

JBS

The business model and activities of the food company JBS push ecosystems such as the Amazon and Brazilian Cerrado toward irreversible tipping points. Despite acknowledging the risks, its mitigation actions continue to fall short. Meanwhile, SNB's estimated investments in JBS expose the national bank to the risk of financing deforestation, driving the tipping points for ecosystem collapse and biodiversity loss in critical regions.

Meat Production Expansion and Ecological Impact

JBS ranks among the world's largest food corporations and is a major exporter of Brazilian beef with methane emissions that rival those of ExxonMobil and Shell combined.¹ With 500 industrial plants and commercial representations in twenty-four countries,² it has the capacity to process tens of thousands of cattle daily. Beyond beef, JBS is linked to soy through its reliance on soy-based feed for its cattle feedlots, as well as its poultry and pig farming operations.³ The company is also a key actor in the global leather market, operating over twenty tanneries in Brazil. Due to its extensive involvement across multiple deforestation-linked supply chains, JBS is designated as a powerbroker for soy, beef, leather, and paper packaging. The expansion of soy cultivation has been a significant driver of deforestation⁴ and land-use change⁵ in the Brazilian Cerrado, leading to biodiversity loss and habitat destruction.⁶

JBS cultivated a business model that relies fundamentally on the intensive exploitation of land and natural resources,⁷ most notably in Brazil's Cerrado biome. As both a direct actor and an indirect driver of land-use change, JBS plays a pivotal role in shaping the socio-ecological landscape of one of the world's most biodiverse savannahs.⁸

¹ https://www.google.com/url?q=https://mightyearth.org/wp-content/uploads/2024/07/Mighty-Earth_SEC-Submission_JBS-Whistleblower_Jan23.pdf ; last accessed March 21, 2025

² <https://www.foodsafetynews.com/2024/04/wesley-and-joesley-batista-are-back-on-jbs-s-a-s-board-of-directors/> ; last accessed March 21, 2025

³ <https://forest500.org/rankings/company/?coname=JBS&ayear=2023&cotype=CO> ; last accessed March 21, 2025

⁴ <https://ourworldindata.org/drivers-of-deforestation> ; last accessed March 11, 2025

⁵ [https://www.tabledebates.org/sites/default/files/2021-12/FCRN%20Building%20Block%20-%20Soy_food,%20feed,%20and%20land%20use%20change%20\(1\).pdf](https://www.tabledebates.org/sites/default/files/2021-12/FCRN%20Building%20Block%20-%20Soy_food,%20feed,%20and%20land%20use%20change%20(1).pdf) ; last accessed March 11, 2025

⁶ <https://www.worldwildlife.org/places/cerrado> ; last accessed March 15, 2025

⁷ <https://www.bloomberg.com/graphics/2022-beef-industry-fueling-amazon-rainforest-destruction-deforestation/> ; last accessed March 19, 2025

⁸ https://jbsesg.com/docs/JBS_Sustainability_Report_2023.pdf ; last accessed March 17, 2025

Over the past 14 years, JBS has been embroiled in numerous corruption scandals,⁹ including a record \$3.2 billion fine in 2017 for bribing nearly 2,000 Brazilian officials.^{10 11} Concurrently, JBS sustains a vast procurement network that extends deep into high-risk deforestation zones. In the Cerrado, where native vegetation is rapidly being cleared for pastureland and soy cultivation, JBS's demand for cattle, and by extension, soy-based feed for its poultry and pork operations, are a powerful market signal incentivizing land conversion, particularly in sensitive ecosystems like the Brazilian Cerrado,¹² where soy plantations were linked to 375,000 ha of deforestation and land conversion in 2022.¹³

Ecosystem Tipping Points

The destruction of large ecosystems does not only undermine local livelihoods through its direct impacts on communities but also jeopardizes global economies and financial stability because these ecosystems provide essential services, such as carbon storage, that support many industries in the global economy.^{14 15} A critical ecosystem at risk is the Brazilian Cerrado,¹⁶ where environmental damage could reach a point of no return, triggering long-term ecological collapse. The Cerrado biome is an area made up of grasslands and savannas and home to over 5% global biodiversity and stores nearly 1.4 bn tonnes of carbon. The biome covers more than 20% of Brazil and is important to preserving 40% of Brazil's fresh water.¹⁷ The Cerrado is under significant risk of deforestation, double of what the Amazon is experiencing, and this is largely due to land use change for cattle ranches and soy crops.¹⁸ Cattle ranches are often converted into soy plantations, making soy production both a direct and indirect driver of deforestation.¹⁹

⁹ <https://www.greenpeace.org/international/press-release/72773/greenpeace-challenges-jbs-new-york-stock-exchange-listing-and-netherlands-move-over-links-to-corruption-deforestation-and-emissions/> ; last accessed March 21, 2025

¹⁰ <https://www.foodsafetynews.com/2024/04/wesley-and-joesley-batista-are-back-on-jbs-s-a-s-board-of-directors/> ; last accessed March 21, 2025

¹¹ <https://www.reuters.com/business/environment/environmental-activists-pressure-us-regulators-halt-jbs-listing-2023-08-23/> ; last accessed March 21, 2025

¹² <https://www.sei.org/features/connecting-exports-of-brazilian-soy-to-deforestation/> last accessed March 26, 2025

¹³ <https://trase.earth/insights/brazilian-soy-exports-and-deforestation> ; last accessed March 26, 2025

¹⁴ <https://www.annualreviews.org/content/journals/10.1146/annurev-environ-102511-084654> ; last accessed March 11, 2025

¹⁵ <https://www.science.org/doi/10.1126/science.abn7950> ; last accessed March 11, 2025

¹⁶ <https://www.worldwildlife.org/places/cerrado> ; last accessed March 15, 2025

¹⁷ <https://www.reuters.com/sustainability/land-use-biodiversity/how-sustainable-soy-is-critical-saving-cerrado-2024-10-21/> ; last accessed March 15, 2025

¹⁸ <https://chainreactionresearch.com/report/cerrado-deforestation-2020-soy-beef/> ; last accessed March 15, 2025

¹⁹ <https://chainreactionresearch.com/report/cerrado-deforestation-2020-soy-beef/> ; last accessed March 15, 2025

Scientific research shows that human activities are increasing the likelihood of crossing these ecological tipping points or thresholds where even small disturbances can trigger rapid and self-reinforcing environmental changes.²⁰ Once these points are crossed, nature's ability to regulate itself weakens, pushing climate change and biodiversity loss beyond human control.^{21 22}

SNB Investments in JBS

The SNB does not publicly disclose its investments in JBS. However, based on available data, we estimate that in 2025 the SNB holds approximately USD 15 million in the company.²³ Between 2023 and 2025, our estimates inform us that the SNB maintained a passive strategy in holding shares in the company, replicating individual equity markets. The planned restructuring of JBS as a Dutch company with a dual listing on the New York and São Paulo Stock Exchanges may affect its weight in global equity indices, which could have implications for passive investors like the SNB.²⁴

JBS's Footprint: From Policy Promises to Ground Realities

In the Cerrado, where native vegetation is swiftly disappearing to make way for pasture and soy production, JBS's demand for cattle, along with its reliance on soy-based feed for poultry and pork, is a market driver encouraging further land conversion. Mounting evidence from NGOs and academic research shows that JBS remains deeply entangled in land-use change and deforestation across its sourcing regions.

Deforestation Exposure and Land Grabbing in Brazil

A measure of a company's involvement in deforestation is Deforestation Exposure. It is a stock metric that quantifies the extent to which a company or supply chain is linked to deforestation through its activities, investments, or commodity sourcing.

According to Mighty Earth and Cain Reaction Research, between 2009 and 2023, JBS slaughterhouses were associated with close to 470,000 hectares of deforestation and land conversion across the Amazon and Cerrado biomes.^{25 26} The investigation by Mighty Earth

²⁰ <https://www.science.org/doi/10.1126/science.abn7950> ; last accessed March 11, 2025

²¹ <https://www.nature.com/articles/s41893-023-01132-6> ; last accessed March 11, 2025

²² <https://www.nature.com/articles/s41893-023-01157-x> ; last accessed March 11, 2025

²³ <https://unsere-snb.ch/themen/problematische-investitionen/>; last accessed March 17, 2025

²⁴ <https://www.greenpeace.org/international/press-release/72773/greenpeace-challenges-jbs-new-york-stock-exchange-listing-and-netherlands-move-over-links-to-corruption-deforestation-and-emissions/> ; last accessed March 19, 2025

²⁵ <https://chainreactionresearch.com/wp-content/uploads/2020/08/JBS-CRR-Report.pdf> ; last accessed April 1, 2025

²⁶ https://mightyeearth.org/wp-content/uploads/2024/08/RapidResponse3EngHD_set.pdf ; last accessed April 1, 2025

identified JBS facilities in São Miguel do Guaporé and Pimenta Bueno, both situated in Rondônia state, as among the most heavily linked to deforestation. The most problematic source of beef is associated with 3,447 hectares of deforestation between October and November 2023. This deforestation occurred on Fazenda Soberana, a property owned by Claudecy Oliveira Lemes in Mato Grosso's Pantanal. Lemes is already facing charges for Brazil's largest recorded environmental crime: the chemical destruction of 81,200 hectares of forest using toxic herbicides, including 2,4-D, to clear land for cattle.

Despite its legal no-deforestation commitments with Brazilian prosecutors,²⁷ JBS was exposed by Global Witness in 2020 for purchasing cattle from 327 ranches linked to extensive illegal deforestation.²⁸ A follow-up investigation revealed that JBS continued sourcing from 144 of those same ranches in the Amazon state of Pará, once again violating its legal obligations.²⁹

Although the company has made public commitments to zero deforestation,³⁰ traceability in JBS's supply chains remains flawed.³¹ The company continues to source from "indirect suppliers," a known blind spot in its monitoring systems, which enables laundering of cattle raised on recently deforested or embargoed lands into its formal supply chains.³² Experts refer to this practice as "cattle laundering", where animals from illegally deforested areas are transferred to ostensibly compliant ranches before entering the supply chain.³³ Investigations and satellite analyses have repeatedly linked JBS to properties involved in illegal deforestation, including embargoed areas and conservation zones within the Cerrado. In terms of deforestation of the Cerrado, JBS's supply chain in Mato Grosso state included ranches with deforested land, contributing to a combined area of forest loss larger than Chicago.³⁴ Chain Reaction Research identified approximately 14,655 hectares of

²⁷ <https://chainreactionresearch.com/wp-content/uploads/2020/08/JBS-CRR-Report.pdf> ; last accessed April 1, 2025.

²⁸ <https://www.globalwitness.org/en/campaigns/forests/beef-banks-and-brazilian-amazon/> ; last accessed April 1, 2025

²⁹ <https://globalwitness.org/en/campaigns/forests/cash-cow/>; last accessed April 1, 2025

³⁰ <https://chainreactionresearch.com/wp-content/uploads/2020/08/JBS-CRR-Report.pdf> ; last accessed April 1, 2025

³¹ <https://forest500.org/rankings/company/?coname=JBS&ayear=2023&cotype=CO> ; last accessed April 1, 2025

³² https://mightyearth.org/wp-content/uploads/2024/08/RapidResponse3EngHD_set.pdf ; last accessed April 1, 2025

³³ <https://unearthed.greenpeace.org/2022/11/11/jbs-cattle-brazils-biggest-deforester-amazon/> ; last accessed April 15, 2025

³⁴ <https://globalwitness.org/en/press-releases/deforestation-footprint-of-brazils-three-biggest-meat-companies-five-times-larger-in-fragile-cerrado-than-in-amazon/> ; last accessed April 1, 2025

deforestation within JBS's direct supply chain in the Cerrado since 2008, with some of it taking place without the required environmental licenses.³⁵

A 2024 Greenpeace report estimates that JBS's methane emissions rival those of ExxonMobil and Shell combined, highlighting the significant impact of the livestock sector on methane emissions.³⁶ The company's footprint extends beyond deforestation: A longtime highly problematic supplier to JBS in Pará, the influential Seronni cattle family has been at the center of a decade-long pattern of alleged human rights violations, including the use of slave labor, illegal deforestation, land grabbing, and cattle laundering.³⁷

JBS Green Promises

JBS's continued failure to block problematic ranchers from its supply chain continues to cast doubts on the credibility of its sustainability commitments and the effectiveness of its monitoring systems. These concerns, raised by many NGOs, are reinforced by JBS's 2023 Forest 500 profile, which paints a troubling picture: JBS scored just 31% overall, with particularly low performance in commodity-specific performance and implementation and reporting. Despite its massive global footprint and deep involvement in beef, soy, and leather supply chains, JBS lacks transparency on conservation, reforestation, and emissions from land-use change. Its poor score on associated human rights abuses further underlines systemic governance failures, calling into question the substance behind the company's environmental pledges.

Why does the SNB invest in JBS?

JBS's operations illustrate a stark gap between sustainability promises and on-the-ground realities. Its ongoing ties to deforestation, land grabbing, and human rights abuses in critical ecosystems, highlight systemic governance failures. The SNB states that it follows a "market-neutral and passive an investment approach as possible by replicating individual equity markets in their entirety."³⁸ It deviates from this principle only when companies "seriously violate fundamental human rights, systematically cause severe environmental damage or are involved in the production of internationally condemned weapons."³⁹ Despite

³⁵ <https://chainreactionresearch.com/wp-content/uploads/2020/08/JBS-CRR-Report.pdf> ; last accessed April 1, 2025

³⁶ https://www.greenpeace.org/static/planet4-sweden-stateless/2024/10/2996f732-2024.10.07_turning-down-the-heat-report-with-design_english.pdf ; last accessed April 1, 2025

³⁷ <https://globalwitness.org/en/campaigns/forests/cash-cow/#the-seronni-ranchers> ; last accessed April 1, 2025

³⁸ https://www.snb.ch/en/services-events/digital-services/faq-overview/qas_assets#t020 ; last accessed March 11, 2025

³⁹ https://www.snb.ch/en/services-events/digital-services/faq-overview/qas_assets#t022 ; last accessed March 11, 2025

cattle farming being a driver of deforestation and forest degradation due to land use change,⁴⁰ and JBS's long-standing associations with corruption, deforestation, climate-damaging emissions, and human rights violations, it is estimated that the SNB maintains its investment in the company.^{41 42}

This research was commissioned by Klima Allianz Schweiz and carried out by WAV_Recherchekollektiv.

⁴⁰ https://joint-research-centre.ec.europa.eu/jrc-news-and-updates/amazon-region-2022-and-2023-deforestation-forest-degradation-and-risk-growing-soy-production-2024-02-28_en ; last accessed March 11, 2025

⁴¹ <https://www.humaneworld.org/en/blog/jbs-pilgrims-pride-misleading-investors-animal-welfare> ; last accessed March 21, 2025

⁴² https://mightyearth.org/wp-content/uploads/2024/08/RapidResponse3EngHD_set.pdf ; last accessed March 21, 2025