



JBS S.A. Dual Listing:

A collective warning of risks to people, planet and investors

October 2024

Introduction

On 12th July 2023, JBS S.A. – the world’s largest meat company¹ – announced a plan to restart its decade-long attempt to list shares on the New York Stock Exchange (NYSE)² via a dual listing under a new Dutch parent company (“JBS N.V.”).³ In June 2024, the company refiled an updated application to the SEC (F-4, Amendment No.3).⁴

The undersigned twenty organisations write again to analyse the key risks identified in this updated June 2024 F-4 registration statement and to warn the global financial community about the significant risk to the climate, people, and investors associated with JBS and its operations. We believe investors have a fiduciary responsibility to consider the potential regulatory, litigation, reputational, ethical and market-based risks of investing in a firm significantly implicated in and exposed to climate change, deforestation, biodiversity loss, corruption scandals and human rights abuses, whether as a parent company or through its network of subsidiaries. The vast ecological impact of their business model exceeds our planetary boundaries and relies on continued sourcing from known high-risk regions and sectors with insufficient controls to prevent harm – including human rights abuses and material risk to investors.

Key changes since we last wrote to you in September 2023 include:

- JBS has removed its reference to a ‘zero tolerance to... invasion of protected areas such as indigenous lands or environmental conservation areas’ in its latest application.

¹ <https://www.reuters.com/business/retail-consumer/brazils-jbs-swings-loss-citing-grain-costs-meat-oversupply-2023-05-11/>

² [Brazil’s JBS reboots plans to list in New York, shares jump 8% | Reuters](https://www.reuters.com/business/retail-consumer/brazils-jbs-reboots-plans-to-list-in-new-york-shares-jump-8%-%7C-reuters-2023-07-12/)

³ See “Will there be changes in JBS’s corporate structure?”, <https://jbs.com.br/en/duallisting/>. A “dual listing” occurs when shares of a company are listed on more than one stock exchange: <https://www.wsj.com/articles/brazilian-meatpacker-jbs-to-pursue-u-s-listing-b466f695>

⁴JBS B.V. “F-4” form”, Amendment no.3, 24 June 2024. Hereafter, “JBS F-4, Amendment No.3, 24 June 2024”. Available online: <https://www.sec.gov/Archives/edgar/data/1791942/000119312524166974/d654052df4a.htm>

- New evidence again connects JBS's supply chain to deforestation and the violation of indigenous rights in its supply chain in Brazil.
- Eighteen investors and other actors representing USD \$22.2 billion in AUM have written to the SEC warning against investment in JBS due to climate risks.
- JBS's liabilities from criminal, civil and other legal proceedings rose to \$3.6 billion, up from \$1.7 billion as of July 2023 when the original prospectus was filed.
- JBS USA is being sued in the State of New York for an allegedly 'unsubstantiated and misleading' net zero 2040 target.
- JBS S.A. was delisted by the Science-Based Targets initiative (SBTi) for failing to submit a climate plan.
- 'Controversial' figureheads Joesley and Wesley Batista – who left the company's management after a 2017 corruption scandal– returned to the board of JBS S.A.
- Lawmakers in the US and UK have publicly urged the SEC to review the listing due to ESG concerns.
- There has been significant adverse media against the transaction.
- JBS will likely be required to adopt a 1.5c-aligned transition plan as early as 2027 under the European Corporate Sustainability Due Diligence Directive.
- JBS will be required to report its ESG impact under the Corporate Sustainability Reporting Directive (CSRD) as soon as FY2025.

In light of this, we continue to urge financial service providers including investors, underwriters, asset managers, advisers and lenders to:

- Suspend support for, and further investment in, JBS or its subsidiaries, until they provide a credible and transparent plan to address their vast greenhouse gas emissions (GHG) and long-standing risk of deforestation and human rights abuses.
- Raise public awareness - including through their advisory services - of the governance and related environmental and social risks associated with JBS's supply chain and proposed restructure through the dual listing.
- Investigate the allegations detailed in the reports linked throughout this briefing, in order to identify and provide necessary redress and remedy to communities affected by the financing of JBS's operations.
- Vote against the transaction at JBS's EGM, if a minority shareholder

JBS's last proper attempt to execute an initial public offering (IPO) in the US in 2017 was undermined by the company's role in "the largest corruption inquiry in history",⁵ which saw the firm's controlling shareholders, Joesley and Wesley Batista, admit to bribing more than 1,800 politicians and officials including Brazil's former President Michel Temer.⁶ In 2017, their investment firm J&F Investimentos – which holds the Batista family's current 48.48% stake in JBS – reportedly signed an agreement with Brazilian prosecutors to pay a \$3.2 billion fine for its role in the bribery scandal.⁷ Although in December 2023, the Brazilian Supreme Court (Supremo Tribunal Federal) justice overseeing the case suspended J&F's obligation to make additional instalment payments under the Leniency Agreement, it remains in effect.⁸ In 2020 the firm also agreed to pay \$155 million in fines to the US authorities over bribes paid in Brazil, with the SEC citing their "profound failure to exercise good corporate

⁵ <https://www.afr.com/companies/financial-services/how-pwc-got-tangled-in-a-fight-between-ato-and-the-boys-from-brazil-20220921-p5bjvm>

⁶ See <https://www.youtube.com/watch?v=5TqtPBMW2G8>; Temer denied the allegations and was acquitted of corruption offences in 2017 and 2021, see <https://www.reuters.com/article/uk-brazil-corruption-temer-idUKKCN1BP2W0>; <https://www.occrp.org/en/daily/14357-brazilian-judge-acquits-ex-president-temer-in-graft-case>

⁷ <https://www.reuters.com/article/us-brazil-corruption-jbs-idUSKBN18R1HE>

⁸ JBS F-4, Amendment No.3, 24 June 2024, p.53

governance” and “brazen misconduct”.⁹ The Covid-19 pandemic reportedly delayed another full try at the IPO until 2023.¹⁰

The Batista family – who founded the firm in 1953¹¹ – will emerge with more than 84% shareholder voting rights under the terms of the deal, a significant increase on their existing 48% voting entitlement, which overwhelmingly dilutes voting rights for existing and future minority shareholders,¹² who as a result will become largely unable to influence company decision making including environmental, social and governance (ESG) matters, staff remuneration, distribution of profits, appointing the board of directors, acquisitions, mergers or decisions to dissolve JBS N.V.¹³

Combined with the Batista’s track record and reinstated position on the JBS S.A. board,¹⁴ this raises serious questions about JBS’s claims the dual listing will “enhance transparency and strengthen corporate governance”.¹⁵ Our analysis of the company’s official F-4 filing to the U.S. Securities and Exchange Commission (SEC) details significant continued concerns regarding JBS’s environmental impact and potential business and governance risks related to the transaction.

The financial and legal context in which JBS operates has also changed significantly since the company’s attempt to dual list in the US in 2017, which current and potential investors must consider:

- The number of criminal cases, civil suits and administrative penalties against JBS S.A. and J&F Investimentos¹⁶ since 2017.
- Climate and biodiversity-related risks are increasingly recognised as a material threat to individual financial institutions and the global financial system.¹⁷
- The United Nations Climate Champions estimate the global agribusiness sector is expected to lose an average of more than 7% in value by 2030 due to unpriced nature and climate risk, with some companies losing up to 26% of their value by the end of the decade.¹⁸
- The global meat and dairy market will need to change significantly as governments introduce new public policies and legislation to reach net zero emissions targets. 160 global leaders endorsed the Emirates Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action at COP28 recognising the need to shift ‘from higher greenhouse gas-emitting practices to more sustainable production and consumption approaches’ in December 2023.¹⁹
- Over 150 countries have already joined the Global Methane Pledge to reduce methane emissions by at least 30% by 2030, including Brazil.²⁰

⁹ The US Department of Justice imposed a penalty of \$256.5 million on São Paulo-based J&F Investimentos. The company was ordered to pay half of that to U.S. authorities to compensate for fines already paid to Brazilian authorities. See [SEC.gov | SEC Charges Brazilian Meat Producers With FCPA Violations](https://www.sec.gov/SEC-Charges-Brazilian-Meat-Producers-With-FCPA-Violations);

<https://www.wsj.com/articles/meat-giant-jbs-owner-settles-u-s-corruption-charges-11602707950>

¹⁰ <https://www.reuters.com/business/environment/environmental-activists-pressure-us-regulators-halt-jbs-listing-2023-08-23/>

¹¹ <https://www.wsj.com/articles/brazilian-meatpacker-jbs-to-pursue-u-s-listing-b466f695>

¹² JBS B.V. “F-4” form, Amendment No.3, 24 June 2024, p.10

¹³ JBS B.V. “F-4” form, Amendment No.3, 24 June 2024, p.38

¹⁴ Andy Coyne, ‘Controversial Batista brothers return to JBS board’, 30 April 2024, <https://finance.yahoo.com/news/controversial-batista-brothers-return-jbs-162345444.html>

¹⁵ <https://jbsfoodsgroup.com/articles/jbs-to-pursue-dual-listing-in-brazil-and-us-to-deliver-value-to-shareholders>

¹⁶ JBS B.V. “F-4” form, Amendment No.3, 24 June 2024, p.214-217 “Civil and Criminal Actions and Investigations involving our Ultimate Controlling Shareholders”

¹⁷ See, for example, the number of reports published by various governments and international bodies in recent years:

https://www.ngfs.net/sites/default/files/coalition-ngfs-blog_final.pdf;

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/962785/The_Economics_of_Biodiversity_The_Dasgupta_Review_Full_Report.pdf; <https://www.imf.org/en/Publications/fandd/issues/2019/12/climate-change-central-banks-and-financial-risk-grippa>

¹⁸ <https://climatechampions.unfccc.int/unpriced-nature-and-climate-risk-could-wipe-off-billions/>

¹⁹ <https://www.cop28.com/en/food-and-agriculture>

²⁰ <https://www.globalmethanepledge.org/#pledges>

- There have been major developments in consumer-country regulation, including the introduction of agri-commodity supply chain laws such as the EU Deforestation-free Product Regulation,²¹ UK Environment Act²² and New York Tropical Deforestation-free Procurement Act ('TREES'),²³ as well as the EU Corporate Sustainability Due Diligence Directive (CSDDD) and Corporate Sustainability Reporting Directive (CSRD) with which the company is potentially unable and unprepared to comply.

When approached for comment, JBS's declined to comment on this briefing.

Existing and prospective shareholders or financial service providers should carefully consider the following risks linked to JBS and the dual listing transaction terms:

1. Major governance risks: the listing will deliver the Batista family near absolute control of JBS

The proposed dual class shareholder structure will at the point of listing on the NYSE consolidate near absolute control for the Batista family and disenfranchise existing or potential minority shareholders, who will have no significant voting power or control:

- Disenfranchisement of minority shareholders:* The proposed dual class structure of JBS N.V. has the effect of concentrating power in the Batista family, who will emerge with 84.85% aggregate voting power in JBS N.V. at the point of listing, a significant increase on their existing 48.48% voting power in JBS S.A.²⁴ This could rise to 90.40% voting entitlement dependent on share conversion rates.²⁵ For example, the Brazilian Development Bank (BNDES), JBS's next largest existing shareholder with 20.81% voting rights as of 15 June 2024, could emerge with only 3.88% voting power due to the dual class share structure.²⁶ As a result, existing and future minority shareholders will have very little real influence over company decision making or controlling transactions.²⁷ A new dividends policy will be decided after the family consolidates control via the transaction according to the company's Chief Financial Officer Guilherme Cavalcanti,²⁸ which poses a risk to investors' because upon establishing the parent company in the Netherlands JBS N.V. will be able to follow the Dutch Civil Code conditions on dividends and not Brazilian law as it does today, which grants mandatory dividends on publicly traded companies.²⁹ JBS says they "cannot assure" minority shareholders that the controlling family shareholders will address financial and other conflicts of interest "in an impartial manner", "even though such transactions may involve increased risks to us or the holders of our common shares."³⁰
- The Bastista brothers are not reliable controlling shareholders of the company.* J&F Investimentos, controlled by the Batistas, reportedly agreed to pay a record breaking \$3.2 billion in penalties in 2017 for its role in a Brazilian bribery scandal.³¹ Although in December 2023, the Brazilian Supreme Court (Supremo Tribunal Federal) justice overseeing the case suspended J&F's obligation to make additional instalment

²¹ https://environment.ec.europa.eu/topics/forests/deforestation/regulation-deforestation-free-products_en

²² [https://www.legislation.gov.uk/ukpga/2021/30/schedule/17#:~:text=Prohibition%20on%20using%20illegally%20produced%20commodities&text=\(2\)A%20regulated%20person%20in.in%20relation%20to%20that%20commodity.](https://www.legislation.gov.uk/ukpga/2021/30/schedule/17#:~:text=Prohibition%20on%20using%20illegally%20produced%20commodities&text=(2)A%20regulated%20person%20in.in%20relation%20to%20that%20commodity.)

²³ <https://foe.org/news/100-groups-hochul-ny-trees-act/#:~:text=The%20TREES%20Act%20C%20which%20passed,that%20cut%20down%20tropical%20rainforests.>

²⁴ JBS B.V. "F-4 form", Amendment No.3, 24 June 2024, p.76

²⁵ JBS B.V. "F-4 form", Amendment No.3, 24 June 2024, p.xx

²⁶ JBS B.V. "F-4 form", Amendment No.3, 24 June 2024, p.208

²⁷ JBS B.V. "F-4 form", Amendment No.3, 24 June 2024, p.

²⁸ See transcript of Q2 2023 earning call, 15 August 2023, p.13, <https://api.mziq.com/mzfilemanager/v2/d/043a77e1-0127-4502-bc5b-21427b991b22/efa982c4-7e6f-7709-0040-8130843adf73?origin=2>

²⁹ Ibid.

³⁰ JBS B.V. "F-4 form", Amendment No.3, p.53

³¹ <https://www.reuters.com/article/us-brazil-corruption-jbs-idUSKBN18R1HE>

payments under the Leniency Agreement, it remains in effect.³² In 2020, J&F Investimentos pleaded guilty to criminal conspiracy to violate the US Foreign and Corrupt Practices Act (FCPA) over the same scandal, agreeing to pay more than \$256 million.³³ The company paid further additional fines to settle related SEC investigations.³⁴ The SEC cited the executives' "profound failure to exercise good corporate governance" and "brazen misconduct".³⁵ They were acquitted of some Brazilian securities fraud charges from 2017 in May 2023.³⁶

- c. *Dual class shares*: To realise the dual listing, JBS has proposed a two-tier share conversion system, where minority shareholders may convert no more than 55% of their existing Class A shares (entitled to 1 vote per share at general shareholder meetings) into Class B shares (entitled to 10 votes per share at general shareholder meetings).³⁷ Shares listed on NYSE will be Class A only and Class B shares will not be listed on any exchange, which may disincentivise Class B conversion.³⁸ Such low proportionate voting rights may affect the retail value of the Class A shares and therefore potentially reduce liquidity.³⁹ Dual class shareholder structures can enable families or company founders to entrench themselves in corporate structures and engage in "reckless, eccentric or self-interested decisions", according to the Institute of Directors.⁴⁰
- d. *Only the Batista family may convert 100% of their Class A Shares to Class B shares*.⁴¹ According to the F-4 filing, the Batista family will hold their shares in JBS N.V. through LuxCo, a private limited liability company in Luxembourg.⁴² The Tax Justice Network considers the Netherlands and Luxembourg "tax havens".⁴³ JBS Chief Financial Officer Guilherme Cavalcanti has confirmed the company has no publicly disclosed plans to issue new shares or raise capital for M&A or debt deleveraging after the NYSE listing,⁴⁴ which raises questions as to whether the primary purpose of the dual listing transaction is to deliver near total control for the Batista family.

2. Regulatory arbitrage and opaque corporate structure risks

JBS claim the dual listing will "strengthen transparency and corporate governance",⁴⁵ but the proposed new company structure may result in reduced minority shareholder protections and high levels of insufficiently regulated or supervised company risk:

- a. *Potential regulatory arbitrage*: If successful, JBS S.A. will be ultimately owned by a public limited liability parent company (naamloze vennootschap) in the Netherlands to be known as "JBS N.V.", but the company's operational structure – including assets, employees, physical infrastructure and financial flows – will remain the same *in practice*, according to the company.⁴⁶ The Dutch government says it is cracking

³² JBS F-4, Amendment No.3, 24 June 2024, p.53

³³ <https://www.sec.gov/news/press-release/2020-254> (senate.gov)

³⁴ <https://www.sec.gov/news/press-release/2020-254> (senate.gov)

³⁵ SEC.gov | SEC Charges Brazilian Meat Producers With FCPA Violations

³⁶ <https://finance.yahoo.com/news/joesley-wesley-batista-brazilian-businessmen-192800275.html>;

<https://brazilian.report/liveblog/politics-insider/2023/05/30/insider-trading-joesley-batista/>

³⁷ JBS B.V. "F-4 form", Amendment No.3, 24 June 2024, p.226 and p.xxii,

³⁸ JBS B.V. "F-4 form", Amendment No.3, 24 June 2024, , p.223

³⁹ JBS B.V. "F-4 form", Amendment No.3, June 2024,, p.9

⁴⁰ <https://www.iod.com/resources/blog/governance/what-are-dual-class-shares/>

⁴¹ JBS B.V. "F-4 Form", Amendment No.3, 24 June 2024, p.vi

⁴² JBS B.V. "F-4 Form", Amendment No.3, 24 June 2024, p.24

⁴³ [https://taxjustice.net/faq/where-are-tax-havens-](https://taxjustice.net/faq/where-are-tax-havens-located/#:~:text=Tax%20havens%20are%20located%20around%20the%20spectrum%20of%20tax%20havenry.)

<located/#:~:text=Tax%20havens%20are%20located%20around%20the%20spectrum%20of%20tax%20havenry.>

⁴⁴ See transcript of Q2 2023 earning call, 15 August 2023, p.13, <https://api.mziq.com/mzfilemanager/v2/d/043a77e1-0127-4502-bc5b-21427b991b22/efa982c4-7e6f-7709-0040-8130843adf73?origin=2>

⁴⁵ <https://jbsfoodsgroup.com/articles/jbs-to-pursue-dual-listing-in-brazil-and-us-to-deliver-value-to-shareholders>

⁴⁶ See JBS Investor Relations Q&A, <https://jbs.com.br/en/duallisting/>

down on such Dutch “letterbox” companies,⁴⁷ which seek to benefit from the Netherlands’ tax regime exemptions for companies registered there but which undertake no independent economic activity, a corporate structure criticised by tax experts.⁴⁸ JBS N.V. will apply to be considered a “foreign issuer” under the Brazilian Securities Commission (Comissão de Valores Mobiliários, “CVM”)⁴⁹ and a “foreign private issuer” under US securities laws and the NYSE rules, to “rely on governance exemptions”.⁵⁰ For example, the company may not be required to have a majority independent board of directors unlike other NYSE listed companies.⁵¹ JBS N.V. could also avoid certain EU laws because it will not be traded on a European exchange, despite its Dutch parent company.⁵² Dutch law may afford fewer shareholder protections than US law⁵³ and US court judgements are not de facto enforced or recognised in Dutch courts, according to the F-4 filing.⁵⁴

- b. *Risk of inability to identify and comply with local laws:* While the company is seeking to benefit from this convoluted legal structure, it acknowledges there will be significant strain on internal controls caused by new compliance and reporting burdens related to US and other law.⁵⁵ It says “Our accounting and other management systems and resources may not be immediately prepared to meet these requirements, which may strain our resources”⁵⁶ and the F-4 filing acknowledges it “may not be able to ensure that our raw material suppliers are in compliance with all applicable environmental and labour laws and regulations”,⁵⁷ thereby exposing the company to potential fines and criminal complaints.⁵⁸ JBS says it has improved its supply chain monitoring, anti-bribery and anti-corruption compliance programs.⁵⁹ In addition, the Netherlands has been described as an emerging “front-runner” jurisdiction for climate-related civil litigation.⁶⁰ It is unclear if JBS will comply with the Dutch Corporate Governance Code, which requires companies to take into account “the impact the actions of the company and its affiliated enterprise have on people and the environment”.⁶¹

3. Declining market access risk

⁴⁷ <https://www.government.nl/latest/news/2022/06/28/tax-avoidance-via-the-netherlands-significantly-reduced-thanks-to-measures>

⁴⁸ <https://www.universiteitleiden.nl/en/in-the-media/2022/01/is-the-netherlands-a-tax-haven-or-not>; <https://www.opendemocracy.net/en/oureconomy/how-tax-havens-netherlands-are-draining-developing-countries-precious-public-funds/>

⁴⁹ JBS B.V. “F-4 Form”, 24 June 2024, preamble

⁵⁰ JBS B.V. “F-4 Form”, 24 June 2024, p. xxxvii

⁵¹ JBS B.V. “F-4 Form”, Amendment No.3, 24 June 2024, p.203

⁵² JBS B.V. “F-4 Form”, Amendment No.3, 24 June 2024, p.34

⁵³ JBS B.V. “F-4 Form”, Amendment, No.3, 24 June 2024, p.37

⁵⁴ See JBS B.V. “F-4 Form”, 24 June 2024, p.39-40. The United States and the Netherlands do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Note that summary judgements including penalties may be upheld under certain conditions under a Dutch Supreme Court precedent.

⁵⁵ JBS B.V. “F-4 Form”, Amendment No.3, 24 June 2024, p.9

⁵⁶ JBS B.V. “F-4 Form”, Amendment No.3, 24 June 2024, p.9

⁵⁷ JBS B.V. “F-4 Form”, Amendment No.3, 24 June 2024, p.48

⁵⁸ JBS B.V. “F-4 Form”, Amendment No.3, 24 June 2024, p.48, p.129-130

⁵⁹ JBS B.V. “F-4 Form”, Amendment No.3, 24 June 2024, p.146-147, p.129-130

⁶⁰ [https://www.houthoff.com/expertise/topics/climate-risk-and-sustainability/climate-litigation#:~:text=The%20Netherlands%20is%20a%20front,reduce%20its%20greenhouse%20gas%20emissions](https://www.houthoff.com/expertise/topics/climate-risk-and-sustainability/climate-litigation#:~:text=The%20Netherlands%20is%20a%20front,reduce%20its%20greenhouse%20gas%20emissions;); <https://www.theguardian.com/environment/2022/may/25/how-two-goldman-prize-winners-won-landmark-rulings-in-dutch-courts>

⁶¹ For the Dutch Corporate Governance Code, see: <https://www.lexology.com/library/detail.aspx?g=cb528132-aa27-40df-a81d-65ff3d0fa580>. JBS F-4, 1 September 2023, p.10. States the company reserves the right not to comply with certain aspects of the Code.

- a. *Supply chain legislation restricting JBS's core markets*⁶² in the EU, UK and US: JBS has weak deforestation targets⁶³ and poor supply chain traceability controls⁶⁴ that could result in significant risk of non-compliance and penalties under new deforestation-free supply chain laws in the EU and UK when they enter into force.⁶⁵ JBS only aims to eliminate all *illegal* deforestation from its Amazon supply chain by 2025,⁶⁶ in continued contravention of a 2008 legal agreement with prosecutors in Brazil,⁶⁷ and all deforestation (legal and illegal) across its global supply chains by 2030.⁶⁸ JBS has removed its reference to “zero tolerance to...invasion of protected areas such as indigenous lands or environmental conservation areas” in this version of its F-4 application and⁶⁹ the company has not presented a credible plan for how it will reach its deforestation targets.⁷⁰ Chain Reaction Research conservatively estimates that JBS's total deforestation footprint since 2008 in Brazil may be as high as 200,000 hectares (ha) in its direct supply chain and 1.5 million ha in its indirect supply chain.⁷¹ A December 2022 audit by Brazilian federal prosecutors concluded more than one in six cows – almost 94,000 head of cattle – of JBS's purchases in the Brazilian state of Pará were not compliant with the company's legal obligations mid-2019-mid-2020, mostly due to illegal deforestation found in their *direct* supply chain.⁷² JBS's latest F-4 clarifies the company's deforestation and grain procurement policy *only* applies to its subsidiary Seara in Brazil and not elsewhere.⁷³
- i. Europe (including the UK) represented 7% of JBS's Q1 2024 revenue.⁷⁴ The EU Deforestation-free Product Regulation (EUDR) requires companies to verify and certify that their products are free from all deforestation and forest degradation (both legal and illegal) and human rights abuses before placement on the EU market from late 2024 onwards. Penalties for repeat non-compliance with the EUDR include a maximum fine of at least 4% of Union-wide turnover in the preceding year.⁷⁵ JBS's market access could also be affected by Schedule 17 of the Environment Act 2021 in the UK, which also prohibits the import of commodities grown on illegally deforested land, underpinned by sanctions for non-compliance.⁷⁶ JBS is likely to face

⁶² <https://api.mziq.com/mzfilemanager/v2/d/043a77e1-0127-4502-bc5b-21427b991b22/ecf99230-d15d-c200-8ce7-a368353da948?origin=1>

⁶³ JBS has an Amazon 2023 target date for no-deforestation for direct suppliers, and 2025 for indirect suppliers. For all JBS's deforestation targets, see <https://jbsfoodsgroup.com/articles/jbs-makes-global-commitment-to-achieve-net-zero-greenhouse-gas-emissions-by-2040>. Widely critiqued [here](#) and [here](#).

⁶⁴ Senator Wyden, Chair of Senate Committee on Finance, 22 June 2023, <https://www.finance.senate.gov/chairmans-news/wyden-hearing-statement-on-cattle-supply-chains-amazon-deforestation>. See also <https://chainreactionresearch.com/report/jbs-marfrig-and-minerva-unlikely-compliant-with-upcoming-eu-deforestation-law/>;

⁶⁵ The EUDR is known as the REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010, <https://data.consilium.europa.eu/doc/document/PE-82-2022-INIT/en/pdf>. Schedule 17 of the Environment Act 2021 is available: [https://www.legislation.gov.uk/ukpga/2021/30/schedule/17#:~:text=Prohibition%20on%20using%20illegally%20produced%20commodities&text=\(2\)A%20regulated%20person%20in.in%20relation%20to%20that%20commodity](https://www.legislation.gov.uk/ukpga/2021/30/schedule/17#:~:text=Prohibition%20on%20using%20illegally%20produced%20commodities&text=(2)A%20regulated%20person%20in.in%20relation%20to%20that%20commodity).

⁶⁶ <https://mediaroom.jbs.com.br/noticia/jbs-brings-forward-zero-deforestation-targets-as-it-ramps-up-action-towards-15-degrees-c-pathway>

⁶⁷ <https://www.globalwitness.org/en/campaigns/forests/cash-cow/>

⁶⁸ <https://mediaroom.jbs.com.br/noticia/jbs-brings-forward-zero-deforestation-targets-as-it-ramps-up-action-towards-15-degrees-c-pathway>

⁶⁹ JBS F-4, 1 September 2023, p.122.

⁷⁰ JBS's Responsible Procurement Policy is available <https://jbs.com.br/storage/2023/01/-jbs-responsible-procurement-policy.pdf>.

⁷¹ <https://chainreactionresearch.com/report/jbs-outsized-deforestation-in-supply-chain-covid-19-pose-fundamental-business-risks/>

⁷² <https://www.globalwitness.org/en/campaigns/forests/global-witness-calls-financiers-stop-bankrolling-rainforest-beef/>; <https://www.mpf.mp.br/pa/sala-de-imprensa/noticias-pa/resultados-4o-ciclo-auditorias-tac-pecuaria-pa>

⁷³ JBS B.V. “F-4 Form”, Amendment No.3, 24 June 2024, p.136

⁷⁴ [JBS Results Q1 2024](https://api.mziq.com/mzfilemanager/v2/d/043a77e1-0127-4502-bc5b-21427b991b22/c8dd0cdf-b0be-22ed-c546-69e99d3f760d?origin=1), Earnings Presentation, <https://api.mziq.com/mzfilemanager/v2/d/043a77e1-0127-4502-bc5b-21427b991b22/c8dd0cdf-b0be-22ed-c546-69e99d3f760d?origin=1>

⁷⁵ <https://www.whitecase.com/insight-alert/eu-adopts-new-rules-deforestation-free-products>

⁷⁶ Commodities regulated under Schedule 17 are yet to be decided by the Secretary of State, although secondary regulations are forthcoming. [https://www.legislation.gov.uk/ukpga/2021/30/schedule/17#:~:text=Prohibition%20on%20using%20illegally%20produced%20commodities&text=\(2\)A%20regulated%20person%20in.in%20relation%20to%20that%20commodity](https://www.legislation.gov.uk/ukpga/2021/30/schedule/17#:~:text=Prohibition%20on%20using%20illegally%20produced%20commodities&text=(2)A%20regulated%20person%20in.in%20relation%20to%20that%20commodity).

significant compliance challenges⁷⁷ in light of these two new regulations because it is still unable to fully trace its direct and indirect cattle or feed supply chain.⁷⁸ Without major changes in the company's level of supply chain monitoring and traceability, JBS will struggle to comply with the EU's incoming geolocation data requirements at import or confidently certify products as deforestation-free.⁷⁹ JBS admits it may not be able to comply with local laws governing environmental and labour standards related to the company's supply chain in its F-4 filing.⁸⁰ See 5.b. for recent reports linking JBS to deforestation.

- ii. The US represented 48% of JBS's Q1 2024 revenue.⁸¹ There is significant support from US lawmakers for the introduction of the FOREST Act, to prohibit the import of agri-commodities and products produced on illegally deforested land.⁸² Again, JBS would be currently unable to comply across its supply chain if the law were brought in today.⁸³ The New York State Assembly has re-tabled the TREES Act which seeks to end state and local government procurement driving tropical forest loss, degradation or abuse of Indigenous Peoples.⁸⁴ US authorities say they plan to "aggressively" pursue Magnitsky corruption sanctions and other criminal enforcement actions against deforesters in the Brazilian Amazon,⁸⁵ linked to President Biden's "whole-of-government" approach to global deforestation.⁸⁶
- b. *JBS's outlook remains "negative" from S&P*: In July 2023, S&P downgraded the outlook for JBS S.A. to "negative", citing the group's "subdued demand" and "industry obstacles", alongside the announcement regarding the anticipated US\$454 million cash dividend payment if the listing proceeds.⁸⁷ S&P predicted this payment will "weaken credit metrics", "increase uncertainty". S&P said at that time there is a one in three chance of a downgrade in the next 12-24 months, which would put JBS debt in junk status.⁸⁸
- c. *Future financial due diligence laws may shut off credit and lead to de-risking*: Both the UK and EU are conducting regulatory reviews into measures necessary to prevent the financing of companies conducting deforestation.⁸⁹ Brazilian banking association Febraban – with 21 members including Bank of Brazil and BNDES - introduced self-regulation No. 026/2023 requiring member banks to ensure they only fund banks with no illegal deforestation in their supply chains by 2025.⁹⁰ The EU, UK and US – among other jurisdictions – are also committed to new corporate disclosure

⁷⁷ See Chain Reaction Research for a summary of JBS's likely compliance challenges:

<https://chainreactionresearch.com/report/jbs-marfrig-and-minerva-unlikely-compliant-with-upcoming-eu-deforestation-law/>; for 2024 date: <https://www.lexology.com/library/detail.aspx?q=d094d7d3-7422-43e1-be1d-0b9068246882>

⁷⁸ As evidenced by <https://reporterbrasil.org.br/wp-content/uploads/2022/10/220927-Monitor-Ra%C3%A7%C3%A3o-Animal-EN-03.pdf>; <https://www.globalwitness.org/en/campaigns/forests/cash-cow/>; see also

<https://chainreactionresearch.com/report/jbs-marfrig-and-minerva-unlikely-compliant-with-upcoming-eu-deforestation-law/>

⁷⁹ <https://chainreactionresearch.com/report/jbs-marfrig-and-minerva-unlikely-compliant-with-upcoming-eu-deforestation-law/>

⁸⁰ JBS B.V. "F-4 Form", 24 June 2024, p.130

⁸¹ JBS Results Q1 2024, Earnings Presentation, <https://api.mzq.com/mzfilemanager/v2/d/043a77e1-0127-4502-bc5b-21427b991b22/c8dd0cdf-b0be-22ed-c546-69e99d3f760d?origin=1>

⁸² <https://www.congress.gov/bill/117th-congress/senate-bill/2950>

⁸³ As evidenced by sources cited in FN 91 and <https://chainreactionresearch.com/report/jbs-marfrig-and-minerva-unlikely-compliant-with-upcoming-eu-deforestation-law/>

⁸⁴ <https://www.nysenate.gov/newsroom/press-releases/2024/liz-krueger/krueger-zebrowski-introduce-amended-tropical-deforestation>

⁸⁵ <https://www.reuters.com/world/americas/exclusive-us-aims-sanction-brazil-deforesters-adding-bite-climate-fight-2022-11-23/>

⁸⁶ <https://www.whitehouse.gov/briefing-room/statements-releases/2022/04/22/fact-sheet-president-biden-signs-executive-order-to-strengthen-americas-forests-boost-wildfire-resilience-and-combat-global-deforestation/>

⁸⁷ The aggregate amount of the Cash Dividend is R\$2,218,116,370.00, based on 2,218,116,370 JBS S.A. Common Shares issued and outstanding. Conversion rate R to USD 12 July 2023. <https://www.reuters.com/markets/us/brazils-jbs-reboots-plans-list-shares-new-york-2023-07-12/>; <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3019767>

⁸⁸ <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/type/HTML/id/3019767>

⁸⁹ <https://www.globalwitness.org/en/press-releases/eu-member-states-finalise-historic-anti-deforestation-law-now-an-end-to-deforestation-finance-must-follow/> and <https://www.legislation.gov.uk/ukpga/2023/29/enacted>

⁹⁰ <https://www.eyonesg.com/2023/06/federation-of-brazilian-banks-tackle-illegal-deforestation-in-the-beef-supply-chain/>

regimes that may require JBS to report material information on its negative climate impact.⁹¹ Combined, this could significantly elevate barriers to JBS's access to credit and debt risk.⁹² Several of JBS's Sustainability-Linked Bond coupons will increase by 25 basis points if sustainability targets are not achieved.⁹³ In April 2023, Barclays – JBS's greatest financier between 2015-2022⁹⁴ – adopted a new deforestation policy citing “no appetite” for financing beef and soy companies engaged in “illegal logging and related trading activities”.⁹⁵ JBS has been placed on multiple investment exclusion or divestment lists since 2017, due to factors including unviable levels of risk, criminality and poor environmental performance, for example:

- i. The world's largest sovereign wealth fund in Norway divested JBS in 2018 citing “an unacceptable risk that the company is responsible for gross corruption.”⁹⁶
 - ii. In 2020, HSBC reportedly said JBS “has no vision, action plan, timeline, technology or solution”⁹⁷ for monitoring whether the cattle it buys originate from farms involved in rainforest destruction.
 - iii. Nordea Asset Management reportedly divested from JBS “over its ties to farms involved in Amazon deforestation” in 2020.⁹⁸
 - iv. PFZW, the second largest Dutch pension fund, reportedly divested from its JBS bondholdings in 2021 citing “land use and biodiversity incidents”.⁹⁹
 - v. In March 2023, Aviva told Global Witness it considers JBS a ‘red rated issuer’, which prevents any further active investment in the company.¹⁰⁰
- d. *Risks to projected growth of global meat market:* New public policies related to agriculture, meat reduction and other climate-related measures are necessary for governments to meet their 2030 GHG targets. The scientific community is clear that reducing methane emissions is our best strategy to stay within the Paris Agreement's 1.5°C target, and we cannot achieve this without the reduction of meat and dairy consumption.¹⁰¹ One study suggests some 57% of emissions from the food system arise from the production of animal-based food, including feed.¹⁰² JBS's methane emissions are estimated to be significantly higher than its sectoral competitors (see 4.b for a full exploration).¹⁰³ 160 global leaders endorsed the Emirates' Declaration on Sustainable Agriculture, Resilient Food Systems, and Climate Action at COP28 recognising the need to shift “from higher greenhouse gas-emitting practices to more

⁹¹ Apart from the EU law, these proposals are yet to be finalised and are subject to change. EU and UK:

<https://www.engage.hoganlovells.com/knowledge/services/news/sustainability-disclosure-standards-eu-commission-adopts-esrs-under-the-csrd-and-uk-develops-uk-sds>; US: <https://www.spglobal.com/esg/solutions/getting-ready-for-the-sec-climate-disclosure-rule>

⁹² <https://chainreactionresearch.com/report/jbs-outsized-deforestation-in-supply-chain-covid-19-pose-fundamental-business-risks/>

⁹³ JBS B.V. “F-4 Form”, 26 June 2024, p.137-139

⁹⁴ <https://www.mightyearth.org/2023/05/03/press-release-barclays-is-the-biggest-financier-of-discredited-meat-giant-jbs-raising-questions-ahead-of-agm/>

⁹⁵ <https://home.barclays/content/dam/home-barclays/documents/citizenship/our-reporting-and-policy-positions/Forestry-and-Agricultural-Commodities-Statement.pdf>

⁹⁶ <https://etikkradet.no/jbs-sa-2/>; <https://www.earthsight.org.uk/news/idm/worlds-largest-pension-fund-dumps-shares-beef-firm-wake-corruption-scandal>

⁹⁷ <https://www.theguardian.com/environment/2020/aug/12/hsbc-sounds-alarm-over-investment-in-meat-giant-jbs-due-to-deforestation-inaction>

⁹⁸ <https://www.bloomberg.com/news/articles/2020-07-28/nordic-fund-divests-45-million-from-jbs-on-amazon-concerns?sref=xGaOxbih>

⁹⁹ <https://www.pfzw.nl/over-pfzw/actueel/aanpassingen-beleggingen1.html>

¹⁰⁰ <https://www.globalwitness.org/en/campaigns/forests/global-witness-calls-financiers-stop-bankrolling-rainforest-beef/>

¹⁰¹ <https://www.theguardian.com/environment/2023/mar/06/meat-dairy-rice-high-methane-food-production-bust-climate-target-study>;

¹⁰² https://www.nature.com/articles/s43016-021-00358-x_epdf?sharing_token=mcqHP2lismdbDcC_fq7MR9RqN0iAjWei9inR3ZoTv0P5hJzOufiwVEu0osAOLG2L7YmizCBD0QPnXzpZ

[vdgVd21n-7QUfEf8uD-CKplQ9ExzxDMLCmm-g527Wp8JlzM_xAW9OK-HuE69PXvNE95XDqNwOo5YiSziVvKZaYHP7oDalasiSLnIFsMr1](https://www.nature.com/articles/s43016-021-00358-x_epdf?sharing_token=mcqHP2lismdbDcC_fq7MR9RqN0iAjWei9inR3ZoTv0P5hJzOufiwVEu0osAOLG2L7YmizCBD0QPnXzpZ_vdgVd21n-7QUfEf8uD-CKplQ9ExzxDMLCmm-g527Wp8JlzM_xAW9OK-HuE69PXvNE95XDqNwOo5YiSziVvKZaYHP7oDalasiSLnIFsMr1)

¹⁰³ <https://www.iatp.org/emissions-impossible-methane-edition>; https://changingmarkets.org/wp-content/uploads/2022/11/Emissions-Impossible- Methane-Edition_FINAL-compressed.pdf, p.6

sustainable production and consumption approaches' in December 2023. The UK Climate Change Committee recommends a 20% reduction in meat and dairy consumption by 2030 to meet climate goals.¹⁰⁴

4. Legal and regulatory risks

- a. *JBS could be fined more than \$3.6 billion as a result of ongoing complaints and litigations:* The company reportedly received \$3.5 billion in fines for its involvement in multiple environmental, deforestation and corruption scandals between 2015-2022.¹⁰⁵ JBS's F-4 filing admits ongoing civil, tax and labour proceedings could cost \$506.4 million to settle, not including an additional \$3.1 billion in civil, tax and labour proceedings whose loss potential is possible, but for which the company have not recognized a provision.¹⁰⁶ Examples of ongoing complaints include a whistleblower complaint filed by Mighty Earth to the US Securities and Exchange Commission (SEC) calling for an investigation into \$3.2 billion alleged "misleading and fraudulent" net zero related Sustainability-Linked Bonds issued by the company in 2021.¹⁰⁷ The company's latest F-4 acknowledges 'there are limitations on our and other beef processing companies' ability to confirm full compliance with the Forest Code and other environmental and social requirements along the entire supply chain' in Brazil, including agreements with Brazilian Public Prosecutor's Office, opening up further risk.¹⁰⁸
- b. *JBS's controversial 2040 net zero target – which covers only Scope 1 and 2 emissions - is under litigation:* On February 28, 2024, the Attorney General of the State of New York filed a civil complaint against two subsidiaries, JBS USA Food Company and JBS USA Food Company Holdings, in the Supreme Court of the State of New York alleging that the company's net zero by 2040 target is 'unsubstantiated and misleading to consumers.'¹⁰⁹ JBS says it intends to defend the claim, but the complaint seeks an injunction, disgorgement of profits, civil penalties, attorney's fees and other relief.¹¹⁰ In addition, the company's net zero target is the subject of an ongoing SEC whistleblower complaint which alleges the company sold "fraudulent" Sustainability-Linked Bonds in 2021 tied to unattainable net zero by 2040 emissions reduction targets for which there is no credible plan.¹¹¹ The Institute for Agriculture and Trade Policy (IATP) and Changing Markets estimate JBS's GHG emissions to be 287.9 million tonnes CO₂-equivalent in 2021, exceeding annual emissions of Spain,¹¹² and the company's methane emissions exceed the livestock methane emissions of France, Germany, Canada and New Zealand combined.¹¹³ JBS disputes these figures and its own emissions figures differ.¹¹⁴ The second-party verification service for JBS USA's sustainability targets says 'the issuer did not provide evidence on the current alignment of the SPT [Sustainability Performance Targets] with the Paris Climate Goals.'¹¹⁵ JBS has no methane reduction target or plan, nor does it report its methane emissions.¹¹⁶ JBS's true emissions are difficult to estimate because the company has not published vital information such as the

¹⁰⁴ <https://www.theccc.org.uk/2022/06/13/governments-food-strategy-a-missed-opportunity-for-the-climate/>

¹⁰⁵ <https://www.mightyearth.org/2023/05/03/press-release-barclays-is-the-biggest-financier-of-discredited-meat-giant-jbs-raising-questions-ahead-of-agm/>

¹⁰⁶ JBS B.V. "F-4 Form", 24 June 2024, p.142

¹⁰⁷ <https://www.mightyearth.org/whistleblower-complaint-to-the-securities-and-exchange-commission-against-jbs/>;

¹⁰⁸ JBS B.V. "F-4 Form", 24 June 2024, p.134

¹⁰⁹ THE PEOPLE OF THE STATE OF NEW YORK, by LETITIA JAMES, Attorney General of the State of New York, Plaintiff, against JBS USA FOOD COMPANY and JBS USA FOOD COMPANY HOLDINGS, 28 February 2024,

<https://ag.ny.gov/sites/default/files/court-filings/jbs-complaint.pdf>

¹¹⁰ JBS B.V. "F-4 Form", 24 June 2024, F-32

¹¹¹ <https://www.mightyearth.org/whistleblower-complaint-to-the-securities-and-exchange-commission-against-jbs/>;

¹¹² <https://www.iatp.org/emissions-impossible-methane-edition>

¹¹³ https://changingmarkets.org/wp-content/uploads/2022/11/Emissions-Impossible- Methane-Edition_FINAL-compressed.pdf

¹¹⁴ <https://jbsesg.com/wp-content/uploads/2023/08/2022-JBS-SUSTAINABILITY-REPORT.pdf>

¹¹⁵ [Secondary Party Opinion \(SPO\) - Sustainability Quality of the Issuer and Sustainability-Linked of JBS \(iss-corporate.com\)](https://www.iatp.org/media-brief-jbs-increases-emissions-51-percent)

¹¹⁶ <https://www.iatp.org/media-brief-jbs-increases-emissions-51-percent>

number of animals it slaughters each year since 2017.¹¹⁷ Up to 97% of JBS's emissions are Scope 3 according to IATP,¹¹⁸ i.e. originate in the company's *indirect* supply chain, through animals raised/slaughtered, feed supplies¹¹⁹ and emissions released by deforestation and habitat clearance.¹²⁰ In addition, the European Corporate Sustainability Due Diligence Directive is expected to apply to JBS from 2027 onwards and will require in-scope companies to adopt, put into effect and keep up-to-date a climate change transition plan for climate change mitigation, which aims to ensure that, through best efforts, their business model and strategy are compatible with the transition to a sustainable economy and with limiting global warming to 1.5°C.¹²¹

5. Reputational risks

In addition to the ongoing litigation detailed above, JBS carries significant reputational risk in connection with US, Brazilian and other civil and criminal actions and investigations involving the company's ultimate controlling shareholders, as well as human rights complaints and a high level of ongoing scrutiny by US lawmakers:

- a. *Lawmakers continue to closely scrutinise JBS and its controlling shareholders:*
 - i. In June 2023, the US Senate Committee on Finance hosted a hearing examining the role of cattle supply chains in Amazon deforestation featuring JBS. Committee Chair Ron Wyden accused JBS of "turning a blind eye as parts of its supply chain burn down the Amazon".¹²² Senator Wyden observed that "JBS has made promises it would clean up his act when it came to deforestation. Most recently JBS said it would eliminate cattle involved in deforestation from supply chains by 2025. The reality is JBS is nowhere near meeting this commitment. Not even JBS's direct suppliers are totally clean."¹²³ JBS told the Committee 45% percent of the cattle it processes are enrolled in its Transparent Livestock Farming Platform, which assists the company in tracing direct and indirect suppliers, and JBS aims to achieve 100 percent participation by 2025.¹²⁴
 - ii. In April 2023, Senator Elizabeth Warren and US Representative Jamie Raskin called on the US Department of Agriculture to suspend and disbar government contracts with JBS USA, and its US subsidiaries, citing Brazilian parent J&F's "history of criminal misconduct", and referring to bribery, corrupt practices connected to J&F, price-fixing, and recent child labour offences at US facilities.¹²⁵
 - iii. Led by Senator Cory Booker, a bi-partisan group of 15 US senators expressed 'deep concern' regarding JBS' IPO application and urging the SEC to further investigate a range of human, labour, price fixing and environmental

¹¹⁷ <https://www.mightyearth.org/whistleblower-complaint-to-the-securities-and-exchange-commission-against-jbs/>;
<https://www.mightyearth.org/ibs-climate-rating>

¹¹⁸ <https://www.iatp.org/media-brief-jbs-increases-emissions-51-percent>

¹¹⁹ <https://reporterbrasil.org.br/wp-content/uploads/2022/10/220927-Monitor-Ra%C3%A7%C3%A3o-Animal-EN-03.pdf>

¹²⁰ <https://www.mightyearth.org/whistleblower-complaint-to-the-securities-and-exchange-commission-against-jbs/>
¹²¹ JBS B.V. "F-4 Form", 24 June 2024, p.127

¹²² [Chairman's News | Newsroom | The United States Senate Committee on Finance](#)

¹²³ [Chairman's News | Newsroom | The United States Senate Committee on Finance](#)

¹²⁴ https://www.finance.senate.gov/imo/media/doc/06222023_weller_testimony.pdf

¹²⁵ [2023.04.19 Letter to USDA re JBS.pdf \(senate.gov\)](https://www.finance.senate.gov/imo/media/doc/2023.04.19_Letter_to_USDA_re_JBS.pdf)

considerations.¹²⁶ Most recently Rep. Harriet Hageman called for the SEC to decline the company's application, given the concerns regarding 'JBS and its corrupt leadership'.¹²⁷ UK MPs also contacted the SEC to raise concerns with the dual listing.¹²⁸

- b. *JBS is poorly ranked on independent environmental indexes and metrics:*¹²⁹ In 2023 the US National Advertising Division (NAD) recommended JBS USA Holdings discontinue its claims that the company has a goal of achieving net zero emissions by 2040, again due to a lack of a credible plan for reaching this target.¹³⁰ This was upheld through appeal.¹³¹ The NARB recommended that JBS discontinue the claim "The SBTi recognized the net zero commitment of JBS".¹³² JBS was delisted by SBTi for failing to set any targets since signing up to the initiative.¹³³ In 2023, the CDP – an environmental disclosure group and data provider to more than 680 investors – awarded the company a "B" climate leadership score and forests score respectively, after an A rating was considered "too high" for a non-public response and CDP launched an internal review.¹³⁴ JBS self-reported zero hectares of deforestation in its 2021 direct supply chain to CDP,¹³⁵ despite reports evidencing the contrary.¹³⁶ In 2022, a Bloomberg investigation concluded JBS is "one of the biggest drivers of Amazon deforestation."¹³⁷ JBS was ranked the worst performing meat producer on World Animal Protection's 2023 Factory Farming Climate Culprits Scorecard.¹³⁸ JBS's climate and biodiversity impact compromises the goal of the Global Biodiversity Framework target to halt biodiversity loss by 2030 and the Paris Agreement to limit climate change to 1.5°C. In February 2024, JBS, Marfrig and Minerva were linked to an area of deforestation bigger than Chicago in Mato Grosso state between 2018-2019, with the forest lost in the Cerrado savannah part of the state nearly five times higher than in the Amazon part of the state.¹³⁹ JBS was linked to the most farms with deforestation in both biomes. JBS may be required to disclose its environmental, social and governance impact on under the European Corporate Sustainability Reporting Directive ("CSRD") as soon as 2025.¹⁴⁰ See also 4.b.
- c. *JBS's dire human rights record:* JBS's supply chain is associated with decades of alleged human rights abuses and land grabs against Indigenous peoples and local communities,¹⁴¹ as well as labour violations and dangerous working conditions

¹²⁶ <https://www.booker.senate.gov/imo/media/doc/JBS%20SEC%20Letter.pdf>

¹²⁷ <https://subscriber.politicopro.com/f/?id=00000190-b8cf-d90b-a5fc-bbef63c00000>

¹²⁸ subscriber.politicopro.com/eenews/f/eenews/?id=0000018d-21f8-d7e3-a9dd-37f92e380000

¹²⁹ <https://www.nytimes.com/2022/05/20/climate/climate-change-greenwashing.html>

¹³⁰ <https://bbbprograms.org/media-center/dd/jbs-net-zero-emissions>

¹³¹ <https://bbbprograms.org/media-center/dd/narb-jbs-net-zero-emissions>

¹³² <https://www.lexology.com/library/detail.aspx?g=ad367ee4-053d-47de-8ef3-1f493926f857>

¹³³ <https://www.just-food.com/news/jbs-struck-off-sbti-climate-commitment-register/>

¹³⁴ <https://www.theguardian.com/environment/2023/mar/30/brazilian-meatpackers-a-sustainability-rating-raises-grade-inflation-concerns#:~:text=The%20improved%20grade%20was%20celebrated,that%20an%20A%2D%20score%20means%20%E2%80%9C;https://www.cdp.net/en/responses/9730>

¹³⁵ See JBS S.A., "Forests 2022" <https://www.cdp.net/en/responses/9730>

¹³⁶ <https://unearthed.greenpeace.org/2022/11/11/jbs-cattle-brazils-biggest-deforester-amazon/>;

<https://www.mightyearth.org/2023/04/24/jbs-refusal-to-investigate-68-cases-of-amazon-and-cerrado-deforestation-exposed-ahead-of-meat-giants-agm/> ; <https://www.globalwitness.org/en/campaigns/forests/beef-banks-and-brazilian-amazon/>;

¹³⁷ <https://www.bloomberg.com/news/videos/2022-01-21/how-big-beef-is-driving-deforestation-of-the-amazon-video?sref=xGaOxbih>

¹³⁸ <https://www.worldanimalprotection.org/press-release/factory-farming-climate-culprit-jbs-tops-emissions-scorecard-shame>

¹³⁹ <https://www.globalwitness.org/en/campaigns/forests/the-cerrado-crisis-brazils-deforestation-frontline/>

¹⁴⁰ JBS B.V. "F-4 Form", Amendment No.3, 24 June 2024, p.54

¹⁴¹ <https://www.globalwitness.org/en/campaigns/forests/cash-cow/>; <https://www.globalwitness.org/en/campaigns/forests/beef-banks-and-brazilian-amazon/>; <https://www.amnesty.org/en/latest/press-release/2020/07/brazil-cattle-illegally-grazed-in-the->

across its global operations.¹⁴² According to a report from Amnesty International in 2020, the company has failed to carry out adequate due diligence as established under the UN Guiding Principles on Business and Human Rights.¹⁴³ JBS is choosing to adopt an even more complicated and opaque corporate structure which will likely make it harder for victims of human rights abuses and other stakeholders to seek remedy and redress by legal or other means, because of the many jurisdictions involved (see 2.a-c). In May 2024, the Environmental Investigation Agency issued a new report tracking cattle raised illegally inside the Apyterewa Indigenous Territory – the most heavily deforested in the Brazilian Amazon – into the JBS supply chain, violating the company’s agreements with Federal prosecutors.¹⁴⁴

When approached for comment about the claims in this briefing, JBS declined to comment.

Signatories:

1. Global Witness
2. Mighty Earth
3. Rainforest Action Network
4. Environmental Justice Foundation
5. Feedback
6. World Animal Protection
7. Associação Indígena Tato’a
8. Changing Markets Foundation
9. Milieudefensie
10. BankTrack
11. Friends of the Earth U.S.
12. Greenpeace
13. Oxfam Novib
14. De Eerlijke Geldwijzer
15. EIA
16. SOMO, Centre for Research on Multinationals
17. Envol Vert
18. Society for Threatened Peoples
19. Rainforest Relief
20. AidEnvironment

https://www.banktrack.org/download/a_rotten_business_how_barclays_became_the_goto_bank_for_jbs_one_of_the_worlds_most_destructive_meat_corporations/feedbackjbsapr23proof05.pdf; <https://www.greenpeace.org/usa/wp-content/uploads/legacy/Global/usa/planet3/PDFs/slaughtering-the-amazon.pdf>

¹⁴² <https://violationtracker.goodjobsfirst.org/parent/jbs>

¹⁴³ <https://www.amnesty.org/en/latest/press-release/2020/07/brazil-cattle-illegally-grazed-in-the-amazon-found-in-supply-chain-of-leading-meat-packer-jbs/>

¹⁴⁴ <https://eia.org/blog/eia-investigation-into-illegal-cattle-ranching-hit-german-tv/>; https://eia.org/wp-content/uploads/2024/05/EIA_US_Apyterewa_illegal_cattle_May_2024.pdf