

***To the kind attention of:***

Larry Fink, *Chairman and Chief Executive Officer*

BlackRock, Inc.

55 East 52<sup>nd</sup> Street New York

NY 10055 – USA

VIA email: [blackrockbod@blackrock.com](mailto:blackrockbod@blackrock.com)

CC: BlackRock's Board of Directors

November 10<sup>th</sup>, 2022

Dear Mr. Fink,

Bluebell Capital Partners Limited (“**Bluebell Capital**”) are writing to you in relation to our investment and/or economic interest in the common equity shares of BlackRock, Inc. (“**BlackRock**” or the “**Company**”) held by the Bluebell Active Equity Master Fund ICAV, to which Bluebell Capital is the Investment Manager.

BlackRock, under your leadership, has been extremely vocal on the need for the asset management industry to make sustainability a “*new standard for investing*”<sup>1</sup>. At the same time - perhaps not a coincidence - ESG has become BlackRock's fastest growing product, with \$353 bn of AUM<sup>2</sup> as of March 2021, equating to ~4% of the total AUM with a soft target of \$1 trillion of AUM by 2030. In 2020, sustainable ETFs grew 27% vs a 3% growth for generic ETFs. Please note, these numbers exclude institutional segregated portfolios that incorporated ESG screens or objectives, where AUM undoubtedly runs already in to over a trillion dollars.

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<sup>1</sup> <https://www.blackrock.com/corporate/investor-relations/2020-blackrock-client-letter>

<sup>2</sup> This figure excludes managed accounts with ESG guidelines

As shareholder in BlackRock, we are increasingly concerned about (i) the reputational risk (including greenwashing risk) to which you have unreasonably exposed the Company potentially fuelling a gap between the ‘talk’ and the ‘walk’ on ESG investing; and (ii) the backlash caused by BlackRock’s ESG strategy which has alienated clients and attracted an undesired level of negative publicity.

**1. BlackRock’s contradictions and inconsistencies on ESG investing and the politicization of the ESG debate**

On January 14<sup>th</sup>, 2020, in a high-profile letter to CEOs, you announced a number of initiatives “*to place sustainability at the centre of our investment approach*”, including “*exiting investments that present a high sustainability-related risk, such as thermal coal producers*” (BlackRock CEO Larry Fink, January 14<sup>th</sup>, 2020). Your “*Dear CEO*” letter was accompanied by a letter sent to all of BlackRock’s clients (“*Dear Client*”) where it was further specified that “*sustainability should be the new standard for investing*” and BlackRock announced the removal “*from discretionary active investment portfolios of companies that generate more than 25% of their revenues from thermal coal production, which we aim to accomplish by the middle of 2020*” (BlackRock CEO Larry Fink, 14<sup>th</sup> January 2020).

This ‘political manifesto’ seemingly posing as an investor letter was the beginning of a high-profile public campaign through which BlackRock has used its role as the preeminent global asset manager to influence the public debate on climate and energy policies.

First, it is not BlackRock’s role to direct the public debate on climate and energy policies or to impose ideological beliefs on the corporate world. BlackRock’s mission as an investment manager should be simply to act as a fiduciary to your clients in managing their assets and maximize financial risk-adjusted returns in accordance with the objective you are given.

Secondly, we find it contradictory (and in our opinion hypocritical) for BlackRock to make a commitment on thermal coal limited to discretionary portfolios, excluding passive funds (Index, ETF) which represent 64% of BlackRock's AUM<sup>3</sup>. For the sake of consistency and in the interest of its clients and shareholders, BlackRock should proactively market passive investment solutions including and excluding exposure to ESG related risks (e.g. thermal coal). This is illustrated in the Company's iShares fund range when comparing the Core S&P 500 ETF (current AuM \$ 284 billion)<sup>4</sup> with UCITS Article 8 and 9 equivalent funds (current AUM \$67 million)<sup>5</sup>.

Third, the contradiction (thus lack of credibility) of BlackRock stance on thermal coal<sup>6</sup> is evidenced by the fact that after almost three years since the January 14<sup>th</sup>, 2020 'Dear CEO/Dear Client' letter, BlackRock is still the 2<sup>nd</sup> largest shareholder (6.23%) of Thungela Resources Ltd<sup>7</sup>, which derives 100% of its revenues from coal, is the 2<sup>nd</sup> largest shareholder (9.13%) of Glencore Plc, which derives 'only' 21% of industrial revenues from coal but has a coal production which is approx. 6.5x that of Thungela's. BlackRock is also a top shareholder of Exxaro (#3), Peabody (#6) and Whitehaven (#13), all coal intensive miners<sup>8</sup>.

Fourth, after having advocated for an exit from thermal coal in January 2020, in December 2021 BlackRock, presumably in an attempt to justify its continuing holdings in companies heavily exposed to coal - was quoted in the Financial Times as advocating for "responsible" coal ownership (FT, December 2<sup>nd</sup>, 2021) as opposed to a thermal coal exit. Anecdotally, at the time of the publication of the initial BlackRock CEO letter in January

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<sup>3</sup> Source: BlackRock Q3 2022 report

<sup>4</sup> Bloomberg ticker IVV, data as of 10 November 2022

<sup>5</sup> Data based on iShares website for the UK as of November 9<sup>th</sup> 2022; Link: <https://www.ishares.com/uk/individual/en/products/etf-investments#>

<sup>6</sup> i.e., the removal "from discretionary active investment portfolios of companies that generate more than 25% of their revenues from thermal coal production, which we aim to accomplish by the middle of 2020", BlackRock CEO Larry Fink, 14<sup>th</sup> January 2020

<sup>7</sup> the spin-off of the coal business of Anglo American

<sup>8</sup> Source: Bloomberg

2020, the price of coal was \$76.6 per metric tons, and we note that this had increased to \$154.1<sup>9</sup> per metric tons at the time of the FT piece, in December 2021. If being cynical, it would be easy to conclude that BlackRock’s ESG strategic stance on thermal coal (‘removal’ vs. ‘responsible ownership’) had changed dramatically during the year, in line with the price of coal.

Fifth, the contradictions and apparent hypocrisy of BlackRock’s actions, have unnecessary politicized the ESG debate, leading to the only possible outcome of mobilising the protests of a plurality of BlackRock’s customers who have very different views on ESG related risks, including twenty-three US States (**Appendix 9, 10, 11 and 13**)<sup>10</sup> representing approx. 150 million people. Five States<sup>11</sup> have already taken this one step further and disinvested from BlackRock. Whilst the AUM and financial impact concerned are so far immaterial, the reputational damage of being dragged into this politically charged debate, in our view, is very significant because it calls into question the independency of BlackRock as an asset manager acting as an agent for its clients, free from any ideological consideration.

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With all due respect, we find your response to the widespread criticism to be quite amateurish. By saying that “*I’m now being attacked equally by the left and the right, so I’m doing something right, I hope*” (Larry Fink, Fortune/Bloomberg, October 12<sup>th</sup>, 2022) which has the effect of alienating important clients and attracting negative publicity, you are not doing “*something right*” for BlackRock’s shareholders.

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<sup>9</sup> Source Bloomberg (XWF2)

<sup>10</sup> the the States of Alabama, Alaska, Arkansas, Arizona, Georgia, Idaho, Indiana, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Montana, Nebraska, Ohio, Oklahoma, South Carolina, Texas, Utah, West Virginia, Wyoming (**Appendix 9, 10 and 11**), the City of New York (**Appendix 12**), and Florida (**Appendix 13**)

<sup>11</sup> Florida, Louisiana, Missouri, Texas, and West Virginia

**2. BlackRock’s failure to fulfil its commitments under ‘E’, ‘S’ and ‘G’, based on Bluebell Capital direct experience as an investment manager**

Bluebell Capital’s concerns as a BlackRock shareholder are further substantiated by our direct experience as an investment manager in companies where BlackRock is also invested. Because of our privileged position, we at Bluebell Capital have experienced significant examples of BlackRock’s inconsistent approach to ESG investing.

Whilst we strictly refer below to our own direct experience on companies where both Bluebell Capital and BlackRock have been invested, if one were to continue to scrutinise a universal list, the potential ESG disaster caused by perceived ambivalence or inaction, could be almost unquantifiable.

**(E) - BlackRock failure to support environmental requests at Belgium chemical company Solvay SA**

On January 14<sup>th</sup>, 2021 - and twice thereafter<sup>12</sup> - we wrote to you requesting BlackRock’s support, as fellow shareholders of Belgian chemical company Solvay SA (“**Solvay**”), to urge Solvay’s Board of Directors to address a very relevant environmental issue, namely the annual discharge from Solvay’s soda-ash factory in Rosignano (Italy) into the Mediterranean Sea, of over 250,000 tons of suspended solids containing large amount of heavy metals (approx. 30 tons p.a.).

Following our involvement, over the last two years (2020-2022), Solvay’s discharge into the Mediterranean Sea has become the subject of one of the single most high-profile environmental campaign in corporate Europe, attracting scrutiny from the European Commission, the United Nation, the European and Italian Parliament, the financial (i.e. Financial Times, Bloomberg, CNBC, etc.) and non-financial press (Vogue, Le Figaro, La Repubblica, De Standaard, De Tijd, NZZ, etc.), leading environmental organizations

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<sup>12</sup> On January 14, 2021 (**Appendix 1**), November 3, 2021 (**Appendix 2**), May 3, 2022 (**Appendix 3**)

(WWF, Project Zero) and many other interested parties including Solvay's shareholders and customers.

To our surprise, BlackRock failed to respond to our requests for support, and despite being a signatory of the United Nations Principles for Responsible Investment (UN PRI), it chose to not sign-up to a proposal for collaboration filed on the UN PRI platform, with the uncontroversial demand made to Solvay's Board of Directors to bring their soda-ash operations in line with the requirements of the UN Sustainable Development Goals (SDGs), with reference to SDG 14<sup>13</sup> and SDG 14 Target 14.1<sup>14</sup>.

On September 6<sup>th</sup>, 2022, despite the notable absence of any visible support by BlackRock, Solvay and Bluebell Capital announced an agreement<sup>15</sup> in which Solvay committed to invest €15 million in new technical and process solutions at Rosignano and to bring discharge levels into the Mediterranean Sea to zero, by 2050<sup>16</sup>.

As a backdrop to our campaign, BlackRock was the single largest shareholder of Solvay, with a 3.34% stake<sup>17</sup>, whilst Bluebell Capital was the single smallest shareholder, as we intentionally ran our out of hours campaign owning one single share of Solvay. In fact, a clear by-product of our engagement was the evidence of how little Solvay's largest shareholders (BlackRock being the largest and most vocal on environmental sustainability) had achieved regarding Solvay's environmental agenda, relative to the success accomplished by Solvay's smallest shareholder (Bluebell Capital being smallest). We cannot see how these facts reconcile with the rhetoric contained in your "Dear CEOs" and "Dear Clients" annual letters.

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<sup>13</sup> "Conserve and sustainably use the oceans, seas and marine resources for sustainable development"

<sup>14</sup> "By 2025, prevent and significantly reduce marine pollution of all kinds, particularly from land-based activities, including marine debris and nutrient pollution"

<sup>15</sup> <https://www.solvay.com/en/press-release/solvay-and-bluebell-capital-partners-reach-settlement-and-issue-joint-statement>

<sup>16</sup> With milestone reduction target of 20% by 2030 and 40% by 2040

<sup>17</sup> after the descendants of the founders Albert and Ernest Solvay

**(S) - BlackRock failure to support corporate social responsibility at the Italian defence company Leonardo Spa**

On May 12<sup>th</sup>, 2022, Bluebell Partners Ltd (the parent company of Bluebell Capital Partners) wrote to you requesting BlackRock's support, as a fellow shareholder of Italian defence company Leonardo Spa ("**Leonardo**"), to vote '**FOR**' at the 2022 Leonardo AGM, on a proposal for a liability action against Leonardo *Chief Executive Officer* Mr. Alessandro Profumo: the proposal intended to obtain the removal of Mr. Profumo, on the very obvious grounds that a person found guilty in a court of law of false accounting and market manipulation, should not hold the position of CEO of a publicly listed company.

In fact, a first degree sentence released on the 7<sup>th</sup> April, 2021<sup>18</sup>, held Leonardo CEO Profumo to be sentenced to six years of imprisonment, to be fined EUR 2.5 million, to be interdicted from public offices for five years and from management offices of companies for two years (and he was also declared unfit to contract with the public administration for a period of two years), as he was recognized to be guilty of false accounting and market manipulation in his role as Chairman of a public listed company (Monte dei Paschi di Siena).

Mr. Profumo was labeled by the Tribunal as a person of "*social dangerousness*" with a "*marked capacity to commit crimes*" and an "*inclination to deceit*", disguised though a personality aimed at "*offering an immaculate, providential and saving image*" of himself.

Mr. Profumo refused to step down as CEO of Leonardo, a post he still occupies at the government-controlled Italian defense company.

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<sup>18</sup> <https://www.dropbox.com/s/mh4pjd4rjtstrmn/Tribunal%20of%20%20Milan%20-%20Sentence%20%20n.%2010748%3A20%20-%20Alessandro%20Profumo%20%287%20April%202021%29.pdf?dl=0>

As we wrote to you in our letter, we pondered if “*as the CEO of BlackRock, would you entrust to manage BlackRock’s own assets a person convicted for serious financial crimes, defined by the Tribunal a person of «social dangerousness» with «marked criminal capacity»*” and we questioned why “*would you think that BlackRock clients as ultimate owners of the shares in Leonardo Spa would want BlackRock not to vote “FOR” the proposed liability action against Mr. Profumo*”.

At the 2022 AGM, BlackRock voted in favor of Mr. Profumo and ‘**AGAINST**’ the proposed liability action stating that “*the proposal was not in shareholders’ best interest*” (BlackRock, **Appendix 4**). Evidently, *de facto* BlackRock, deems it is “*in shareholders’ best interest*” to have a person convicted for serious financial crimes and recognized by the Judges to be a person of “*social dangerousness*” and “*marked criminal capacity*”, to serve as the *Chief Executive Officer* of a publicly listed company, where BlackRock is invested, on a fiduciary basis, on behalf of its clients.

It is our considered opinion that BlackRock’s support of a convicted CEO demonstrates poor corporate social responsibility because, notwithstanding the presumption of innocence until a final judgment is entered, it is socially irresponsible to support the CEO of a publicly listed entity, a person deemed “*social dangerousness*” and “*marked criminal capacity*”.

**(G) - BlackRock failure to support effective governance changes at Swiss luxury company Richemont SA**

At the 2022 AGM, Bluebell Capital proposed certain governance changes at Compagnie Financière Richemont SA (“**Richemont**”), where BlackRock is a leading shareholder (9.13%).

Richemont’s capital is composed of a dual class of shares with ‘B’ shares (which are not traded and are fully owned by a single controlling shareholder, Mr. Johann Rupert) granting ownership of only 9.1% of the company but carrying 50% of the company’s



voting rights, and the 'A' shares (the only shares traded in the market) granting ownership of 90.9% of the company and carrying the other 50% of the company's voting rights.

The holder of the 'B' shares (Mr. Johann Rupert), with an economic interest of less than 10%, has absolute majority of the voting rights (as he owns 100% of 'B' shares plus a few 'A' shares) and exercises full control on Richemont's Board of Directors. Richemont is considered one of the companies with the worst governance within corporate Europe, and poor governance is broadly considered the main reason for its historical underperformance relative to peers.

At the 2022 AGM, BlackRock (i) voted **AGAINST** Bluebell Capital proposal to have an equal board representation for the holders of the 'A' shares and 'B' shares; (ii) voted **AGAINST** Bluebell Capital proposal to have the board representation for the holders of the 'A' shares increased from one to at least three directors and; (iii) voted **FOR** the proposal by the Management to name as representative of the 'A' shares, an existing director already seated on the board since 2020 as representative of the 'B' shares (**Appendix 5**).

Evidently, according to BlackRock, it is in shareholders' best interests to ensure that Richemont's 'A' shareholders, including BlackRock's clients in whose fiduciary interest, shares are held (who own 90.9% of the company), to not appoint three directors (out of sixteen), but instead to maintain the *status quo* of zero, as has been the case for thirty-four years. Indeed, BlackRock voted for the holders of the 'A' shares to be represented by an existing director who, for the last two years, has been part of the selected representation for the controlling shareholder.

BlackRock's voting decisions at Richemont's 2022 AGM have the clear impact of BlackRock failing to promote - indeed it has opposed - governance changes that are clearly in the best interest of its underlying clients.

**(Thermal Coal) - BlackRock inconsistent position on thermal coal at mining company Glencore**

On April 19<sup>th</sup>, 2022, Bluebell Capital, as a fellow shareholder of Glencore Plc. (“**Glencore**”), wrote to you (**Appendix 6**) urging BlackRock to vote **AGAINST** Glencore’s Climate Plan at the 2022 AGM. This was because, after the approval of the Climate Plan at the 2021 AGM which established among its “*priorities*” the intention to “*reduce coal production in line with the electrification and decarbonisation of global energy systems*”<sup>19,20</sup> - a plan which received approval with a 94,4% shareholders’ consent including BlackRock (**Appendix 7**) - Glencore undertook several major initiatives to significantly increase thermal coal production<sup>21</sup>.

In direct response to Glencore’s actions, which went in the opposite direction of what had been approved by shareholders at the 2021 AGM, at the 2022 AGM shareholder’s dissent on the Climate Plan progress report ballooned from 5.6% (2021 AGM) to 23.7% (2022 AGM, **Appendix 8**).

However, BlackRock, who at the 2021 AGM had voted **FOR** the Climate Plan, setting as a priority the need to “*reduce coal production in line with the electrification and decarbonisation of global energy systems*”, continued to support the same Glencore management who had materially increased thermal coal production at the 2022 AGM, and voted **FOR** the Climate Plan. To be clear, the 23.7% dissent at the 2022 AGM did not include the 9.13% ownership of BlackRock.

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<sup>19</sup> Source: Glencore, “*Our Purpose*”, Investor Update 2020, 4th of December 2020

<sup>20</sup> with a 20-30 Mt reduction target for its coal production, relative to the company’s prior guidance in December 2019

<sup>21</sup> 28 June 2021: acquisition of control stake in Cerrejon coal mine: +15/20 Mt capacity per year; 2 December 2021: Investor update Production guidance for 2022-2024 increased to 122 mt (+6-9% vs prior guidance, depending on the year) on account of integration of Cerrejon; 23 December 2021: progressed application for a greenfield coal mine in Australia (project Valeria) for potential additional capacity of “*up to 20Mt*” per year; 24 February 2022: advanced to the next stage of permissions for the expansion of Glendell mining area: +10 Mt

There is no doubt that if BlackRock, who contradicted its own voting decision from the Glencore 2021 AGM (and in turn its own heavily publicised strategic stance on thermal coal) had voted **AGAINST** (instead of **FOR**) the Climate Plan progress review at the 2022 AGM, Glencore could not have ignored the dissent of one third of its shareholders. Glencore has subsequently announced ‘actions’<sup>22</sup> which provide no remedy and indeed, in our humble opinion, make a mockery of the situation - meaning the direct repercussion of BlackRock’s actions is to provide licence to Glencore’s disappointingly inadequate response.

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We are not reluctant to state that, in our capacity as investment manager, we view BlackRock’s shareholdings as an ESG risk factor in the companies in which we invest, and when possible, we prefer to invest in companies where BlackRock is not a significant shareholder. Our experience with other leading Institutional asset managers has been collaborative and very different.

### **3. “BlackRock Voting Choice”: an example of BlackRock’s failure to exercise proper ESG stewardship**

Whilst it is easy to consider ‘E’, ‘S’ and ‘G’ separately, these three factors are closely interconnected when ‘G’ relates to voting choices on ‘E’ and ‘S’ issues. We believe that recent decisions made by BlackRock on how they exercise their voting rights further exacerbate BlackRock's shortfall on the ESG approach, and risks to create further franchise risk to the detriment of BlackRock’s clients and shareholders.

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<sup>22</sup> “1) publish our Climate Progress Report on the same date as our Annual Report in March 2023 (previously released in the December period), to ensure alignment and consistency across both reports; 2. enhance disclosures in the Climate Progress Report regarding our planning and progress around the execution of our climate strategy; 3) provide more detail on our Board and management governance of climate matters, and; 4) engage further with key proxy voting advisors to seek an improved understanding of our climate strategy in various areas” (Glencore Press Release, October 28, 2022)

BlackRock prides itself on the fact that in the twelve months to December 2021, its Investment Stewardship Team held more than 3,600 engagements, with over 3,200 companies. They voted at 17,200 shareholder meetings, casting over 164,000 votes on behalf of clients who authorised them: these enormous numbers, considering the small number of (approximately 65) professionals of BlackRock's Investment Stewardship Team<sup>23</sup>, might explain the questionable quality of BlackRock's voting decisions (e.g. Solvay, Leonardo, Richemont, Glencore) and explain why BlackRock's ambition to exercise effective stewardship on ESG matters lacks depth and is doomed to fail.

We agree with the esteemed Charlie Munger's view that the rise of common ownership is creating a new centre of power for corporate governance: BlackRock, as the global leader in passive funds, is at its epicentre.

Therefore, if BlackRock fails to properly exercise its power on corporate governance - or worse, starts to exercise the power in the pursuit of a political agenda (i.e., climate and energy policies) - then BlackRock becomes an obstructive force to the effectiveness of corporations and more broadly to the effective functioning of capitalism.

It appears, in an attempt to defuse criticism on the centralization of voting power from common ownership, BlackRock has started to decentralise voting decisions on passive funds by empowering underlying investors through "*BlackRock Voting Choice*", a new initiative designed to give certain institutional clients, in certain pooled vehicles, the ability to exercise voting decisions. We view this approach as little more than 'applying lipstick to the pig'.

"*BlackRock Voting Choice*" can be viewed as a clear sign of BlackRock's capitulation of its obligation to exercise its fiduciary duties and little more than a cute commercial tool. In fact, whilst the concept of providing BlackRock's ultimate investors with the right to

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<sup>23</sup> Source: BlackRock ("*Investment Stewardship at Black Rock, A Prime, Jan 2022*")

vote pro-rata on pooled vehicles might appear commercially appealing - as BlackRock's ESG rhetoric was commercially effective in creating demand for new thematic investments - we view this as an ill-conceived arrangement which transfers a key delegated investment function (i.e. the exercise of voting rights) away from the investment manager.

Investors buy BlackRock's pooled vehicles because they entrust BlackRock as the investment manager. Assuming that the ability to vote represents a powerful stewardship tool and key factor in driving company's performance (take for example the fundamental decision made by shareholders to appoint or remove directors), the transfer of voting rights to undisclosed third parties (i.e. the fund's investors), make the financial performance of the pooled vehicle dependent on decisions which are no longer taken by BlackRock. This is simply absurd.

Also, investors derive benefits from investing in a collective investment scheme because the investment scheme is able to exercise a stronger level of governance, by pooling together the interests of individual investors (e.g. an investor who subscribe \$100,000 in a BlackRock fund which in turn owns 3% of IBM, gains access to the same benefit as an investor who own 3% of IBM, from a governance perspective). By introducing "*BlackRock Voting Choice*", this benefit - which is highly valuable - will be lost.

Another adverse consequence would be to see BlackRock - as the investment manager of multiple pooled vehicles and segregated mandates - cast different votes on the same event, completely undermining value creation.

The *BlackRock Voting Choice* also violates the fundamental principle that the right to vote belongs to the legal beneficial owner: investors in a pooled vehicle are not viewed as the beneficial owner of companies where the pooled vehicle is invested and they don't possess the instruments to make informed decisions, like the right to attend AGMs, sign power of attorney arrangements, the right to ask questions to management, the right to

file a proposal, the right to call an AGM nor the right to be recognised as a shareholder by fellow shareholders with whom they can discuss company's matters.

We find it equally concerning for BlackRock to provide clients with the option to vote in accordance with policies set by third-party proxy advisers (the two leaders being ISS and Glass Lewis). This approach has the result of consolidating a duopoly - a triopoly including BlackRock - which would now extend from active to passive funds.

Under the "*BlackRock Voting Choice*", the rise of common ownership as a new centre of power for corporate governance is simply being transitioned from BlackRock to the unknown, in the pursuit of an accountability discharge.

We fear that the concentration of voting power not properly exercised (as our experience demonstrates) or the decentralization of voting power into the unknown through "*BlackRock Voting Choice*" to supplement BlackRock's shortfall in the exercise of proper stewardship on passive funds, both pose serious threats to corporate democracy and jeopardise BlackRock's franchise.

#### **4. Conclusions**

Based on the above, we believe that on the ESG agenda, BlackRock has lost sight with its mission as an investment manager and yet with enormous prosopopoeia as the flag bearer under your leadership, has taken up the self-appointed right to shape the political debate on environmental and social issues, resulting in the alienation of important clients and unreasonable politicization of the ESG debate thereby exposing the Company to huge reputational risk.

As evidence, UBS has recently downgraded BlackRock because of ESG backlash saying that "*proactive ESG stance has recently drawn pushback from both sides of the debate, increasing the risk of lost mandates (i.e. the recent loss of the \$800 mm Louisiana State Treasurer) and regulatory scrutiny*" (UBS, 10 October 2022).

We respectfully ask BlackRock's Board of Directors to consider the following actions:

1. to initiate a strategic review of BlackRock's stance on ESG (including on "*BlackRock Voting Choice*"), which has to date succeeded in the remarkable task of alienating both the clients who believe that BlackRock is harming fossil-fuel interests and advancing societal causes above financial returns and the clients who believe that BlackRock is not doing enough on climate change. The scope of the review should be to address and resolve existing inconsistencies and contradictions and fully de-politicize investment policies and guidelines. We ask the Board of Directors to clearly communicate the outcome of the review; and proposed corrective actions;
2. to appoint a new Lead Independent Director, replacing Murry Gerber who has been on the Board since 2000;
3. to split the role of *Chairman* and *Chief Executive Officer* and to appoint a new CEO. This is with the objective for the de-personalisation of the ESG strategy from the opinions of the current BlackRock's Chairman and CEO, who has managed to alienate the public opinion of twenty-three US states in representation of approximately 150 million people.

We would welcome the possibility to schedule a meeting/videocall with you at your earliest convenience to have a constructive discussion on the topics raised above.

We kindly ask to share this letter with the Board of Directors.

Yours sincerely,

  
Giuseppe Bivona

*Partner and CIO*

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Marco Taricco

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CC: David Platero, Portfolio Manager



*Appendixes*

- Appendix 1 - Letter from Bluebell Capital Partners to BlackRock and others (14 January 2021)
- Appendix 2 - Letter from Bluebell Capital Partners to BlackRock (3 November 2021)
- Appendix 3 - Letter from Bluebell Capital Partners to BlackRock (3 May 2022)
- Appendix 4 - BlackRock - Leonardo Proxy Vote Disclosure (AGM 2022)
- Appendix 5 - BlackRock - Richemont Proxy Vote Disclosure (AGM 2022)
- Appendix 6 - Letter from Bluebell Capital Partners to BlackRock (19 April 2022)
- Appendix 7 - BlackRock - Glencore Proxy Vote Disclosure (AGM 2021)
- Appendix 8 - BlackRock - Glencore Proxy Vote Disclosure (AGM 2022)
- Appendix 9 - Letter to BlackRock from the State of Arizona + 11 (4 August 2022)
- Appendix 10 - Letter to SEC from the State of West Virginia + 20 (16 August 2022)
- Appendix 11 - Letter to BlackRock from the State of Louisiana (5 October 2022)
- Appendix 12 - Letter to BlackRock from the State of New York (21 September 2022)
- Appendix 13 - Governor Ron DeSantis Eliminates ESG (23 August 2022)