# Policy Brief

SUSSEX SUSTAINABILITY RESEARCH PROGRAMME | APRIL 2021

# Europe imports Amazonian commodities linked to violence

#### EXECUTIVE SUMMARY

European countries import beef, palm oil, minerals and other commodities from Brazil through companies that purchase from farms and mines with proven links to human rights violations and environmental crimes including massacres, assassination attempts, slave labour, illegal deforestation, and pollution. Through analysis of case studies in the South/Southeast of Pará, known as the epicentre of violence against environmental human rights defenders, we found evidence of numerous crimes by companies and farms within the supply chain of European markets. For example, chain-of-custody documents show that large beef export companies purchased cattle raised on the farm where 10 landless workers were massacred in Pau D'Arco in 2017 and where Fernando dos Santos Araújo, witness to the massacre, was murdered in January 2021. These violence footprints of EU markets should be tackled through mandatory human rights and environmental due diligence and insistence upon transparent and traceable supply chains. Given the links between EU markets and these rights violations, the EU must hold companies accountable for these atrocities and increase support to the EU human rights defenders mechanism to protect frontline defenders who speak out against these violations.



(ABOVE) FERNANDO DOS SANTOS ARAÚJO, WITNESS AND SURVIVOR OF THE 2017 PAU D'ARCO MASSACRE, SUFFERED DEATH THREATS PRIOR TO HIS ASSASSINATION ON 26 JANUARY 2021. PHOTO: LUNAÉ PARRACHO/REPÓRTER BRASIL

### RECOMMENDATIONS

Support mandatory due diligence requirements for all EU companies and non-EU companies that export to the EU under the human rights and environmental due diligence (HREDD) legislation tabled for June 2021.

Demand transparency and traceability of Brazilian supply chains as part of Brazil-EU trade negotiations and Mercosul. Require public access to chain of custody documentation, including Animal Transport Guides and Terms of Conduct Adjustment (TACs).

Clear evidence shows the violence footprints of European markets – the EU must take actions to counter complicity in human rights violations. The EU and member states should hold companies accountable for the atrocities and rights violations committed via an accountability mechanism, e.g. an EU human rights violations blacklist.

Increase funding to the EU Human Rights Defenders Mechanism and ProtectDefenders.eu emergency grants and relocation programmes to support threatened frontline defenders in Brazil and elsewhere.

Members of EU Parliament and representatives of EU member states should vote to publicly censure companies and governments shown to be complicit in rights violations.

## AUTHORS

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#### BACKGROUND

The Brazilian Amazon is renowned for its biological and cultural diversity but has become infamous for illegal deforestation, wildcat mining, slave-labour and violent land and resource conflicts. From 2000-2019, the Pastoral Land Commission (CPT) recorded 773 killings related to land and resource conflicts in Brazil, the majority in the Amazon region. From 2019 to 2020, the number of land invasions increased twenty-fold. In parallel, recent data shows that deforestation increased by 17% in 2020, to the highest level in years. Reports have shown the environmental crimes and human rights violations linked to large-scale agriculture and extractive industries in the Amazon. Despite the evidence of violations, impunity is rife and the Brazilian judicial system fails to hold companies to account for their role in the violence.

Drawing on court documents, publicly available reports, media coverage, peer-reviewed studies, grey literature, key-informant interviews and witness testimonials, our study analysed these violations, these violence footprints, and their links to European companies and markets, with a particular focus on cases in the South/Southeast of Pará and the beef, mining and palm oil sectors. Broader analysis reveals similar trends for other commodities and other regions of Brazil. Our report provides details for the different sectors but we focus this policy brief on the beef sector and specific cases to demonstrate the links between this violence and European markets and companies.

#### **KEY FINDINGS**

As with the timber industry, laundering is commonplace in the Brazilian beef sector. Corruption and gaps in record-keeping, and more broadly the lack of transparency and traceability of supply chains, create opportunities for laundering. While new advances in transparency allow us to trace the origins of beef to the municipality level (see Figure 1), farm-level data, e.g. Animal Transport Guides (GTAs), and Terms of Conduct Adjustment (TACs) signed between meatpackers and the Federal Public Ministry remain hidden from public access. The GTAs provide evidence of which farm a given cattle was raised upon. The TACs would provide information on the infractions and conduct-adjustments required of the meatpackers under the agreements signed over a decade ago.

The lack of transparency creates opportunities to hide illegal sales of cattle from farms that have been sanctioned for human rights violations and illegal deforestation. It allows

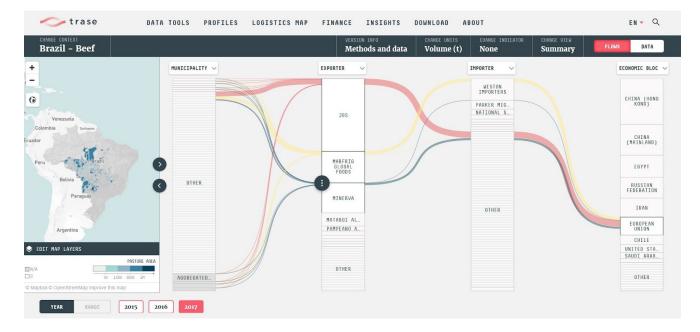
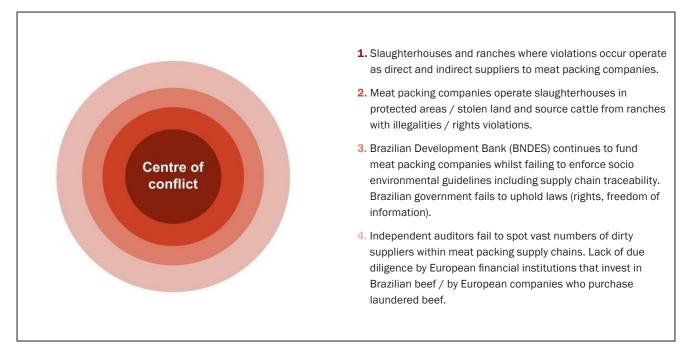


FIGURE 1: SUPPLY CHAIN OF BEEF FROM BRAZILIAN MUNICIPALITIES TO THE EUROPEAN UNION, SOURCE: TRASE



#### FIGURE 2: HUMAN RIGHTS VIOLATIONS AND ENVIRONMENTAL CRIMES IN THE BEEF SECTOR AND LINKS TO THE EUROPEAN UNION

ranches to 'launder' cattle by selling cattle raised on farms with environmental infractions or rights violations to 'clean' farms that then sell them on to larger companies who export to the EU and elsewhere. The large meatpackers, and meat importers, hide their link to the violence and environmental crimes occuring at the centre of conflict, on the ranches implicated in crimes including: slave labour, illegal deforestation, land grabbing, death threats, and even massacre. The Brazilian Development Bank (BNDES) and European banks and investors provide finance to the sector without adequate due diligence and / or by not responding with sufficient action in cases where violations have been revealed. Lack of supply chain transparency and due diligence failures mean laundered beef reaches European markets.

In relation to cattle-raising in South/Southeast Pará, we found evidence of the following violations: illegal deforestation, land grabbing, illegal evictions (including during the COVID-19 moratorium on evictions), slave labour, criminalisation, death threats, torture, assassination and massacres. Our research found evidence of grave rights violations on farms that sell cattle to large meatpackers who later sell to European markets. The report documents several cases, we highlight the Santa Lúcia Ranch and the Pau D'Arco massacre here.

The Santa Lúcia Ranch, in Pau D'Arco, Redenção, Pará, was the location of a long history of land conflict. The ranch was implicated in land grabbing and conflicts culminating in the massacre of 10 landless workers in 2017, involving torture and murder at the hands of the police. Survivors of the massacre have suffered extensive harassment and death threats. In January 2021, Fernando dos Santos Araújo, a key witness to the atrocities, was murdered. His lawyer, José Vargas, was arrested on trumped up charges in January 2021, spent almost a month in prison, and has been under house arrest since. Other survivors fear for their lives. Our research was able to uncover GTAs that show the sale of cattle from the Santa Lúcia Ranch to farms that sell cattle on to large meatpackers, including some of the key companies responsible for beef export to the European Union. As such, the EU is buying beef directly linked to the Pau D'Arco massacre and subsequent murder and rights violations. The EU thus becomes complicit in the violence occurring in the Brazilian Amazon.

#### RECOMMENDATIONS

Analysis of court records and testimonials provide evidence of rights violations by several ranchers and meatpackers in the region. However, barriers to public access to the GTAs and other chain-of-custody documents impede fully transparent and traceable supply chains and create an uphill battle for accountability, both within Brazil and internationally. This lack of transparency fosters impunity for companies and farmers that violate human rights. The onus of proof of compliance with human rights and safeguards should be on the companies and the State, not on the human rights defenders and local people whose rights are violated. Given the importance of the EU as a market for Brazilian products, the EU can, and should, demand that human rights are respected. As the EU is set to debate human rights and environmental due diligence (HREDD) legislation in June 2021 and is undergoing negotiations with Brazil regarding Mercosul we recommend that the EU and member states take the following actions:

- Support mandatory due diligence requirements for all EU companies and non-EU companies that export to the EU under the HREDD legislation tabled for June 2021.
- Demand transparency and traceability of Brazilian supply chains as part of Brazil-EU trade negotiations and Mercosul. Require public access to chain of custody documentation, including GTAs and TACs.
- Clear evidence shows the violence footprints of European markets – the EU must take actions to counter complicity in human rights violations. The EU and member states must hold companies accountable for the atrocities and rights violations committed in Brazil and elsewhere via an accountability mechanism, e.g. an EU human rights violations blacklist similar to the EU tax haven list which can be managed by a Code of Conduct for European enterprises and non-European subsidiaries and suppliers in alignment with UN Guiding Principles on Business and Human Rights and other best practice.
- Increase funding to the EU Human Rights Defenders Mechanism and <u>ProtectDefenders.eu</u> emergency grants and relocation programmes to support threatened frontline defenders in Brazil and elsewhere. Streamline the application process to overcome language/literacy/access barriers and meet the needs of human rights defenders who often need immediate and urgent support.

 Members of EU Parliament and representatives of EU member states can help increase visibility of rights violations and pressure governments to ensure the safety of human rights defenders by voting to publicly censure companies and governments shown to be complicit in rights violations.

#### FURTHER INFORMATION

This policy brief is based on a report written for the project 'European violence footprints in Brazil' funded by the Research England Strategic Priorities Fund and the 'Atmospheres of Violence' project funded by the British Academy (SDP2/100278). It has been supported by the <u>Sussex Sustainability Research</u> <u>Programme (SSRP)</u> in collaboration with the Zé Claudio and Maria Institute and <u>Not1More</u>. We thank the following people for their contributions to the research: Adolfo Venancio Cruz Marins Carvalho, Anuã Mota, Emma Lazell, Jessica Swainson, Elizabeth Hynes, Sophie McEwen, Justine Taylor and Ana Aranha.

#### CITATION

Menton, M. and Santos, C. (2021) 'Europe imports Amazonian commodities linked to violence', Sussex Sustainability Research Programme (SSRP) Policy Brief 7, University of Sussex and Institute of Development Studies (IDS), Brighton, UK.

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