



## **The European Commission's decision to award a contract to BlackRock Investment Management to carry out a study on integrating environmental, social and governance (ESG) objectives into EU banking rules**

**Case 853/2020/KR - Opened on 20/05/2020 - Decision on 23/11/2020 - Institution concerned** European Commission ( No maladministration found ) |

The case concerned the European Commission's decision to award to BlackRock Investment Management a contract to carry out a study on integrating environmental, social and governance (ESG) objectives into EU banking rules. The Ombudsman's inquiry assessed how the Commission evaluated the company's offer in the context of the call for tenders for carrying out the study. The Ombudsman found that the company's bid gave rise to concerns, since it has a financial interest in the sector at issue in the study as the world's largest asset manager. Furthermore, the low price of the company's bid could be perceived as part of a strategy to gain insights into, and influence over, the regulatory environment in this sector. As such, the Ombudsman found that the Commission should have been more rigorous in verifying, in accordance with the rules, that the company was not subject to a conflict of interest that may negatively affect its ability to execute the contract. However, given the limitations of EU rules on public procurement on the Commission staff responsible for awarding the contract, the Ombudsman found that this did not amount to maladministration. She suggested, however, that the Commission update its guidelines for public procurement procedures for policy-related service contracts, giving clarity to staff as to when to exclude bidders due to conflicts of interest that may negatively affect the performance of the contract. She also suggested that the Commission reflect on whether the applicable rules should be updated to address such situations, and will bring this to the attention of the EU legislators. The Commission replied to Ombudsman, committing to reflect on how to update its guidelines along the lines suggested by the Ombudsman. The Ombudsman will continue to monitor this area, including her suggestion to update the applicable rules.