



May 4, 2018

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

Dear Mr. Fink:

We, the undersigned ten civil society organizations with members and supporters representing over 70 million citizens around the world, many of whom are BlackRock beneficial shareholders and customers, write to raise our deep concerns with you about BlackRock's contribution to climate change.

We were heartened to read your acknowledgement in your 2018 letter to CEOs that "*Society is demanding that companies, both public and private, serve a social purpose. We wholeheartedly agree with you that "Without a sense of purpose, no company, either public or private, can achieve its full potential. It will ultimately lose the license to operate from key stakeholders."*

Your statement, while welcome, also begs the question '***What is BlackRock's own social purpose and contribution to society?***', especially as it relates to the company's role in contributing to and combating climate change.

As you are aware, the world is facing a climate crisis with widespread and urgent implications for human life, ecosystems, and economies. The mining, drilling and burning of fossil fuels is by far the biggest cause of climate change, with deforestation and forest degradation recognized as a second leading cause. It is clearly understood by the scientific community that a rapid transition to a decarbonised economy is required if we are to have any real chance of limiting global warming to less than 2°C and meeting the goals of the Paris Climate Agreement.

The Paris Agreement's objective of making "finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development" requires moving trillions away from high carbon sectors such as fossil fuels and deforestation and towards climate solutions. As you note in your letter, many governments are not adequately planning for this

future. We see BlackRock specifically and asset managers more generally as playing a critical role in this transition.

We support BlackRock's growing investments in climate solutions such as renewable energy and its increased offerings of socially and environmentally responsible funds, and note the company's support for the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. Likewise, we welcome the commitment to double the size of BlackRock's investor stewardship team to actively engage with the boards of the companies BlackRock owns, and the company's recent votes for shareholder resolutions focused on climate disclosure and 2°C scenario stress tests.

However, we see that funds screened for ESG and other sustainability metrics represent less than 5% of BlackRock's assets under management¹, whereas shifting the trillions necessary to meet the Paris Agreement requires far more than a niche approach to climate-sound investing.

Similarly, despite your promise to 'not be an endlessly patient investor', BlackRock does not have a strong track record of voting in favor of investor climate resolutions compared to other large global asset managers². Given that climate change is a material risk not just for the planet but for the many holdings the company maintains, and that risk is often underpriced and undervalued, BlackRock should have a more consistent record of supporting these resolutions.

Blackrock is among the largest shareholders of many of the world's biggest greenhouse gas emitters and the banks that finance them. When our community encounters bad actors with a long record of human rights abuses, environmental pollution and climate destruction, we find that BlackRock is often among the largest shareholders. This includes being:

- The largest investor in companies developing new coal plants³
- The second largest investor (behind the Indian government) in coal reserves⁴
- One of the largest investors in publicly traded oil and gas companies⁵
- Among the largest investors in climate-harmful deforestation driven by palm, soy, cattle, paper and timber commodities

By holding shares and bonds in these companies, BlackRock provides access to capital for many of the most destructive projects on earth. **As a result of the sheer size of your holdings, BlackRock is responsible for more greenhouse pollution than almost any other company in the world.**

The world is on a pathway to over 3°C of warming by 2100 and the creation of a biosphere that has never before sustained human life. It is imperative that we change course and do so quickly. In this context, being the largest universal owner of the global economy brings with it

¹ <https://www.environmental-finance.com/content/news/blackrock-why-wouldnt-you-look-at-esg.html>

² <https://5050climate.org/wp-content/uploads/2018/03/AM-Report-3-13-FINAL.pdf>

³ https://coalexit.org/sites/default/files/download_public/Investors%20vs.%20Paris_web.pdf

⁴ https://influencemap.org/site/data/000/269/Who_Owns_the_Worlds_Coal_May_2017.pdf

⁵ https://data.bloomberglp.com/bnef/sites/4/2014/08/BNEF_DOC_2014-08-25-Fossil-Fuel-Divestment.pdf

significant risk and enormous responsibility. From our vantage point, the steps you have taken over the past year are a welcome move in the right direction but fall well short of what is required.

As leaders of many of the largest organizations campaigning on climate change in the world, we would like to meet with you and members of your management to start a discussion on how BlackRock can shift from being a very serious problem on climate to being a serious part of the solution.

We do not expect that this will be an easy or a short conversation but it is one that we think is long overdue. We look forward to your soonest reply.

Sincerely,

May Boeve
Executive Director
350.org

Jennifer Morgan
Executive Director
Greenpeace International

Michael Brune
Executive Director
Sierra Club

James Thornton
Chief Executive Officer
Client Earth

Lindsey Allen
Executive Director
Rainforest Action Network

Leila Salazar-López
Executive Director
Amazon Watch

Erich Pica
Executive Director
Friends of the Earth-US

John Hepburn
Executive Director
The Sunrise Project

Brynn O'Brien
Executive Director
Australasian Centre for Corporate
Responsibility

Clara Vondrich
Director
Divest Invest