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October 5, 2022

Mr. Laurence D. Fink
CEO
BlackRock, Inc.
55 East 52nd Street
New York, NY 10055

Dear Mr. Fink:

I write today on behalf of the hardworking citizens of the great state of Louisiana. Thank you for the opportunity to visit with members of your team at the National Association of State Treasurers (NAST) conference. While I appreciate the meeting and look forward to further discussion, I found that the statements your representatives made contradicted most of the public messaging I have read in your annual letters to CEOs or heard you say in the media.

Your blatantly anti-fossil fuel policies would destroy Louisiana's economy.

Therefore, Louisiana Treasury will liquidate all BlackRock investments by the end of 2022. To date we have divested $560 million. We are strategically divesting over a period of time so state money is not lost to the detriment of our citizens. Once complete, this divestment will reflect $794 million no longer entangled in BlackRock money market funds, mutual funds or exchange-traded funds (ETFs) holdings.

This divestment is necessary to protect Louisiana from actions and policies that would actively seek to hamstring our fossil fuel sector. In my opinion, your support of ESG investing is inconsistent with the best economic interests and values of Louisiana. I cannot support an institution that would deny our state the benefit of one of its most robust assets. Simply put, we cannot be party to the crippling of our own economy.

In addition, according to my legal counsel, Environmental, Social and Governance (ESG) investing is contrary to Louisiana law on fiduciary duties, which requires a sole focus on financial returns for the beneficiaries of state funds. Focusing on ESG's political and social goals or placing those goals above the duty to enhance investors' returns is unacceptable under Louisiana law. A letter signed by 19 state attorneys general sent to you recently emphasized this same point.

I fully realize, as your representatives noted during our recent meeting, that BlackRock currently invests in oil and gas companies. Nonetheless, your consistent public messaging has made very clear what BlackRock is demanding from fossil fuel company CEOs and every other company they invest in.

BlackRock has been a champion for ESG investing. Your 2021 letter to CEOs clearly specified that BlackRock's goal is an economy "that emits no more carbon dioxide than it removes from the atmosphere by 2050," which you acknowledge will require "a transformation of the entire economy." You call for a "transformation" of our entire economy that will not be made through a democratic process. Instead you talked about how,"[b]ehaviors are going to have to change and this is one thing we are asking companies. You have to force behaviors. And at Blackrock, we are forcing behaviors." So much for democracy.

You have admitted that your ESG agenda of forcing behaviors will not increase investor returns. Your 2022 letter to CEOs stated plainly that "We need to be honest about the fact that green products often come at a higher cost." High cost/low return environmental policies will reduce a company's profits...and investors' returns.

BlackRock applies this model to its ESG products, exploiting investor's social conscience to extract higher fees. A recent study of U.S. fund fees referred to investors in so-called sustainable funds paying "greeniums" compared to conventional funds.

Then there is the matter of returns. Recently Blackrock set a record for "the largest amount of money lost by a single firm over a six-month period" having "lost $1.7 trillion of clients' money," associated with ESG accounts, according to a July 20, 2022 Bloomberg article titled "BlackRock Is Breaking the Wrong Kind of Records." Such huge losses would seem to indicate that BlackRock is either not focused on investor returns or that its ESG investment strategy is flawed. Neither bodes well for investors.

Under Louisiana law, investors' returns take precedence.

I'm convinced that ESG investing is more than bad business; it's a threat to our founding principles: democracy, economic freedom, and individual liberty. It threatens our democracy, bypasses the ballot box and allows large investment firms to push political agendas. It threatens our economic freedom because these firms use their massive shareholdings to compel CEOs to put political motivations above a company's profits and investors' returns. Finally, it threatens our personal liberty because these firms are using our money to push their agendas contrary to the best interests of the people whose money they are using! There is a difference between offering an ESG investment option for those investors so inclined, and using other peoples' non-ESG investments to promote ESG shareholder initiatives.

As State Treasurer, I oversee $64.8 billion in cash flow and $16 billion in trust funds on behalf of the citizens of Louisiana. I refuse to invest a penny of our state's funds with a company that would take food off tables, money out of pockets and jobs away from hardworking Louisianans. My top priority is the monetary best interests of Louisiana's citizens and the funds I am responsible for investing on their behalf. This requires responsible, financially-sound decision making.

The investment firms we utilize must practice that same fiduciary duty to make their clients' financial success their paramount priority rather than political and social agendas embodied in ESG investing. Period.

Sincerely,

John M. Schroder

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State Treasurer

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