

Meat giant, JBS, guts human rights commitments and sidesteps climate scrutiny in bid for NYSE listing

Thirty-eight investors and NGOs urge shareholders to suspend investment in JBS as SEC application delays continue

JBS, the world's largest meat producer, is facing more intense scrutiny from investors and NGOs after weakening human rights commitments in its latest application to the U.S. Securities and Exchange Commission (SEC) for a New York Stock Exchange (NYSE) listing.

The latest investor briefing - led by Global Witness, in collaboration with Mighty Earth - has found that JBS has removed reference to 'zero tolerance' to the invasion of protected areas, including Indigenous lands and environmental conservation zones, from its latest SEC application. This omission has sparked serious concern, given that as recently as September of this year, [JBS was reportedly linked to the invasion of Indigenous lands in Brazil and deforestation of over 18,000 hectares of land in the Amazon and Cerrado ecosystems.](#)

Global Witness last week [26/09] revealed [JBS's links to the deforestation and illegal occupation of Indigenous lands belonging to the Parakanã people in Pará State](#) between 2018-2023 in Brazil. They reported Barclays earned \$1.7 billion from financing JBS in that period, highlighting the financial sector's exposure to JBS's supply chain harms.

Eighteen investors have co-signed a letter warning against investing in JBS. The letter urges the SEC to protect investors on the US stock exchange against the lack of transparency and misleading reporting around JBS' climate related risks - specifically across Scope 3 emissions - with its supply chain reportedly making up approximately 97% of its overall emissions.

In addition to serious ESG concerns, legal and financial risks associated with JBS have also escalated. Their latest filing records that liabilities from ongoing legal proceedings have surged to \$3.6 billion, more than doubling since JBS filed with the SEC in July 2023.

Annie Sanders, Director of Shareholder Advocacy at Green Century, said:

“JBS has a long history of misleading investors by exaggerating its environmental track record and minimizing environmental risks. We urge the SEC to reject JBS' registration until it aligns its environmental rhetoric with its true environmental impacts.”

Separately, twenty leading NGOs have published a new investor briefing for shareholders highlighting the risks associated with changes made to JBS's renewed SEC application. JBS's latest filing dodges its 'Net Zero by 2040' target, which the company is defending against litigation in the State of New York for misleading consumers, instead describing the company's ambition as 'Climate reduction goals by 2040'. JBS was delisted by the Science-Based Targets initiative (SBTi) - a recognised industry platform for setting climate targets - for failing to submit an adequate climate plan, confirming doubts about the company's lack of credibility and commitment to addressing its huge emissions.

Alexandria Reid, Head of Forests at Global Witness, said: “This deal hands the unchecked power of the world's largest meat producer to just one family, while sidestepping any real commitment to Indigenous rights and environmental protection.

Investors and NGOs are aligned: we need finance to protect our planet's climate-critical forests.”

JBS may soon face new regulatory requirements, including the publication of a 1.5°C aligned transition plan by 2027 and comprehensive Environmental, Social and Governance (ESG) reporting by fiscal year 2025 under European sustainability directives. This could pose further complications for the company's position and risks to investors if the meat packer successfully lists with a new Dutch headquarters.

The briefing warns minority shareholders that the Batista family will emerge with 84.85% of voting rights at the point of listing, up on their current 48.8% voting entitlement (as of 15 June 2024), which will effectively disenfranchise minority shareholders and severely limit their ability to influence company decisions on ESG impacts and other matters. This concentration of power raises significant governance issues. Further to this, the analysis has found the structure of the deal appears to exploit gaps in various legal regimes, reducing shareholder protections normally afforded to US investors.

In light of these developments, Global Witness and Mighty Earth, supported by a coalition of NGOs and backed by leading investors, are calling on shareholders to suspend investment in JBS until the company presents a credible and enforceable plan to address the significant risks in its supply chain.

Gemma Hoskins, Senior Director at Mighty Earth, said: “JBS poses a huge threat to increased deforestation in the Brazilian Amazon and Cerrado and the rights of Indigenous people. Investors deserve the truth about JBS’ failure to come clean on the full impact of its massive meat operations, given the company has no validated plans to reduce its outsized climate emissions. We’re urging the US Securities and Exchange Commission to reject the JBS IPO.”

JBS declined to comment on the NGO investor briefing.

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Notes to Editor:

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The NGO investor briefing is supported by Global Witness, Mighty Earth, Rainforest Action Network, Environmental Justice Foundation, Feedback, World Animal Protection, Associação Indígena Tato’a, Changing Markets Foundation, Milieudefensie, BankTrack, Friends of the Earth U.S., Greenpeace, Oxfam Novib, De Eerlijke Geldwijzer, EIA, SOMO, Centre for Research on Multinationals, Envol Vert, Society for Threatened Peoples, Rainforest Relief, AidEnvironment.

The investor letter submitted to the SEC was supported by eighteen investors and organisations representing USD \$22.2 billion in AUM:

Green Century Capital Management
Sisters of St. Francis of Philadelphia
Newground Social Investment
Figure 8 Investment Strategies
Trillium Asset Management
Future Group

Maryknoll Sisters
Ethos Foundation
As You Sow
SharePower Responsible Investing
Natural Investments
Transformative Wealth Management
Impact Investors, Inc
Farm Girl Capital
NorthFork Financial
Greenvest
Adasina Social Capital
Horizons Sustainable Financial Services, Inc.

This is not the first time concerns have been raised: earlier this year lawmakers in the United States and the United Kingdom publicly urged the SEC to closely scrutinise JBS' listing application due to serious ESG issues. Additionally, JBS USA faces a lawsuit by New York State Attorney General, Letitia James, over allegedly misleading claims about its net zero 2040 target, adding to the growing list of risks that investors must consider.

JBS' recently released Sustainability Report 2023 states that Scope 3 emissions account for 97% of the company's emissions profile:

https://jbsesg.com/docs/JBS_Sustainability_Report_2023.pdf

About Global Witness

Global Witness is an international NGO that investigates and campaigns against environmental and human rights abuses, including deforestation.

About Mighty Earth

Mighty Earth is a dynamic global advocacy organization working to transform the industries most responsible for climate pollution. Our goal is to protect half of earth for Nature and secure a climate where life can flourish.

About Green Century

Green Century hosts an award-winning and in-house shareholder advocacy program and is the only mutual fund company in the U.S. wholly owned by environmental and public health nonprofit organizations.