



# Retirement News Highlights

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## BlackRock Not 'Woke,' Fink Insists in Annual Letter

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BlackRock's focus on sustainability is "not because we're environmentalists, but because we are capitalists," Larry Fink, CEO of the \$10 trillion asset manager, wrote in his annual letter to leaders of companies in which the firm invests. So reports the Financial Times.

The firm's effort surrounding environmental, social and corporate governance, or ESG, issues "is not about politics" and it is "not 'woke.'" Instead, it is "capitalism driven by mutually beneficial relationships between you and the employees, customers, suppliers and communities your company relies on to prosper," Fink wrote in the letter.

Fink's 3,300-word missive – his 10th annual letter – was issued last night. He wrote that "the fair pursuit of profit is still what animates markets" and long-term profitability "is the measure by which markets will ultimately determine your company's success," The New York Times reports.

Fink appears to have fired back against some conservative groups, politicians and activists who have accused BlackRock of being "woke."

Indeed, West Virginia Treasurer Riley Moore said yesterday that the state's investment board would no longer use a BlackRock fund after the firm urged companies to reduce their emissions to net zero by 2050. BlackRock's position damages West Virginia's economy, Moore said. So reports The Wall Street Journal.

Other groups, including Washington-based Consumers' Research, have argued that BlackRock's "woke posturing" was a smokescreen that allowed it to steer money to Chinese companies through its investment funds, the FT reports.

BlackRock has also been criticized for not selling off its investments in companies that have failed to cut their carbon emissions or are big contributors to climate change.

BlackRock prefers to engage with companies on carbon transition rather than divesting, Fink wrote, stating that companies are not "climate police" but must work with governments, the FT reports.

Still, Fink predicted that the "Next 1,000" — privately held companies valued above \$1 billion — will be "sustainable, scalable innovators." BlackRock focuses on sustainability "not because we're environmentalists, but because we are capitalists and fiduciaries to our clients," he wrote.

Meanwhile, Fink posited that the "great resignation" is a sign of economic health. "Workers demanding more from their employers is an essential feature of effective capitalism," he wrote.

Companies that fail to adjust to “this new reality... do so at their own peril,” Fink wrote, adding, “Turnover drives up expenses, drives down productivity, and erodes culture and corporate memory.” So reports the FT.

[Back to top](#)