

**THE ROSEN LAW FIRM, P.A.**

Phillip Kim, Esq.  
Laurence M. Rosen, Esq.  
275 Madison Avenue, 40<sup>th</sup> Floor  
New York, New York 10016  
Telephone: (212) 686-1060  
Fax: (212) 202-3827  
Email: pkim@rosenlegal.com  
Email: lrosen@rosenlegal.com

*Counsel for Plaintiff*

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF NEW YORK

\_\_\_\_\_, Individually and on behalf of all others  
similarly situated,

Plaintiff,

v.

JBS S.A., GILBERTO TOMAZONI, and  
JEREMIAH O'CALLAGHAN,

Defendants.

**Case No:**

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS**

JURY TRIAL DEMANDED

Plaintiff \_\_\_\_ (“Plaintiff”), individually and on behalf of all other persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s complaint against Defendants (defined below), alleges the following based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and belief as to all other matters, based upon, among other things, the investigation conducted by and through his attorneys, which included, among other things, a review of the Defendants’ public documents, public filings, wire and press releases published by and regarding JBS (“JBS” or the “Company”), and information readily obtainable on the Internet. Plaintiff believes that substantial evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

## **NATURE OF THE ACTION**

1. This is a class action on behalf of persons or entities who purchased or otherwise acquired publicly traded JBS securities between March 23, 2021 and February 28, 2024, both dates inclusive (the “Class Period”). Plaintiff seeks to recover compensable damages caused by Defendant’s violations of the federal securities laws under the Securities Exchange Act of 1934 (the “Exchange Act”)

## **JURISDICTION AND VENUE**

2. The claims asserted herein arise under and pursuant to Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

3. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C. §78aa).

4. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged misstatements entered and the subsequent damages took place in this judicial district.

5. In connection with the acts, conduct and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce, including but not limited to, the United States mails, interstate telephone communications and the facilities of the national securities exchange.

## **PARTIES**

6. Plaintiff \_\_\_\_, as set forth in the accompanying certification, incorporated by reference herein, purchased JBS securities during the Class Period and was economically damaged thereby.

7. Defendant JBS describes itself as the “largest protein producer in the world and the second largest food company in the world.” It sells products such as beef, pork, lamb, and chicken.

8. JBS is incorporated in Brazil and its principal executive offices are located in São Paulo, Brazil. JBS’s American Depositary trades on the OTC Exchange (“OTC”) under the ticker symbol “BRBS”.

9. Defendant Gilberto Tomazoni (“Tomazoni”) has served as the Company’s Chief Executive Officer (“CEO”) since December 2018.

10. Defendant Jeremiah O’Callaghan (“O’Callaghan”) has served as the Company’s Chairman of the Board of Directors (the “Board”) since 2017.

11. Defendants Tomazoni and O’Callaghan are collectively referred to herein as the “Individual Defendants.”

12. Each of the Individual Defendants:

- (a) directly participated in the management of the Company;
- (b) was directly involved in the day-to-day operations of the Company at the highest levels;
- (c) was privy to confidential proprietary information concerning the Company and its business and operations;
- (d) was directly or indirectly involved in drafting, producing, reviewing and/or disseminating the false and misleading statements and information alleged herein;
- (e) was directly or indirectly involved in the oversight or implementation of the Company’s internal controls;

- (f) was aware of or recklessly disregarded the fact that the false and misleading statements were being issued concerning the Company; and/or
- (g) approved or ratified these statements in violation of the federal securities laws.

13. JBS is liable for the acts of the Individual Defendants and its employees under the doctrine of *respondeat superior* and common law principles of agency because all of the wrongful acts complained of herein were carried out within the scope of their employment.

14. The scienter of the Individual Defendants and other employees and agents of the Company is similarly imputed to the Company under *respondeat superior* and agency principles.

15. JBS and the Individual Defendants are collectively referred to herein as “Defendants.”

### **SUBSTANTIVE ALLEGATIONS**

#### **Materially False and Misleading Statements Issued During the Class Period**

16. On March 23, 2021, JBS issued a press release entitled “JBS Makes Global Commitment to Achieve Net-Zero Greenhouse Gas Emissions by 2040.” (the goal of achieving net-zero greenhouse gas emissions by 2040 will be referred to herein as the “Net Zero Goal”). This press release stated, in pertinent part:

Commitment is a First for the Global Meat and Poultry Sector

JBS, one of the world’s leading food companies, today announced a commitment to achieve net-zero greenhouse gas (GHG) emissions by 2040. The commitment spans the company’s global operations, including Pilgrim’s Pride Corporation (Nasdaq: PPC), as well as its diverse value chain of agricultural producer partners, suppliers and customers in their efforts to reduce emissions across the value chain.

***JBS is the first major company in its sector to set a net-zero target. The ambition reflects the company’s goal to meet the health and nutritional needs of the growing global population in a sustainable manner that preserves the planet’s resources for future generations.*** As part of its commitment, the company has signed on to the United Nations

Global Compact’s Business Ambition for 1.5°C initiative, which aligns with the most ambitious aim of the Paris Agreement to limit global warming.

“Climate change is the great challenge of our time and we must act urgently to combat the negative effects of global warming,” said Gilberto Tomazoni, JBS global chief executive officer. “As one of the most diversified global food companies, we have an opportunity to leverage our scale and influence to help lead a sustainable transformation of agricultural markets that empowers producers, suppliers, customers and consumers. ***Agriculture can and must be part of the global climate solution. We believe through innovation, investment and collaboration, net zero is within our collective grasp.***”

The company will develop GHG emission reduction targets across its global operations and value chains in South America, North America, Europe, the U.K., Australia and New Zealand. JBS will provide a time-bound roadmap that provides interim targets consistent with the criteria set forth by the Science Based Targets initiative for a 1.5°C trajectory. ***The company will also provide annual updates on progress to ensure transparency and disclose its financial risks linked to climate change, in line with the Task Force on Climate-related Financial Disclosure (TCFD) initiative.***

***To accomplish its net-zero goal, the company will adopt several strategies to achieve reductions in emissions, including:***

- Reducing direct emissions in its facilities: JBS will reduce its global scope 1 and 2 emission intensity by at least 30% by 2030 against base year 2019.
- Investing in the future: JBS will invest more than \$1 billion in incremental capital expenditures over the next decade in emission reduction projects. The company will engage its team members and award funding for projects to its facilities using a panel consisting of company executives, specialists and academics.
- Eliminating deforestation: JBS will eliminate illegal Amazon deforestation from its supply chain – including the suppliers of its suppliers – by 2025, and in other Brazilian biomes by 2030. The company will achieve zero deforestation across its global supply chain by 2035.
- Using 100% renewable electricity in its facilities: JBS will join RE100 and convert to 100% renewable electricity across its global facilities by 2040.
- Fostering innovation: JBS will invest \$100 million by 2030 in research and development projects to assist producer efforts to strengthen and scale regenerative farming practices, including carbon sequestration and on-farm emission mitigation technologies. This investment will contribute to reducing scope 3 emissions across the value chain, in our efforts toward net zero.
- Ensuring accountability: Across the company, performance against environmental goals, including GHG emission reduction targets, will be part of senior executive compensation considerations.

The company’s announcement is a continuation of its longstanding commitment to sustainability and ongoing efforts to reduce emissions. In Brazil, JBS currently monitors 100% of its direct cattle suppliers for illegal Amazon deforestation and is leveraging

blockchain technology to monitor the suppliers of its suppliers. In North America, JBS operations have reduced GHG emission intensity by nearly 20% since 2015. In the UK and Northern Ireland, Moy Park has reduced CO2 emission intensity by more than 77% since 2010, and Pilgrim's UK previously committed to net-zero emissions by 2040[.]

(Emphasis added).

17. The statement in ¶ 16 was materially false and misleading at the time it was made because the Company did not have a viable plan to achieve the Net Zero Goal, considering that the Company made the net zero emissions commitment without having calculated of the greenhouse gas emissions from its supply chain.

18. On information and belief, JBS's 2021 Sustainability Report was released in March 2022.

19. The 2022 Sustainability Report contained the following from Defendant Tomazoni: At JBS, sustainability *is an overarching value against which all other strategic aspects are assessed. Guiding us on this mission is the Net Zero commitment we announced in March 2021—to bring our net greenhouse gas emissions to zero by 2040.* We will invest US \$1 billion through 2030 to decarbonize our operations, and we will allocate US \$ 100 million to research and development. By mid-2023, we will submit to the Science Based Targets Initiative (SBTi)[,] a detailed roadmap to deliver on our Net Zero pledge.

Several initiatives have already been put into place globally. For example, in 2021 we created a partnership to introduce a nutritional supplement that can significantly reduce enteric methane emissions from cattle on a global scale. The initiative is being implemented initially in Brazil. We are also helping to fund a new Feedlot Innovation Center at the University of Nebraska, and have pledged support for Colorado State University's AgNext program to develop carbon sequestration solutions for different types of pastureland.

We are also engaged in efforts to make the electricity we use increasingly clean and renewable. Today, 100% of the electricity that our Pilgrim's Pride UK facilities source is renewable. In Brazil the figure has now reached 90%. In Moy Park UK's transportation division, we're decarbonizing the local vehicle fleet by purchasing natural gas trucks. Meanwhile, No Carbon—our new electric truck rental business—has started commercial operation, initially serving our own Group companies in Brazil.

A core aspect of this journey has been our zero-tolerance approach to illegal deforestation. To monitor our 80,000 suppliers in Brazil, 10 years ago we implemented a geospatial monitoring system in line with our responsible beef sourcing policy. In 2021 we launched a Transparent Livestock Farming Platform that is using blockchain technology to extend

livestock monitoring further upstream in the value chain. By year-end 2025, we will be able to track compliance along the entire value chain.

But blocking nonconforming suppliers is just the first step. We believe a truly sustainable system is one that supports ranchers in improving their livestock practices. ***Recognizing this, we have established 15 Green Offices throughout Brazil to provide technical support to more than 2,000 direct and indirect producers. The program also provides facilitated access to credit via partner financial institutions.***

(Emphasis added).

20. The statement in ¶ 19 was materially false and misleading because Defendant Tomazoni overstated the feasibility of the Net Zero Goal, and the Company's commitment to the eventual goal of net zero carbon emissions, considering that the Company made the net zero emissions commitment without having calculated of the greenhouse gas emissions from its supply chain.

21. The 2021 Sustainability Report contained the following from Defendant O'Callaghan:

JBS is determined to be an agent of development in the regions and communities where we operate, while helping build a business environment ***that upholds high standards of integrity, ethics and social and environmental responsibility.***

\* \* \*

***In the environmental dimension, in March 2021 we undertook what I believe to be one of the biggest challenges in our history: our Net Zero 2040 commitment, under which we will reduce our direct (scope 1 and 2) and indirect (scope 3) emissions, while offsetting any residual emissions.*** With our mission of feeding the world with the best there is and in an increasingly sustainable manner, ***JBS aspires to lead in advancing the responsible development of our communities—supporting jobs, disseminating best management and governance practices, and preventing and mitigating environmental impacts.***

***Within JBS, we often say that sustainability is our strategy. And we mean it.*** As a long-time executive at JBS and now as chairman of the Board of Directors, I have witnessed how this has been put into practice in our organization's day-today activities. We have made significant efforts to advance the circular economy and for more than a decade have tracked indicators measuring the impacts from our operations on the environment.

***With support from the Board, JBS is building a global governance system around our Net Zero goal, with a focus on management, collaboration and integration and on setting clear, actionable, science-based targets so we are able to fulfill our commitment to society and to the future of the next generations.***

We share the view that agribusiness can be an important part of the solution to the challenges created by the climate emergency. ***Within this vision, throughout 2021 we worked to build a broad global strategy to decarbonize the end-to-end beef value chain. In our Brazil operations, this effort comprises three major pillars: supplier monitoring, cattle farm management and support, and cattle management.*** Other initiatives are being advanced at a global level to make our operations increasingly sustainable, such as the expanded use of renewable energy sources, decarbonization of our logistics activities, and efficient water resource management.

(Emphasis added).

22. The statement in ¶ 21 was materially false and misleading because Defendant O’Callaghan overstated the feasibility of the Net Zero Goal, and the Company’s commitment to the eventual goal of net zero carbon emissions, considering that the Company made the net zero emissions commitment without having calculated of the greenhouse gas emissions from its supply chain.

23. The 2021 Sustainability Report contained the following section, which was entitled “Our journey to Net Zero”:

2021 is the year we committed to net zero emissions of GHG, reducing our direct and indirect emissions to the extent possible, and offsetting any residual emissions. The Company will submit a science-based action plan with targets consistent with the criteria of the Science-Based Targets initiative (SBTi).

***This ambitious commitment is a reflection of JBS’ objective of providing the food and nutritional needs of a growing world population in an increasingly sustainable manner, preserving the planet’s resources for future generations.*** Sustainability is more than just an element of our strategy. ***It is the very strategy of JBS. It guides everything we do.*** Why is this? First of all, because we recognize we are in a climate emergency. This crisis already affects our planet and is harming some of the more vulnerable countries and communities in a very tragic way. Furthermore, we believe that not only is the future of the planet at stake, but also the continuity of our business.

***Climate change has a direct and negative impact on food production. If we do not stop global warming, we will no longer be able to create value for all our stakeholders - our***



shareholders, customers, suppliers, employees, communities, and society at large. We will no longer be able to feed the planet.

***Not only must we put a stop to global warming, but we must ensure food security for a world population that, in 2050, will be 10 billion people.*** These challenges cannot be overcome alone. We must find a way to produce more while simultaneously reducing the impact on the environment. ***Farming is a critical component of climate change, as it is able to feed the world more sustainably.*** This is why we must promote a transformation in agriculture and cattle raising.

Based on this goal, we are working to adopt global best practices within a robust governance approach and circular economy. ***Our priority is to be agents of change, combining best environmental practices and economic development. This is why a circular economy is an inseverable part of JBS' business.*** It is both sustainable and profitable.

***In 2021 we decided to zero our net carbon emissions from all operations by 2040. This marks the next phase of our sustainability journey and builds on 10 years of investment in concrete environmental actions across our value chain.*** We are one of the first industry players to invest in policies and technologies to fight, discourage, and eliminate deforestation in the Amazon.

We have had a Responsible Sourcing Policy since 2009, defining socio-environmental criteria for supplier selection, and excluding any farms involved in deforestation. ***We have one of the world's largest supplier monitoring systems, using satellite images to monitor an area equivalent to France and Germany combined to ensure compliance with our Responsible Purchasing Policy. All farms in the Amazon that directly supply beef cattle to JBS are monitored using satellite images and georeferenced data on the property.***

Since 2012, JBS has published its greenhouse gas emissions inventories using IPCC methodology and recognized and regionalized emission factors, the GHG Protocol approach and, more recently, ISO 14064. We also use a life-cycle inventory database such as ecoinvent, which provides a more detailed understanding of the environmental impact of our value chain.

***Given this, the company has been investigating and implementing a number of projects to mitigate its scope 1, 2, and 3 emissions at its operating facilities around the world. As this culture matured, it consolidated the concept of a circular economy as a JBS business philosophy.*** Transforming the waste we generate into new products is an essential component of our value chain. It is also a successful model, as shown by JBS New Businesses[.]

To address such a large challenge—emissions in the beef cattle chain—JBS has a well-defined strategy to promote sustainability among its partner cattle ranchers, combining technology and management to monitor and trace its direct and indirect suppliers, and disseminate best practices for environmental regulation of cattle ranchers. By 2021 the

company was already monitoring all of its direct suppliers in all biomes where it is present in Brazil: the Amazon, Cerrado, Pantanal, Atlantic Forest, and Caatinga.

All these initiatives are part of the JBS sustainability journey and are shared with the various stakeholders as public indicators, promoting information sharing and transparency across society.

(Emphasis added).

24. The statement in ¶ 23 was materially false and misleading at the time it was made because it overstated the likelihood or feasibility of the Net Zero Goal, considering that the Company made the net zero emissions commitment without having calculated of the greenhouse gas emissions from its supply chain.

25. The 2021 Sustainability Report included a section called “Journey challenges and the means to get there”. It stated the following:

***We are working on a number of in-company and external fronts to consolidate a long-term sustainability strategy and achieve the target of being Net Zero by 2040. One of the main elements of this new commitment is developing global governance, connecting departments and companies around the world to identify opportunities and share knowledge and best practices, scaling the efforts and reducing Company emissions.***

***As part of its journey to Net Zero, by 2023 JBS will submit to the SBTi a detailed roadmap of targets consistent with the initiative’s methodology to cap the increase in the global temperature at 1.5°C compared to pre-industrial levels.***

To work on this roadmap, JBS engaged the support of two consulting firms of national and international repute for their work on sustainability, who are now working with the Company to find project opportunities, define clear KPIs, and build science-based action-plans and targets.

Internally, ***JBS created a working group (WG) with focal points for all businesses (Brazil, US, Canada, Mexico, Europe, Australia/New Zealand) to find solutions to reduce greenhouse gas emissions and create value.*** This group meets from time to time to exchange experiences and look for common projects. ***Another six WGs were created in Brazil to identify and analyze proposals for all operations in-country.*** These working groups are entitled: Agro; Sourcing; Engineering & Energy; Environment; R&D; Innovation; and the Circular Economy, and Logistics. Coordination and consolidation of these initiatives is the responsibility of a new position created within the Company - the Global Net Zero PMO, reporting directly to the JBS Global CEO.

To reinforce its commitment to the theme, a variable compensation policy that includes climate targets is being designed for senior executives.

In addition to promoting advances in [governance], ***JBS will invest up to US\$ 1 billion in projects to decarbonize all its operations by 2030. US\$ 100 million will be invested in research to come up with solutions to reduce our emissions, such as improved regenerative agricultural practices, more intense carbon sequestration in soil, and technologies focused on supplier farms.***

The maturity of JBS management [sustainability] has been recognized by the industry. In 2021 the company was able to capture funds from four sustainability-related issuances (reduced emissions, the number of cattle ranchers who subscribed to the Transparent Cattle Ranching Platform), which raised US\$ 3.2 billion.

(Emphasis added).

26. The statement in ¶ 25 was materially false and misleading at the time it was made because it overstated the likelihood or feasibility of the Net Zero Goal, considering that the Company made the net zero emissions commitment without having calculated of the greenhouse gas emissions from its supply chain.

27. On August 31, 2023, JBS announced that it released its 2022 Sustainability Report.

28. The 2022 Sustainability report contained the following statement regarding the Net Zero Goal:

We must all act urgently to limit global warming to 1.5 [degrees Celsius] and combat its negative effects. As a global, diversified food company, we have an opportunity—and responsibility—to ***leverage our scale and influence to help lead sustainable transformation by example and empower our value chain and peers to collectively move forward.***

***In March 2021, JBS was the first global meat and poultry company to pledge to achieve net-zero greenhouse gas (GHG) emissions by 2040, ten years ahead of the deadline set by most companies and governments around the world. Now, we are working to transparently share how we intend to achieve these reductions in our absolute scope 1,2, and 3 emissions, while continuing to sustainably grow our business and met the increasing global need for safe, affordable access to high-quality food.***

To bolster our pledge and encourage immediate action, we have adopted several near-term targets to achieve reductions in emissions, including reducing our scope 1 & 2 GHG emission intensity by 30% by 2030, and reaching 60% renewable electricity by 2030 and 100% by 2040.

In 2023, we are working to develop a robust Net Zero Roadmap that outlines our priorities and guides our actions over the next 17 years. It will be iterative and flexible to allow our businesses to design and implement strategies best suited for their specific operations.

\* \* \*

While we continue our focus and actions to reduce GHG emissions from our facilities in particular we will be expanding our capabilities and partnerships to catalyze action in our upstream supply chain. Given the size and complexity of this shared footprint, we will utilize a comprehensive and company-wide approach to working with our suppliers and customers and pursue several parallel measures to address our shared food system's emissions[.]

(internal citation omitted)

29. The statement in ¶ 28 was materially false and misleading at the time it was made because it overstated the likelihood or feasibility of the Net Zero Goal, considering that the Company made the net zero emissions commitment without having calculated of the greenhouse gas emissions from its supply chain.

30. The statements contained in ¶¶ \_\_\_\_ were materially false and/or misleading because they misrepresented and failed to disclose the following adverse facts pertaining to the Company's business, operations, and prospects, which were known to Defendants or recklessly disregarded by them. Specifically, Defendants made false and/or misleading statements and/or failed to disclose that: (1) JBS S.A. had no viable plan to achieve its goal of net zero carbon emissions across its business by 2040, considering that JBS made its "Net Zero by 2040" commitment without having first calculated the vast majority of greenhouse gas emissions from its supply chain; (2) JBS's lack of a viable plan exposed it to the possibility of litigation regarding claims JBS made in its advertising; and (3) as a result, Defendants' statements about its business, operations, and prospects, were materially false and misleading and/or lacked a reasonable basis at all times.

**THE TRUTH EMERGES**

31. On February 28, 2024, during market hours, Reuters published an article entitled “New York sues meatpacking giant JBS over climate claims”. This article stated the following:

Attorney General Letitia James said JBS USA Food Co, the Brazilian company’s American-based unit, has “no viable plan” to reach net zero greenhouse gas emissions by 2040, *making its stated commitment to achieving that goal false and misleading*.

(Emphasis added).

32. The Reuters article contained a quote from Attorney General James, who was quoted as saying “[f]amilies [are] *willing to spend more of their hard-earned money on products from brands that are better for the environment*[.] JBS USA’s greenwashing *exploits the pocketbooks of everyday Americans and the promise of a healthy planet for future generations.*” (Emphasis added).

33. Also on February 28, 2024, the New York State Attorney General’s office, in a case captioned *The People of the State of New York, by Letitia James, v. JBS USA Food Company and JBS USA FOOD Company Holdings*, sued JBS.<sup>1</sup>

34. The complaint filed by AG James (the “Complaint”) first noted that “[a]s public concern about climate change and environmental sustainability continues to grow, consumers increasingly are seeking products with greater environmental benefits and few environmental harms.” Further, “[o]ne study found that consumers are willing to pay more—up to 30 percent more—for products with net-zero greenhouse gas emissions.”

35. In this context, the Complaint noted the following about JBS and the environmental effects of large-scale agriculture and beef production:

Industrial animal agriculture, however, has a substantial environmental footprint. *Beef has the highest total greenhouse gas emissions of any major food commodity, and beef production is linked to large-scale deforestation, especially in the Amazon rainforest,*

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<sup>1</sup> The filed Complaint defined JBS USA Food Company and JBS USA Food as the “JBS Group”. For purposes of this action, references to the “JBS Group” will be replaced simply with “JBS”, as JBS S.A. is the ultimate parent company of the two subsidiaries named as defendants in the New York AG office’s action.

which further drives climate change by releasing greenhouse gases and eliminating trees and plants that absorb and store carbon dioxide (referred to as “carbon sinks”).

As the global leader in beef production, [JBS] knows *that if consumers perceive its products as unsustainable, it could reduce consumer demand for beef and harm [JBS’s] share of the U.S. beef market.* In public statements, [JBS] has recognized that sustainability claims can, in effect, provide environmentally conscious consumers with a “license” to eat beef.

(Emphasis added).

36. Regarding JBS’s marketing, the Complaint stated that “[a]cross its marketing materials, [JBS] has made sweeping representations to consumers about its commitment to reducing its greenhouse gas emissions, claiming that it will by ‘Net Zero by 2040.’” However, the Complaint noted that JBS “*has had no viable plan to meet its commitment to be ‘Net Zero by 2040.’*” (Emphasis added). The Complaint further states that JBS “*has admitted* that it made its ‘Net Zero by 2040’ commitment *without having calculated the vast majority of greenhouse gas emissions from its supply chain.*” (Emphasis added). The greenhouse gas emissions from the Company’s supply chain “include emissions *from deforestation in the Amazon and the resulting inability of that biomass to absorb and store greenhouse gases from the atmosphere.*” (Emphasis added).

37. The Complaint contained the following regarding the feasibility of the “Net Zero by 2040” strategy:

Even if it had developed a plan to be “Net Zero by 2040,” [JBS] could not feasibly meet its pledge because *there are no proven agricultural practices to reduce its greenhouse gas emissions to net zero at [JBS’s] current scale,* and offsetting those emissions would *be a costly undertaking of an unprecedented degree.* As of 2021, [JBS’s] estimated *annual greenhouse gases were more than those of the entire country of Ireland, and [JBS] plans to substantially increase its meat production over the coming years.*

(Emphasis added).

38. The Complaint stated that “Scope 3 emissions consist of upstream and downstream supply chain emissions *and constitute up to 90 percent of the greenhouse gas emissions in the meat and dairy sector.*” (Emphasis added).

39. In this context, the Complaint alleged that “[JBS] has not had a reasonable basis for claiming that its global greenhouse gas emissions will be ‘net zero by 2040’ *because its Scope 3 emissions calculations have been incomplete and have not accounted for emissions resulting from Amazon deforestation and other land use changes in its supply chain.*” (Emphasis added).

40. The Complaint further alleged that the “*2022 Sustainability Report does not even attempt to report Scope 3 emissions.*” (Emphasis added).

41. The Complaint further noted the following:

In a recent proceeding defended by [JBS], the National Advertising Division (“NAD”) of the Better Business Bureau determined that [JBS’s] “Net Zero by 2040” marketing claim is unsubstantiated and misleading to consumers and recommended that [JBS] stop making that claim. The National Advertising Review Board (the “Review Board”), NAD’s appellate body, upheld that decision.

42. The Complaint noted that “[d]espite these industry admonishments, [JBS] has *continued to make the same or similar claims to consumers, all the while emitting massive amounts of greenhouse gases to the atmosphere* and continuing supply chain practices with outsized climate impacts, further contributing to climate change harms.” (Emphasis added). The Complaint stated that “[JBS] has *repeatedly and persistently made unsubstantiated and misleading environmental marketing claims* to New York consumers, even after NAD and the Review Board found such claims to be unsubstantiated[.]” (Emphasis added).

43. The Complaint further alleged that JBS’s “Net Zero by 2040” commitment is “also misleading *because it is not feasible given [JBS’s] current levels of livestock production and the company’s plans to grow global demand for its products.*” (Emphasis added).

44. Building on the point discussed in ¶ 43, the Complaint further alleged the following:

The 2023 Assessment Report from the United Nation’s Intergovernmental Panel on Climate Change *found that methane and nitrous oxide emitted by agricultural practices, which include beef production, cannot be eliminated through existing or anticipated technology*. Instead, scientists point to the need to reduce production of and demand for ruminant meat, including beef, to reduce these emissions.

*[JBS] plans to do the opposite*. [JBS] forecasts increased demand for its products over the coming decades, and it intends to meet that demand.

(Emphasis added).

45. The Complaint further stated that “[d]espite [JBS’s] plans to substantially grow its meat production, [JBS’s] CEO has represented that [JBS] will be able to reach net zero by 2040 solely by cutting its emissions, and not by purchasing carbon offset credits.”

46. On this news, the price of JBS ADRs declined by \$0.22, or 2.38% on February 28, 2024, damaging investors.

47. As a result of Defendants’ wrongful acts and omissions, and the precipitous decline in the market value of the Company’s common shares, Plaintiff and the other Class members have suffered significant losses and damages.

#### **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

48. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons other than defendants who acquired JBS securities publicly traded on the OTC during the Class Period, and who were damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers and directors of the Company, members of the Individual Defendants’ immediate families and their legal representatives, heirs, successors or assigns and any entity in which Defendants have or had a controlling interest.



49. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, the Company's securities were actively traded on the OTC. While the exact number of Class members is unknown to Plaintiff at this time and can be ascertained only through appropriate discovery, Plaintiff believes that there are hundreds, if not thousands of members in the proposed Class.

50. Plaintiff's claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants' wrongful conduct in violation of federal law that is complained of herein.

51. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation. Plaintiff has no interests antagonistic to or in conflict with those of the Class.

52. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

- whether the Exchange Act was violated by Defendants' acts as alleged herein;
- whether statements made by Defendants to the investing public during the Class Period misrepresented material facts about the business and financial condition of the Company;
- whether Defendants' public statements to the investing public during the Class Period omitted material facts necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
- whether the Defendants caused the Company to issue false and misleading filings during the Class Period;

- whether Defendants acted knowingly or recklessly in issuing false filings;
- whether the prices of the Company's securities during the Class Period were artificially inflated because of the Defendants' conduct complained of herein; and
- whether the members of the Class have sustained damages and, if so, what is the proper measure of damages.

53. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation make it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

54. Plaintiff will rely, in part, upon the presumption of reliance established by the fraud-on-the-market doctrine in that:

- the Company's securities met the requirements for listing, and were listed and actively traded on the OTC, an efficient market;
- as a public issuer, the Company filed public reports;
- the Company communicated with public investors via established market communication mechanisms, including through the regular dissemination of press releases via major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services;
- the Company's securities were liquid and traded with moderate to heavy volume during the Class Period; and

- the Company was followed by a number of securities analysts employed by major brokerage firms who wrote reports that were widely distributed and publicly available.

55. Based on the foregoing, the market for the Company securities promptly digested current information regarding the Company from all publicly available sources and reflected such information in the prices of the common units, and Plaintiff and the members of the Class are entitled to a presumption of reliance upon the integrity of the market.

56. Alternatively, Plaintiff and the members of the Class are entitled to the presumption of reliance established by the Supreme Court in *Affiliated Ute Citizens of the State of Utah v. United States*, 406 U.S. 128 (1972), as Defendants omitted material information in their Class Period statements in violation of a duty to disclose such information as detailed above.

**COUNT I**  
**For Violations of Section 10(b) And Rule 10b-5 Promulgated Thereunder**  
**Against All Defendants**

57. Plaintiff repeats and realleges each and every allegation contained above as if fully set forth herein.

58. This Count asserted against Defendants is based upon Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder by the SEC.

59. During the Class Period, Defendants, individually and in concert, directly or indirectly, disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

60. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that they:

- employed devices, schemes and artifices to defraud;
- made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- engaged in acts, practices and a course of business that operated as a fraud or deceit upon plaintiff and others similarly situated in connection with their purchases of the Company's securities during the Class Period.

61. Defendants acted with scienter in that they knew that the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated, or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the securities laws. These defendants by virtue of their receipt of information reflecting the true facts of the Company, their control over, and/or receipt and/or modification of the Company's allegedly materially misleading statements, and/or their associations with the Company which made them privy to confidential proprietary information concerning the Company, participated in the fraudulent scheme alleged herein.

62. Individual Defendants, who are or were senior executives and/or directors of the Company, had actual knowledge of the material omissions and/or the falsity of the material statements set forth above, and intended to deceive Plaintiff and the other members of the Class, or, in the alternative, acted with reckless disregard for the truth when they failed to ascertain and disclose the true facts in the statements made by them or other Company's personnel to members of the investing public, including Plaintiff and the Class.

63. As a result of the foregoing, the market price of the Company's securities was artificially inflated during the Class Period. In ignorance of the falsity of Defendants' statements, Plaintiff and the other members of the Class relied on the statements described above and/or the integrity of the market price of the Company's securities during the Class Period in purchasing the Company's securities at prices that were artificially inflated as a result of Defendants' false and misleading statements.

64. Had Plaintiff and the other members of the Class been aware that the market price of the Company's securities had been artificially and falsely inflated by Defendants' misleading statements and by the material adverse information which Defendants did not disclose, they would not have purchased the Company's securities at the artificially inflated prices that they did, or at all.

65. As a result of the wrongful conduct alleged herein, Plaintiff and other members of the Class have suffered damages in an amount to be established at trial.

66. By reason of the foregoing, Defendants have violated Section 10(b) of the 1934 Act and Rule 10b-5 promulgated thereunder and are liable to the plaintiff and the other members of the Class for substantial damages which they suffered in connection with their purchase of the Company's securities during the Class Period.

**COUNT II**  
**Violations of Section 20(a) of the Exchange Act**  
**Against the Individual Defendants**

67. Plaintiff repeats and realleges each and every allegation contained in the foregoing paragraphs as if fully set forth herein.

68. During the Class Period, the Individual Defendants participated in the operation and management of the Company, and conducted and participated, directly and indirectly, in the

conduct of the Company's business affairs. Because of their senior positions, they knew the adverse non-public information about the Company's business practices.

69. As officers of a public business, the Individual Defendants had a duty to disseminate accurate and truthful information with respect to the Company's financial condition and results of operations, and to correct promptly any public statements issued by the Company which had become materially false or misleading.

70. Because of their positions of control and authority as senior executives and/or directors, the Individual Defendants were able to, and did, control the contents of the various reports, press releases and public filings which the Company disseminated in the marketplace during the Class Period concerning the Company's results of operations. Throughout the Class Period, the Individual Defendants exercised their power and authority to cause the Company to engage in the wrongful acts complained of herein. The Individual Defendants therefore, were "controlling persons" of the Company within the meaning of Section 20(a) of the Exchange Act. In this capacity, they participated in the unlawful conduct alleged which artificially inflated the market price of Company securities.

71. By reason of the above conduct, the Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act for the violations committed by the Company.

#### **PRAYER FOR RELIEF**

**WHEREFORE**, plaintiff, on behalf of himself and the Class, prays for judgment and relief as follows:

(a) declaring this action to be a proper class action, designating plaintiff as Lead Plaintiff and certifying plaintiff as a class representative under Rule 23 of the Federal Rules of Civil Procedure and designating plaintiff's counsel as Lead Counsel;

(b) awarding damages in favor of plaintiff and the other Class members against all defendants, jointly and severally, together with interest thereon;

(c) awarding plaintiff and the Class reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) awarding plaintiff and other members of the Class such other and further relief as the Court may deem just and proper.

**JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.

Dated:

**THE ROSEN LAW FIRM, P.A.**

/s/ Phillip Kim

Phillip Kim, Esq.

Laurence M. Rosen, Esq.

275 Madison Avenue, 40<sup>th</sup> Floor

New York, New York 10016

Telephone: (212) 686-1060

Fax: (212) 202-3827

Email: [pkim@rosenlegal.com](mailto:pkim@rosenlegal.com)

Email: [lrosen@rosenlegal.com](mailto:lrosen@rosenlegal.com)

*Counsel for Plaintiff*