

BEHIND THE SMOKESCREEN: BLACKROCK'S HIDDEN BOYCOTT OF OIL, GAS, COAL, AND CATTLE

DOCUMENTING ONGOING ACTIONS BY BLACKROCK
CONSTITUTING AN ENERGY BOYCOTT UNDER TEXAS LAW

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EXECUTIVE SUMMARY

The Texas Government Code Chapter 809, created by the passage of Senate Bill 13 (SB 13) during the 87th Legislature in 2021, prohibits financial companies from taking any action that penalizes or limits fossil fuel production based on environmental standards beyond those required by federal or state law.

While BlackRock was removed from Texas's boycott list based on claims it had softened its stance on climate activism, the evidence indicates the firm continues to engage in practices that meet the statutory definition of an energy boycott.

Specifically, BlackRock:

- Maintains proxy voting guidelines that pressure companies to adopt net-zero emissions targets not required by law ([BlackRock Responsible Investment Guidelines, p.19](#));
- Enforces disclosure regimes modeled on abandoned Securities and Exchange Commission (SEC) rules that the agency itself acknowledged would cause economic harm ([SEC Statement, Feb. 11, 2025](#));
- Opposes directors for failing to adopt these standards ([BlackRock Stewardship Report 2024, p.77](#));
- Supports shareholder proposals designed to restrict fossil fuel use and agricultural production ([BlackRock Stewardship Report 2024, p.78](#));
- Maintains a divestment policy against thermal coal companies ([BlackRock 2020 Client Letter](#)); and
- Remains under litigation by the Texas Attorney General for alleged collusion to restrict fossil fuel output ([Texas Attorney General Press Release, Nov. 27, 2024](#)).

This record demonstrates that BlackRock's removal from the boycott list conflicts with the statutory standard enacted by SB 13.

INTRODUCTION (BY HON. JASON A. ISAAC)

In 2021, Texas took a historic stand against politically motivated financial discrimination. As the architect of the model policy that became SB 13, I argued that no Wall Street firm should be allowed to profit from Texas taxpayers while actively working to destroy the industries that power our economy and support our communities. That legislation was designed to protect the livelihoods of millions of Texans and ensure that our capital markets remain accountable to the law rather than to ideologically driven activist campaigns.

As I have written elsewhere, SB 13 is “[the ultimate free-market solution](#)” to ESG extremism and an [essential safeguard for retirees](#), public employees, and taxpayers.

Yet the recent decision to remove BlackRock from Texas’s boycott list demonstrates how quickly the commitment to that principle can be undermined when powerful corporations deploy public relations campaigns to obscure their true behavior. As I have written elsewhere, the uproar over Texas holding BlackRock accountable revealed the ESG movement’s deep [disdain for democratic oversight](#) and the rule of law.

This report documents publicly available evidence showing that BlackRock continues to engage in conduct that meets the statutory definition of an energy boycott. Despite claims of a policy shift, the facts demonstrate that BlackRock’s systematic pressure campaign against lawful fossil fuel production and use remains intact.

Texas taxpayers, policymakers, and energy producers deserve full transparency and accountability on this question. The following analysis sets out the relevant legal framework and the evidence of BlackRock’s continuing discrimination against fossil fuels.

1. LEGAL STANDARD

Texas Government Code Chapter 809 prohibits state entities from contracting with or investing in financial companies that engage in an energy boycott. The statute defines an energy boycott as any action that:

- Penalizes, inflicts economic harm on, or limits commercial relations with a company because it engages in exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy; and
- Is based on the company’s failure to *commit or pledge to meet environmental standards beyond applicable federal and state law*. ([Tex. Gov’t Code §809.001](#))

The Comptroller is required to prepare and maintain a list of financial companies engaged in such conduct ([Tex. Gov’t Code §809.051](#)).

2. ANALYSIS

2.1 BlackRock’s Exit from Climate Alliances Is Not Dispositive

While BlackRock’s departure from the Net Zero Asset Managers Initiative was cited as proof it had abandoned discriminatory practices, BlackRock itself publicly stated that this departure “[doesn’t change how we manage portfolios](#).”

Moreover, BlackRock did not exit Climate Action 100+ entirely—it merely transferred participation to BlackRock International, an [international affiliate continuing the same agenda](#). The firm also remains a [member of Ceres](#), the North American network advancing Climate Action 100+’s objectives. BlackRock also boasts that it is “represented in the Principals Group of the [Glasgow Financial Alliance for Net Zero](#).”

Regardless, Texas law does not depend on whether a company belongs to climate alliances. It is focused on whether the company takes any action to penalize lawful fossil fuel activities.

2.2 Reduction in Certain Activities Does Not Exempt Ongoing Conduct

The former Comptroller cited BlackRock's reduction in the number of funds excluding fossil fuels and a "shift away" from blanket policies. However, the statute's standard is not whether the volume of such conduct has declined. Rather, it is whether *any action* remains that penalizes or limits fossil fuel companies.

Indeed, the former [Comptroller's own statement](#) conceded that BlackRock continued to engage in these practices but was "hopeful" that they would further diminish, underscoring that discriminatory practices were ongoing at the time of removal.

2.3 Ongoing Pressure for Emissions Targets Not Required by Law

BlackRock's proxy voting guidelines demand that companies adopt "short-, medium-, and long-term targets" for emissions reductions, which are described as "science-based" ([BlackRock Guidelines, p.19](#)).

This "science-based" standard aligns with the Net Zero 1.5°C agenda, requiring nearly complete fossil fuel phase-out by 2050. These demands are not required by any federal or Texas law.

2.4 Mandates for Climate Disclosures Beyond Legal Requirements

BlackRock demands climate disclosures modeled on the Task Force on Climate-related Financial Disclosures (TCFD) framework ([BlackRock Guidelines, p.18](#)).

BlackRock threatens to vote against directors who fail to adopt these disclosures, which go beyond any requirements established by federal or state law.

The SEC's attempt to formalize this disclosure regime was withdrawn after acknowledging it would cause "significant harm" to the economy.

2.5 Votes Against Directors for Climate Non-Compliance

BlackRock's voting record shows that in 2024 alone it opposed 127 directors over climate issues ([BlackRock Stewardship Report, p.77](#)). These votes likely represent enforcement of demands that exceed legal mandates against companies engaged in lawful fossil fuel production or use, and they certainly must be investigated before BlackRock can be considered in compliance.

2.6 Support for Shareholder Resolutions Restricting Use of Fossil Fuels

BlackRock voted in favor of shareholder proposals that explicitly aimed to pressure companies to reduce fossil fuel use and adopt emissions targets far beyond any legal requirement:

- **Berkshire Hathaway:** BlackRock [supported a proposal](#) requiring Berkshire Hathaway Energy to commit to reporting on its progress towards achieving net-zero greenhouse gas emissions in its electricity generation. In practice, this would mean phasing out all coal- and natural-gas-fired power plants.
- **Cracker Barrel, Denny's, Jack in the Box, and Wingstop:** BlackRock voted for proposals demanding that each restaurant chain set company-wide "Scope 3" emissions reduction targets. Although the proposals varied, many cited McDonald's net-zero plan as the benchmark example. Net-zero plans include cutting supply chain emissions, electrifying farm equipment, reducing use of nitrogen fertilizer, and significantly decreasing beef consumption ([Cracker Barrel Proxy](#); [Denny's Proxy](#); [Jack in the Box Proxy](#); [Wingstop Proxy](#); [Ceres Report](#)).

These resolutions show that BlackRock continues to use its voting power to impose climate standards that go beyond any legal requirements on companies engaged in lawful activities.

2.7 Continued Divestment from Thermal Coal

BlackRock announced in 2020 it would divest from thermal coal producers deriving over 25% of revenue from thermal coal production and confirmed in 2022 that this policy remained in place.

2.8 Ongoing Texas Litigation

The Texas Attorney General has sued BlackRock, alleging collusion with other asset managers to restrict fossil fuel production through participation in climate alliances.

CONCLUSION

BlackRock's conduct—including proxy voting demands, pressure to adopt climate disclosures that exceed legal mandates, votes against directors, support for restrictive shareholder resolutions, and an active divestment policy—clearly meets the statutory definition of an energy boycott. Removal of BlackRock from Texas's boycott list was inconsistent with the evidence and the law.

Recommendation: Policymakers should obtain all records underlying the former Comptroller's decision, require independent verification of BlackRock's representations, and consider further measures to protect Texas energy producers and energy users from discriminatory investment practices. The newly installed Acting Comptroller should also take prompt action to **add BlackRock back to the state's list of companies that boycott energy companies**, consistent with the evidence and the statutory standard enacted by SB 13.

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