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BlackRock Announcement Marks Watershed Moment in Recognition of Systemic Risks of Climate Change

BlackRock must now draw clear lines for fossil fuel and fossil-adjacent companies to align their operations accordingly

NEW YORK -- In response to BlackRock CEO Larry Fink's letter today stating that the investment manager will put climate change at the center of its investment strategy, Eli Kasargod-Staub, executive director of [Majority Action](#), a nonprofit shareholder advocacy organization, made the following statement:

“BlackRock’s announcement today was a watershed moment in its public recognition of the systemic and escalating risks that climate change poses to our entire economic and financial system, and it is in large part thanks to institutional investors and advocates who have been pressing BlackRock, Vanguard and others to act on scale with the tremendous power with which they are entrusted. BlackRock’s initial steps to adapt its active management strategies in light of these risks — particularly by eliminating exposure to thermal coal and advocating for changes to index composition — are to be commended.

*However, the majority of BlackRock’s assets are in its passive vehicles, and BlackRock’s greatest lever for change is the immense voting power it holds over corporate directors. While its moves to join other investor initiatives and improve transparency into its own proxy voting is welcome news and an important course correction, **BlackRock’s focus on improving climate-related disclosures is entirely insufficient to the scale of the crisis we face, and threatens to leave its largest tool for influence unused.***

Leading investors, including those from the Climate Action 100+ coalition which BlackRock joined last week, are pressing companies for action and fundamental reforms to governance— not just disclosures. Carbon-intensive industries are perpetuating the climate crisis through their misguided capital investments and harmful policy influence, exacerbating risk to all long-term investors. Leading shareholders are calling on the largest emitters to set clear, science-based

*targets aligned to the goals of the Paris Agreement, including net-zero emissions targets in critical industries, and align their operations, governance, and policy influence to meet that target. For its engagement efforts to serve their clients and investors as a whole, **BlackRock must now draw clear lines for fossil fuel and fossil-adjacent companies to align their operations to our net-zero future— and [vote accordingly.](#)***

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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