MEMORANDUM

To: Interested Parties

From: American Accountability Foundation

Date: June 20, 2024

Re: **BlackRock is Using OPERS' Investments to Push a Woke Agenda**

As the fight over Oklahoma's Restricted Financial Company List intensifies and concerns are raised about Attorney General Drummond's uncomfortably close ties to BlackRock, the American Accountability Foundation (AAF) is building on a report we previously released in March showing how the Oklahoma Public Employees Retirement System (OPERS) is repeatedly casting votes in favor of pro-ESG shareholder resolutions. That report, which focused on votes cast by OPERS directly, found over two hundred instances of OPERS supporting ESG.

This report shows how one of OPERS' investment managers, BlackRock (the largest investment manager in the world), cast 54 votes in favor of ESG shareholder resolutions using OPERS' money. Importantly, BlackRock is currently on the Oklahoma State Treasurer's Restricted Financial Company List. Our research shows that BlackRock is repeatedly voting in favor of pro-ESG shareholder resolutions, including at oil and gas companies.

As of the end of June 2023, BlackRock managed over $4.4 billion of OPERS' US and international equity investments:

U.S. Equities:			
BlackRock Institutional Trust Company	Index Fund – Russell 1000 and Value	2,279,332	20.0%
Newton Capital Management	Large cap – Enhanced Index	660,717	5.8%
State Street Global Advisors	Large cap – Enhanced Index	663,078	5.8%
Westfield Capital Management	Large cap – Growth	386,743	3.4%
UBS Global Asset Management	Small cap – Growth	197,873	1.7%
Barrow, Hanley, Mewhinney & Strauss, Inc.	Small cap – Value	235,406	2.1%
DePrince, Race & Zollo, Inc.	Small cap – Value	228,251	2.0%
Total U.S. Equities		4,651,400	40.8%
International Equities:			
Baillie Gifford Overseas Ltd.	International Growth	305,196	2.7%
Mondrian Investment Partners, Ltd.	International Value	696,162	6.1%
BlackRock Institutional Trust Company	Index Fund – ACWI ex-U.S. Growth	351,004	3.1%
BlackRock Institutional Trust Company	Index Fund – ACWI ex-U.S.	1,776,289	15.6%
Total International Equities		3,128,651	27.5%

As the case over the Oklahoma Energy Discrimination Act of 2022 makes its way through the Oklahoma court system, we believe that the proxy votes highlighted in this report cast by BlackRock – votes that effectively weaponize OPERS' own investments against the citizens of the state of Oklahoma – show that BlackRock is regularly supporting shareholder proposals that harm oil and gas companies, as well as the end-users of petroleum products. Additionally, we identify dozens of other votes cast by BlackRock in favor of woke corporate policies that run afoul of Oklahoma values.

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BlackRock Supported DEI Initiatives, Green Climate Policies, And Political Disclosures that Target Conservatives

The American Accountability Foundation sent an Oklahoma Public Records Act request to OPERS requesting all reports of proxy votes cast by investment managers of pooled funds for OPERS (which includes BlackRock). AAF reviewed these files for votes cast in support of woke corporate policies. All told we found 54 votes cast by BlackRock supporting policies such as racial equity audits, gender pay gap reports, efforts to defund conservative candidates and pro-business trade associations, and radical climate policy.

While reviewing all 54 problematic votes would be redundant, our research identified that the problematic votes primarily fall into three categories: "racial equity audits" and other DEI initiatives, political contributions reports targeting conservatives, and anti-oil and gas "net zero" or other climate resolutions. In this report will highlight some of the most problematic resolutions in these categories.

Importantly, as Bowyer Research noted in an April 2024 report, Oklahoma law has a broad definition of the term "boycott" for the purposes of the Restricted Financial Company List:[1]

> *...the legal definition of boycott under Oklahoma law is a broad one and includes the taking of any actions intended to penalize, inflict harm on, or limit commercial relations with a company because of its involvement with fossil fuels. Treasurer Russ's questionnaire to asset managers on which he based his exclusion list includes questions relevant to advocacy against fossil fuels, membership in anti-fossil fuel associations as well as proxy voting...*

The American Accountability Foundation believes that the intent of many of the climate resolutions that we highlight in this report is to harm oil and gas companies or to restrict the activities of oil and gas companies' vendors and customers.

While not strictly related to oil and gas, the other DEI and political and lobbying activity reports we highlight show that BlackRock is frequently supporting woke corporate policies that are against Oklahoma values.

BlackRock Supported Damaging Net Zero Initiatives and Other Radical Climate Policies

ExxonMobil – Report on Scenario Analysis Consistent with IEA's Net Zero by 2050

At the ExxonMobil annual shareholder meeting on May 25, 2022, BlackRock voted in favor of Proposal 8, which asked for a report on "Scenario Analysis Consistent with the International Energy Agency's Net Zero by 2050".[2]

[1] Bowyer Research, "Report Attacking Oklahoma Anti-ESG Law Has Serious Flaws," April 2024
[2] BlackRock/OPERS Proxy Votes, Proxy Voting 2022 (Page 77), Obtained by Oklahoma Public Records Act Request

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8	Report on Scenario Analysis Consistent with International Energy Agency's Net Zero by 2050	SH	Yes	Against	For
	Blended Rationale: [SF-S0000-002] We believe it is in the best interests of shareholders to have access to greater disclosure on this issue.				

This shareholder proposal demanded that ExxonMobil's Board of Directors seek an audited report assessing the impact of the International Energy Agency's Net Zero by 2050 pathway on the company's financial statements. It also criticized ExxonMobil for not doing enough compared to other energy companies and for failing to use Paris Agreement-aligned goals.[3]

Item 8 – Report on Scenario Analysis

This proposal was submitted by Christian Brothers Investment Services, Inc., 733 Third Avenue, Ste. 2020, New York, New York 10017, the beneficial owner of shares with a market value greater than $2,000 and lead proponent of a filing group.

WHEREAS:

Many policymakers, investors and companies have converged on goals including the need to limit global temperature increase to 1.5° C and to reach net zero global greenhouse gas (GHG) emissions by 2050, if not sooner.

The International Energy Agency's Net Zero 2050 Roadmap (NZE) describes an energy sector path for net-zero GHG emissions. According to the IEA, no investment in new fossil supply projects is needed in a net zero scenario and the IEA anticipates oil prices dropping as low as $36/barrel in 2030 and $24/barrel in 2050, projecting a negative trend for a fundamental input in developing ExxonMobil's cash flow projections for oil and gas production assets.

Yet ExxonMobil continues development of new fossil fuel resources, even while acknowledging that climate change scenarios pose uncertainties that may lead to impairments. Investors are concerned that the continued development of new fossil fuel resources increases the risk of such future impairments. ExxonMobil's existing, audited annual disclosures do not provide investors with sufficient insight into stranded asset risk related to the energy transition. 'If climate change impacts the entity, the auditor needs to consider whether the financial statements appropriately reflect this,' according to the International Auditing and Assurance Standards Board.

An independent September 2021 analysis concluded that the financial statements of ExxonMobil lack the requisite transparency about climate-related assumptions and estimates, and company disclosures do not appear to use Paris-aligned assumptions and estimates. In contrast, peers (Royal Dutch Shell, bp, TotalEnergies) released more transparent disclosures in their audited financial statements, articulating the extent of consideration of climate change contingencies and risks.

RESOLVED: Shareholders request that ExxonMobil's Board of Directors seek an audited report assessing how applying the assumptions of the International Energy Agency's Net Zero by 2050 pathway would affect the assumptions, costs, estimates, and valuations underlying its financial statements, including those related to long-term commodity and carbon prices, remaining asset

[3] SEC EDGAR, Exxon 2022 Proxy Statement

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lives, future asset retirement obligations, capital expenditures and impairments. The Board should obtain and ensure publication of the report by February 2023, at reasonable cost and omitting proprietary information.

Supporting Statement

The proponent recommends the requested report be supported with reasonable assurance from an independent auditor.

Investors with $103 trillion in assets under management have already called for companies and their auditors to rigorously disclose climate risks in financial reporting, or risk overstatement by failing to integrate impacts on profits and financial positions.

Last year, this topic received 49.4% support of ExxonMobil investors. In light of ExxonMobil's disclosures regarding potential impairments from uncertain climate scenarios depressing product demand, it is urgent for investors to vote in favor.

NewMarket Corporation – Publication of GHG Emissions Reduction Targets to Align with Net Zero Emissions by 2050 in Line with Paris Climate Agreement

At the NewMarket Corporation annual shareholder meeting in April 2023, BlackRock voted in favor[4] of Proposal 6, which called for setting GHG emissions targets in line with the Paris Agreement:

6	Publication of GHG Emissions and Setting Short-, Medium- and Long-Term Emission Reduction Targets to Align Business Activities with Net Zero Emissions by 2050 in Line with the Paris Climate Agreement	SH	Yes	Against	For
	Blended Rationale: [SF-S0000-012] Additional information regarding the company's plan to manage their strategy in the context of a transition to a low-carbon economy will help investors assess long-term risks and opportunities on this economically material issue.				

NewMarket Corporation is a chemical company that primarily produces ***petroleum additives***.[5]

The resolution that BlackRock voted for claimed that "climate change is one of the defining challenges of the 21st century" and that "as a global producer of petroleum additives, NewMarket Corp's operations and value chain contribute to significant GHG emissions":[6]

PROPOSAL 6:

SHAREHOLDER PROPOSAL REGARDING PUBLICATION OF GHG EMISSIONS AND SETTING SHORT-, MEDIUM- AND LONG-TERM EMISSION REDUCTION TARGETS TO ALIGN BUSINESS ACTIVITIES WITH NET ZERO EMISSIONS BY 2050 IN LINE WITH THE PARIS CLIMATE AGREEMENT

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[4] BlackRock/OPERS Proxy Votes, Proxy Voting 2023 (Page 56), Obtained by Oklahoma Public Records Act Request
[5] NewMarket Corporation, NewMarket Companies
[6] SEC EDGAR, NewMarket Corporation 2023 Proxy Statement

Strengthen emission reduction targets and reporting

Whereas:

Climate change is one of the defining challenges of the 21st century and presents both financial risks and opportunities to companies.

Greenhouse gas emissions (GHG) stemming from human activities are driving a rise in mean temperatures. This is affecting human health and well-being as well as the natural environment, and poses significant risks to the global economy. Companies' economic prospects are affected by technological developments, regulatory changes and the physical consequences of a changing climate.

As a global producer of petroleum additives, NewMarket Corp's operations and value chain contribute to significant GHG emissions. As such, it is exposed to financial risks and opportunities as the world transitions towards a low-carbon economy. In its 2021 ESG report, the company states that it has conducted an ESG assessment that identified GHG emissions as an area of very high interest.

The company has set a target to reduce CO2 emissions by 30% by 2030, but has not disclosed the current emissions, baseline or scope for this target. Proponents believe it is necessary with strengthened emission reduction targets and reporting to provide investors with a better understanding of how the company will align its business model with reasonable pathways to net zero emissions.

Resolved:

Shareholders request the company to publish their GHG emissions, and set short-, medium-and long-term emission reduction targets to align business activities with net zero emissions by 2050 in line with the Paris Climate Agreement.

Supporting statement:

Long-term investors need to understand how the company plans to adapt its business model and align it with net zero global emissions. Such plans should encompass emissions from own operations, but also actions, such as investments in R&D or engagement with the company's value chain, to manage risks and reduce indirect emissions.

In assessing the targets and reporting, we recommend, at management's discretion to

- *report in line with the TCFD recommendations*
- *cover scope 1 and 2 emissions, and other material indirect emissions as relevant*
- *consider available guidance provided by the Science Based Targets initiative or other authoritative groups*
- *develop transition plans with defined time frames, milestones and potential implications for capital expenditures*

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Targa Resources – Report on Efforts to Reduce Methane Emission Venting and Flaring in Supply Chain

At the May 2023 annual shareholder meeting of Targa Resources – a midstream natural gas pipeline and infrastructure operator – BlackRock voted for a resolution that called for Targa to issue a report on efforts to reduce methane emissions during venting and flaring throughout Targa's supply chain:[7]

5	Report on Efforts to Reduce Methane Emission Venting and Flaring in Supply Chain	SH	Yes	Against	For
	Blended Rationale: [SF-S0000-002] We believe it is in the best interests of shareholders to have access to greater disclosure on this issue.				

The resolution claimed Targa Resources' facilities "spewed" a fifth of the reported "pollution" during the February 2021 Texas freeze, and that the US has "lax regulation" on flaring:[8]

> ***Proposal and Supporting Statement by Stockholder Proponent***
>
> *"Targa Resources - Limit Supply Chain Flaring - 2023*
>
> *Whereas, the shale boom and lax regulation have made the U.S. the world's fourth highest flaring nation.[1] Flaring contributes 4 to 10% of total U.S. oil and gas methane emissions. Research shows methane emissions from flaring to be five times higher than currently estimated.[2]*
>
> *60% of U.S. oil and gas flaring methane emissions are from upstream production,[3] due in part to ongoing or episodic lack of midstream capacity (e.g., equipment failures or downtime), which can lead to flaring at midstream processing plants and cascade upstream, leading to flaring at production facilities. In 2021, 39% of total flared gas in the U.S. was reported to be due to midstream bottlenecks.[4]*
>
> *Lack of alignment between the timing of new production volumes and midstream capacity is also a significant factor driving flaring.[5]*
>
> *Stakeholder scrutiny on emissions throughout the value chain in line with net zero commitments is increasing, as supply chain venting and flaring can drive reputational, regulatory and transition risks for midstream operators.*
>
> *Offering more, and more reliable, pipeline capacity to reduce upstream flaring can boost midstream revenue.*

[7] BlackRock/OPERS Proxy Votes, Proxy Voting 2023 (Page 247), Obtained by Oklahoma Public Records Act Request
[8] SEC EDGAR. Targa Resources, 2023 Proxy Statement

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Flaring by two Targa Resources Corporation's ("Targa") plants during the February 2021 Texas freeze made them the state's top emitters. The company facilities spewed nearly a fifth of the state's total reported pollution during the incident.[6]

In its 2021 Sustainability report, Targa briefly mentions a focus on reducing flaring from its operations and helping its exploration and production partners and downstream customers meet their flaring and greenhouse gas intensity targets. That includes increased communication, and reliability and maintenance programs. However, Targa did not set any flaring reduction target, nor did the company provide meaningful details on how it would help its partners reach their targets.

***Resolved,** shareholders request that Targa issue a report assessing policy options to go beyond its existing efforts to curtail its impact on climate change from its own venting and flaring and from upstream venting and flaring that are attributable to or influenced by Targa's midstream activities. The report should be made public, omit proprietary information, and be prepared expeditiously at reasonable cost.*

Supporting Statement:

At management's discretion, we recommend consideration of the feasibility of the following in the report:

- *Procedures to provide as much advance notice as practicable to upstream operators about potential outages or planned maintenance activities to allow operators to appropriately permit emissions, to shut-in production or reroute associated gas to avoid flaring at processing plants or production facilities;*
- *Coordination efforts with upstream operators on projected timing and volumes from new wells to secure takeaway capacity for when production begins;*
- *Procedures to increase operational reliability at Targa's facilities and ensure Targa-operated flares are properly operating;*
- *Setting short- or medium-term flaring reduction targets covering its own and upstream flaring, and committing to continuously reducing these figures over time."*

Berkshire Hathaway – Report on If and How Company Will Measure, Disclose and Reduce GHG Emissions

At the May 2023 annual shareholder meeting of Berkshire Hathaway, BlackRock voted for Proposal 6, which called for a report on "if and how [Berkshire Hathaway] will measure, disclose and reduce GHG emissions." Their rationale for the vote was that Berkshire Hathaway "does not meet our expectation for disclosing a plan for how their business model will be compatible with a low carbon economy":[9]

[9] BlackRock/OPERS Proxy Votes, Proxy Voting 2023 (Page 28), Obtained by Oklahoma Public Records Act Request

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6	Report If and How Company Will Measure, Disclose and Reduce GHG Emissions	SH	Yes	Against	For
	Blended Rationale: [SF-S0000-012] The company does not meet our expectations for disclosing a plan for how their business model will be compatible with a low-carbon economy.				

The resolution, introduced by far-left, Berkeley, California-based activist group, *As You Sow*, claimed that "insurance companies have a critical role to play in meeting the Paris Agreement's 1.5 degrees Celsius ("1.5°C") goal, requiring Net Zero greenhouse gas (GHG) emissions by 2050" and that "the U.S. insurance industry is under increasing pressure to address its contributions to climate change from underwriting, insuring, and investing in high emitting activities":[10]

> *6. SHAREHOLDER PROPOSAL*
>
> *As You Sow on behalf of Elizabeth Kantor Trust U/A DTD 3/11/1993, owner of shares of Berkshire Common Stock with a value in excess of $2,000 for at least three years, intends to present for action at the meeting the following proposal.*
>
> *Whereas: Insurance companies have a critical role to play in meeting the Paris Agreement's 1.5 degrees Celsius ("1.5°C") goal, requiring Net Zero greenhouse gas (GHG) emissions by 2050. Projections[2] show that limiting global warming to 1.5°C versus 2 degrees will save $20 trillion globally by 2100, while exceeding 2 degrees could lead to hundreds of trillions in damages.[3] The U.S. insurance industry is under increasing pressure to address its contributions to climate change from underwriting, insuring, and investing in high emitting activities.[4]*
>
> *These financial activities contribute to systemic portfolio risk to the global economy, investors, and insurers' profitability.*
>
> *Growing public pressure for the insurance industry to account for its climate-related risks is exemplified by legislation passed in Connecticut requiring regulators to incorporate emissions reduction targets into their supervision of insurers.[5]*
>
> *Shareholders are concerned that Berkshire Hathaway Inc. ("Berkshire") is not adequately reducing the climate footprint of its insurance operations, which make up over 26% of its business and is its largest value segment.[6] This failure creates significant risk. Berkshire reported pre-tax losses of $3.4 billion from Hurricane Ian in 2022 and an insurance and reinsurance underwriting loss of $962 million, up from a $784 million loss last year.[7] This follows a larger global trend: insured losses from natural disasters exceeding those from the prior 10 years, with $150 billion in 2021 alone.[8]*
>
> *Berkshire is a laggard on climate in the global insurance sector, scoring 0 of 10 in a survey of the 30 largest global insurers; its ranking has declined year over year since 2018.[9] Berkshire also earned a zero in recent scoring by the Climate Action 100+ for lack of compliance with the Net Zero Company Benchmark.[10] In contrast, peers are beginning to address the GHG emissions associated with their underwriting and investment activities. 29 global insurers have joined the United Nations' Net Zero*

[10] SEC EDGAR, Berkshire Hathaway 2023 Proxy Statement

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Insurance Alliance, committing to transition emissions from insurance and reinsurance underwriting portfolios to Net Zero by 2050.

Berkshire does not measure or disclose its financed emissions, including those attributable to underwriting and insuring, nor has it adopted targets aligned with the Paris Agreement's 1.5°C goal. In 2022, 46.7% of independent shareholders voted in favor of a resolution seeking 1.5 degree-aligned goals. Since the vote, Berkshire has not taken responsive action.

Be It Resolved: Shareholders request that Berkshire issue a report, at reasonable cost and omitting proprietary information, addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions.

Supporting Statement: Shareholders recommend the report disclose at board discretion:

- *Whether Berkshire will begin measuring and disclosing emissions associated with its full range of business activities, and by when;*
- *Whether Berkshire will set a Paris-aligned, net zero goal, and interim aligned targets, and on what timeline.*

The Travelers Companies – Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting

At the May 2022 annual shareholder meeting of The Travelers Companies, BlackRock voted in favor of proposal 5, which called for a "Report on Efforts to Measure, Disclose and Reduce GHG Emissions Association with Underwriting:[11]

5	Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting	SH	Yes	Against	For

Blended Rationale: [SF-S0000-013] We recognize the company's efforts to date, but believe that supporting the proposal may accelerate the company's progress on climate risk management and/or oversight.

The proposal stated that "shareholders are concerned that The Travelers Companies is not adequately reducing the climate footprint of its insurance-related activities and called for a report on "how [Travelers] intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities, in alignment with the Paris Agreement's 1.5 C goal, requiring net zero emissions":[12]

[11] BlackRock/OPERS Proxy Votes, Proxy Voting 2022 (Page 194), Obtained by Oklahoma Public Records Act Request
[12] SEC EDGAR, The Travelers Companies, 2022 Proxy Statement

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As You Sow, located at 2020 Milvia St., Suite 500, Berkeley, CA 94704, has advised us that it plans to introduce the following resolution on behalf of Booth Investments, LLC. Booth Investments, LLC is the beneficial holder of more than $2,000 of the Company's common stock.

WHEREAS: *Insurance companies have a critical role to play in meeting the Paris Agreement's 1.5 degree Celsius (1.5°C) goal, requiring net zero greenhouse gas (GHG) emissions by 2050. Projections[1] have found that limiting global warming to 1.5 degrees versus 2 degrees will save $20 trillion globally by 2100; while exceeding 2 degrees could lead to climate damages in the hundreds of trillions.[2] The U.S. insurance industry is under increasing pressure to address its contributions to climate change from underwriting, insuring, and investing in high emitting activities.[3]*

These financial activities contribute to systemic portfolio risk to the global economy, investors, and insurers' profitability. The U.S. Commodity Futures Trading Commission recently acknowledged that climate change could impair the productive capacity of the national economy and recommends that state insurance regulators require insurers to assess how their underwriting activity and investment portfolios may be impacted by climate-related risks.

This growing public pressure for the insurance industry to account for its climate related risks is exemplified by recent legislation passed in Connecticut[4] requiring regulators to incorporate emissions reduction targets into their supervision of insurers.

Shareholders are concerned that The Travelers Companies is not adequately reducing the climate footprint of its insurance-related activities. This failure creates significant risk to Travelers, investors, and the global climate. Travelers' pretax catastrophe losses more than doubled Q1 2021. Travelers reported losses of $835 million, an historic first quarter high, mainly attributable to winter and windstorms in the U.S.[5] This follows a larger global trend: insured losses from natural disasters reached $42 billion in the first six months of 2021, a ten year high.[6]

Travelers is a climate laggard in the global insurance sector, scoring at the bottom in a survey of the 30 largest global insurers.[7] In contrast, peers are beginning to address the GHG emissions associated with their underwriting and investment activities.[8] Further, thirteen global insurers have joined the United Nations' Net Zero Insurance Alliance, committing to transition emissions from their insurance and reinsurance underwriting portfolios to net zero by 2050.

Travelers does not measure or disclose its financed emissions, including those attributable to underwriting, insuring, and investments, nor has it adopted targets aligned with the Paris Agreement's 1.5°C goal for such emissions.

BE IT RESOLVED: *Shareholders request that Travelers issue a report, at reasonable cost and omitting proprietary information, addressing if and how it intends to measure, disclose, and reduce the GHG emissions associated with its underwriting, insuring, and investment activities, in alignment with the Paris Agreement's 1.5°C goal, requiring net zero emissions.*

SUPPORTING STATEMENT: *Shareholders recommend the report disclose at board discretion:*

- *Whether Travelers will begin measuring and disclosing the emissions associated with the full range of its underwriting, insuring, and investment activities and by when, and*

- *Whether Travelers will set a Paris aligned, net zero target, for its full range of emissions. and on what timeline*

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BlackRock Supported a Racial Equity Audit at Alphabet

In June 2022, BlackRock voted for Proposal 9 at Alphabet, which called for a racial equity audit.[13]

9	Oversee and Report a Third-Party Racial Equity Audit	SH	Yes	Against	For
	Blended Rationale: [SF-S0000-002] We believe it is in the best interests of shareholders to have access to greater disclosure on this issue.				

The resolution, introduced by the Nathan Cummings Foundation, called for a "third-party, independent racial equity audit analyzing Alphabet Inc.'s adverse impacts on Black, Indigenous, and People of Color (BIPOC) communities" and stated that Alphabet "must do more to address significant adverse impacts of its policies, practices, and products on communities of color":[14]

> *Proposal Number 9 Stockholder Proposal Regarding a Racial Equity Audit*
>
> *The Nathan Cummings Foundation, as lead filer, along with a number of others co-filers, whose names, addresses, and stockholdings will be provided by us upon request, have advised us that they intend to submit the proposal set forth below for consideration at our Annual Meeting.*
>
> *Racial Equity Audit*
>
> *RESOLVED: Shareholders urge the Board of Directors to commission a third-party, independent racial equity audit analyzing Alphabet Inc.'s adverse impacts on Black, Indigenous and People of Color (BIPOC) communities. Input from racial justice and civil rights organizations and employees, temporary vendors, and contractors should be considered in determining specific matters to be analyzed. A report on the audit, prepared at reasonable cost and omitting confidential and proprietary information, should be published on Alphabet's website.*
>
> *WHEREAS: The harmful and often deadly impacts of systemic racism on BIPOC communities are a major focus of policymakers, media, and the public. While Alphabet has made charitable contributions and statements of solidarity with communities of color it must do more to address significant adverse impacts of its policies, practices, and products on communities of color.*
>
> *Several aspects of Alphabet's business suggest a racial equity audit would help mitigate reputational, regulatory, legal, and human capital risk. Alphabet's Google and YouTube have been implicated in perpetuating racism. The New York Times reported YouTube was "successfully weaponized by racists…to undermine Black Lives Matter." Research shows "YouTube plays a key role in exposing young people to white supremacist ideology and anti-Muslim propaganda."*
>
> *Google's advertising practices have prompted boycotts by advertisers concerned about discrimination, causing the company to lose advertising revenue. In 2021, five U.S. Senators urged Alphabet to "conduct a racial equity audit … to make the company and its products safer for Black*

[13] BlackRock/OPERS Proxy Votes, Proxy Voting 2022 (Page 4), Obtained by Oklahoma Public Records Act Request
[14] SEC EDGAR, Alphabet 2022 Proxy Statement

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people," saying "Google Search, its ad algorithm, and YouTube have all been found to perpetuate racist stereotypes and white nationalist viewpoints."

Shareholders are concerned with the potential adverse impact of Google's artificial intelligence (AI) tools on communities of color. Researchers found that an AI tool developed to detect hate speech was up to twice as likely to identify tweets as offensive when they were written with African American Vernacular English (AAVE) or by African Americans.Dermatologists have warned that Google's dermatology app could disproportionately misdiagnose people with dark skin. Research found that Google's face detection technology is susceptible to a range of racial biases. Google's Vision AI labeled a thermometer a "gun" when held by a person of color, but labeled a similar image an "electronic device" when held by a white person. Furthermore, there are concerns that Google's technology may be used by the government to surveil immigrants of color.

Executives at peer companies have affirmed the usefulness of racial equity audits, as have civil rights organizations.

Despite these and other issues, Alphabet has allegedly retaliated against employees who flagged issues of discrimination. In 2020, nine lawmakers wrote to Alphabet with concerns after Google fired Dr. Timnit Gebru, co-lead of Google's AI Ethics team, who led research on discriminatory technology. In 2021, employees told reporters that when they reported workplace racism, they were told to "assume good intent," seek counseling, or take leave.

BLACKROCK SUPPORTED A REPORT ON POLITICAL CONTRIBUTIONS AND EXPENDITURES AT CAESARS ENTERTAINMENT

At the Caesars Entertainment annual shareholder meeting on June 13, 2023, BlackRock, voted in favor of a proposal that asked for a "Report on Political Contributions and Expenditures"[15]

5	Report on Political Contributions and Expenditures	SH	Yes	Against	For
	Blended Rationale: [SF-S0000-002] We believe it is in the best interests of shareholders to have access to greater disclosure on this issue.				

While a report on political contributions and expenditures might sound benign enough on the surface, as the American Accountability Foundation revealed in a report last summer, these reports on political and lobbying expenditures are used for the purpose of bullying companies into ceasing contributions to conservative candidates and organizations, as well as to trade associations and other pro-business groups. As our report stated, the intent of these resolutions is "to force companies to ***name*** trade associations, think tanks, other nonprofits, political committees, and candidates they support, so the woke mob can later ***shame*** companies for supporting them."

[15] BlackRock/OPERS Proxy Votes, Proxy Voting 2023 (Page 13), Obtained by Oklahoma Public Records Act Request

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This resolution at Caesars is no exception. The resolution, introduced by the Comptroller of the State of New York, calls for Caesars to issue a report on the political contributions it makes – including to trade associations and tax-exempt groups – for the purpose of assessing "whether [Caesars'] election-related spending aligns or conflicts with its policies on climate change and sustainability, or other areas of concern"[16]:

> *Proposal 5: Shareholder Proposal Regarding Company Political Disclosures*
>
> *The Comptroller of the State of New York, as the trustee of the New York State Common Retirement Fund (the "Fund") and the Administrative Head of the New York State and Local Retirement System, has informed us the Fund intends to solicit proxies at the Annual Meeting for the following proposal. The Fund has also advised us that collectively it beneficially owns 216,344 shares of our common stock, which constitute approximately 0.1% of our outstanding common stock as of April 17, 2023.*
>
> *The text of the proposal is the sole responsibility of the Fund and is set forth in italics below.*
>
> *The Board has evaluated the Fund's proposal and has a statement in response to such shareholder proposal as set forth below.*
>
> *Resolved, that the shareholders of Caesars Entertainment, Inc. ("Caesars" or "Company") hereby request that the Company provide a report, updated semiannually, disclosing the Company's:*
>
> a. *Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.*
>
> b. *Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including*
>
>   *i.The identity of the recipient as well as the amount paid to each; and*
>
>   *ii.The title(s) of the person(s) in the Company responsible for decision-making.*
>
> *The report shall be presented to the board of directors or relevant board committee and posted on the Company's website within 12 months from the date of the annual meeting. This proposal does not encompass lobbying spending.*
>
> *Supporting Statement*
>
> *As long-term shareholders of Caesars, we support transparency and accountability in corporate electoral spending. This includes any activity considered intervention in a political campaign under the Internal Revenue Code, such as direct and indirect contributions to political candidates, parties, or organizations, and independent expenditures or electioneering communications on behalf of federal, state, or local candidates.*
>
> *A company's reputation, value, and bottom line can be adversely impacted by political spending. The risk is especially serious when giving to trade associations, Super PACs, 527 committees, and*

[16] SEC EDGAR, Caesars 2023 Proxy Statement

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"social welfare" organizations – groups that routinely pass money to or spend on behalf of candidates and political causes that a company might not otherwise wish to support.

When the Conference Board released its 2021 "Under a Microscope" report it detailed these risks, and recommended the process suggested in this proposal. The organization also said, "a new era of stakeholder scrutiny, social media, and political polarization has propelled corporate political activity—and the risks that come with it—into the spotlight. Political activity can pose increasingly significant risks for companies, including the perception that political contributions—and other forms of activity—are at odds with core company values."

Publicly available records show Caesars has contributed at least $8 million in corporate funds since the 2010 election cycle.

This proposal asks Caesars to disclose all of its electoral spending, including payments to trade associations and other tax-exempt organizations which may be used for electoral purposes–and are otherwise not public. This would bring our Company in line with a growing number of leading companies, including MGM Resorts International, Las Vegas Sands Corp., and Marriott International Inc., which present this information on their websites.

Without knowing the recipients of our company's political dollars we cannot sufficiently assess whether our company's election-related spending aligns or conflicts with its policies on climate change and sustainability, or other areas of concern. We urge your support for this critical governance reform.

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Full List of 54 Woke Proxy Votes Since 2022

All told, we found 54 instances of BlackRock voting in favor of woke resolutions on behalf of OPERS since 2022. These resolutions are listed below.

Company Name	Date	Resolution	Manager	Page
Activision Blizzard	6/21/2022	Report on Efforts Prevent Abuse Harassment, and Discrimination	BlackRock	2
Alphabet Inc	6/1/2022	Oversee and Report a Third-Party Racial Equity Audit	BlackRock	4
Alphabet Inc	6/1/2022	Report on Metrics and Efforts to Reduce Water Related Risk	BlackRock	4
Alphabet Inc	6/1/2022	Commission Third Party Assessment of Company's Management of Misinformation and Disinformation Across Platforms	BlackRock	4
Altria Group, Inc	5/19/2022	Report on Third-Party Civil Rights Audit	BlackRock	9
AMERCO	8/18/2022	Adopt GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	BlackRock	3
Apple Inc.	3/4/2022	Report on Civil Rights Audit	BlackRock	4
Berkshire Hathaway Inc	5/6/2023	Report If and How Company Will Measure, Disclose and Reduce GHG Emissions	BlackRock	28
Berkshire Hathaway Inc	4/30/2022	Report on Climate-Related Risks and Opportunities	BlackRock	10
Berkshire Hathaway Inc	4/30/2022	Report on GHG Emissions Reduction Targets	BlackRock	10
Berkshire Hathaway Inc	4/30/2022	Report on Effectiveness of Diversity Equity and Inclusion Efforts and Metrics	BlackRock	10
Berkshire Hathaway Inc	5/6/2023	Report on Physical and Transitional Climate-Related Risks and Opportunities	BlackRock	39
Builders First Source	6/14/2022	Report on GHG Emissions Reduction Targets	BlackRock	17
Caesars Entertainment	6/13/2023	Report on Political Contributions and Expenditures	BlackRock	14
Cenovus Energy Inc	4/26/2023	Report on Lobbying and Policy Advocacy with its Net Zero Goal	BlackRock	83
CGI Inc	2/1/2023	Report on Racial Disparities and Equity Issues	BlackRock	13
Charter Communications	4/25/2023	Report on Lobbying Payments and Policy	BlackRock	16
Charter Communications	4/26/2022	Report on Lobbying Payments and Policy	BlackRock	17
Charter Communications	4/26/2022	Adopt Policy to Annually Disclose EEO-1 Data	BlackRock	17
Charter Communications	4/26/2022	Report on Effectiveness of Diversity, Equity and Inclusion Efforts and Metrics	BlackRock	17
Charter Communications	4/23/2024	Report on Political Contributions and Expenditures	BlackRock	17
Chubb Limited	5/19/2022	Report on Efforts to Reduce GHG Emissions Associated with Underwriting, Insuring, and Investing	BlackRock	45
Cintas Corporation	10/25/2022	Report on Political Contributions	BlackRock	4
Constellation Software Inc	5/5/2022	SP: Report on Racial Diversity in the Workplace	BlackRock	108
Dollar Tree	6/30/2022	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	BlackRock	29
Dominion Energy, Inc	5/11/2022	Report on the Risk of Natural Gas Stranded Assets	BlackRock	60
DSV A/S	3/14/2024	Shareholder proposal on reporting on human rights and labour rights	BlackRock	57
Expeditors International of Washington	5/2/2023	Report on Effectiveness of Diversity Equity and Inclusion Efforts and Metrics	BlackRock	105
Exxon Mobil Corporation	5/25/2022	Report on Scenario Analysis Consistent with International Energy Agency's Net Zero by 2050	BlackRock	77
Johnson & Johnson	4/28/2022	Oversee and Report a Racial Equity Audit	BlackRock	53
Lyft	6/16/2022	Report on Lobbying Payments and Policy	BlackRock	57
Meta Platforms	5/31/2023	Report on Human Rights Impact Assessment of Targeted Advertising	BlackRock	175
Monster Beverage Corporation	6/14/2022	Report on GHG Emissions Reduction Targets Aligned with the Paris Agreement Goal	BlackRock	62
Netflix	6/2/2022	Report on Lobbying Payments and Policy	BlackRock	64
NewMarket Corporation	4/27/2023	Publication of GHG Emissions and Setting Short-, Medium- and Long-Term Emission Reduction Targets to Align Business Activities with Net Zero Emissions by 2050 in Line with the Paris Climate Agreement	BlackRock	56
Oracle Corporation	11/15/2023	Report on Median and Adjusted Gender/Racial Pay Gaps	BlackRock	15
Phillips 66	5/11/2022	Report on Reducing Plastic Pollution	BlackRock	156
Republic Services	5/25/2022	Report on Third-Party Environmental Justice Audit	BlackRock	166

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Company Name	Date	Resolution	Manager	Page
Republic Services	5/25/2022	Report on Third-Party Civil Rights Audit	BlackRock	166
Salesforce	6/9/2022	Oversee and Report a Racial Equity Audit	BlackRock	82
Stericycle	5/26/2022	Report on Third-Party Civil Rights Audit	BlackRock	179
Sysco Corporation	11/18/2022	Report on Efforts to Reduce Plastic Use	BlackRock	14
Targa Resources Corp.	5/23/2023	Report on Efforts to Reduce Methane Emission Venting and Flaring in Supply Chain	BlackRock	247
Tesla	8/4/2022	Report on Corporate Climate Lobbying in line with Paris Agreement	BlackRock	9
Tesla	8/4/2022	Report on Efforts to Prevent Harassment and Discrimination in the Workplace	BlackRock	9
Tesla	8/4/2022	Report on the Impacts of Using Mandatory Arbitration	BlackRock	9
Tesla	8/4/2022	Adopt a Policy on Respecting Rights to Freedom of Association and Collective Bargaining	BlackRock	9
Tesla	8/4/2022	Report on Water Risk Exposure	BlackRock	9
The Boeing Company	4/29/2022	Report on Net Zero Indicator	BlackRock	91
The Kroger Co	6/22/2023	Report on Gender/Racial Pay Gap	BlackRock	63
The Travelers Companies	5/25/2022	Report on Efforts to Measure, Disclose and Reduce GHG Emissions Associated with Underwriting	BlackRock	194
The Walt Disney Company	3/9/2022	Report on Gender/Racial Pay Gap	BlackRock	20
Tyson Foods	2/10/2022	Report on Sustainable Packaging Efforts	BlackRock	10
Walmart Inc	6/1/2022	Report on Lobbying Payments and Policy	BlackRock	102

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