



### **Investor Statement: Recommendations for Meat Processors During COVID-19**

The undersigned investors and fiduciaries represent 118 institutions and \$2.3 trillion in combined assets; many of these investors are direct stakeholders, via equity or debt, in meat processing companies.

Meat and poultry processing plants have emerged as among the most dangerous hot spots in the U.S. for COVID-19<sup>1</sup>, with multiple facilities having been forced to close due to high numbers of infected workers.<sup>2</sup> For this reason, there is heightened concern among investors, legislators and the public for the essential frontline workers in this sector who are being exposed to increased health risks.<sup>3</sup>

A recent U.S. Executive Order designated meat processing plants as critical infrastructure that must remain open. Workers in these facilities have been deemed essential and exempt from state stay-at-home mandates; yet, to date,<sup>4</sup> the U.S. CDC reports numerous COVID-19 cases among U.S. workers in 115 meat and poultry processing facilities in 19 states<sup>5</sup>. The meat sector workforce often lacks access to paid sick leave and includes many workers at heightened risk – those fearful of losing their jobs, of calling in sick for fear of wage loss and reprisal by managers, or of speaking out against plant managers that skirt the law. These vulnerable workers include many immigrants, refugees, women, and people of color, and workers who may speak a different language.<sup>6</sup>

While we are acutely aware that the COVID-19 pandemic creates unprecedented economic challenges for businesses around the globe, companies have a responsibility to implement enhanced protections to protect workers fulfilling corporate operations and those in their supply chains. The pandemic exposes meat processing companies to reputational, legal and financial risks that may significantly disrupt operations if COVID-19 outbreaks in plants continue.

In an Investor Statement on the Coronavirus Response<sup>7</sup> released March 26th, 2020 and endorsed by 322 global institutional investors representing \$9.2 trillion USD in combined assets, investors made the case

---

<sup>1</sup> <https://www.cbsnews.com/news/u-s-meat-industry-a-top-source-of-new-covid-19-hotspots/>

<sup>2</sup> <https://investigatemitwest.org/2020/04/16/tracking-covid-19s-impact-on-meatpacking-workers-and-industry/>

<sup>3</sup> <https://www.cpr.org/2020/05/01/colorado-leads-nation-for-most-covid-19-deaths-connected-to-meat-processing-plants-sixth-greeley-jbs-employee-dies/>; <https://minnesota.cbslocal.com/2020/05/01/coronavirus-in-minnesota-nobles-county-reaches-866-known-cases-of-covid-19-most-traced-to-jbs-pork-plant/>; <https://www.washingtonpost.com/business/2020/04/25/meat-workers-safety-jbs-smithfield-tyson/>; <https://www.motherjones.com/food/2020/05/meatpacking-coronavirus-workers-factory-jbs-tyson-smithfield-covid-crisis-sacrifice-outbreaks-beef/>

<sup>4</sup> <https://www.whitehouse.gov/presidential-actions/executive-order-delegating-authority-dpa-respect-food-supply-chain-resources-national-emergency-caused-outbreak-covid-19/>

<sup>5</sup> [https://www.cdc.gov/mmwr/volumes/69/wr/mm6918e3.htm?s\\_cid=mm6918e3\\_x](https://www.cdc.gov/mmwr/volumes/69/wr/mm6918e3.htm?s_cid=mm6918e3_x)

<sup>6</sup> <https://cepr.net/meatpacking-workers-are-a-diverse-group-who-need-better-protections/>

<sup>7</sup> <https://www.iccr.org/investor-statement-coronavirus-response>

for enhanced worker protections during COVID-19, highlighting that *“board directors are accountable for long-term human capital management strategy; the companies they oversee have invested in their workforces and will be well served by having retained a well-trained and committed workforce when business operations are able to resume. Furthermore, the prospect of widespread unemployment will exacerbate the crisis and pose grave risks to basic social stability and the financial markets.”*

While several companies in the sector have implemented some enhanced safety measures, health protocols and worker benefits, we note the need to ensure these safeguards are implemented across all facilities and operations. Further, more actions are needed, including implementing the U.S. CDC and OSHA Meat and Poultry Processing Workers and Employers Guidance<sup>8</sup> issued on April 26, 2020. The President’s executive order makes the CDC and OSHA guidance voluntary, however we urge companies for the long-term sustainability of their operations and the health and safety of their employees to comply fully and in a manner that provides the greatest protection for workers. Importantly, while some are suggesting that compliance with guidelines covering workers should give companies guaranteed immunity from legal accountability in cases involving coronavirus infection, we believe such proposals would jeopardize the health and safety of workers and endanger public health.<sup>9</sup>

Processing companies with U.S. operations, such as Hormel, JBS S.A, Marfrig Global Foods SA (National Beef), Pilgrim's Pride, Sanderson Farms, Seaboard, Smithfield/WH Group, and Tyson Foods, need to demonstrate how they will meet the dual challenges of maintaining meat production while prioritizing worker protection and safety in the coming months and beyond.

**We urge companies to put in place and monitor the following recommendations. If taken, these steps will better protect workers, and by extension, their families and broader communities:**

- Enforce physical distancing. In most cases, this requires a reduction in line speed<sup>10</sup> in order to minimize the spread of the virus. The company should end any lobbying efforts that seek to pressure the USDA to grant line speed waivers; withdraw all pending company applications for line speed waivers in all species; and suspend line speed increases in all plants where line speed increases have already been implemented;
- Provide wage increases (rather than lump sum future bonuses contingent on uninterrupted attendance) to reflect the increased risks to workers, and full paid sick-leave for all workers who test positive for COVID-19 and for those workers who were in close contact with infected individuals;
- Provide personal protective equipment, including the most effective respirators available, to all workers on the production floor at the beginning of every shift, with appropriate fit testing and training on proper donning and doffing procedures, in languages workers understand;
- After thoroughly cleaning and sanitizing each plant, require all workers to be tested before entering the plant. Then mandate retesting and quarantining of all employees who

---

<sup>8</sup> <https://www.cdc.gov/coronavirus/2019-ncov/community/organizations/meat-poultry-processing-workers-employers.html>

<sup>9</sup> <https://centerjd.org/content/fact-sheet-unsafe-harbors-problem-unsafe-immunity-proposals>; <https://www.politico.com/news/2020/04/28/trump-to-order-meat-plants-to-stay-open-215555>

<sup>10</sup> <https://www.usatoday.com/story/news/2020/04/24/usda-let-poultry-plants-move-faster-crowd-lines-covid-coronavirus-spread-meat-packing-workers/3013615001/>

subsequently have had confirmed contact with other infected persons before allowing them back in the plant;

- Ensure testing is available for workers and their family members or those living in the same residence with workers;
- Work closely with regulatory agencies to provide regular and timely updates on the number of new cases in each plant, the number of deaths, and other relevant information which can reasonably be done while maintaining confidentiality of individual employees;
- Respect workers' rights to freedom of association, to organize a union and to bargain collectively, free from retaliation, as recognized by the UN through its International Labour Organization (ILO) Conventions.
- In non-union plants, implement systems and policies to both protect workers from retaliation and encourage workplace safety and risk reporting, in order to ensure that all workers report any workplace safety lapses or symptoms of illness. This would include education for all employees, reporting mechanisms for workers' safety and health concerns, and hiring external auditors to monitor the integrity and use of such systems for improved effectiveness and for the purposes of remediation.
- Clarify that the company opposes any and all federal or state policies that would deny meatpacking and poultry workers unemployment benefits or stimulus relief for refusing to go back to work for fear of contracting COVID-19.<sup>11</sup>
- Ensure all measures and benefits are applicable to all employees regardless of immigration status.
- Publicly report on implementation of steps taken to ensure the long-term sustainability of company operations and employee health and safety during the pandemic. Our request to you is consistent with the April 8th statement on "The Importance of Disclosure – For Investors, Markets and Our Fight Against COVID-19<sup>12</sup>" from the U.S. Securities and Exchange Commission Chairman Jay Clayton and Corporation Finance Director William Hinman, requesting that company disclosures reflect "how the company's COVID-19 response, including its efforts to protect the health and well-being of its workforce and its customers, is progressing", and acknowledging that "historical information may be relatively less significant".

Failure to take all necessary actions that prioritize the safety and health of workers, to act responsively to employee concerns, and instill the trust and confidence of staff in company actions, may hinder production recovery efforts and the continuity of business operations. In contrast, employee absenteeism is likely to decrease when workers see a spectrum of effective strategies being implemented to keep them safe and financially secure if they happen to contract COVID-19 in the workplace.

We believe the pandemic presents an opportunity for meat processors to authentically solicit worker input regarding improvements to production, safety, and workplace practices without negative consequences, and to enforce health and safety protocols among managers/supervisors. This feedback

---

<sup>11</sup> <https://www.thenation.com/article/politics/meatpacking-coronavirus-class-war/>

<sup>12</sup> <https://www.sec.gov/news/public-statement/statement-clayton-hinman>

could well result in systemic improvements that will benefit the sector when the pandemic subsidies and more predictable production schedules are allowed to resume. These improvements will bolster the confidence of the investment community, and the public more broadly.

a.s.r. asset management	Abacus Wealth Partners
Achmea Investment Management	ACTIAM
Adrian Dominican Sisters, Portfolio Advisory Board	Align Impact
American Baptist Home Mission Society	As You Sow
Atkinson Foundation	Aviva Investors
Bank J. Safra Sarasin Ltd.	Beyond Investing
BMO Global Asset Management	Boston Common Asset Management
Boston Trust Walden	CCOO, FP
Christian Brothers Investment Services, Inc. (CBIS)	Colorado State Treasurer
Comitato Lady Lawyer Village	Committee on Mission Responsibility Through Investment of the Presbyterian Church U.S.A.
Communications Workers of America	Congregation of Holy Cross, Moreau Province
Congregation of Sisters of St. Agnes	Congregation of St. Basil
Congregation of St. Joseph	CoreCommodity Management, LLC
CorpGov.net	CREA: Center for Reflection, Education and Action
Daughters of Charity, Province of St. Louise	Dana Investment Advisors
Domini Impact Investments LLC	Dominican Sisters - Grand Rapids (MI)
Dominican Sisters of Sinsinawa	Dominican Sisters of Sparkill
Erste Asset Management GmbH	Everence and the Praxis Mutual Funds
Felician Sisters of North America	Figure 8 Investment Strategies
Franciscan Sisters of Allegany NY	Future Super
Green America	Grey Nuns of the Sacred Heart
Harrington Investments, Inc.	Hexavest
Investor Advocates for Social Justice	Jesuit Committee on Investment Responsibility
Jesuits of the US Central and Southern Province	JLens Investor Network
Jupiter Asset Management	Karner Blue Capital
KLP	Marist Fathers and Brothers

Maryland and USA Northeast Provinces of the Society of Jesus

McKnight Foundation

Middletown Works VEBA

Missionary Oblates/OIP Trust

NEI Investments

Newground Social Investment

Northern LGPS

Northwest Coalition for Responsible Investment

Pacifica Partners Inc.

Promethos Capital

Region VI Coalition for Responsible Investment

Riverwater Partners

Robeco

Rose Foundation for Communities and the Environment

School Sisters of Notre Dame, Central Pacific CR Committee

SharePower Responsible Investing

Sisters of Charity, BVM

Sisters of Mary Reparatrix

Sisters of St. Dominic of Blauvelt, New York

Sisters of St. Francis Charitable Trust

Sisters of St. Joseph of Boston

Sisters of the Humility of Mary

Socially Responsible Investment Coalition

St. Mary's Institute

Sustainable Insight Capital Management

Sycamore AM

The Local Authority Pension Fund Forum

Maryland State Treasurer

Mercy Investment Services, Inc.

Miller/Howard Investments, Inc.

Natural Investments

New York City Comptroller's Office

Nordea Asset Management

NorthStar Asset Management, Inc.

Oxfam America

PIRC Limited

Province of St. Mary of the Capuchin Order

Reynders, McVeigh Capital Management

Robasciotti & Philipson

Robert F. Kennedy Human Rights Compass Investor Program

RRSE (Regroupement pour la responsabilité sociale des entreprises)

Seventh Generation Interfaith, Inc.

Sisters of Bon Secours USA

Sisters of Charity, Halifax

Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA

Sisters of St. Dominic of Caldwell

Sisters of St. Francis of Philadelphia

Sisters of St. Joseph of Springfield

Sisters of the Presentation of the Blessed Virgin Mary

Sophia University

State of Rhode Island

Sustainable Value Investors

T'ruah: The Rabbinic Call for Human Rights

The Province of Saint Joseph of the Capuchin Order

The Trustees of the UNISON Staff Pensions Scheme

Trusteam Finance

United Methodist Women

USA Midwest Province Jesuits

Vancity Investment Management

Zevin Asset Management

Trinity Health

Unitarian Universalist Association

Ursuline Convent ,Toledo, OH

USA-West Province of the Society of Jesus

Vert Asset Management

100% Sustainability