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TENNESSEE SUES BLACKROCK IN FIRST-OF-ITS-KIND CONSUMER PROTECTION SUIT OVER ESG CONSIDERATIONS

Nashville- On Monday, Tennessee Attorney General Jonathan Skrmetti filed the first-of-its-kind consumer protection lawsuit against the world's largest asset manager, BlackRock Inc. Tennessee's complaint alleges that BlackRock made false or misleading representations to current and potential Tennessee consumers about the extent to which Environmental, Social, and Governance (ESG) considerations affect BlackRock's investment strategies.

"We allege that BlackRock's inconsistent statements about its investment strategies deprived consumers of the ability to make an informed choice," Attorney General Jonathan Skrmetti [said](#) in a statement. "Some public statements show a company that focuses exclusively on return on investment, others show a company that gives special consideration to environmental factors. Ultimately, I want to make certain that corporations, no matter their size, treat Tennessee consumers fairly and honestly."

Tennessee's lawsuit is a response to BlackRock's conflicting statements and assertions regarding ESG's influence over BlackRock's business decisions across its wide array of assets. Currently, BlackRock manages over nine trillion dollars in investments. The complaint addresses BlackRock's use of corporate engagement and the voting of its shares to achieve various climate-related policy goals.

As part of its strategy, BlackRock joined ESG coalitions such as the [Net Zero Asset Managers Initiative](#) and [Climate Action 100+](#). Membership in both groups is dependent upon companies, such as BlackRock, making specific promises aimed toward fighting climate change that affects all their clients' assets and achieving specific emissions reduction targets. These [promises](#) include lobbying, engagement, voting on shareholder proposals, and managing assets with the goal of achieving "net zero" by 2050.

It should be noted that the firm explains many of its shareholder votes are intended to align companies with the aforementioned "net zero" goals. Yet BlackRock's disclosures do not mention such promises. In fact, BlackRock has told consumers elsewhere that the only consideration driving its investment decisions is return on investment.

Thus, BlackRock has articulated two inconsistent positions: one focusing solely on money and the other focusing on environmental impact. Tennessee consumers deserve to know which of BlackRock's statements are a true account of the company's decision-making. This enforcement action seeks injunctive relief, civil penalties, and recoupment of the State's costs.

To read the full complaint, please click [here](#).

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