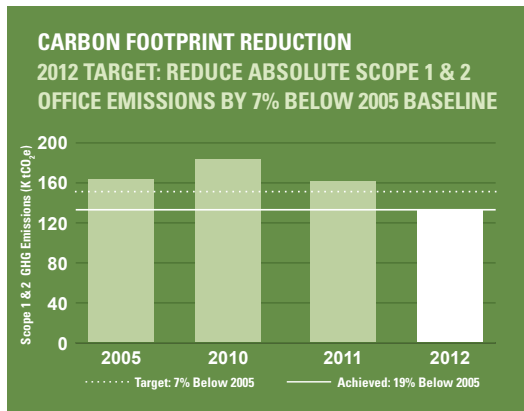
Goldman Sachs Asset Management (GSAM) is committed to responsible and sustainable investing and the formal integration of environmental, social and governance principles into investment strategies and client solutions across our investment platform globally, where applicable. The foundation of our approach to responsible and sustainable investing is built on our core philosophy of serving our clients' investment goals and adhering strictly to our fiduciary duty as an asset manager. At GSAM, we believe responsible and sustainable investing extends beyond the evaluation of quantitative factors and traditional fundamental analysis. Where material, it should include the analysis of an entity's impact on its stakeholders, the environment and society. We recognize that these ESG factors can affect investment performance, expose potential investment risks, and provide an indication of management excellence and leadership.

Please see our [GSAM Citizenship website](#) and read our [GSAM Statement on Responsible and Sustainable Investing](#) for further information.

Environmental Risk Management

We approach the management of environmental and social risks with the same care and discipline as any other business risk. As part of this commitment, we believe it is important to take the environmental and social impacts and practices of our clients and potential clients into consideration as we make business selection decisions. Our Environmental Markets Group assists business teams by providing guidance on environmental matters, doing independent reviews as appropriate and identifying mitigants and positive engagement opportunities with clients to reduce risk. In 2012, 262 transactions were reviewed by the Environmental Markets Group and 526 new employees received environmental, social and governance training. For more information, please see our [Business Selection and Environmental Advisory](#) process.

OUR OPERATIONAL IMPACT



- This year we reduced the carbon footprint from our offices by 19 percent — well exceeding our initial target to reduce the footprint from our offices by seven percent from a 2005 baseline by 2012. We accomplished this entirely by deploying our global Carbon Reduction Framework, which challenges us to design, construct and operate our facilities and technology as efficiently as possible. Recognizing the impact of our data center emissions, in 2012 we went beyond our initial target by reducing the carbon footprint from both our offices and data centers by 10 percent from a 2005 baseline. We achieved this additional reduction with the purchase of a balanced mix of high-quality, credible Gold Standard and Voluntary Carbon Standard offsets that support the growth of renewable energy markets where we operate. We have committed to be carbon neutral across our facilities by 2020.
- Our owned and leased LEED-Certified real estate now totals over 5 million square feet, making us one of the world's largest owners and tenants of LEED-Certified commercial real estate under the new construction and commercial interiors rating systems.

For more information, see our [Operational Impact](#) page.

OUR THOUGHT LEADERSHIP

- In 2012, through The Center for Environmental Markets, we made progress on our existing partnerships and entered into new partnerships with non-governmental organizations (NGOs). Areas of focus include water, energy efficiency, clean energy policy and the role of shale energy. For more information, please see [The Center for Environmental Markets](#).
- We continue to host, sponsor and participate in major conferences — attended by policy makers, NGOs and educators, as well as Goldman Sachs clients, investors and employees. In February 2013, we hosted a summit on *Water: Emerging Risks & Opportunities*, in partnership with the World Resources Institute and General Electric.

LEARN MORE

[Learn more about our commitment to the environment >](#)

ENVIRONMENTAL AWARDS AND RANKINGS

January 2013

Bloomberg New Energy Finance — Clean Energy & Energy Smart Technologies League Tables

#1 Public Markets — Lead Managers

#2 M&A and VC/ PE — Financial Advisors

September 2012

Dow Jones Sustainability Index

Listed on the North America Index

Carbon Disclosure Project

2012 CDP Global 500 Carbon Disclosure Leadership Index

2012 CDP S&P 500 Carbon Disclosure Leadership Index

July 2012

Environmental Finance — 2012 Annual Awards

Catastrophe Risk Management Deal of the Year —

Everglades Re cat bond

Best Dealer (Structurer/Arranger) in Catastrophe Risk

Management — Global

April 2012

Maplecroft Climate Index — CII Leaders: Top 100 Companies

Ranked #13

Top company ranked in financial sector

March 2012

Bloomberg — World's Greenest Banks

Listed

October 2012

Newsweek Green Rankings

Listed

ENVIRONMENTAL INDICATORS

	Absolute Trend	2012 Absolute Normalized	2011 Absolute Normalized	2010 (adjusted) ¹ Absolute Normalized	2005 (adjusted) ¹ Absolute Normalized
Performance Indicators					
Global Facilities Reported	↑	236	205	185	106
Revenues (\$M)	↑	\$34,163	\$28,811	\$39,160	\$25,238
Rentable Square Feet (ft²)	↓	11,626,661	12,350,524	14,646,477	11,107,179
LEED-Certified (ft ²)	↑	4,259,138	4,004,886	3,791,915	1,556,915
Full-time Occupants (FTO = FTE+FTC)	↓	32,400	33,349	34,787	29,137
Total Direct and Intermediate Energy Consumption (MWh)	↓	683,743	722,710	793,389	451,088
Total Direct Energy Consumption (MWh)	↑	53,777	42,472	52,566	37,363
Natural Gas	→	75%	95%	89%	94%
Fuel Oil	↑	25%	5%	11%	6%
Total Intermediate Energy Consumption (MWh)	↓	629,965	680,239	740,823	413,726
Purchased Electricity	↓	97%	95%	95%	98%
Purchased Steam	↓	3%	5%	5%	2%
Gross Greenhouse Gas (GHG) Emissions (tCO₂e)					
Scope 1 - Direct (tCO₂e)	↑	14,559	11,787	14,693	6,915
Natural Gas	→	56%	70%	64%	92%
Fuel Oil	↑	23%	4%	10%	8%
HFC Refrigerants	↓	21%	26%	26%	0%
Scope 2 - Required Indirect (tCO₂e)	↓	276,815	321,641	342,440	206,506
Purchased Electricity	↓	99%	99%	99%	99%
Purchased Steam	↓	1%	1%	1%	1%
Total Gross Scope 1 & 2 (tCO₂e)	↓	291,373	333,429	357,133	213,421
Office Scope 1 & 2	↓	131,850	160,963	182,778	162,773
Data Center Scope 1 & 2	↓	159,523	172,467	174,354	50,648
Scope 3 Business Travel - Optional Indirect (tCO₂e)	↓	156,462	165,359	168,251	—
Commercial Air	↓	93%	93%	94%	—
Charter Air	→	2%	2%	2%	—
Rail / Bus	→	0%	0%	0%	—
Ferry	→	1%	1%	—	—
Car	→	4%	4%	4%	—
External GHG Emissions Reductions (tCO₂e)					
Gold Standard Offsets (tCO ₂ e)	↑	50,000	0	0	—
Verified Carbon Standard (VCS) Offsets (tCO ₂ e)	↑	48,000	13,737	15,367	—
Total Verified Carbon Offsets (tCO₂e)	↑	98,000	13,737	15,367	—
Reduction Against Scope 1 & 2	↑	100%	37%	33%	—
Reduction Against Scope 3	↓	0%	63%	67%	—
Green-E Certified Renewable Energy Certificates (RECs) (MWh)	↑	582	0	0	0
Reduction Against Scope 1 & 2 (tCO ₂ e)	↑	100%	0	0	0
Net GHG Emissions (metric tons CO₂e)					
Total Net Scope 1 & 2 (tCO₂e)	↓	192,791	328,371	352,075	213,421
Normalized GHG Emissions					
Net Revenue (tCO₂/\$M)	↓	8.5	11.6	9.1	8.5
Rentable Square Feet (kg CO₂e/RSF)	↓	25.1	27.0	24.4	19.2
Full-Time Occupants (tCO₂/FTO)	↓	9.0	10.0	10.3	7.3
Total Water Consumption (m³)	↓	1,288,117	1,407,177	—	—
Total Business Waste (metric tons)	↓	5,895	6,396	6,490	—
Recycled Material	↓	48%	49%	51%	—
Landfilled Material	↓	38%	44%	44%	—
Waste to Energy	↑	13%	7%	5%	—
e-Waste (metric tons)	↑	330	307	—	—
Total Construction Waste (metric tons)	↓	4,398	6,095	3,099	—
Recycled Material	↓	68%	89%	88%	—
Landfilled Material	↑	32%	11%	12%	—
Total Paper Consumption (million sheets)	↓	245	320	311	—
New Fibers (FSC/SFI)	↓	80%	65%	62%	—
Post-Consumer Recycled	↓	4%	12%	13%	—
New Fibers	↓	16%	23%	25%	—

Note 1: 2005 and 2010 emissions were adjusted in 2012 from the originally reported emissions to reflect the impact of materially significant acquisitions.

BUSINESS AWARDS AND RANKINGS

December 2012

Asia Money: Deals of the Year Awards

Best Equity Arranger
Best Investment Bank

July 2012

The Banker: Top 1000 Banks

#20 overall

June 2012

Euromoney: Awards for Excellence

Named Best M&A House in the Middle East

July 2012

Euromoney: Regional and Country Awards for Excellence

Best Global M&A House
Best Global Emerging Markets Equity House

EMEA AWARDS:

Best M&A House in Russia
Best M&A House in Central Eastern Europe
Best M&A House in Africa
Best M&A House in the Nordic and Baltics
Best Investment Bank in Ireland
Best Investment Bank in Belgium
Best Investment Bank in Sweden
Best Investment Bank in Norway
Best Equity House in the Nordic and Baltics

ASIA AWARDS:

Best M&A House in Asia
Best M&A House in Hong Kong
Best M&A House in Australia

June 2012

FinanceAsia: Country Awards

Best Foreign Investment Bank in China
Best Foreign Investment Bank in Malaysia
Best Foreign Investment Bank in Korea

December 2012

FinanceAsia: Annual Achievement Awards

Best FIG House

April 2012

JMoney: Annual Awards

RANKED IN THE TOP FIVE:

M&A House (#2)
Cross Border M&A House (#1)

December 2012

International Financing Review: Annual Awards

Best EMEA Equity House
Best Structured Equity House

International Financing Review Asia: 2012 Annual Awards

Bank of the Year

EMPLOYER OF CHOICE AWARDS AND RANKINGS

July 2012

**Chronicle of Philanthropy:
10 Companies That Gave the Most Cash in 2011**

Ranked #2 on this list for the second year in a row

January 2013

FORTUNE: 100 Best Companies to Work For

Listed

Included on the list every year since its inception

FORTUNE: World's Most Admired Companies

Ranked #34

March 2013

#2 overall in Megabanks category

September 2012

**Utah Governor's Committee on Employment of
People With Disabilities: Annual Awards**

Recipient of the Golden Key — Employer of the Year Award for the work that we do for individuals with disabilities

April 2012

TargetJobs: National Graduate Recruitment Awards

Named one of the "Most Popular Graduate Recruiters in Investing and Investment Banking"

September 2012

**Universum: World's Most Attractive Employers —
Global Top 50**

Ranked #10 among business students

DIVERSITY AWARDS AND RANKINGS

2013
Asia Society: Best In Class Employers of Asian Pacific American Professionals
Finalist

February 2012
Human Rights Campaign (HRC): Corporate Equality Award
Recipient of Corporate Equality Award and in 2013 Received 100 percent on Corporate Equality Index (ninth consecutive year)

October 2012
Business in the Community: Race for Opportunity Awards
Recipient of the "Leadership Award" for the firm's STEP Leadership Development Programme in EMEA

September 2012
AWARE: Gender Equality Awards
Recipient of "Cause of the Year — Women's Corporate Leadership Award" — International Category

January 2013
Stonewall: Workplace Equality Index
Ranked #13 overall
Ranked #1 among investment bank entrants

May 2013
Working Mother: Best Companies for Multicultural Women
Listed

September 2012
Working Mother: 100 Best Companies for Women
Listed

METRICS

Goldman Sachs U.S. Workforce Demographics

Data as of 08-31-2012

	White	Asian	Black or African American	American Indian/Alaskan Native	Hispanic or Latino	Two or more Races	Native Hawaiian or Other Pacific Islander	Females
Exec/Sr. Officials & Managers	85%	9%	3%	0.0%	3%	1%	0%	20%
Officials & Managers	70%	23%	2%	0.0%	4%	1%	0%	28%
Professionals	58%	29%	5%	0.1%	6%	2%	0%	35%
All others	72%	9%	8%	0.2%	10%	2%	0%	57%
Total	63%	24%	5%	0.1%	6%	2%	0%	36%

Source: Goldman Sachs 2012 Equal Employment Opportunity (EEO-1) reports. "All other" is a combination of the following EEO-1 job categories: technicians, sales workers, office and clerical, craft workers (skilled), operatives (semi-skilled), laborers and service workers.