



Summary of Complaint against BlackRock to the U.S. National Contact Point for the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

In November 2024, Friends of the Earth U.S. and the Articulation of Indigenous Peoples of Brazil (APIB) filed a complaint to the Organization for Economic Cooperation and Development (OECD) against BlackRock – a U.S.-based asset manager with over \$10 trillion in assets under management. The complaint, filed with the U.S. National Contact Point to the OECD based at the U.S. State Department, alleges that BlackRock has directly contributed to environmental and human rights abuses through its investments in agribusiness, in violation of the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

The Complaint

For many years, BlackRock has been aware of the material risks and impacts posed by agribusiness operations and supply chains, and aware of specific violations committed by its investee companies, including deforestation and environmental degradation, biodiversity loss, labor abuses, land grabbing, violations of Indigenous Peoples' rights, violence against Human Rights Defenders, and corruption. Despite this understanding, the complaint shows, BlackRock has more than \$5 billion invested in 20 agribusiness companies with documented evidence of environmental and human rights harms and since 2019 has increased its investments in these companies by \$519 million.

Friends of the Earth U.S. and APIB jointly filed the complaint with the objective of engaging in mediation to prompt BlackRock to develop meaningful policies and practices to address environmental and human rights harms in its investments in the agribusiness sector, in line with its responsibilities under the OECD Guidelines and other international laws and frameworks.

Why agribusiness?

The OECD Guidelines offer clear and comprehensive recommendations for preventing and mitigating the harmful impacts of business. The dominant model of industrial agricultural production worldwide is widely recognized to cause severe environmental destruction and human rights abuses – and yet these abuses have too long been accepted as the costs of doing business. Agribusiness operations frequently

cause widespread degradation of natural ecosystems at every scale, from soil depletion to deforestation, to water pollution to biodiversity loss to climate instability.¹ Greenhouse gas emissions from industrial agriculture represent nearly one-quarter of global emissions causing climate change, and the conversion of natural forests to industrial farmland itself represents 15% of global greenhouse gas emissions.²

The people most directly harmed by industrial agriculture include workers involved in production and those whose lands are converted into plantations for commodity-export agriculture, namely Indigenous Peoples and communities whose legal and customary rights to land are systematically disregarded. Labor conditions on industrial-scale farms in many countries are known to be abusive and can include illegal forced labor. Agribusiness accounts for 29% of forced labor worldwide.³ Land grabbing is common practice among agribusiness companies, routinely violating the rights of Indigenous Peoples, including the right to Free, Prior and Informed Consent, while generating protracted and costly land conflicts.⁴ In regard to the growing epidemic of violence against Human Rights Defenders, agribusiness today is one of the deadliest sectors.⁵ Fundamentally, these harms continue a centuries-old legacy of imperialism and colonialism founded upon the forcible seizure of land from native populations, dispossession and violence, and the erosion of local food security and food sovereignty in favor of producing export commodities for corporate gain.⁶

Financial data reveals BlackRock's outsized investments in agribusiness

To illustrate BlackRock's direct contribution to the aforementioned harms, Friends of the Earth U.S. examined BlackRock's shareholdings in 20 companies in the palm oil, pulp/paper, soy, cattle, timber, and biomass sectors with evidence of environmental and human rights abuses documented between January 2019 and June 2024.

The analysis found that BlackRock has more than \$5 billion invested in the 20 companies, has increased its investments in these 20 companies by \$519 million since 2019, and is a top-10 shareholder in each of the 20 companies.

Ten of these companies are profiled in the complaint, illustrating BlackRock's role in contributing to breaches of the OECD Guidelines. Companies named include Archer Daniels Midland, Astra Agro Lestari, Bunge, Drax, JBS, Marfrig, Minerva, Posco International, SLC Agricola, and Wilmar, among others.

A significant amount of BlackRock's equity investments are made through index funds.

These fall under the scope of business relationships under the OECD Guidelines, which apply to both active investments and index funds including minority shareholdings.⁷ This is further supported by precedent in recent OECD cases and by the UN Office of the High Commissioner for Human Rights.⁸

BlackRock's investments in destructive agribusiness companies

Company	Total Investment June 2024 (\$ million)	Increase in Investment 2019 to 2024 (\$ million)	Documented Violations	Position in Shareholdings*
Archer Daniels Midland	2,347	-371	DED	3
Astra Agro Lestari	3	3	DED, HRD, IPL	3
Brasil Agro	6	6	DED	5
Bunge	1,601	670	DED, HRD, IPL	3
Drax	84	14	DED	6
Empresas Copec	156	49	DED, HRD, IPL	7
First Resources	8	1	DED, HRD, IPL	10
Golden Agri Resources	27	-7	C, DED, HRD, IPL	6
Indah Kiat Pulp & Paper	44	-11	DED, HRD, IPL	2
Indofood	45	2	DED, LA	3
IOI Corporation	61	8	DED, LA	7
JBS	234.50	-40	C, DED, HRD, IPL, LA	3
Kuala Lumpur Kepong	71	45	DED, IPL, LA	5
Marfrig	30	21	C, DED, IPL, LA	3
Minerva	13	13	DED	5
Oji Holdings	174	75	DED, IPL	3
POSCO International	84	1	DED, IPL	2
SD Guthrie	56	-11	DED, IPL, LA	7
SLC Agricola	29	13	DED, HRD, IPL	3
Wilmar	167	38	DED, IPL	1
TOTAL	5,238	519		

* BlackRock's position relative to other financial institutions investing in shares in company

Source: Profundo

BlackRock has more than \$5.2 billion invested in 20 agribusiness companies with documented evidence of environmental and human rights harms. Since 2019 BlackRock has increased its investments in these 20 companies by \$519 million. BlackRock is a top 10 shareholder in all 20 companies.

Acronyms for documented violations

DED Deforestation, environmental degradation, and biodiversity loss
 HRD Violence against Human Rights Defenders
 IPL Indigenous Peoples' rights and land rights violations

LA Labor abuses
 C Corruption

BlackRock’s awareness of risks posed and specific violations, by agribusiness

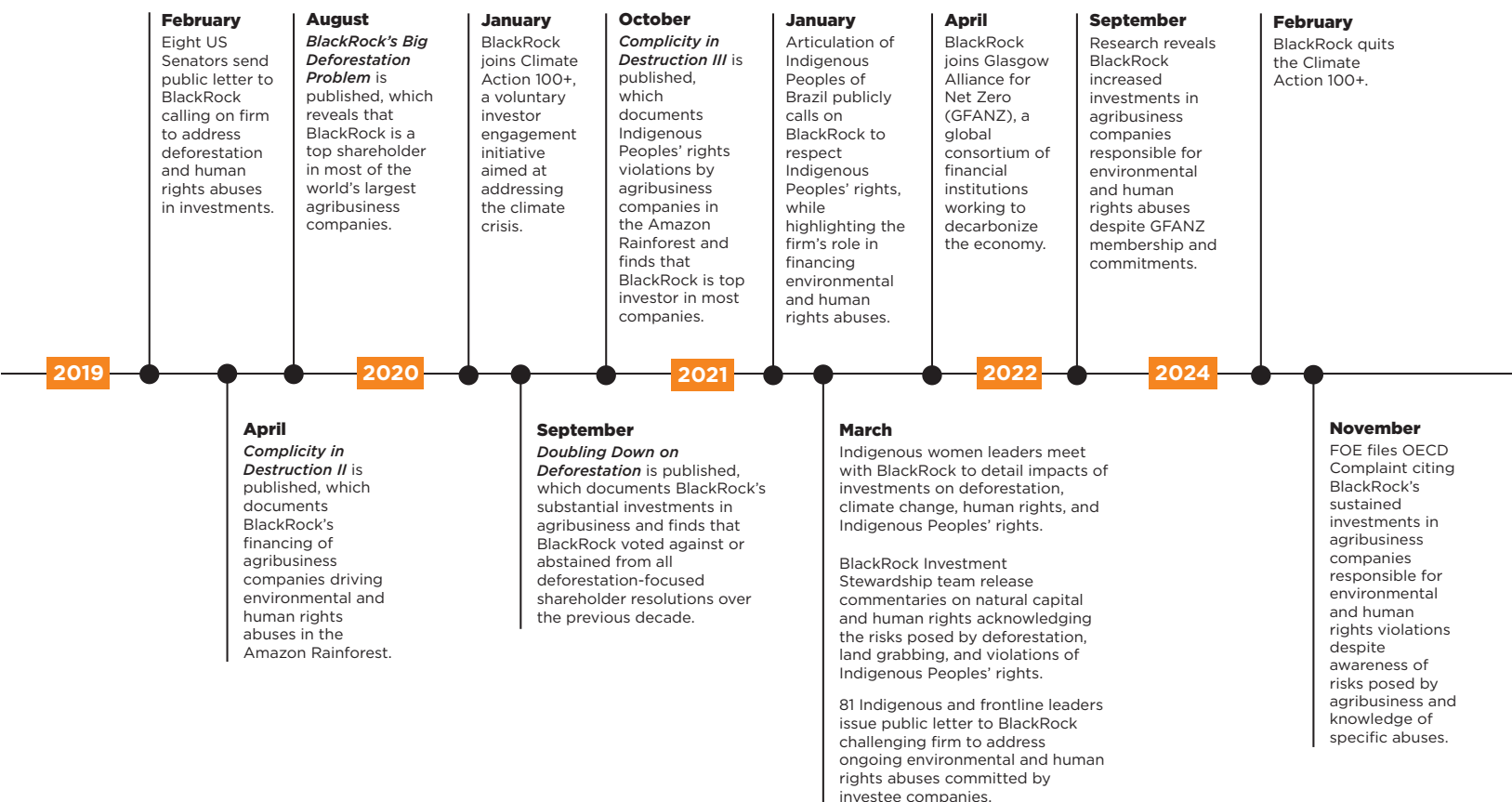
BlackRock has been increasingly aware of the risks and negative impacts posed by agribusiness operations and has failed to take sufficient action to prevent and mitigate these risks and impacts as required by the Guidelines. In February 2019, eight U.S. senators issued a public letter calling on BlackRock to address deforestation and human rights abuses in its investments.⁹ Since then, numerous civil society reports have detailed BlackRock’s contributions to breaches of the Guidelines, while Indigenous and frontline leaders have repeatedly met with and publicly called on BlackRock to cease business relationships with companies driving deforestation and climate change and violating human rights and the rights of Indigenous Peoples.¹⁰ Since 2021, BlackRock has published several commentaries that identify the risks posed by land conversion, deforestation, environmental pollution and degradation,

biodiversity loss, violations of Indigenous Peoples’ rights, human rights abuses, and forced labor.¹¹ Yet BlackRock’s awareness of these harms has not led the firm to take sufficient action to uphold its international human rights obligations as put forth in the Guidelines.

Next steps

The U.S. National Contact Point (NCP) will assess Friends of the Earth U.S. and APIB’s complaint under the OECD Guidelines. If the complaint is accepted, the U.S. NCP will offer mediation between Friends of the Earth U.S. and APIB, and BlackRock to address the issues raised in the complaint. Mediation is voluntary and based upon the parties’ willingness to accept it. If BlackRock rejects mediation, Friends of the Earth U.S. and APIB will seek other avenues for resolution of the issues raised in the complaint, considering the U.S. NCP’s final assessment of the complaint and any recommendations provided to BlackRock.

Timeline of Events leading up to OECD Complaint



Endnotes

- 1 Food and Agriculture Organization of the United Nations. (2024). Global Symposium on Soil Erosion. <https://www.fao.org/about/meetings/soil-erosion-symposium/key-messages/en/>; Food and Agriculture Organization of the United Nations. (2020). FAO Remote Sensing Survey reveals Tropical rainforests under pressure as agricultural expansion drives global deforestation. <https://openknowledge.fao.org/server/api/core/bitstreams/fe22a597-a39d-4765-8393-95fbcaed6416/content>; David Tilman and David R. Williams. (2024). Preserving global biodiversity requires rapid agricultural improvements. The Royal Society. <https://royalsociety.org/news-resources/projects/biodiversity/preserving-global-biodiversity-agricultural-improvements/>; Environment Programme. (February 3, 2021). Our global food system is the primary driver of biodiversity loss [Press release]. <https://www.unep.org/news-and-stories/press-release/our-global-food-system-primary-driver-biodiversity-loss>; and United States Environmental Protection Agency. (September 10, 2024). Global Greenhouse Gas Overview. <https://www.epa.gov/ghgemissions/global-greenhouse-gas-overview#:~:text=Agriculture%2C%20Forestry%2C%20and%20Other%20Land,e.g.%20in%20biomass%2C%20soils>
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- 5 Yiwon Zeng, Fanggi Twang, and L. Roman Carrasco. (January 2022). Threats to land and environmental defenders in nature's last strongholds. Ambio. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8651817/>
- 6 Struggles for Land and Natural Resources Forum. (n.d.). A Brief History of Land Grabbing. <https://strugglesforlandforum.net/en/breve-histoire-de-laccaparement-des-terres/>
- 7 OECD. (2017). Responsible business conduct for institutional investors. <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>
- 8 See: Society for Threatened Peoples Switzerland. (2023). Society for Threatened Peoples Switzerland vs. UBS Group. <https://www.oecdwatch.org/complaint/society-for-threatened-peoples-switzerland-vs-ubs-group/>; United Nations Office of the High Commissioner for Human Rights. (August 30, 2021.) OHCHR Response to Request from BankTrack and OECD Watch for Advice Regarding the Application of the UN Guiding Principles on Business and Human Rights Where Private Sector Banks Act as Nominee Shareholders.
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- 11 (Note: The 2021 version of these commentaries is not publicly accessible, and the initial links redirect to the most recent publications of these commentaries, dated 2024.) BlackRock. (2024). Our approach to engagement on natural capital. <https://www.blackrock.com/corporate/literature/publication/blk-commentary-engagement-on-natural-capital.pdf> and BlackRock. (2024). Our approach to engagement on corporate human rights risks. <https://www.blackrock.com/corporate/literature/publication/blk-commentary-engagement-on-human-rights.pdf>