

*Brussels, 17 April 2020,*

To:

**Ursula Von der Leyen**

President of the European Commission

**Valdis Dombrovskis**

Vice-President for an Economy that Works for the People

Object:

Contract awarded by the European Commission to BlackRock

Dear President,

Dear Commissioner,

We would like to raise our concerns regarding the contract won by BlackRock for a study to the European Commission on how the EU could best integrate environmental, social and governance (ESG) factors into its banking supervision. This contract - with a total value of €280,000 - raises serious issues of conflicts of interests.

Taken together, BlackRock funds are indeed among the world's largest investors in banks and fossil fuel companies, with disproportionate economic power. More precisely, this asset management company is a top-three investor in all eight of the world's largest oil companies, and a top-ten investor in the twelve most systemically important banks in the world. Oil and gas sectors are likely to be directly impacted by tighter environmental rules. Decisions made by European banking regulators on ESG issues could have significant financial effects on the companies that BlackRock-administered funds are invested in. Hence, Blackrock may obviously seek to protect the industrial sector in which it invests heavily by influencing the decision-making in favour of softer environmental rules.

Furthermore, as Blackrock is the leading global investor of the weapons industry, it has no legitimacy to advice on social factors, neither in general, nor in the banking supervision.

We therefore see clear conflicts of interests with this decision from the European Commission to award such a contract to BlackRock, in contradiction with Directive 2014/24/EU on public procurement - in particular its Articles 24 and 57. This is why, as representatives of European citizens and committed to the exemplarity of our EU institutions, we ask you, dear President, dear Commissioner, to review your decision and cancel this outrageous contract.

This is even more important in current times. The crisis we are experiencing must under no circumstances lead the European Union to lose or depart from its environmental and sustainability objectives. Strong and strict ESG rules for the banking sector are key in order to

reorient investments towards a climate-neutral future. In contrary, softer rules would profit oil companies and lenders but would be detrimental to all of us.

Moreover, we ask you to investigate further the offer made by BlackRock in order to make sure that, beyond the obvious conflict of interest, there has been no dumping pricing. In accordance with Article 69 of the above-mentioned Directive, contracting authorities are indeed required to ask bidders to explain the price or costs proposed in the tender where tenders appear to be abnormally low.

In this case, Blackrock submitted an offer amounting to €280,000, whereas the Commission initially foresaw a study worth €550,000. This means that BlackRock's offer was only a little over half of the maximum possible price announced by the European Commission in the tender - a figure which looks abnormally low. There is therefore some legitimate suspicion that BlackRock could have intentionally submitted a loss-making bid in order to increase their chances of getting it and influencing the EU decision-making. This is why we would like to get some more explanations on this aspect too.

We thank you for your consideration,

Sincerely Yours,

Damien Carême  
François Alfonsi  
Rasmus Andresen  
Margarete Auken  
Benoit Biteau  
Saskia Bricmont  
Reinhard Bütikofer  
Anna Cavazzini  
David Cormand  
Jakop Dalunde  
Gwendoline Delbos-Corfield  
Karima Delli  
Bas Eickhout  
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Monika Vana  
Thomas Waitz  
Salima Yenbou

***Members of the European Parliament***