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## **BlackRock CEO Larry Fink's Annual Letters Continue to Show a Shirking of Responsibility for Systemic Risks**

**NEW YORK** -- In response to BlackRock CEO Larry Fink's annual letter today, Eli Kasargod-Staub, executive director of [Majority Action](https://majorityaction.org/), a nonprofit shareholder advocacy organization, made the following statement:

Overcoming the combined and intersecting crises of a global pandemic, climate change, racial injustice, and threats to democracy requires visionary leadership willing to reckon honestly with the threats facing our economy, society and planet—and how “business as usual” perpetuates these crises. Without this kind of reckoning, Fink's inadequate letters demonstrate a series of too-small, too-slow steps to address these challenges to long-term investors at scale.

From climate risks to systemic racism, BlackRock seems to hold that these issues are external to companies, rather than risks that companies themselves exacerbate through their own actions — actions over which BlackRock holds substantial influence through its outsized proxy voting power. On many of the critical risks we face, BlackRock fails to set clear expectations for companies commensurate with the scale of the challenge and hold boards accountable to them. For example, [despite investor demands for accountability from BlackRock in the wake of the Capitol insurrection](#), BlackRock does not even say whether it will continue to [shield corporate boards](#) from investor demands for comprehensive transparency and accountability on political spending.

Fink's new commitment to decarbonize BlackRock's investments by 2050 is of course a much-needed shift from the world's largest asset manager that comes as a direct result of years of grassroots and investor organizing. Unfortunately, the centerpiece of BlackRock's announced strategy— asking companies to "disclose a plan for how their business will be compatible with a global aspiration for net-zero greenhouse gas emissions by 2050"— is *not the same* as holding carbon-intensive companies accountable for eliminating their own material contributions to climate change. Companies in climate-critical sectors have long proclaimed their supposed alignment with a Paris-aligned transition, yet continue to develop and deploy carbon intensive energy reserves and projects, undermining the transformation so urgently needed to ensure we do not exceed 1.5°C of warming. But unlike leading investors, BlackRock is not clearly demanding that these companies set 1.5°C-aligned decarbonization targets for themselves, set clear interim decarbonization goals along that pathway, or overhaul their near-term capital expenditures as needed to achieve them.

Given [BlackRock's track record of shielding carbon-intensive companies from accountability](#), the risks are too high to give BlackRock the benefit of the doubt. This

season Majority Action and our partners will be putting BlackRock's net-zero commitments and professions of concern for democracy and racial equity to the test through key votes where asset managers must hold boards accountable. With the risks to investors and the planet escalating rapidly, we sincerely hope they pass.

### **Background:**

Despite previous commitments to put climate change at the center of his company's investment strategy, BlackRock's record in this critical area is bleak. Our [research](#) at Majority Action showed that BlackRock voted for nearly all (99%) U.S. company-proposed directors across the energy, utility, banking, and automotive sectors in the 2020 shareholder season. Even as the asset manager joined Climate Action 100+ in early 2020, BlackRock voted against 10 of the 12 shareholder proposals flagged by the coalition.

In 2020, 48 resolutions to improve corporate policy influence disclosures received more than 20% shareholder support across the S&P 500. [Majority Action and SEIU's research](#) shows that BlackRock voted against every single one. In addition, in the 2020 shareholder season, BlackRock voted overwhelmingly to back boards with no racial and ethnic diversity and against proposals that were directly related to issues of racial justice in a company's operations and/or governance, including board diversity, workforce issues, pay disparities, and civil rights issues in the United States. Earlier this month, the asset manager was also [exposed for donating tens of thousands of dollars](#) to members of Congress who enabled the Capitol insurrectionists. Just yesterday, a coalition of [state treasurers, fiduciaries, and trustees from institutions with over \\$1 trillion in assets](#) under management called on BlackRock to significantly enhance its political spending disclosure and use its power to hold corporate boards accountable on these critical issues.

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**Majority Action** is a nonprofit organization dedicated to empowering shareholders of all sizes to hold corporations and their leadership accountable to high standards of long-term value creation, corporate governance, and social responsibility. [www.majorityaction.us](http://www.majorityaction.us)