

RESOLVED that shareholders of BlackRock Inc. (“BlackRock”) urge the Board of Directors to oversee a racial equity audit analyzing BlackRock’s impacts on nonwhite stakeholders and communities of color. Input from civil rights organizations, employees, and clients 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 BlackRock’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.

BlackRock CEO Larry Fink responded to the spring 2020 killings by vowing to “work together to build a more fair and just society.” Fink also acknowledged that “ must also consider where racial disparity exists in our own organizations and not tolerate our shortcomings.”¹

Currently, BlackRock’s Board has one African-American director² and 3% of senior leadership is Black, and the company recently adopted new diversity and inclusion initiatives.³ But BlackRock’s potential impact on systemic racism is not confined to the employment context. Although BlackRock plans to “focus on racial equity and social justice in [its] investment and stewardship activities,”⁴ it has not described any intended changes to its proxy voting policies or processes. A 2020 report on proxy voting found that BlackRock did not use its clout as a significant owner to advance racial justice. BlackRock opposed nearly all shareholder proposals directly addressing racial justice issues, including two proposals at Amazon seeking disclosure regarding hate-promoting products and effects of its facial recognition technology on people of color. BlackRock supported all directors on over 90% of

¹

<https://www.linkedin.com/pulse/recent-events-racial-injustice-larry-fink/?trackingId=j2tJIYVqTzOk7vZGVbscuA%3D%3D>

²

https://www.sec.gov/Archives/edgar/data/1364742/000119312520102552/d814850ddef14a.htm#toc814850_46, at 11.

³

<https://www.linkedin.com/pulse/our-actions-advance-racial-equity-inclusion-larry-fink/?trackingId=SiuvSpn%2FrhYltZLN8Ymv3w%3D%3D>

⁴ <https://www.blackrock.com/corporate/about-us/social-impact/advancing-racial-equity>

all-white S&P 500 boards and backed two directors with problematic histories regarding racial issues.

In 2017, 2018 and 2019, Fink co-chaired the annual gala for the New York City Police Foundation,⁵ which funds equipment purchases for the New York Police Department.⁶ Police foundations have been criticized for contributing to the militarization of police forces and for purchasing surveillance technology that has been used to target communities of color and nonviolent protestors.

BlackRock is a member of the Securities Industry Financial Markets Association (“SIFMA”).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 BlackRock to assess its behavior through a racial equity lens to identify how it contributes to systemic racism, including areas of misalignment between BlackRock’s stated values and the impacts of its actions, and could begin to help dismantle it.

5

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

⁶ <https://www.nycpolicefoundation.org/programs/>

7

<https://www.blackrock.com/corporate/insights/public-policy/public-policy-engagement-and-political-activities-policies/trade-associations>

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