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Billionaire Cargill Heirs Called on to Fix Company's Record on Nature Destruction and Human Rights Abuses

New Report Outlines How Cargill's Broken Promises Threaten Family Legacy

An open letter and report delivered to the Cargill-MacMillan family – and published in the New York Times and Minneapolis Star Tribune – ramp up pressure on the owners of America's largest privately-owned company to stop agribusiness behemoth's destructive practices

Wayzata, Minnesota (June 14, 2023) – From child slavery in cocoa plantations in Cote D'Ivoire to the destruction of the Amazon in Brazil, the world's largest agribusiness company has wreaked havoc on people and nature across the world, in violation of its own promises, a new report released by Stand.earth today finds. With in-depth documentation of nearly 100 cases, the report is the most comprehensive assessment to date of the company's human rights violations and nature destruction.

Representatives of Stand.earth today hand delivered copies of the report along with thousands of pages of detailed case-files and a letter calling on Cargill's owners – the private Cargill-MacMillan family – to take responsibility for the company's actions and set it on a better path. The letter, delivered to the family's office in Wayzata, MN is also being published this week as a full-page advertisement in the *New York Times* and *Minneapolis Star Tribune*.

"Cargill has grown from a modest grain warehouse in 1865 to the biggest multinational corporation in the food sector, with deep ties to nature destruction and human rights abuses that the company and its executives refuse to remedy," said Todd Paglia, executive director of Stand.earth. "Today we are appealing directly to Cargill's owners, the Cargill-MacMillan family, asking that they compel the company to follow through on its commitments. Responsible ownership requires that they direct the company to uphold human rights and protect the natural world."

The new report, A Grain of Truth, documents the high-profile promises Cargill has made in the environment and human rights spheres since Cargill's first commitment to end deforestation in

2014 – and details how the company has failed to uphold them. As Cargill's executives increasingly lose credibility for their claims of social and environmental sustainability, this is the first time the Cargill-MacMillian family is being called on to address the company's failing environment and human rights record.

- The report shows that despite pledges to end deforestation, Cargill has links to forest destruction in Brazil, Indonesia, Papua New Guinea, Bolivia, Guatemala, Argentina, Paraguay, Ghana and Côte D'Ivoire. In Brazil, the company is affiliated with forest fires and forest clearing in the Amazon rainforest, as well as the Cerrado, South America's largest tropical savannah. This ecosystem provides a home to 5% of the world's biodiversity and stores around 13.7 billion tons of carbon dioxide.
- The report also shows that though Cargill has pledged to scale back its human rights abuses, the company does business with partners worldwide that violate the rights of youth and Indigenous Peoples, and are guilty of corruption, bribery, violence and intimidation.
- One analysis highlighted in the report finds Cargill linked to 50 cases of deforestation, 15 cases of forest fires and nine cases of human rights violations in the past two decades.

"Industrial agriculture is the primary driver of the destruction of forests and other critical natural ecosystems, and Cargill is by far the leader in this field," Paglia said. "With revenue that is roughly equal to its top three competitors combined, Cargill presents both the greatest opportunity and the greatest obstacle to eradicating the destruction of nature. With an area of forest the size of West Virginia lost each year, it is imperative that Cargill finally and immediately honor its commitments."

To date, the Cargill-MacMillan family has not spoken publicly about the company's human rights and environmental infractions. By delivering the report and letter to the doorstep of the family's offices, Waycrosse, Inc., located on Cargill's sprawling campus in Wayzata, Stand.earth is bringing the family firmly into the discussion.

"We're operating on the assumption that the Cargill-MacMillan family has been misled by company executives about the extent to which Cargill has broken its trust – and tarnished their family's hard-earned name. They have a unique opportunity to transform Cargill into a company worthy of their legacy," said Paglia.

The report released today lays out Cargill's nearly decade-long pattern of broken promises. It starts in 2014, where Cargill CEO David MacLennan stood beside UN Secretary General Ban Ki-moon at the United Nations Climate Summit. Along with other agribusiness CEOs and country governments, he <u>pledged to eliminate deforestation</u> from Cargill's supply chain, with the goal of halving global deforestation by 2020 and ending it by 2030.

In the years since, Cargill has failed to meet this goal and tropical deforestation has increased by 40%. Worldwide, 81 million acres of primary tropical forest has been lost since the signing of

the commitment, an area about one and a half times the size of Cargill's home state of Minnesota.

After publicly abandoning the 2020 deadline, Cargill, along with a group of agricultural multinational companies at the <u>UN Climate Change meetings in 2021</u>, committed to developing a "roadmap" that would bring the agriculture sector in line with international goals to keep climate change below 1.5 degrees Celsius. Significantly, in their announcement, Cargill committed to protecting other critical natural ecosystems in addition to forests.

But the <u>"roadmap"</u> published at the UN meetings in 2022 was <u>so weak</u> that Cargill's largest customers issued a statement declaring that the plan would <u>prevent them from meeting their own climate and deforestation commitments</u> if they continued to source from Cargill.

"Cargill's customers include some of the largest companies in the world and they have been pushing the agricultural giant to end its destruction of nature with no results," said Todd Paglia of Stand.earth. "But the destruction of the natural world is not even necessarily the worst of Cargill's crimes. Forced child labor in the cocoa industry has continued to increase since Cargill pledged to stop it, and here too, the company's commitments have been toothless."

In 2001, Cargill and other cocoa manufacturers <u>publicly acknowledged</u> forced child labor in the cocoa industry and committed to eliminating it and the other "worst forms" of child labor in the production of chocolate. In 2010, <u>their ambitions shrunk</u>, and the goal was reduced to a reduction of "the worst forms of child labor" in only two countries, Côte d'Ivoire and Ghana, by 70%.

The report shows that Cargill has yet to meet even these scaled-back ambitions. According to a study funded by the U.S. Department of Labor, the number of children harvesting cocoa in Côte d'Ivoire and Ghana <u>has actually increased</u> since the commitment, even as Cargill <u>expanded</u> <u>Côte d'Ivoire operations</u> by building the largest cocoa-grinding plant in Africa there.

Together, the two countries account for <u>65% of global cocoa production</u>. By the most recent counts, there are more than 1.5 million children harvesting cocoa in these countries, with 95% of them performing hazardous work. <u>Since 2010</u>, exposure to agro-chemicals by children increased by 17%, land clearing by 8% and sharp tool use by 7%. Cargill is the largest exporter of cocoa from Côte d'Ivoire and the second largest exporter from Ghana.

"Cargill is infamously linked to dozens of environmental and human rights grievances, as our investigations have revealed for more than 20 years," said Marcel Gomes, executive director of a Brazilian investigative journalism agency, Repórter Brasil. "Cargill's customers are demanding transparency from their suppliers, making the origin of their raw materials more visible. While other companies in the industry have advanced, Cargill continues to operate in the dark, as if it really had inconvenient facts to hide."

The report incorporates revelations from a recent investigation by Repórter Brasil showing that Cargill – along with other major traders – bought soy and corn grown illegally on protected Indigenous lands that was "laundered" to appear legal on paper. The investigation's findings demonstrate that the technologies and tools are in place to make it possible for Cargill and other companies to do their own "due diligence" to trace crops back to the source to ensure they are fully legal.

Last month, ClientEarth, a London-based law organization, filed a legal action against Cargill accusing the company of doing too little to ensure the soy it buys from farmers in Brazil does not contribute to deforestation and human rights violations. ClientEarth issued the complaint with the Organization for Economic Co-operation and Development (OECD). This complaint marked the first significant legal action against the company for its well-documented environmental abuses.

"With satellite imagery, alert systems and other key monitoring tools, traceability is a reality adopted by giant traders like Cargill for different area of their operations, such as sanitation and quality control, and these tools can be easily adapted to remove the destruction of forests and other vital ecosystems from agribusinesses' supply chains," said Joana Faggin, senior researcher at sustainability research organization AidEnvironment. "The protection of the natural world can go hand in hand with business growth. Today, it's possible to grow soy on millions of hectares of deforested and degraded land worldwide—instead of tearing down forests to make room for crops. That's why, for us, this is a question of will, not availability of monitoring tools, data or land."

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Stand.earth is an international nonprofit environmental organization with offices in Canada and the United States that is known for its groundbreaking research and successful corporate and citizen engagement campaigns to create new policies and industry standards in protecting forests, advocating for the rights of Indigenous Peoples and protecting the climate. Visit us at www.stand.earth.

AidEnvironment is a global not-for-profit sustainability research, strategy and implementation organization working to achieve transformative change, protect and restore vital ecosystems, and improve livelihoods in agriculture and forest landscapes. It has offices in Asia, East-African and Europe. www.aidenvironment.org/

Repórter Brasil is an investigative journalism non-profit organization based in Brazil. It was founded in 2001 by journalists, social scientists and educators with the goal of promoting reflection and action on the violation of the fundamental rights of people and workers in Brazil. Repórter Brasil one of the most important sources of information about slave labor in the country. Its reports, journalistic investigations, research and educational methodologies have been used by public leaders, businesses and NGOs as tools to fight contemporary slavery, an issue impacting thousands of people. https://reporterbrasil.org.br/

