Rui Mendonça Junior
Chief Executive Officer
Marfrig
Avenida Queiroz Filho, 1560,
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Brazil

London, 14 December 2022

RE: Meat and dairy industries methane emissions

Dear Mr. Mendonça,

The need for action on methane is now widely recognised with 150 governments worldwide becoming signatories of the Global Methane Pledge, which was first introduced at the Climate Conference in Glasgow. On 15 November 2022, Changing Markets and the Institute for Agriculture and Trade Policy released a report, *Emissions Impossible: Methane Edition*, which calculated for the first time the methane emissions of five of the largest meat companies and 10 of the largest dairy companies, including Marfrig. The results showed that there continues to be an urgent need for major meat and dairy companies to rapidly cut their methane emissions. We are writing to you with some recommendations on this matter.

Our report revealed that the combined methane emissions of the 15 meat and dairy companies are roughly 12.8 million tonnes, which equates to over 80% of the European Union's entire methane footprint. These emissions represent around 3.4% of all global anthropogenic methane emissions and 11.1% of the world's livestock-related methane. The report also provides the latest estimates for the overall greenhouse gas (GHG) emissions, which amount to around 734 million tonnes of CO_2 equivalent – higher than the emissions of Germany. Concerningly, our report also reveals that none of the companies examined disclose methane emissions from their supply chains, while the overall GHG emissions report remains patchy, with only nine out of 15 companies reporting some level of their overall GHG emissions.

We estimated Marfrig's methane emissions to roughly 1.9 million tonnes. Methane is a significant part of your overall emissions, representing 50% of the overall GHG emissions (102.6 mt CO_2e), if calculated using GWP100, or 74% if calculated using GWP20 factors. When looking at company reporting, Marfrig reports Scope 1, 2 and 3 but does not separately report methane emissions from your supply chains.

The latest UN High-level Expert Group report,[1] *Integrity Matters: Net-zero Commitments by Businesses, Financial Institutions, Cities and Regions*, highlights the need to strenghten corporate net-zero pledges. The report sets out a powerful new standard for Net Zero targets and sets out clear recommendations for companies, including: companies must reduce their emissions '*as fast as possible*'; their targets must cover all GHG emissions in their supply chains (Scope 3) and 'include separate targets for material non-CO_2 greenhouse gas emissions', such as biogenic methane. Furthermore, companies must align all external policy and engagement efforts to the goal of reducing global emissions by 50% by 2030 – i.e. lobbying for positive climate action, not against it.

Our research showed that there is a significant lack of transparency about supply chain emissions, which makes independent verification of emissions data, and hence the verification of companies' net zero claims, difficult. For this reason, our *Emissions Impossible: Methane Emissions* report ends with the recommendations for meat and dairy companies:

- Set emissions reduction targets and action plans in line with the global goal of limiting temperature increase to 1.5°C. The focus must be on reducing the company's absolute emissions, rather than emissions intensity, including Scope 3 emissions. Companies should also include transparent reporting, including slaughter numbers and milk intake, to enable independent verification of their climate-related disclosures.
- Establish separate methane reduction targets and action plans to meet them, including separate reporting of methane emissions. Reporting should also include disclosure of investments in climate mitigation and adaptation measures.
- Reduce the number of animals in global supply chains and create a bottom-up just transition plan with farmers and workers in your global supply chains.
- Support progressive climate, environmental and health policies that will drive a shift to healthier and more environmentally sustainable diets.

Science tells us that we need to cut methane emissions by 40-45% within this decade if we are to limit global heating to 1.5˚C[2] and avoid climate catastrophe. The momentum to cut methane emissions worldwide thanks to the Global Methane Pledge – through the support of governments, civil society and investors –will also increase pressure on the private sector to report and address these emissions.

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[1] Full UN report here: https://www.un.org/sites/un2.un.org/files/high-level_expert_group_n7b.pdf

[2] UNEP (2021) Global assessment: Urgent steps must be taken to reduce methane emissions this decade. [ONLINE] Available at: https://www.unep.org/news-and-stories/press-release/global-assessment-urgent-steps-must-be-taken-reduce-methane

We would appreciate it if you could respond to this letter by 25 January 2023 and share with us your plans to address the recommendations set out in this letter and your plans to adjust your climate targets and reporting to the latest UN High-level report on *Integrity Matters: Net-zero Commitments by Businesses, Financial Institutions, Cities and Regions*. We remain at your disposal for any additional questions or information.

Yours sincerely,

Changing Markets Foundation, Nusa Urbancic, Campaigns Director
Institute for Agriculture and Trade Policy, Shefali Sharma, Director IATP Europe
Compassion in World Farming, Olga Kikou, Head of EU Office
Deutsche Umwelthilfe e.V. (Environmental Action Germany), Jürgen Resch, CEO
Feedback Global, Natasha Hurley, Head of Campaigns
Feedback EU, Frank Mechielsen, Executive Director
Madre Brava, Sarah Lake, Executive Director
Mighty Earth, Alex Wijeratna, Senior Director

CC: Abdias Machado, Sustainability Coordinator - Sustainable Livestock; José Antonio Ferreira, Coordenador de Meio Ambiente e Sustentabilidade; Aline Caio, Gerente de Comunicação