

KStuart@treasury.la.gov KStuart@treasury.la.gov

☐☐RE: FOR IMMEDIATE RELEASE: Schroder protects Treasury funds from ESG by divesting \$794M from BlackRock

October 05, 2022 at 3:19 PM CDT

To: knapp@brac.org

Adam,

FYI:

Treasurer Schroder held an ESG Summit at LAMOGA to explain that to legislators three weeks ago.

On a personal note, Friday will be my last day at State Treasurer, I am going back to Senator Cassidy's staff – Director of Southeast La Region.

After Wednesday, October 12th

Kathy_Stuart@Cassidy.Senate.Gov

504-250-5595: personal cell

From: Adam Knapp [mailto:knapp@brac.org]

Sent: Wednesday, October 5, 2022 2:59 PM

To: Kathy Stuart <KStuart@treasury.la.gov>

Subject: RE: FOR IMMEDIATE RELEASE: Schroder protects Treasury funds from ESG by divesting \$794M from BlackRock

****Verify sender email address/content****

Kathy, I'm sure he knows, but just about all our energy companies are moving toward net zero goals *in order to* protect the jobs in the Baton Rouge area and prepare for the future. We are pursuing industrial projects that are squarely aligned with our downstream energy sector companies like Exxon, Shell, BASF and Dow as they move toward these goals. Just offering as an FYI that it's quite possible that that the ship has sailed.

knapp@brac.org

(225) 278-3708

From: Kathy Stuart <KStuart@treasury.la.gov>

Sent: Wednesday, October 5, 2022 1:53 PM

To: Kathy Stuart <KStuart@treasury.la.gov>

Subject: FOR IMMEDIATE RELEASE: Schroder protects Treasury funds from ESG by divesting \$794M from BlackRock

PRESS RELEASE

FOR IMMEDIATE RELEASE

October 5, 2022

Contact:

Pamela Matassa, (225) 432-9299, pmatassa@treasury.la.gov

Erin Cowser, (225) 432-9363, ecowser@treasury.la.gov

Schroder protects Treasury funds from ESG by divesting \$794M from BlackRock

BATON ROUGE, LA – Louisiana State Treasurer John M. Schroder announced in a [letter to BlackRock, Inc. investment firm CEO Larry Fink](#) that he will divest all Treasury funds from BlackRock. He reported that \$560M has been removed to date and that a total of \$794M will be removed by year's end.

“This divestment is necessary to protect Louisiana from mandates BlackRock has called for that would cripple our critical energy sector,” said Schroder, who serves as incoming chair of the national State Financial Officers Foundation. “I refuse to spend a penny of Treasury funds with a company that will take food off tables, money out of pockets and jobs away from hardworking Louisianans.”

Schroder said his action is in response to recent reports that BlackRock has urged companies to embrace “net zero” ESG (Environmental, Social and Governance) investment strategies that would harm our fossil fuel industry, a vital part of our state's economy. His letter comes following a meeting with BlackRock representatives, whose statements he said directly contradicted public messaging by Fink, including letters to shareholders and other BlackRock corporate communications materials.

In the letter, Schroder points to an overarching fiduciary duty to investors that BlackRock fails to meet. “ESG investing violates Louisiana law on the fiduciary duties which require a sole focus on financial returns for the beneficiaries of state funds,” he wrote. “A focus on political or social goals or placing those goals above the duty to enhance investors' returns is unacceptable under Louisiana law.”

Schroder acknowledged that BlackRock continues to invest in oil and gas companies. However, he concluded that it does not counterbalance the investment firm's stated intent to force those companies—and all others—to adopt ESG-friendly practices, regardless of whether they were in the best interest of their clients.

Treasurer Schroder added that ESG investing is a threat to our country's founding principles because it allows companies like BlackRock to bypass the democratic process and push political agendas without having to go through the ballot box.

“They are pushing their agendas contrary to the best interests of the people whose money they are using!” said Schroder. “This is a complete disregard for personal liberty.”

This email was sent to kstuart@treasury.la.gov

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