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Participation in Facebook – Joint responsibility of investors

Dear Mr. Blankfein, Dear Mr. Cohn

I would like to take Goldman Sachs' financial participation in Facebook as an opportunity to put the following matter before you:

In recent years, Facebook has developed into a lucrative enterprise that has spurred investors and shareholders as well as advertisers into action. More and more Internet users have registered at the platform and are actively participating in it. The growing number of registered users at Facebook is a fact. Another fact is that more and more people, users and non-users, data-privacy and consumer-protection activists, policy-makers and other important stakeholders, are speaking out in criticism of Facebook's lack of respect for the – legally protected – private sphere.

Whether the issue is Facebook's extremely controversial "Friend Finder," the "Like" button or the access to data that the corporation permits third parties to gain over interfaces, enabling the integration of applications such as games and greeting cards, one thing is clear: the data collected at Facebook is not being used solely for the purposes of that corporation. Instead, Facebook, on an ever increasing scale, is providing third parties with the opportunity to access user data via interfaces. Such interfaces between Facebook and third parties, enabling, as they do, access to the personal profiles of the users, entail an additional potential threat to data privacy and the protection of technical data. However, that is not all: they also de facto open what is, at least as perceived by the user, a "secure Internet zone" to third parties for the interception and use of data and do so without alerting the user to what is happening.

In advance of its IPO, expected to take place next year, Facebook is continuing to push ahead with its business model while doing all it can to keep the platform's users unaware of the use of data for profile building and

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marketing purposes (including use by third parties) through non-restrictive privacy settings.

This criticism is not motivated by the desire to reject or thwart the innovation that "social networks" represent. Nor can Facebook's critics be written off as enemies of technology or innovation. However, they do expect and demand, and rightly so, that following the legal rules be a self-evident necessity for any corporation.

Despite the criticism that Facebook has attracted concerning data privacy and consumer protection, the company has doggedly adhered to its business policy. National data-privacy regulations are disregarded; the EU's standard for data protection is neither acknowledged nor respected.

Apart from the rules and regulations that apply at the national level, Facebook is also violating its obligations under the Safe Harbor Privacy Principles, which the company committed itself to uphold. Under that program, Facebook has an obligation to notify users in a clearly visible and unambiguous manner about the purposes for which it collects and uses data. Facebook fails to fulfill that obligation, or does so only to an insufficient extent. This applies particularly for the "Friend Finder", the "Like" button and the use of data by third-party companies for advertising purposes.

For an internationally active corporation, the principles of the rule of law and legal compliance make it absolutely essential that the laws of the land, in this case data protection law, be respected and enforced.

It is unacceptable that Facebook should, through this sort of business policy, acquire a competitive advantage over other national corporations that do submit to national laws and endeavor to comply with data protection regulations and to respect the privacy of their users.

Again and again, Facebook gives the impression that regulations and agreements of this kind do not apply for its business model: data are, at any price and without the user's knowledge, collected, processed, assembled for profile building and exploited for marketing purposes. Transparent notification does not take place, and the required consent on the part of the data subjects themselves is not solicited.

It cannot be in either the economic or social interests of an institutional investor or its clients to include in its portfolio a corporation that has clearly failed to demonstrate an adequate appreciation for the necessity of legal compliance.

Data privacy has become one of the basic principles of corporate social responsibility. A range of OECD guidelines as well as the ISO 26000 standard clearly define addressing data privacy protection and data security, including and especially with regard to the data of consumers, as an important duty for companies.

A responsible approach to the privacy and security of data acquires even more importance in connection with responsible investment in Internet businesses.

Only rarely do consumers have direct control over a corporation's compliance with data privacy and data security requirements: for that very reason, the trust that consumers place in that company and in its investors is an important factor in its success.

Therefore, the corporate responsibility of a bank must not be limited to innovative technologies or economic aspects. Legal compliance, the interests of the consumer and in that context the protection of data privacy and data security in particular must also be taken into account with regard to investment decisions.

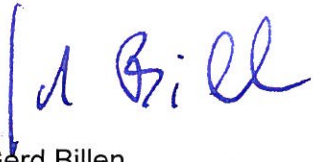
Only high standards of data privacy protection and consumer protection can enable the trust of the consumer in products and services to be won. Only those products and corporations that place a priority on the interests and trust of consumers will prove themselves in the market in the long run.

Dear Mr. Blankfein, Dear Mr. Cohn, for a firm such as Goldman Sachs, which itself champions the cause of data privacy protection in association with its own treatment of client data and which has committed itself to promoting good performance relative to social and the environmental issues (CSR and ESG Performance), an equally great weight must be placed on compliance with data privacy regulations and a privacy policy committed to the right of an individual to decide for him or herself what is done with his or her personal data. In the context of asset management by investment banks today, ESG criteria represent a value driver that should not be underestimated, as several international studies have shown.

Therefore, I turn to you now with this appeal to continue the Goldman Sachs Group's commitment to corporate social responsibility and to adapt to reflect the current developments with respect to new investment markets. Issues of data privacy and consumer and client protection must play a decisive role in investments in corporations like Facebook. The Goldman Sachs Group, as an investor and shareholder, now has the opportunity to exert influence on Facebook's corporate policy on behalf of Facebook users and thereby make an important and active contribution to consumer and data privacy protection. National regulations concerning the protection of users and their data aside, the duty to provide users with comprehensive and transparent notifications is just as essential as fair business and advertising practices are.

Thus I would ask you and your investors to appreciate this social and moral responsibility and to notify me as soon as possible whether and how Goldman Sachs intends to live up to that responsibility.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Gerd Billen". The signature is written in a cursive style with a vertical line on the left side.

Gerd Billen
Executive Director