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Brian Cornell
Chief Executive Officer
Target Corporation
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Dear Mr. Cornell,

Consumers' Research represents the interests of household consumers in all areas of consumer spending. It is an independent educational 501(c)(3) nonprofit organization whose mission is to increase the knowledge and understanding of issues, policies, products, and services of concern to consumers and to promote the freedom to act on that knowledge and understanding.

Food production and food availability on store shelves are critical issues for consumers. This places a greater emphasis on a recent action taken by the New York Attorney General's office which highlighted a major risk to national grocers, food producers, and food retailers stemming from their prior Environmental, Social, and Governance (ESG) statements and net-zero commitments.

Recently, JBS USA Food Company (JBS) was sued by New York Attorney General Letitia James over public ESG statements and sustainability documents. The lawsuit alleged JBS's public statements and sustainability documents set unattainable goals regarding net-zero emissions—goals that could not be met so long as JBS continued to produce beef products—and that the JBS commitments misled consumers.

In her public statement announcing the JBS lawsuit, General James wrote:

“When companies falsely advertise their commitment to sustainability, they are misleading consumers and endangering our planet. JBS USA's greenwashing exploits the pocketbooks of everyday Americans and the promise of a healthy planet for future generations. My office will always ensure that companies do not abuse the environment and the trust of hardworking consumers for profit.”

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Consumers' Research is concerned that it is only a matter of time before national grocers, food producers, and food retailers, like Target Corporation, are subjected to state actions targeting their unrealistic net-zero commitments, as has happened with JBS.

Below you will find claims cited by General James in the lawsuit against JBS and similar claims made by Target:

1) JBS Claim:

“JBS was also the first major global protein company to set a net-zero GHG emissions by 2040 target, covering our scope 1, scope 2 and scope 3 emissions.”

Target Claim:

“We are committed to making our operations and our supply chain sustainable through reducing our greenhouse gas (GHG) footprint, supporting a more resilient and healthier environment for our guests, team members and communities. Aligned with our Target Forward ambitions, we commit to net zero GHG emissions across our enterprise by 2040 to reduce climate impacts across our operations and supply chain.”

2) JBS Claim

“The SBTi [Science Based Targets initiative] recognized the Net Zero Commitment of JBS.”

Target Claim:

“In 2019, The Science Based Targets initiative approved our climate goals and, in 2023, we updated them to reflect greater overall ambition and ensure continued alignment with the Corporate Net-Zero Standard.”

3) JBS Claim

“Leading change across the food industry and achieving [JBS's] goal of net zero by 2040 will be a challenge. Anything less is not an option.”



Target Claim:

“By 2040, Target commits to net zero greenhouse gas emissions¹ across our enterprise, and to engaging constructively with industry peers, value chain partners, external stakeholders and policymakers to help accelerate the transition to a zero-carbon economy.”

4) JBS Claim:

“JBS will achieve Net Zero greenhouse gas emissions, reducing its direct and indirect (scopes 1, 2 and 3) emissions.”

Target Claim:

“In addition to reducing scope 3 greenhouse gas emissions by an absolute 32.5% below 2017 levels by 2030 (covering retail Purchased Goods & Services, Upstream & Downstream transport² and Use of Sold Products GHG emissions), we have committed to reduce our scope 1 and 2 emissions by 55% below 2017 levels by 2030.”

5) JBS Claim:

“[JBS is] setting time-bound, science-based targets and backing them up with \$1 billion in capital over the next decade.”

Target Claim:

“Target is also engaged, alongside other major companies, in the Nebraska Soil Carbon Project, a five-year, \$8.5 million project to support Nebraska farmers in advancing soil health techniques. Target also provided an additional \$1.7 million in collaboration with MBOLD, The Nature Conservancy and Hormel Foods, to encourage Minnesota farmers to adopt regenerative farming practices.”

As this comparison makes plain, Target’s statements on emissions reduction goals expose the company to the same type of litigation JBS currently faces.

Costly litigation harms the consumer. And that is doubly so when one outcome of the litigation is the removal of food products from store shelves in order to meet climate commitments that should never have been made in the first place.

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Rather than continuing to mislead consumers with unrealistic goals while trying to comply with impossible-to-achieve emissions standards or trying in vain to ward off the risks of litigation by removing popular categories of product from store shelves (e.g., beef), Consumers' Research urges Target's management and board of directors to reassess its ESG statements and sustainability policies, disavow the types of positions that subjected JBS to litigation, and recommit to providing affordable high-quality products to consumers.

Failure to do so not only exposes Target to litigation risk from Attorneys General like Letitia James, it could also expose the company, its executives, and its directors to legal liability for refusing to recant these unfounded marketing claims while Target was aware of the problem and still had the opportunity to reduce or eliminate their exposure. As we have witnessed in a number of shareholder derivative suits recently, shareholders and elected officials have become increasingly litigious in cases where corporations have put at risk or sacrificed returns in order to engage in so-called "virtue signaling."

The JBS lawsuit by General James has made plain that there is risk lurking in the ESG and sustainability commitments of countless food producers, grocers, and food retailers. There is no better time than now for Target to course correct, remove this ESG risk, and pivot back to a pro-consumer approach to its business.

Sincerely,

Will Hild

Will Hild
Executive Director

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