



ARTICULAÇÃO DOS POVOS INDÍGENAS DO BRASIL

APOINME – ARPIN SUDESTE – ARPINSUL – Comissão Guarani
Yvyrupa - Conselho do Povo Terena - ATY GUASU – COIAB

September 20th, 2019

To whom it may concern:

We - the Association of Brazil's Indigenous Peoples (APIB) - request your attention on matters of urgency regarding the business practices of your firm in the Brazilian Amazon. We ask that you immediately review our letter and submit a written response within 30 days.

Sonia Guajajara, Executive Coordinator
Association of Brazil's Indigenous Peoples (APIB)

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Dear Laurence Fink,

I write to you from Brasília in my role as the Executive Coordinator of the Association of Brazil's Indigenous Peoples (APIB), a nationally-recognized and representative organization. APIB convenes Brazil's National Indigenous Movement with the purpose of promoting and defending indigenous rights, and works in coordination with ally organizations from Brazil and across the world.

At BlackRock's annual stockholder meeting on May 23, Eloy Terena, member of the Terena people and legal counsel of APIB, addressed you and those gathered. Because you did not respond to Mr. Terena's direct request, and given the urgency of the fires currently raging through the Amazon, I am writing to reiterate the necessity of a response from you regarding the violent eradication of vital natural ecosystems and indigenous peoples currently unfolding in Brazil.

As Mr. Terena explained at the meeting, the 419 indigenous tribes that reside in Brazil— including 114 tribes living in voluntary isolation in the Amazon rainforest —have been experiencing a sharp uptick in illegal “slash and burn” deforestation, promoted by agribusiness development interests. The beef and soy industries are the primary drivers of the ongoing violence and destruction faced by our peoples.

In the year 2018 alone, more than 100,000 hectares— equivalent to 100,000 soccer fields — were decimated in the Xingu River Basin of the Amazon. Pressure for agricultural expansion of commodity production, resulting in deforestation and subsequent landslides, killed approximately 150 million trees in the region. The destruction to our homes and livelihoods is why we are raising our voice about the risks associated with companies involved in this type of behavior..

Most recently, driven by President Bolsonaro's political rhetoric encouraging expansion into the Amazon, farmers and ranchers have set a record number of fires on indigenous Amazon lands. The fires in 2019 are historically significant in scope, and are in no small way fueled by global financial investment in Brazilian agribusiness giants, which have created an explosive market for “slash and burn” deforestation campaigns.

The agribusiness industry works closely with President Bolsonaro's government, who has promised that, “not a centimeter more,” of indigenous territory would be legally recognized. The “Ruralista” bloc, which represents the Brazilian agribusiness sector in congress and helped get Bolsonaro elected, recently introduced legislation to congress in order to invalidate existing protections of

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recognized indigenous territories. This legislation will compromise the livelihood of ~1 million indigenous peoples living in the Amazon Basin, and indeed, the fate of our global climate. Legal recognition of indigenous territories protects the Amazonian Basin, an ecological treasure, and guarantees continuation of the Amazon's role in soaking up 25% of global carbon-capture through photosynthesis (a condition that has been fundamental to UN-IPCC climate change models).

In Brazil, only 404 out of Brazil's 1,306 indigenous territories have received legal recognition. Territories without legal recognition face the greatest risk from the agribusiness industry. In fact, several of the agribusiness corporations, in which BlackRock holds significant shares, operate supply-chains that receive raw materials from illegal land grabs and deforestation campaigns.

Mr. Fink, you have spoken at length about the social responsibility companies have in the communities where they operate. Meanwhile, in Brazil, the operations of corporations like Bunge and JBS, in which BlackRock carries influence, have profoundly negative impacts on our communities and our forests.

Therefore, we are asking BlackRock to require Bunge and JBS –as well as the other agribusiness corporations financed through BlackRock in Brazil– to conduct thorough audits of respective supply-chains before the end of this year. Immediately after completion of said audits, BlackRock must insist that these companies ban commodities produced in legally-recognized indigenous territories and/or areas in which indigenous peoples are fighting for legal territorial recognition.

At present, BlackRock's holdings contain extensive risk exposure to deforestation and human rights violations. We are aware of this risk exposure because, along with our colleagues at Amazon Watch, we researched the ties between illegal deforestation, importers, and financial institutions in the U.S. and Europe. We published the findings in our two recent reports:

1. *Complicity In Destruction: How Northern Consumers And Financiers Enable Bolsonaro's Assault On The Brazilian Amazon II* (April, 2019),
2. *And; BlackRock's Big Deforestation Problem* (August, 2019)

Among the links between illegal deforestation and U.S. financial institutions, we note that your company, BlackRock, has deployed US\$ 2,531 million of capital, in the form of equity investment, to companies implicated with illegal burning and clear-cutting of the Brazilian Amazon forest and Cerrado biome, and violence against the indigenous peoples residing there.



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The following is an itemized list of BlackRock equity positions, along with a summary of each firm's involvement in human rights violations and illegal degradation of wildlands:

Bunge- US\$480 million (6.4% equity) investment capital

- In April 2018, five major agricultural traders in Brazil –including Bunge– were discovered purchasing 3,000 tons of soy and other grains from farms previously embargoed by IBAMA (Brazilian Ministry of the Environment) for illegally destroying native vegetation of the Cerrado biome. Known as Operation Shoyo, IBAMA issued criminal citations to Bunge, among others, surpassing R\$ 105 million (US\$ 27 million).

JBS- US\$217 million (2.1% equity) investment capital

Marfrig- US\$7.7 million (0.8% equity) investment capital

Minerva- US\$1.4 million (0.2% equity) investment capital

- JBS, Marfrig and Minerva are the three leading beef processors in Brazil and have major operations in the Amazon, where they account for approximately 70% of all cattle slaughters. JBS and Minerva also operate slaughterhouses in the Cerrado savanna, which is both a monumental carbon sink and diverse natural ecosystem.
- Between 2017-2018, Agropecuária Rio da Areia –one of the largest Brazilian ranching companies providing cattle to JBS, Marfrig and Minerva– was issued criminal citations five (5) times for illegal Amazon deforestation, totaling R\$ 4.8 million (US\$ 1.2 million).

ADM- US\$1,822 million (7.6% equity) investment capital

- ADM is the second largest soy trader in Brazil, where, since the 2006 soy moratorium in the Amazon, agricultural soy expansion has decimated a portion of the Brazilian Cerrado biome roughly the size of the US State of New Jersey. ADM carries weight in the Brazilian agribusiness sector, and thus bears a leadership responsibility in setting industry practice standards that prioritize human rights and environmental sustainability.

Therefore, in addition to the audit described above, we urge you to implement the full list of recommendations to financial institutions that we outline in our report. These changes are necessary to prevent further destruction of the Amazon rainforest, the Cerrado savanna, and the indigenous peoples who reside there.

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The recommendations are as follows:

- Commit to a No Deforestation policy. Such a policy should include, but not necessarily be limited to, the following commitments:
 - Require agribusiness companies that are recipients of investment to provide map of all suppliers;
 - Require agribusiness companies that are recipients of investment to report any investigations, indictments or fines issues for deforestation and/or land grabbing;
 - Monitor the operations of agribusiness companies operating in sensitive ecosystems like the Amazon rainforest and Cerrado savanna for any evidence of deforestation.
- If shareholder resolutions are presented that support greater transparency and respect for human rights, forest protection, and/or compliance with the Paris Climate Accord, the institution must vote in favor of the resolution.
- In the case that companies in Brazil are unable or unwilling to cooperate with these requirements, or a company is found to have violated the standard, you should cease its financial relationship with the company as soon as legally permissible .

BlackRock's investments have a real and immediate impact on our lives and communities, and therefore, you have a responsibility in the stakes of our fat. If the Amazon and Cerrado biomes are destroyed, the future of our entire planet is at risk.



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If BlackRock doesn't adopt measures to address the risks we face, we will have no choice but to continue to further escalate our resistance on the international stage, highlighting our plight, and the contribution of actors like BlackRock. We, the indigenous people of Brazil, have resisted for more than 519 years, and we will continue to resist the destruction of our territories.

I urge you to adopt these recommendations, and request a written response about your plans to do so within 30 days of the date of this letter. Our reports are included for your reference. We look forward to your response.

Regards,

Sonia Guajajara, Executive Coordinator

Association of Brazil's Indigenous Peoples (APIB)

CC:

Brian Deese, BlackRock Global Head of Sustainability