



## Letter to the IATP

**Shefali Sharma**

Europe Director

IATP (Institute for Agriculture and Trade Policy)

Ref. Study about JBS emissions

Cc **Glenn Hurowitz**

CEO Mighty Earth

Dear Ms. Sharma

JBS believes that transparent dialogue drives us to constantly improve industry standards and ensure that everyone in our sector does their part towards a more sustainable production model. We welcome every opportunity to discuss how we can best play our part to meet the dual global challenge of feeding a growing population while tackling climate change at a time of increasing global food insecurity. Our NetZero 2040 commitment underpins these efforts and we have been transparent about the timeframes needed to achieve each phase, providing updates as we advance.

We are aware of our responsibilities in addressing these issues, which is why we are fully committed to sustainability. **Meeting our commitment to be Net Zero by 2040** is our number one priority and we are working alongside globally recognized organizations in this area, such as the SBTi (Science Based Targets Initiative) and CDP (Carbon Disclosure Project), to evaluate and audit science-based emission reduction targets.

That is why I write to highlight serious methodological errors in the calculations of the IATP report, jointly published with Mighty Earth on April 21, and to request an immediate retraction.

Following a thorough review, independent experts have found that the report uses an erroneous methodology and gross data deviations to arrive at conclusions about JBS emissions that are simply false, thereby misleading journalists, readers, and the general public. The key findings are detailed below. The report also misconstrues the public commitments undertaken by JBS to tackle its scope 1, 2 and 3 emissions, including methane.

These problems could have been easily avoided through dialogue prior to publication. Although we didn't have the opportunity to comment on the report before it was published, **we are reaching out to ensure a science-based approach towards our mutual goal.**

The findings below are the result of meticulous work by WayCarbon, an independent consulting company internationally recognized for its work in this field, and Professor Peer Ederer (PhD), of the Global Food and Agribusiness Network.

- **Gross exaggeration of processing capacity and utilization:** To conclude that JBS emissions grew by 51% between 2016 and 2021, the key extrapolation was the increase in animal processing which, according to the IATP, was 54% for beef cattle, 67% for pigs and 40% for poultry. This is a deliberate deviation by the authors. The report took into account the operational capacity, not what was actually processed. This exaggerated figure was then multiplied by the number of business days in the year, assuming utilization of 97% of the company's capacity despite the IATP itself using a capacity of 62% in its 2016 baseline report. The IATP offered no justification for the change. ***If there was methodological coherence by the authors and had they applied the same rate to the 2021 data, the IATP would have arrived at an emissions reduction of 3%.***

- **The IATP emissions presented do not reflect the reality of JBS operations and are based on outdated, generalist data:** Erroneous inputs were based on estimated global and macro regional assumptions of FAOSTAT **dating from 2010**. There has been a considerable evolution in processing data in terms of structure, age, weight and carcass conversion rates, in addition to information regarding production, types of food, and production systems models which JBS could have shared had we been contacted in advance.
- For example, **overestimation of emissions per animal:** the average weight of beef cattle at the age for JBS processing in Brazil in 2021 was approximately 6% higher than that factored into the calculations in the study. This difference leads to an overestimation of the emissions per animal. When one uses the same emission factors for a lower beef mass produced, this simulates a less efficient system compared to what is real. This logic can be extrapolated to the processing age of the animal and to the carcass yield rate.
- **Lack of due diligence in dataset selection and no attempt to reflect specificities of Brazil production despite public availability of more up-to-date relevant data:** Although IATP did not have access to specific JBS data, instead of using a generalist database more than a decade old, the study could have used Ecoinvent, updated in 2020 by Embrapa, an internationally recognized tool that provides specific figures for Brazil production. **The emission factor presented by the IATP was 37% higher** than what is shown on Ecoinvent, which takes into account all aspects like enteric fermentation, waste management, food production, use of inputs and fertilizers, operations in the field, energy in animal production, transportation and changes in soil use.
- **Gross exaggeration of enteric fermentation emissions:** The IATP adopted global values with little data specific to the reality of JBS. In the case of Brazil, this resulted in a 25% higher value than that measured by the Company based on the Brazilian national inventory compiled by the MCTI (Ministry of Science, Technology and Innovations) in 2020.
- **Deviation from UN IPCC validated equivalence factors affecting the estimate:** The equivalence factors of the 100-year Global Warming Potential ( $GWP_{100}$ ) adopted by IATP also affected the estimate. While the UN IPCC indicates, in the case of methane, a proportion of 27.9 times in relation to  $CO_2$ , for the IATP this value was 34 times. In the case of nitrous oxide, while the IPCC calculates this ratio at 273:1, for the IATP, this proportion was 298:1.
- **Overestimation of land use emissions due to out-of-date data:** The difference from using out-of-date data also appears in the emissions from changes in land use. Had the BRLUC tool prepared by Embrapa been taken into account, **animal production would have been responsible for 14% of emissions, not 30%.**

With regard to the two key recommendations of the report - disclosure of emissions in line with international best practice standards and independent third-party audit of our Net Zero targets – both are already underway as previously announced by JBS.

While we acknowledge that there is a lot of work still to do to meet our Net Zero ambition, this will only be achieved through rigorous effort and a science-based approach which we are fully committed to.

False accusations based on inaccurate data inputs in the pursuit of false headlines are counterproductive and will only serve to frustrate the work of all those seeking to establish baselines and benchmarks to drive the required change in our industry.

This change requires everyone - producers, industry, retailers, consumers, researchers, governments and the third sector - to work together.

In the spirit of driving real change, we remain receptive to dialogue, provided it is constructive, transparent and science-led.

Attached you will find the full report prepared by WayCarbon and the analysis of Professor Peer Ederer can be found here: <https://www.foodandagribusiness.org/research/comment-on-iatp/>

Best regards,

A handwritten signature in blue ink, appearing to read 'Marcela Rocha', is centered on a light-colored background.

**Marcela Rocha**

Executive Director of Corporate Affairs and Sustainability  
JBS SA