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# JBS Appeals National Advertising Division Recommendation to Discontinue "Net Zero" Emissions by 2040 Claims

### **BBB National Programs Inc**

#### USA February 15 2023

In a challenge brought by the Institute for Agriculture and Trade Policy (IATP), a not-for-profit organization with the stated mission of working for fair and sustainable food and farm systems, the <u>National Advertising Division (NAD)</u> of BBB National Programs recommended that JBS USA Holdings, Inc., discontinue claims relating to its goal of achieving "net zero" emissions by 2040.

JBS is the second-largest food company and the largest animal protein producer in the world, with products that include boxed beef, ground beef, fresh pork, bacon, poultry, lamb, seafood, meat-based snack foods, and plant-based protein.

Aspirational environmental benefit claims create reasonable expectations on the part of consumers and, as a result, they require substantiation. When aspirational claims are tied to measurable outcomes an advertiser must be able to demonstrate that its goals and aspirations are not merely illusory and to provide evidence of the steps it is taking to reach its stated goal.

The challenged claims include:

- "JBS is committing to be net zero by 2040";
- "Global Commitment to Achieve Net-Zero Greenhouse Gas Emissions by 2040";
- "Bacon, chicken wings and steak with net zero emissions. It's possible;" and
- "Leading change across the food industry and achieving our goal of net zero by 2040 will be a challenge. Anything less is not an option."

NAD determined that JBS' "net zero" claims reasonably create consumer expectations that the advertiser's efforts are providing environmental benefits, specifically "net zero" emissions by 2040 a measurable outcome. Net-Zero is a recognized standard that guides companies in defining and establishing short and long-term science-based greenhouse gas emission reduction goals aligned with the legally binding 2015 Paris Agreement.

JBS provided evidence of a significant preliminary investment toward reducing emissions by 2040, including steps towards each of the stated "net zero" commitments, however NAD concluded that the record did not support the broad message conveyed that JBS has a plan that it is implementing today to achieve net zero operational impact by 2040. Therefore, NAD recommended that JBS discontinue each of the challenged "net zero" claims.

NAD noted that nothing in its decision precludes JBS from making narrower truthful and not misleading claims regarding its efforts at researching potential methods for reducing emissions and any efforts it is undertaking to reduce emissions.

Further, regarding the claim "the SBTi recognized the Net Zero Commitment of JBS," NAD found that the record demonstrates JBS' notable, but preliminary efforts to establish SBTi approved science-based greenhouse gas emission targets, but not an approved strategy to allow it to achieve net-zero climate impact by 2040. Therefore, NAD recommended that the claim be discontinued, but noted that nothing in its decision precludes JBS from making narrower truthful and not misleading claims regarding the steps it is taking to align its activities with SBTi criteria and its engagement with the SBTi process.

During the proceeding, JBS voluntarily permanently discontinued one challenged "net zero" claim, therefore, NAD did not review this claim on the merits.

In its advertiser statement, JBS stated that it "will appeal NAD's decision" based on its disagreement that "the challenged aspirational claims communicate a message that it has a detailed plan in place today to achieve net-zero by 2040-17 years from now" and JBS' belief that its claim are substantiated by "the foundational work" it has done to date.

BBB National Programs Inc - Abby Hills

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