

United States Senate

July 26, 2022

Mr. Larry Fink
Chairman and Chief Executive Officer
BlackRock Inc.
55 East 52nd Street
New York, NY 10055

Dear Mr. Fink,

On July 13, I sent you a letter inquiring about BlackRock's involvement with Climate Action 100+ ("CA100+").

Though BlackRock failed to provide my office with a response, it did respond to a request for a statement by "responsible-investor.com." BlackRock's statement to the website was:

BlackRock joined Climate Action 100+ to participate in dialogue with companies and financial institutions on matters important to our clients. As we made clear to CA100+ when we joined, BlackRock acts independently in its investment decisions. We do not co-ordinate investment decisions with any members of Climate Action 100+, and we do not buy, sell, hold or vote our shares together with any Climate Action 100+ signatory. As fiduciaries to our clients, we consistently prioritise the long-term economic interests of our clients above any commitments or pledges not required by law.¹

BlackRock's intimation that it set boundaries when joining CA100+ is unconvincing, as the statement mirrors CA100+'s own language on its website.² And if this was a response to my letter, it did not answer my questions.

BlackRock's statement raises additional questions about its commitments to the CA100+ initiative. Many of the commitments investor participants make when joining CA100+ raise potential antitrust issues. For example, based on CA100+'s website:

¹ Gina Gambetta, *BlackRock pushes back against Arkansas senator over CA100+ involvement*, RESPONSIBLE-INVESTOR.COM, July 15, 2022, <https://www.responsible-investor.com/blackrock-pushes-back-against-arkansas-senator-over-ca100-involvement/>.

² See Climate Action 100+, *How We Work*, <https://www.climateaction100.org/approach/how-we-work/> ("As independent fiduciaries, investors are responsible for driving each engagement . . . Climate Action 100+ does not facilitate or require collective decision-making regarding an investment decision. The initiative will not provide recommendations to investors to divest, vote in a particular way or make any other investment decision."). While CA100+ does not take "formal positions" on shareholder votes, "it recognises that shareholder proposals and other votes are a powerful signal and a useful engagement tool," and "flags" shareholder votes "for investors to take into consideration." CA100+ brags that "[s]ix out of 14 flagged shareholder proposals received majority votes at some of the world's largest GHG emitters during the 2021 proxy season, demonstrating the value of this tool for Climate Action 100+ signatories." Climate Action 100+, *Climate Action 100+ Flagged Shareholder Votes*, <https://www.climateaction100.org/approach/proxy-season/>.

- “investors commit to engaging with at least one of 166 focus companies . . . and to seek commitments on the initiative’s key asks”;
- investors are required to “work cooperatively with a number of collaborating investors”;
- investors are “required to share information with the engagement working group and the coordinating investor network”;
- investors are “required to liaise with relevant network staff and/or lead investors to ensure engagement priorities and ambition are aligned with the goals of the initiative, as well as with the overall collaborative approach”;
- investors are required to “disclose through a bi-annual survey their engagement plans and priorities over the coming 12 months to ensure strong and concerted action”; and
- investors are required to warn focus companies that “inaction by companies following engagement may result in investors taking further action.”³

In light of these commitments that BlackRock made when becoming a CA100+ “investor participant,” please provide answers to the following questions by August 2, 2022:

1. Has BlackRock followed through on its intention to “participate in dialogue with companies and financial institutions” as part of the CA100+ initiative? If so, please list each company and financial institution BlackRock engaged in “dialogue” with, and explain what was discussed during such “dialogue.”
2. In light of BlackRock’s insistence that it “acts independently” and “do[es] not co-ordinate” with other CA100+ members, does BlackRock count itself among the CA100+ “investors [that] recognise that unprecedented cross-sector collaboration is required to achieve net zero across the global economy”?⁴
3. Has Blackrock fulfilled the CA100+ commitments listed above? If so, please identify:
 - a. the companies BlackRock has engaged with;
 - b. the investors BlackRock has collaborated with;
 - c. the investors BlackRock has shared information with;
 - d. the investors and network staff BlackRock has liaised with; and
 - e. the companies BlackRock has threatened with “further action.”

In addition, please provide a copy of all bi-annual surveys BlackRock has prepared for CA100+.

Regards,



Tom Cotton
United States Senator

³ Climate Action 100+, *How We Work*, <https://www.climateaction100.org/approach/how-we-work/>; Climate Action 100+, *Engagement Process*, <https://www.climateaction100.org/approach/engagement-process/>.

⁴ Climate Action 100+, *Global Sector Strategies*, <https://www.climateaction100.org/approach/global-sector-strategies/>.