



Will Hild
8300 Boone Boulevard Suite 500
Vienna, VA 22182
P: (202) 898 - 0542
info@consumersresearch.org

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Jane Fraser
Chief Executive Officer
Citibank
388 Greenwich Street
New York, NY 10013

Dear Mz. Fraser,

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 action taken by the New York Attorney General's office which highlighted a major risk to companies directly involved in financing and supporting the national food supply chain.

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, Attorney 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.”

Consumers' Research is concerned that it is only a matter of time before the banks that finance food supply production companies, like Citibank, 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 Citibank:

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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.”

Citibank Claim:

“We have committed to achieving net zero emissions associated with our financing by 2050, and net zero emissions for our operations by 2030.”

2) JBS Claim

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

Citibank Claim:

“This report summarizes our progress made to date toward continuing to incorporate climate risk and opportunity identification and management into our business strategy and disclosures. It presents information on efforts Citi is taking toward implementing the recommendations of the Task Force on Climate related Financial Disclosures (TCFD).”

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.”

Citibank Claim:

“Citi plays a vital role in the global economy, not just as facilitators of the capital markets but also as supporters of our clients as they engage in their own transitions. We will continue to work toward achieving our company’s net zero goals, pursuing our climate-related targets through engagement opportunities and the expansion of our financing efforts, including directing capital toward innovative, clean energy technologies and the necessary infrastructure for a more sustainable and inclusive energy transition.”

4) JBS Claim:



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

Citibank Claim:

“We are committed to achieving net zero GHG emissions for our financing by 2050. In 2021, we set interim targets for our most GHG-intensive sectors, Energy and Power. In 2022, we set interim targets for four additional GHG-intensive sectors.”

5) JBS Claim:

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

Citibank Claim:

“We set a goal to reach \$1 trillion in sustainable finance by 2030, financing and facilitating activity that is compatible with the U.N. Sustainable Development Goals (SDGs).”

As this comparison makes plain, Citibank’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 threatens food supply chain financing in order to meet climate commitments that should never have been made in the first place.

Rather than continuing to mislead consumers with unrealistic goals while trying to comply with impossibly attainable emissions standards or trying in vain to ward off the risks of litigation by decreasing financing in politically disfavored industries, Consumers’ Research urges Citibank to reassess its ESG statements and sustainability policies, disavow the types of positions that subjected JBS to litigation, and recommit to providing banking services to the companies that ensure Americans have affordable food on the table.

Failure to do so not only exposes Citibank 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 Citibank 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."

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The JBS lawsuit by General James has made plain that there is risk lurking in the ESG and sustainability commitments of countless financial companies. There is no better time than now for Citibank 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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