Brian Sikes Chief Executive Officer Cargill, Inc 15407 McGinty Rd W Wayzata MN, 55391 United States

November 6, 2023

Dear Mr. Sikes,

We are writing to express our alarm over Cargill's recent <u>conviction</u> for slave and child labor practices on its suppliers' cocoa plantations in Brazil, and to call on you to take immediate action to hold the leadership of Cargill Brazil accountable for these human rights violations.

As you know, the first-level Labor Court has fined Cargill Brazil and ordered the company to start a due diligence process to verify whether there is child labor in its supply chains. The fact such a process has not already been in place speaks volumes about the reckless approach by the company's domestic leadership towards understanding and addressing human rights and environmental risks within its cocoa supply chains.

Aside from the disturbing nature of the practices for which Cargill has been convicted, we were also dismayed at Cargill's public reaction to the ruling of the Court. Rather than acknowledging that the company had failed children and vulnerable workers through its exploitative purchasing practices, Cargill's response has been to challenge the ruling; largely, it seems, on the defense that Cargill buys cocoa from hundreds of producers, co-ops, and merchants in the country, and has no way of knowing whether child labor was used in any stage of that chain.

It is troubling that Cargill seems to be avoiding action rather than taking responsibility and addressing the issues. As the world's leading buyer and trader of agricultural commodities, Cargill has a duty to show leadership on traceability, transparency, and human rights and environmental due diligence. The tools and systems needed to trace agricultural commodities back to the farm level exist – and indeed Cargill uses these in other contexts, such as for its cocoa purchasing in Cote d'Ivoire. The failure to invest in and deploy these tools and systems in Brazil has simply been a matter of choice – an active decision to pursue wilful ignorance. In fact, this is not the first time Cargill's reckless attitude towards human rights and environmental risks has been brought to your attention:

- Earlier this year, ClientEarth filed a legal <u>complaint</u> against Cargill over deforestation and human rights failings in its Brazilian soy supply chain.
- Global Witness <u>revealed</u> that Cargill directly purchased soy from Bolivian farms where more than 20,000 hectares of forest have been razed since 2017 and showed that Cargill is systematically failing to collect key data about the origins of its soy supplies in Bolivia.
- Cargill is now also under criminal <u>inquiry</u> for the alleged illegal acquisition of land for a new grain port in Abaetetuba in the Amazon Rainforest, an area home to over 7,000 families. A recent <u>investigation</u> suggests this project will impact fragile ecosystems and wreck the lives and livelihoods of local communities.

As the CEO of Cargill's global business, it is your responsibility to demonstrate that this kind of *laissez-faire* attitude to human rights violations, environmental destruction and wanton

criminality is a thing of the past. We are therefore urging you to draw a line under this conduct by enforcing a transformation in the corporate culture of your company – starting with an immediate change in the leadership of Cargill Brazil. Paulo Sousa has not led any serious attempt to better understand the conditions on farms supplying cocoa to Cargill, and has allegedly undermined efforts by others within the company to align Cargill with global standards on protecting native ecosystems connected to its soy supply chains. Mighty Earth's recent report, "Cargill: Still the Worst", highlights Sousa's role in sabotaging a year-long drive to end soy-related deforestation and destruction in the run-up to COP27. It is untenable to have a CEO of Cargill Brazil presiding over a business that acts with such impunity.

Beyond this, Cargill urgently needs to take concrete steps to achieve 100% traceability and transparency across its commodity supply chains. Cargill must also roll out the due diligence measures ordered by the Court in Brazil and move towards ensuring all of its commodity supply chains are certified free of child and slave labor, as well as deforestation, ecosystem conversion, land-grabbing and other human rights abuses. Where issues such as deforestation or coerced labor are found in its supply chain, Cargill should work to resolve those issues rather than simply walk away.

Cargill's customers tell us they do not want to be linked with such distasteful and illegal activities, and we will be asking them how they plan to respond to the Court ruling. We look forward to your response, and to hearing about the corrective action Cargill is taking in Brazil in the wake of this judgment.

Sincerely,



MIGHTY EARTH



CORPORATE **ACCOUNTABILITY**









Glenn Hurowitz Chief Executive Officer Mighty Earth

Richard Tyler Coordinator Save the Wye

Natoueu Jean Claude KOYA **Executive President** ROSCIDET

Charity Ryerson Executive Director & Founder Corporate Accountability Lab

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