

Energy investing: Setting the record straight

BlackRock[®]

The energy industry plays a crucial role in the economy, and, on behalf of our clients, BlackRock has invested more than \$225 billion in U.S. public energy companies.¹ We are also partnering with energy companies and start-ups to fund new technology and innovations that will power the global economy, now and in the future.

Despite these investments, BlackRock has recently been accused of “boycotting” oil and gas companies.

We’re setting the record straight about our focus on energy investing, our responsibilities to clients and how we consider climate risk.

We are helping 35 million Americans achieve their investment goals

We are proud of the role we play in helping millions of Americans achieve their investment goals and financial well-being in retirement.² Our priority is fulfilling our commitment to our clients’ financial interests.

More and more people have turned to BlackRock as their asset manager because we offer investment strategies consistent with their goals and preferences.

We do not dictate how clients should invest; we offer a wide array of choice

Our clients have a wide range of views and goals and that’s why we offer clients a broad choice of investment products. They are designed to help clients meet their investment goals and reflect their priorities. For example, we offer U.S. investors more than 390 different iShares ETFs.³

The choice of where to invest ultimately rests with our clients. We are bound to adhere to their investment guidelines and objectives. We do not dictate particular investment strategies.

Our focus on climate risk and energy is about driving financial outcomes for clients

One of the most critical tasks of an asset manager is to provide clients with insights on short- and long-term trends in the global economy that can impact their portfolios. We do this across all sectors – from healthcare to technology to energy.

Climate risk is one such trend given its implications for the economy. We believe that companies that better manage their exposure to climate risk and capitalize on opportunities will generate better long term financial outcomes.

Our views on climate risk are not unique. In fact, governments, public companies, and investors are increasingly focused on these issues; in 2020 more than 90% of the S&P 500 published sustainability reports.⁴

Our consideration of the risks and opportunities of a transition to a low-carbon economy is in the interest of realizing the best long-term financial results for our clients and entirely consistent with our fiduciary duty.

We DO NOT boycott the energy industry

BlackRock has been accused of “boycotting” energy companies. Quite the opposite: BlackRock’s clients are some of the largest investors in the energy industry. In the U.S. alone, we have invested more than \$225 billion on behalf of our clients in American energy companies, including pipelines and power generation facilities.⁵

BlackRock makes independent investment and voting decisions

While BlackRock participates in a wide variety of organizations on topics of interest to our clients, our investment decisions are governed strictly by our fiduciary duty to clients, and that duty requires us to prioritize our clients’ financial interests above any commitments or pledges not required by law.

We have not made commitments or pledges to meet environmental standards that constrain our ability to invest our clients’ money on their behalf consistent with their objectives.

Similarly, BlackRock does not make any commitment or pledge that would interfere with our independent determination on how to engage with issuers and vote proxies in the best long-term economic interest of our clients. This includes in relation to any shareholder proposals filed or supported by Climate Action 100+ or any of its members, and BlackRock explicitly stated as much when joining the initiative. Our voting record is demonstrably independent.

We also believe in choice when it comes to proxy voting. Every shareholder deserves the right to be heard. We are a leader in empowering clients to use their own voice by developing technology to give them the ability to vote their shares themselves.

Our take: We believe that restricting investment choices is bad for workers and retirees

Recently, a number of initiatives have restricted access to certain asset managers and funds. Limiting Americans’ ability to choose their investments jeopardizes their ability to meet financial goals such as retirement.

Open competition, the free flow of information, and freedom of opinions are core to the strength of U.S. capital markets. That strength is precisely why millions of people have been able to build savings during their working years. BlackRock is proud to play our part.²

¹ As of March 31, 2024. “Energy companies” refers to corporations classified as belonging to the GICS-1 Energy Sector or Barclays-3 Energy Sector.

² See BLACKROCK, Invested in the future of Americans. As of Dec. 31, 2021. The overall number of Americans is calculated based on estimates of participants in BlackRock’s Defined Contribution and Defined Benefit plan clients. The Defined Contribution number is estimated based on data from FERS as well as BrightScope for active participants across 401(k) and 403(b). Defined Contribution includes plans with over \$1.00M+ in assets where participants have access to one or more BlackRock funds; some may not be invested with BlackRock. The Defined Benefit number is estimated based on data from public filings and Pension & Investments for the total number of participants across the 20 largest U.S. Defined Benefit plans that are not also Defined Contribution clients of BlackRock.

³ SimFund, Markit, as of August 18, 2022 ⁴ GOVERNANCE & ACCOUNTABILITY INST., INC., 2021 Sustainability Reporting in Focus, <https://www.ga-institute.com/research/ga-research-directory/sustainability-reporting-trends/2021-sustainability-reporting-in-focus.html>. ⁵ As of March 31, 2024. “Energy companies” refers to corporations classified as belonging to the GICS-1 Energy Sector or Barclays-3 Energy Sector.

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