WHITE & CASE

January 8, 2021

White & Case LLP
1221 Avenue of the Americas
New York, NY 10020-1095
T +1 212 819 8200

whitecase.com

VIA E-MAIL (shareholderproposals@sec.gov)

Office of Chief Counsel
Division of Corporation Finance
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549

Re: Pilgrim's Pride Corporation - Omission of Shareholder Proposal Submitted by Mercy Investment Services, Inc. and Adrian Dominican Sisters

Ladies and Gentlemen:

On behalf of our client, Pilgrim's Pride Corporation, a Delaware corporation (the "**Company**"), we hereby respectfully request confirmation that the staff (the "**Staff**") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "**SEC**") will not recommend enforcement action to the SEC if, in reliance on Rule 14a-8 ("**Rule 14a-8**") under the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), the Company omits from its proxy statement and form of proxy for the 2021 annual meeting of its shareholders (the "**2021 Proxy Materials**") the shareholder proposal and supporting statement attached hereto as **Exhibit A** (the "**Proposal**") submitted by Mercy Investment Services, Inc., as lead filer, and Adrian Dominican Sisters, as co-filers (collectively, the "**Proponents**"), for inclusion in the 2021 Proxy Materials. Copies of correspondence with the Proponents regarding the Proposal are attached hereto as **Exhibit B**. The Company has not received any other correspondence relating to the Proposal.

In accordance with Rule 14a-8(j), we are:

- submitting this letter not later than 80 days prior to the date on which the Company intends to file definitive 2021 Proxy Materials; and

- simultaneously providing a copy of this letter and its exhibits to the Proponents, thereby notifying the Proponents of the Company's intention to exclude the Proposal from its 2021 Proxy Materials.

Pursuant to Staff Legal Bulletin No. 14D ("**SLB 14D**"), we are submitting this request for no-action relief under Rule 14a-8 by use of the SEC email address, shareholderproposals@sec.gov (in lieu of providing six additional copies of this letter pursuant to Rule 14a-8(j)), and the undersigned has included her name and telephone number in this letter and the cover email accompanying this letter. In accordance with Rule 14a-8(j) of the Exchange Act and SLB 14D, copies of this letter and its attachments are also concurrently being sent to the Proponents as notice of the Company's intent to exclude the Proposal from the 2021 Proxy Materials.

Rule 14a-8(k) and SLB 14D provide that shareholder proponents are required to send companies a copy of any correspondence that the proponents elect to submit to the SEC or the Staff. Accordingly, the Company is taking this opportunity to inform the Proponents that if the Proponents elect to submit additional correspondence to the SEC or the Staff with respect to the Proposal, a copy of that correspondence should concurrently be furnished to the undersigned on behalf of the Company pursuant to Rule 14a-8(k) and SLB 14D.

Proposal

The Proposal states as follows (with footnote citations removed for ease of review):

> "**WHEREAS:** Meat production is the leading source of water pollution in the U.S., exposing 5.6 million Americans to nitrates in drinking water and toxic algal blooms. Cultivation of feed ingredients for the 45 million chickens produced weekly by Pilgrim's is a source of water pollution from fertilizer washing off fields if improperly managed. Manure from over 4,900 poultry farms supplying Pilgrim's may contain nutrients, antibiotic-resistant bacteria, and pathogens which can pollute waterways, endangering public health and the environment. Pilgrim's is therefore vulnerable to regulatory actions to mitigate these pollution streams.
>
> Several states where Pilgrim's has processing operations have tightened requirements related to nutrient management, manure disposal, field application of manure, and groundwater monitoring for animal agriculture. At the federal level, the Farm System Reform Act would pose significant operational challenges to vertically integrated meat processors. Introduced in May 2020, the law is motivated by concerns pertaining to the health and environmental externalities associated with meat production.
>
> Pilgrim's disclosures and policies lag those of its peers. Tyson Foods has committed to support improved fertilizer practices on two million acres of corn. Sanderson Farms now uses SASB standards to report its plans to manage risks specifically associated with supply chain water pollution. Sanderson's disclosure renders Pilgrim's the sole remaining large, publicly-traded poultry processor failing to report to shareholders how it intends to manage these risks.
>
> Additionally, many of Pilgrim's largest customers increasingly expect their meat suppliers to improve mitigation of pollution streams.
>
> Failing to address this risk may harm Pilgrim's position as a competitive supplier.
>
> Pilgrim's is working to reduce the *quantity* of the water it uses and has a policy requiring 'vendors' to comply with applicable environmental laws and regulations, encouraging them to 'use best efforts to meet industry best practices and standards and responsibly manage the environmental impact of their operations.' However, neither Pilgrim's disclosures nor its policies specifically address the primary drivers of the company's water pollution footprint, including manure from contracted facilities and nutrient runoff from feed crops. Pilgrim's disclosures lack sufficient detail to assure investors that it is adequately managing the risks associated with water pollution within its supply chain.
>
> **RESOLVED:** Shareholders of Pilgrim's Pride Corporation request a report assessing if and how the company plans to increase the scale, pace, and rigor of its efforts to reduce water pollution from its supply chain. This report should omit proprietary information, be prepared at reasonable cost, and be made available to shareholders by December 1, 2021.
>
> **Supporting statement:**
>
> Although we defer to management for the precise contents, investors believe that meaningful disclosure within the report could include:
>
> - requirements for manure management practices intended to prevent water pollution
> - requirements for leading practices for nutrient management and pollutant limits throughout contract farms and feed suppliers, with a focus on verifiably reducing nitrate contamination
> - plans to verify suppliers' compliance with Pilgrim's policies"

Basis for Exclusion

On behalf of the Company, we respectfully request that the Staff concur in the Company's view that it may exclude the Proposal from the 2021 Proxy Materials pursuant to Rule 14a-8(i)(7), as the Proposal relates to the Company's ordinary business operations.

Analysis

Company Background

As one of the world's largest chicken producers, the Company operates primarily in the United States (the "**U.S.**"), the United Kingdom (the "**U.K.**") and continental Europe and Mexico, and distributes to retailers, foodservice distributors and restaurants. The Company offers varied food products, including prepared foods, ready-to-eat meals, frozen foods, pre-packed meats and other meat products. The Company and its subsidiaries operate under various brands catering to diverse demographics, including Pilgrim's®, Just BARE®, Gold'n Pump®, Gold Kist®, County Pride Chicken®, Pierce Chicken®, Pilgrim's® Mexico, County Post®, Savoro, To-Ricos, Del Dia®, Moy Park, and O'Kane.

In the U.S., the Company does not own poultry facilities, and instead works in partnership with family farmers to whom it provides poultry and feed, as well as technical and veterinary services. In Europe and Mexico, the Company owns poultry facilities, in addition to working with family farmers.[1] Approximately 50% of the Company's hogs are sourced from its integrated supply chain.[2] The Company utilizes various raw materials in its operations, from which the Company produces its own formulated feeds in feed mills. For the feed ingredients used in the Company's U.S. and Mexico operations, the Company sources mainly corn and soybean, and in its U.K. and Europe operations, wheat, soybean and barley.

In conjunction with management, the Company's Board of Directors (the "**Board**") reviewed the Proposal within the context of the Company's business. The Board believed it was important to delegate this analysis of the Proposal to a subset of the Equity Nominating Committee (the "**Committee**"), which is comprised of directors whose election is determined the Company's minority investors (*i.e.*, investors other than the Company's controlling shareholder and its affiliates). The analysis of the Committee, as conducted by this subset, included on page 11 of this Letter.

Exclusion of the Proposal under Rule 14a-8(i)(7)

The Proposal is properly excludable from the 2021 Proxy Materials, as the Proposal's underlying subject matter relates to the Company's ordinary business operations and the Proposal attempts to micro-manage the Company by probing into matters of a complex nature that are the appropriate responsibility of the Company's management and Board. Additionally, as concluded by the Committee, despite dealing with water pollution, the Proposal does not focus on matters transcending ordinary business operations, and the difference between the Company's existing practices and the Proposal's requests do not represent a significant policy issue.

A. *A Proposal May Be Excluded if It Involves Matters Relating to a Company's Ordinary Business Operations.*

Under Rule 14a-8(i)(7), a proposal is excludable if it "deals with a matter relating to the company's ordinary business operations." In 1998, when the SEC adopted amendments to Rule 14a-8, it outlined two central considerations that determine whether a proposal is excludable under Rule 14a-8(i)(7). The first consideration relates to when a proposal concerns tasks "so fundamental to management's ability to run a company on a day-to-day basis that they could not, as a practical matter, be subject to direct shareholder oversight." The second consideration relates to "the degree to which the proposal seeks to 'micro-manage' the company by probing too

---

[1] Sustainability Report, "Suppliers: Poultry Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/poultry-suppliers/.
[2] Sustainability Report, "Suppliers: Beef, Lamb and Pork Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/beef-lamb-pork-suppliers/.

deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment." *See SEC Release No. 34-40018* (May 21, 1998) (the "***1998 Release***"). In the 1998 Release, the SEC also explained that the second consideration may come into play in a number of circumstances, "such as where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies." *See also PayPal Holdings, Inc.* (avail. Mar. 6, 2018). As noted in Staff Legal Bulletin No. 14J (Oct. 23, 2018) ("**SLB 14J**") and Staff Legal Bulletin No. 14K (Oct. 16, 2019) ("**SLB 14K**"), in considering arguments for exclusion based on micro-management, the Staff will also look to whether a proposal "imposes a specific strategy, method, action [or] outcome…for addressing an issue, thereby supplanting the judgment of management and the board." *SLB 14K*.

The 1998 Release and later Staff Legal Bulletin No. 14E (Oct. 27, 2009) distinguished proposals pertaining to ordinary business matters from those involving "significant social policy issues." Significant social policy issues are not excludable under Rule 14a-8(i)(7) because they "transcend the day-to-day business matters and raise policy issues so significant that it would be appropriate for a shareholder vote." *1998 Release*. In SLB 14K, the Staff noted that "a policy issue that is significant to one company may not be significant to another." In this regard, the Staff explained in Staff Legal Bulletin No. 14I (Nov. 1, 2017) that a "board acting…with the knowledge of the company's business and the implications for a particular proposal on that company's business is well situated to analyze, determine and explain whether a particular issue is sufficiently significant because the matter transcends ordinary business and would be appropriate for a shareholder vote." Moreover, in SLB 14J, the Staff indicated, and in SLB 14K confirmed, that a well-developed discussion of the board's analysis that focuses on specific substantive factors "can assist the Staff in evaluating a company's no-action request." *SLB 14J*. To assess whether a proposal impermissibly micro-manages ordinary business or instead involves significant policy issues, the Staff has stated that it reviews both the terms of the resolution and its supporting statement as a whole, evaluating whether "a supporting statement modifies or re-focuses the intent of the resolved clause, or effectively requires some action in order to achieve the proposal's central purpose as set forth in the resolved clause." *SLB 14K*.

A shareholder proposal framed in the form of a request for a report does not change the nature of the proposal. A proposal requesting the dissemination of a report may be excludable under Rule 14a-8(i)(7) if the subject matter of the report is within the ordinary business of the issuer. *See* Exchange Act Release No. 20091 (Aug. 16, 1983). In addition, the Staff has indicated that "[where] the subject matter of the additional disclosure sought in a particular proposal involves a matter of ordinary business…it may be excluded under [R]ule 14a-8(i)(7)." *Johnson Controls, Inc.* (avail. Oct. 26, 1999). This is true even where the proposal only recommends, without specifically demanding, disclosure of ordinary business subtopics. *See, e.g.*, *Salesforce.com, Inc.* (avail. Apr. 9, 2020) (allowing the company to omit on ordinary business grounds a proposal calling for a report on "potential risks associated with [omissions] … from its written equal employment opportunity (EEO) policy" and "*recommending* that the report evaluate risks including, but not limited to, negative effects on employee hiring and retention, as well as litigation risks from conflicting state and company anti-discrimination policies") (emphasis added); and *TJX Companies* (avail. Mar. 20, 2020) ("***TJX***") (allowing exclusion of a proposal asking for a "report on prison labor…assessing the effectiveness of current company policies for preventing prison labor in the company's supply chain" and "*recommending* that the report, at the board's discretion, provide quantitative metrics [on] supplier audits...and…evaluate any risks to finances, operations, and reputation") (emphasis added)).

B. The Proposal Micro-manages the Company in Probing into Day-to-Day Business Matters of a Complex Nature on Which Shareholders, as a Group, Would Not Be in a Position to Make an Informed Decision.

The Proposal should be excluded from the Company's 2021 Proxy Materials as it impermissibly micro-manages the Company's day-to-day affairs, seeking a report on water pollution and manure and nutrient management technologies and goals in the complex area of the Company's supplier relationships.

i. The Proposal Relates to the Ordinary Business Area of Supply Chain Management.

The Proposal intrudes on the Company's selection and management of suppliers and the enforcement of suppliers' compliance with Company standards, both well-recognized areas of ordinary business operations under SEC precedent. As discussed in the 2019 Sustainability Report (the "**Sustainability Report**"), the Company's supplier relationships and the use of its supplier code of conduct involve highly nuanced factors, which are well known to management from its day-to-day decision-making, yet lie far beyond the reach of broad shareholder oversight. While the Company remains committed to mitigating water risks in its supply chain, the Proposal represents excludable interference in day-to-day business operations. In requesting narrowly targeted and detailed disclosure on water pollution, the Proposal overrides management's judgment on how to balance the competing interests of supply chain administration described in the Sustainability Report (including diverse sustainability initiatives, regulatory compliance and commercial considerations), and asks management to discount these closely studied priorities, merely because they might be incompatible with the specific aspects of the report.

a. The Proposal Relates to Supplier Retention.

The Proposal supplants the judgment of Company management on supplier retention and forces the Company to focus its supply chain management disclosure on water pollution, a limited aspect of its supply chain, without regard to the multidimensional considerations behind its supply chain management. Supplier retention was identified as an ordinary business matter under Rule 14a-8(i)(7) in the 1998 Release, and the Staff has consistently concurred in the exclusion of proposals that deal generally with supplier relationships, including reports on matters implicating those relationships. *See Wendy's Co.* (avail. Mar. 2, 2017) (granting Rule 14a-8(i)(7) no-action relief for a proposal asking the company to take steps to join a fair labor standards program and issue a report on those efforts, where the company argued that the proposal would hinder management's ability to "select and approve satisfactory [s]uppliers"); *Alaska Air Group, Inc.* (avail. Mar. 8, 2010) (concurring in the exclusion of a proposal that requested a report discussing the maintenance and security standards used by the company's aircraft contract repair stations and the company's procedures for overseeing maintenance performed by the contract repair stations, as the proposal concerned "decisions relating to vendor relationships [which] are generally excludable under rule 14a-8(i)(7)"); *The Southern Co.* (avail. Jan. 19, 2011) (concurring in the exclusion under Rule 14a-8(i)(7) of a proposal requesting that the company "strive to purchase a very high percentage" of "Made in USA" goods and services on the grounds that it concerned "decisions relating to supplier relationships"); and *Seaboard Corp.* (avail. Mar. 3, 2003) (concurring in the exclusion of a proposal that requested a report discussing its suppliers' use of antibiotics in hog facilities).

In fact, the Staff has granted no-action relief on a water pollution reporting proposal similar to the one here, on the very grounds that it dealt with supply chain management. In *Kraft Foods Inc.* (avail. Feb. 23, 2012) ("***Kraft Foods***"), the company obtained no-action relief to omit a proposal asking it to "report to shareholders…detailing the ways in which [it was] assessing water risk to its agricultural supply chain," because, as the Staff noted, "decisions relating to supplier relationships…are generally excludable under Rule 14a-8(i)(7)." *Id.* The company, a multinational food provider, cited its "direct and indirect relationships with approximately 100,000 suppliers, many of which produce a wide range of agricultural products" and explained the complex facets of its sourcing decisions inaccessible to shareholders. *Id.*

Like in *Kraft Foods* and the above-cited precedents, the Proposal relates directly to the Company's ordinary business operations of selecting and managing suppliers. Supplier retention is at the heart of the Proposal, with the resolved clause asking for a report on the Company's "efforts to reduce water pollution from its supply chain." The Proposal's supporting statement evinces a clear intent to regulate the Company's supply chain, including *both* feed suppliers and contract growers, citing that "manure from over 4,900 poultry farms supplying Pilgrim's may contain nutrients, antibiotic resistant bacteria and pathogens which can pollute adjacent waterways…" and identifying "primary drivers of the [C]ompany's water pollution footprint [as] including manure from contracted facilities and nutrient runoff from feed crop." And, just as in *Kraft* and the above-cited precedents, due to the number, variety and complexity of its supplier relationships across geographies and brands, the Company's supply chain decisions involve multifaceted matters, including sustainability and social engagement, compliance with laws and regulations and commercial factors, upon which shareholders are not suited to make an informed judgment.

The Company's suppliers range from small business partners that raise chickens and hogs to large, multinational companies that manufacture and provide services for the Company's production facilities.[3] According to the

[3] Sustainability Report, "Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/.

Sustainability Report, as of 2019, the Company has more than 13,000 manufacturing suppliers, which includes feed ingredient suppliers that supply raw materials used in the Company's feed mills.[4] The Company also has an extensive network of more than 6,300 independent growers of poultry, pork and other meats across multiple countries and regions.[5] This includes more than 4,900 poultry "family farm partners" in the U.S., Puerto Rico, Mexico and Europe, which received more than $1.3 billion from the Company to raise more than 2.3 billion chickens in 2018,[6] 930 pork "family farm partners," which received more than $351.7 million from the Company to raise more than 2.9 million hogs in 2019, and 450 lamb "family farmer partners," which received more than $10.8 million from the Company to raise more than 246,500 lambs in 2019.[7] The Company defines a "family farm partner" as any farm organized as a sole proprietorship, partnership or family corporation where the majority of the business is owned and controlled by a person and his or her relatives.[8] The wide range of factors that go into supplier retention determinations is summarized below.

- *Manufacturing Suppliers:* The Company evaluates all potential manufacturing suppliers (which includes feed suppliers) based on several criteria. These include legal and regulatory compliance, as well as ordinary business considerations such as commercial offering, supply flexibility and responsiveness, service, risk management, quality, price (including commodity prices), reliability, financial capability, reputation, experience, transportation, labor issues (including regional labor regulations) and the agricultural policies of U.S. and foreign governments.[9] When assessing new manufacturing suppliers, the Company also prioritizes local companies, as they are often cost-competitive.[10]

  Specific Company brands also have initiated their own programs to enhance sustainability initiatives, including deforestation and carbon emissions, in their manufacturing supply chains. For instance, Moy Park Ltd. ("**Moy Park**") in the Company's U.K. and Europe segment, has established a Responsible Sourcing Soy Policy for the soy feed given to its chickens, which contemplates due diligence on and sets requirements for the sourcing of soy within Moy Park's supply chain, in order to meet a goal of zero-deforestation soy in that supply chain by 2025.[11] Similarly, Tulip Ltd. ("**Tulip**"), another brand in the Company's U.K. and Europe segment, endeavors that soy sourced to feed Tulip-owned, high welfare is certified by the Roundtable for Responsible Soy,[12] and aims to maximize the use of raw materials and byproducts to reduce its carbon footprint.[13]

- *Contract Growers Generally:* The Company's livestock sourcing decisions likewise implicate numerous complex factors. In addition to the commercial considerations for manufacturing suppliers, the Company assesses the quality and health of livestock offered by suppliers and the prices of offered livestock (including as compared to feed ingredients). The Company also takes into account certain

---

[4] *Id.*
[5] *Id.*
[6] Sustainability Report, "Suppliers: Poultry Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/poultry-suppliers.
[7] Sustainability Report, "Suppliers: Beef, Lamb and Pork Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/beef-lamb-pork-suppliers/.
[8] Sustainability Report, "Suppliers: Poultry Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/poultry-suppliers.
[9] Sustainability Report, "Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/.
[10] *Id.*
[11] Moy Park, "Suppliers," *available at* https://moypark.com/sustainability/suppliers; Sustainability Report, "Pilgrim's Moy Park: Responsible Sourcing Soy Policy," *available at* https://sustainability.pilgrims.com/stories/responsible-sourcing-soy-policy/.
[12] Sustainability Report, "Suppliers: Beef, Lamb and Pork Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/beef-lamb-pork-suppliers/.
[13] Pilgrim's UK, "Sustainable Farming: An uncompromising focus," *available at* https://www.pilgrimsuk.com/sustainability/sustainable-farming/.

sustainability concerns based on the demands of the brand(s) its suppliers serve, with brands operating in varied demographic and price markets. While the Company assesses pollution in reviewing suppliers, the Company focuses on vetting new and existing farms via different auditing standards concerned with animal welfare, food health and safety, and regulatory compliance.

Poultry Farms[14]

- In the U.S., the Company audits a select subset of its family farm partners according to the Animal Welfare Program requirements, conducted by internal Professional Animal Auditor Certification Organizations certified team members and external, third-party auditors.
- In Mexico, farms are audited in compliance with Mexican government standards, including the Ministry of Agriculture and Rural Development, the Mexico-U.S. Commission for the Prevention of Diseases and Other Exotic Animal Diseases, the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food, the Ministry of the Environment and Natural Resources and the Secretariat of State Civil Protection.
- In Europe, poultry farms receive approval under the Red Tractor or equivalent farm assurance standards for food products, which consider animal welfare, safe production and responsible sourcing, and are audited by independent, approved certification bodies.
- To meet the specific sustainability-related demands of its consumers, the Company sources poultry products with varying requirements and certifications. Depending on the brand and program, these include compliance with the American Human Certified™ Farm Assessment Program, feeding chickens a 100% vegetable and grain-based diet, U.S. Department of Agriculture organic certification and ensuring chickens do not receive antibiotics.

Pork Farms[15]

- The Company supplies its pork by considering animal welfare, safe production and responsible sourcing standards similar to those of the Company's poultry. Its contract farmers must raise pork according to the Royal Society for Prevention of Cruelty to Animals, Red Tractor farm assurance standards or the Quality of Meat standards.
- Certification and third-party audits according to these standards are required to sell hogs to Company production facilities.

- *All Suppliers:* The Company highly values establishing long-term relationships with suppliers built on trust and shared values, with 4,578 U.S. and Puerto Rico suppliers having partnered with the Company for an average of ten years and over 2,200 Mexico suppliers having partnered with the Company for an average of seven years as of the date of the Sustainability Report.[16] The Company also strives to work with minority-owned businesses where possible.[17] Various Company brands also espouse values specific to the regions and suppliers where they work. For instance, at Tulip, an emphasis is placed on suppliers who pay fair wages and are open to training for ethical employment and modern slavery awareness.[18]

With these factors in mind, the Company regularly analyzes its suppliers and reviews ways to mitigate myriad risks and increase efficiencies in its supply chain. Although the Company is committed to reducing water pollution from its suppliers, a report focused only on this topic would compel management to artificially restrict its view of its supply chain and overlook the key sustainability, regulatory compliance and commercial factors it considers each

[14] Sustainability Report, "Suppliers: Poultry Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/poultry-suppliers.
[15] Sustainability Report, "Suppliers: Beef, Lamb and Pork Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/beef-lamb-pork-suppliers/.
[16] Sustainability Report, "Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/.
[17] *Id.*
[18] Pilgrim's UK, "Sustainable Farming: An uncompromising focus," *available at* https://www.pilgrimsuk.com/sustainability/sustainable-farming/.

day when selecting and retaining suppliers. As it looks to substitute broad shareholder views for detailed judgments of management in the ordinary business area of supply chain management, the Proposal is excludable under Rule 14a-8(i)(7).

b. The Proposal Relates to Ongoing Supervision of Supplier Conduct.

The Proposal seeks to influence how the Company monitors the conduct of its contract growers and feed suppliers, another improper matter for direct shareholder oversight. The Staff has allowed the exclusion of proposals asking for reports on the application and enforcement of supplier codes of conduct and compliance norms. In *Foot Locker, Inc.* (avail. Mar. 3, 2017), the proposal requested a report outlining "the steps that the company is taking, or can take, to monitor the use of subcontractors by the company's overseas apparel suppliers," including "[t]he extent to which company codes of conduct are applied to apparel suppliers and sub-contractors; [and the] process and procedures for monitoring compliance with corporate codes of conduct by apparel suppliers and subcontractors." *Id.* In concurring with exclusion of the proposal, the Staff found that "the proposal relates broadly to the manner in which the company monitors the conduct of its suppliers and their subcontractors," relying on the company's view that such supervision requires understanding day-to-day business issues. *Id. See also McKesson Corp.* (avail. June 1, 2017) (permitting the omission of a proposal requesting that the company, a pharmaceuticals distributor, report on systems it employed on behalf of suppliers to prevent the diversion of restricted medicines to prison executions, based on the company's claim that the proposal implicated "the terms of [supplier/vendor] agreements and the day-to-day decisions regarding compliance with those agreements"); and *TJX* (allowing exclusion under Rule 14a-8(i)(7) because the requested report involved the company's monitoring of its vendors for prison labor). The same concerns about shareholder regulation of commercial relationships with independent third parties led to the Staff to grant no-action relief to omit a water management proposal similar to the Proposal in *Dunkin Brands Group, Inc.* (avail. Mar. 1, 2016) ("***Dunkin***") (concurring in the exclusion based on Rule 14a-8(i)(7) of a proposal seeking a report on "strategies on water use management…related to toilets in retail facilities," based on the company's argument that nearly all of its locations were franchises and "it is the individual franchisees' responsibility to make certain routine business decisions such as the management of its water use and conservation").

As in *Foot Locker* and the above-cited precedents, the Proposal interferes with the Company's ordinary business decisions about applying and enforcing its supplier codes of conduct. The Proposal states that "investors believe" that meaningful disclosure would discuss "supplier compliance requirements for leading practices…throughout contract farms and feed suppliers...[and] plans to verify suppliers' compliance with Pilgrim's policies." The Proposal also critiques the Company's existing "policy requiring 'vendors' to comply with applicable environmental laws and regulations" as mere encouragement "to use best practices and standards."

Company determinations of how to apply and enforce its supplier code of conduct (the "**Supplier Code of Conduct**") rest on intricate factors, which stem from the size and geographic scope of the Company's supply chain. These include compliance with laws, quality control, labor management, contract negotiation, resource management and the treatment of confidential information. A report that focuses solely on water pollution norms in the Supplier Code of Conduct would also discount the many critical "social" interests management has in implementing the code, such as promoting sustainable yet independent small businesses and preserving longstanding relationships. As described in Section B.i above, the Company makes a priority of ensuring that its livestock suppliers comply with animal welfare, health and safety and other local regulatory standards, as well as of creating long-lasting bonds with trusted partners. The Company also strives to support its suppliers, especially family farm and smaller contract growers, in their efforts to run their businesses wisely and build independent and sustainable enterprises.[19]

The Supplier Code of Conduct requires that all suppliers comply with all local, state and federal environmental regulations applicable to their operations, and "use best efforts to meet industry best practices and standards and responsibly manage the environmental impact of their operations."[20] While the Company may later choose to

[19] Sustainability Report, "Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/.
[20] Supplier Code of Conduct, *available at* https://sustainability.pilgrims.com/stories/supplier-code-of-conduct/.

expand the scope of its Supplier Code of Conduct, management has closely tailored the current code to the Company's needs, based on detailed analysis. Thus, the Proposal is properly excludable under Rule 14a-8(i)(7) because it seeks a report concerning management decisions regarding compliance with a supplier code of conduct, an issue fundamental to the Company's ability to operate on a day-to-day basis.

ii. The Proposal Looks to Micro-manage the Company by Seeking Disclosure of Detailed Methods and Techniques and Set Objectives for Reducing Supply Chain Water Pollution.

The Proposal merits exclusion as it seeks to micro-manage the Company's supplier relationships in its request for disclosure about (i) intricate technical practices to reduce and/or manage specific water pollutants and (ii) targets to decrease water pollution, the adoption of which would require expert judgment tailored to the Company's business.

a. The Proposal Calls for the Assessment of Using Complex Water Management Technologies and Processes.

The Proposal attempts to micro-manage the Company's business with respect to a report on the Company's specific technologies and processes for mitigating water risks in its supply chain. The Staff has consistently recognized that proposals relating to the complexities of new technology for a company's operations are incompatible with shareholder action, permitting their exclusion. For example, in *Marriott International, Inc.* (avail. Mar. 17, 2010; recon. denied Apr. 19, 2010) ("***Marriott***"), the Staff allowed exclusion of a proposal asking the company to install low-flow, energy efficient showerheads in its hotels because "the proposal would require the company to test specific technologies that may be used to reduce energy consumption." *See also WPS Resources Corp.* (avail. Feb. 16,2001) (concurring with the exclusion of a shareholder proposal under Rule 14a-8(i)(7) requesting that the company develop certain technologies to "improve the overall energy efficiency of private and public sector building customers," because the proposal related to "the choice of technologies"); *Union Pacific Corp.* (avail. Dec. 16, 1996) (excluding a proposal seeking a report on the research and development of a train management and safety system because it related to "the development…of new technology*")*; and *E.I. du Pont de Nemours & Co.* (avail. Mar. 8, 1991) (omitting a proposal to accelerate the elimination of ozone-damaging chlorofluorocarbons and the research of alternatives, on the Staff's view that "the thrust of the proposal appears directed at those questions concerning the timing, research and marketing decisions that involve matters relating to the conduct of the [c]ompany's ordinary business operations").

Like in *Marriott* and the related precedents, the Proposal recommends that the Company consider disclosure about requiring the use by its suppliers of wastewater treatment and reuse technologies, including "manure management practices…to prevent water pollution" and "requirements for leading practices for nutrient management" "focus[ed] on verifiably reducing nitrate contamination." The supporting statement also refers to state-mandated practices on "groundwater monitoring for animal agriculture." While the Proposal does not request an assessment of particular technologies, it clearly implicates complex technological questions. Evaluating the use of these varied water pollution techniques by the Company's contract growers and feed suppliers, who range in size, budget, sophistication and geography, requires a profound and expert understanding of sanitation, water quality treatment, water recycling, soil irrigation, nutrient redistribution and local infrastructures and regulations. Although the Company desires and has taken steps to reduce water pollution in its supply chain, the highly scientific analysis of technology raised by the Proposal amounts to improper micro-management, which warrants exclusion of the Proposal.

b. The Proposal Seeks Disclosure on Set Goals for Water Pollution Reduction.

The Proposal regulates goal-setting by the Company with respect to water pollution in its supply chain. Citing micro-management, the Staff has concurred in the exclusion of proposals that seek disclosure of fixed targets/goals on environmental sustainability. *See J.B. Hunt Transport Services, Inc.* (avail. Feb. 14. 2019) ("***J.B. Hunt***") (permitting exclusion of a proposal that requested a report discussing its plan and progress towards achieving company-wide, quantitative targets for reducing greenhouse gas ("GHG") emissions taking into account the goals of the Paris Climate Agreement); *EOG Resources, Inc.* (avail. Feb. 26, 2018) ("***EOG Resources***") (permitting the exclusion of a proposal requesting that the company adopt company-wide, quantitative, time-bound targets for reducing GHG and report its progress, considering Paris Climate Agreement goals); and *Amazon.com, Inc.* (avail. Apr. 10, 2018) ("***Amazon***") (concurring in the omission of a proposal requesting a report on "company-wide efforts to assess, reduce and optimally manage food waste," with a recommendation for "time-bound targets to reduce waste and progress towards meeting these targets" and "prioritization based on the [U.S. Environmental Protection Agency's] Food Recovery Hierarchy"). Where a proposal contains a specific target or references an external standard, the Staff has tended to grant no-action relief, unlike proposals that only call for a target without mentioning a standard. *Cf. J.B. Hunt, EOG Resources* and *Amazon* with *FirstEnergy Corp.* (avail. Mar. 4, 2015) ("***First Energy***") (declining to concur in the exclusion of a proposal that called for preparation of a plan to address carbon dioxide emissions but did not "mandate what quantitative goals should be adopted, or how the quantitative targets should be set"). Where proposals are silent on timing, the Staff has recognized assertions that proposals not setting a deadline for action still inherently require management to create specific, time-bound benchmarks to measure company progress. *See J.B. Hunt*.

The Proposal's resolved clause asks for a report regarding "if and how" the Company plans to increase its efforts to lower water pollution from its supply chain. Yet the supporting statement "re-focuses the intent" of this broad resolved clause, *SLB 14K*, and reveals that the requested report would actually mandate the Company to establish water pollution targets. The Proposal recommends disclosure on "requirements for manure management," "requirements for leading practices for nutrient management," "pollutant limits," and "reducing nitrate contamination." While the Proposal does not explicitly define quantitative goals for reducing nitrate or pollutants or managing manure or nutrients in supply chain water, it does make clear what it means by "requirements" and "leading practices": it cites to specific quantitative commitments and/or metrics adopted by other large poultry producers, Sanderson Farms and Tyson Foods, for reducing supply chain water pollution. Thus, the Proposal can be read as setting peer-based, quantitative water pollution goals on which the Company should report. Like in *J.B. Hunt*, *EOG Resources* and *Amazon*, where the Staff allowed the exclusion of proposals seeking GHG and food waste targets based on objective external standards, and unlike *FirstEnergy*, where the Staff denied no-action relief based on no clear reference to a standard for an emissions target, this degree of micro-management justifies the exclusion of the Proposal.

c. The Proposal Imposes a Specific Timeframe to Adopt Specified Metrics.

The Proposal looks to micro-manage the Company by imposing a specific timeframe for issuing the water pollution report. The Proposal requests that the Company "issue a report to shareholders by December 1, 2021." This resembles proposals that the Staff has allowed registrants to exclude on Rule 14a-8(i)(7) grounds, to the extent that the proposals' timelines were seen as interfering with ordinary business operations. *See Deere & Co.* (avail. Dec. 27, 2017) ("***Deere***") (permitting exclusion of a proposal that requested a report evaluating the potential for the company to voluntarily address its role in climate change by achieving "net-zero" GHG emissions by the end of the second year after the shareholder meeting); *Apple Inc.* (avail. Dec. 5, 2016) ("***Apple***") (allowing exclusion of a proposal to issue a report within one year on the company's plan to reach "net-zero" GHG emissions by 2030); and *The Allstate Corporation* (avail. Mar. 20, 2015) ("***Allstate***") (allowing exclusion of a proposal to issue a report on civil rights risks in the use of big data within five months).

As in the *Deere*, *Apple Inc.* and *Allstate* letters, the report requested by the Proposal would require continued involvement and input of numerous teams and management from each aspect of the business. The Company's procurement function for its U.S. operations is centralized through its JBS USA corporate offices and otherwise embedded within Pilgrim's Mexico, as well as the Moy Park and Tulip businesses in Europe. The centralized procurement department has several teams that are responsible for certain products or services related to production, employee and corporate services, energy, facilities services, capital expenditure and equipment, and maintenance, repair and operations.[21] This structure allows the Company to maximize its supplier partnerships across the business and ensure consistency and uniformity. Creation of a report on water pollution in the supply chain at the level requested by the Proposal would require the coordination of all these functions, alongside the Company's internal sustainability experts and other specialists. Synthesizing that input would require considerable time and resources in

[21] Sustainability Report, "Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/.

an area where the Company has already devised detailed standards for supplier retention and the Supplier Code of Conduct. By specifying an arbitrary deadline within the same year as potential shareholder approval of the Proposal, the Proposal transfers responsibility for prioritization of the Company's objectives and allocation of the Company's time and resources during 2021 from the Board and management to the shareholders. Because of this micro-management, the Proposal should be excluded under Rule 14a-8(i)(7).

C. The Proposal Does Not Implicate a Significant Policy Issue.

The Proposal does not focus on a significant policy issue transcending the Company's ordinary business operations. In January 2021, a subset of the Committee considered past discussions of the Committee and Board and reviewed input from management on various topics in order to assess the Proposal. The Committee evaluated a number of factors relating to the Proposal and the Company's practices for water pollution in its supply chain. Following the Staff's guidance in SLB 14J, the Committee reviewed the following factors: (i) the extent to which the Proposal relates to the Company's core business activities; (ii) the extent of shareholder engagement on the issue; (iii) whether anyone other than the Proponents has requested the type of information sought by the Proposal; and (iv) whether the Company has already addressed the issue in some manner, including "the delta…between the proposal's specific request and the actions the Company has taken, and an analysis of whether the delta presents a significant policy issue for the [C]ompany." *SLB 14J*. The Committee concluded that, in light of the Company's existing policies and disclosures, the actions requested by the Proposal do not raise an issue that transcends the Company's ordinary business operations, and that while the Company is committed to mitigating water pollution in its supply chain, the Proposal is not appropriate for a shareholder vote.

i. The Company's Existing Supply Chain Sustainability and Overall Environmental Sustainability Efforts Are Tailored to its Strategy and Business.

In evaluating whether the Proposal micro-manages the Company, the Committee considered the steps taken by the Company with respect to water and other environmental risks in its supply chain consistent with management's analysis. The Committee considered all of the factors in Section B.i of this letter, including the factors in supply chain management decisions and general sustainability in the supply chain. The Committee determined that the Proposal effectively seeks to override management's judgment about its supply chain.

The Committee also reviewed the Company's overall environmental sustainability strategies. On environmental issues, the Company has prioritized decreasing water use intensity in its overall operations,[22] and, as disclosed in the Sustainability Report, has established a target for all of its partners to comply with the Supplier Code of Conduct, which requires compliance with state and federal environmental regulations.[23] As the Committee assessed, the Company would plan to determine the scope and nature of any objectives for supply chain sustainability and overall environmental sustainability in its discretion based on operational realities, which are part of the ordinary course of the Company's business.

ii. Lessons Learned from the Company's Shareholder Engagement Efforts Best Position Management and the Board to Determine and Carry Out Supply Chain and Overall Environmental Sustainability Priorities That Are Important to Shareholders.

The Committee considered that shareholders have not expressed significant concerns about supply chain pollution, waste management or other environmental matters. As a result, the Committee determined that the Company's management and Board are best-positioned to navigate strategic environmental priorities concerning water pollution in its supply chain, based on its grasp of shareholders' interests. The Committee noted that management has previously spoken with shareholders who are primarily focused on other matters, including long-term business strategy and factors relating to financial performance. Moreover, while the Company has received shareholder proposals on water pollution and stewardship during each of the past four years, they have come from the same,

---

[22] Sustainability Report, "Environment," *available at* https://sustainability.pilgrims.com/chapters/environment/.
[23] Sustainability Report, "Suppliers," *available at* https://sustainability.pilgrims.com/chapters/suppliers/.

repeat group of shareholders, including, in three of the past four years, the Proponents, and have obtained low approval rates, including 15% in 2020, 14% in 2019, 6% in 2018 and 15% in 2017.

iii. Differences Between the Proposal and the Company's Current Framework for Supply Chain and Overall Environmental Sustainability Do Not Amount to a Significant Policy Issue.

The Committee recognized that, while supply chain sustainability and overall environmental sustainability are significant policy matters for the Company, the delta between the Company's current efforts to mitigate water pollution in its supply chain and the detailed disclosure and analysis required by the Proposal is not a significant policy issue meriting the Proposal's inclusion in the 2021 Proxy Materials. The Committee reviewed the ways in which the Company has addressed the significant policy considerations around environmental sustainability in its supply chain, including strategies tailored to its industry and multi-national, multi-brand operations with diverse suppliers (described in Section B.i above). The Committee then reviewed the Proposal's (i) focus on reducing water pollution from the Company's supply chain and (ii) request for an assessment and description of the Company's specific technologies and processes for mitigating water risks in its supply chain. In light of the Company's varied supply chain considerations, the Committee determined that the issues raised by the Proposal—the suppliers' use of water pollution technologies and attainment of Company-set goals for limiting water pollution—do not differ so importantly from the Company's current efforts so as to become a significant policy issue on which shareholders should vote.

The Committee's delta analysis is consistent with SEC precedent on significant policy issues. While the Staff has denied no-action relief where the central concern of the proposals was the "human right to water," *see Intel Corp.* (avail. Mar. 13, 2009) and *American International Group, Inc.* (avail. Mar. 14, 2008), the Staff has not found a significant policy issue in *any* of the areas the Proposal addresses. These include: (i) water risk in the supply chain, *see Kraft* (concurring in the exclusion of a proposal for a report assessing water risk to the company's agricultural supply chain, which the proponent argued related to a significant policy issue of water quality and availability); (ii) supplier adherence to a code of conduct, *see Foot Locker* (concurring in the exclusion of a proposal for a report on monitoring the use of subcontractors by the company's overseas apparel suppliers, which the proponent argued related to a significant policy issue of human rights); and (iii) use of sustainable water technologies, *see Marriott* (concurring in the exclusion of a proposal on installation of energy-efficient showerheads, which the proponent argued related to a significant policy issue of global warming).

The Committee also found that the Proposal's purpose and effect are not to tackle issues of water pollution in poultry and pork supply chains, but rather to affect Company competitive strategy and influence the Company's regulatory compliance—both of which are ordinary business and not significant policy matters for the Company. The Committee read the Proposal's claims that "failing to address this risk [of water pollution in its supply chain] may harm Pilgrim's position as a competitive supplier" and "many of Pilgrim's largest customers increasingly expect their meat suppliers to improve mitigation of pollution streams" as raising clear concerns with competitive strategy. The Committee also looked closely at the Proposal's unease over the costs of deficient regulatory compliance in the statement "Pilgrim's is…vulnerable to regulatory actions to mitigate these pollution streams." The Committee considered the ordinary business nature of competitive strategy, including the highly competitive nature of the chicken and pork industry in the Company's markets and the impact of competition on management's marketing strategy.[24] The Committee also considered the Company's vast regulatory compliance program. The program manages adherence across various jurisdictions to regulations not only in areas raised by the Proposal (i.e., the remediation of surface water and groundwater discharge of materials into the environment and the treatment and disposal of agricultural and food processing wastes), but also in myriad other areas (e.g., the treatment, storage and disposal of wastes, the handling of hazardous substances and remediation of contaminated soil, the use and maintenance of refrigeration systems, ammonia-based chillers, noise, odor and dust management, the operation of mechanized processing equipment and other operations, storm water and air emissions).[25] With its attention to these

[24] Pilgrim's Pride Corporation, Annual Report on Form 10-K, filed with the SEC on Feb. 21, 2020, p. 4, *available at* https://www.sec.gov/ix?doc=/Archives/edgar/data/802481/000080248120000009/ppc-2019x12x29x10k htm.
[25] *Id.* at pp. 4–5.

clear day-to-day management areas, the Committee concluded that the Proposal does not raise significant issues with respect to or significantly implicate the Company's operations.

In line with the Committee's conclusion, the Staff has consistently found that sustainability reporting proposals do not involve significant policy issues if their main concerns are competitive strategy or regulatory compliance. *See Amazon* (permitting exclusion of a proposal for a report on food waste, where the supporting statement, in the same sentence, mentioned both apparent significant policy issues of "climate change and hunger" and ordinary business matters of "provid[ing] competitive advantage" and "strengthen[ing] brand reputation"); *Ameren Corp.* (avail. Feb. 8, 2018) (concurring in the exclusion of a proposal for a report estimating shareholder losses from waste storage, including costs associated with regulatory compliance); and *Pilgrim's Pride Corp.* (avail. Feb. 25, 2016) (permitting exclusion of a proposal for a report on occupational health and safety, including incidents of legal non-compliance). In sum, as the Committee found pursuant to the SLB 14J analysis, the Proposal does not implicate significant policy issues.

Conclusion

Based upon the foregoing analysis, we hereby respectfully request that the Staff concur with our view that the Company may properly omit the Proposal from the 2021 Proxy Materials in reliance on Rule 14a-8(i)(7). Should the Staff disagree with this conclusion, we would appreciate the opportunity to confer with the Staff prior to the issuance of the Staff's response.

If the Staff wishes to discuss the responses provided, please do not hesitate to contact the undersigned at (650) 213-0302.

Sincerely,

Maia Gez

Maia Gez, Esq.

CC: Mary Minette, Mercy Investment Services, Inc.
Francis Nadolny, OP, Adrian Dominican Sisters
Kim Pryor, Pilgrim's Pride Corporation
Dunham Winoto, Pilgrim's Pride Corporation
John Vetterli, Esq.

EXHIBIT A

November 19, 2020

By Email

[redacted]
Pilgrim's Pride Corporation
1770 Promontory Circle
Greeley, CO 80634-9038

Dear [redacted]:

Mercy Investment Services, Inc. ("Mercy) is in receipt of the notice of deficiency regarding the shareholder proposal filed by Mercy and received by Pilgrim's Pride Corporation on November 16, 2020. Your letter notes that our proposal exceeds the 500 word limit specified by Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934.

Accordingly, we have revised the proposal, which is attached to this letter. I would appreciate your acknowledgment that the deficiency has been remedied. In addition, please let me know if any Pilgrim's Pride shareholders who have co-filed the proposal will need to provide you with an updated version of the proposal or if any further documentation of our filing is needed.

Thank you very much. Please respond to me via the information below.

Best regards,

Mary Minette

Mary Minette
Director of Shareholder Advocacy
703-507-9651
mminette@mercyinvestments.org

WHEREAS:
Meat production is the leading source of water pollution in the U.S., exposing 5.6 million Americans to nitrates in drinking water and toxic algal blooms.[1]

Cultivation of feed ingredients for the 45 million chickens[2] produced weekly by Pilgrim's is a source of water pollution from fertilizer washing off fields if improperly managed. Manure from over 4,900 poultry farms supplying Pilgrim's[3] may contain nutrients, antibiotic-resistant bacteria, and pathogens which can pollute waterways, endangering public health and the environment. Pilgrim's is therefore vulnerable to regulatory actions to mitigate these pollution streams.

Several states where Pilgrim's has processing operations[4] have tightened requirements related to nutrient management, manure disposal, field application of manure, and groundwater monitoring for animal agriculture.[5] At the federal level, the Farm System Reform Act would pose significant operational challenges to vertically integrated meat processors. Introduced in May 2020, the law is motivated by concerns pertaining to the health and environmental externalities associated with meat production.[6]

Pilgrim's disclosures and policies lag those of its peers. Tyson Foods has committed to support improved fertilizer practices on two million acres of corn.[7] Sanderson Farms now uses SASB standards to report its plans to manage risks specifically associated with supply chain water pollution.[8] Sanderson's disclosure renders Pilgrim's the sole remaining large, publicly-traded poultry processor failing to report to shareholders how it intends to manage these risks.

---

[1] https://www.epa.gov/nutrientpollution/sources-and-solutions
http://www.fao.org/3/CA0146EN/ca0146en.pdf
https://ehjournal.biomedcentral.com/articles/10.1186/s12940-018-0442-6
[2] https://ir.pilgrims.com/static-files/e3600306-6cfa-4e6e-bae6-30bd760a13c5
[3] Ibid.
[4] https://www.epa.gov/toxics-release-inventory-tri-program/tri-basic-data-files-calendar-years-1987-2017
[5] https://www.opb.org/news/article/washington-dairy-pollution-regs/
https://www.environmentalintegrity.org/wp-content/uploads/2017/02/Shenandoah-Report.pdf
https://www.jsonline.com/story/news/politics/2017/01/07/state-wants-jump-start-manure-project/96212456/
https://www.nytimes.com/2018/07/09/us/algae-blooms-florida-nyt.html
https://www.flgov.com/wp-content/uploads/2019/01/EO-19-12-.pdf
[6] https://www.congress.gov/bill/116th-congress/senate-bill/3221/text
[7] https://www.tysonsustainability.com/environment/land-stewardship
[8] https://ir.sandersonfarms.com/static-files/a11fcbd2-9dc4-441a-ae92-8258d316280d

Additionally, many of Pilgrim's largest customers increasingly expect their meat suppliers to improve mitigation of pollution streams.[9] Failing to address this risk may harm Pilgrim's position as a competitive supplier.

Pilgrim's is working to reduce the *quantity* of the water it uses and has a policy requiring "vendors" to comply with applicable environmental laws and regulations, encouraging them to "use best efforts to meet industry best practices and standards and responsibly manage the environmental impact of their operations."[10] However, neither Pilgrim's disclosures nor its policies specifically address the primary drivers of the company's water pollution footprint, including manure from contracted facilities and nutrient runoff from feed crops. Pilgrim's disclosures lack sufficient detail to assure investors that it is adequately managing the risks associated with water pollution within its supply chain.

RESOLVED: Shareholders of Pilgrim's Pride Corporation request a report assessing if and how the company plans to increase the scale, pace, and rigor of its efforts to reduce water pollution from its supply chain. This report should omit proprietary information, be prepared at reasonable cost, and be made available to shareholders by December 1, 2021.

Supporting statement:

Although we defer to management for the precise contents, investors believe that meaningful disclosure within the report could include:

- requirements for manure management practices intended to prevent water pollution
- requirements for leading practices for nutrient management and pollutant limits throughout contract farms and feed suppliers, with a focus on verifiably reducing nitrate contamination
- plans to verify suppliers' compliance with Pilgrim's policies

---

[9] https://www.walmartsustainabilityhub.com/project-gigaton/agriculture
https://www.tescoplc.com/sustainability/planet/agriculture/
https://corporate.mcdonalds.com/corpmcd/scale-for-good/our-planet/protecting-water-resources.html
https://www.yum.com/wps/wcm/connect/yumbrands/badc9774-4800-4f50-93f2-c81344c279d9/2020-Water-Secuirty-090420.pdf?MOD=AJPERES&CVID=nhk.faI
[10] https://sustainability.pilgrims.com/stories/supplier-code-of-conduct/

EXHIBIT B

MERCY
INVESTMENT
SERVICES, INC

November 13, 2020

Corporate Secretary
Pilgrim's Pride Corporation
1770 Promontory Circle
Greeley, CO 80634-9038

Dear Sir or Madam:

Mercy Investment Services, Inc. ("Mercy"), as the investment program of the Sisters of Mercy of the Americas, has long been concerned not only with the financial returns of its investments, but also with their social and ethical implications. We believe that a demonstrated corporate responsibility in matters of the environment, and social and governance concerns fosters long-term business success. Mercy Investment Services, Inc., a long-term investor, is currently the beneficial owner of shares of Pilgrim's Pride Corporation.

Mercy is serving as the lead filer on the proposal requesting a report assessing if and how the company plans to increase the scale, pace, and rigor of its efforts to reduce water pollution from its supply chain. This report should omit proprietary information, be prepared at reasonable cost, and be made available to shareholders by December 1, 2021.

Mercy is filing the enclosed proposal for inclusion in the 2021 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. Mercy has been a shareholder continuously for more than one year holding at least $2,000 in market value, and will continue to invest in at least the requisite number of shares for proxy proposals through the annual shareholders' meeting. A representative of the filers will attend the Annual Meeting to move the proposal as required by SEC rules. The verification of ownership by our custodian, a DTC participant, is enclosed with this letter. We respectfully request direct communications from Pilgrim's Pride Corporation, and to have our supporting statement and organization name included in the proxy statement.

We look forward to having productive conversations with the company. Please respond to me via the information below.

Best regards,

Mary A Minette

Mary Minette
Director of Shareholder Advocacy
703-507-9651
mminette@mercyinvestments.org

WHEREAS:

Meat production is the leading source of water pollution in the U.S., exposing 5.6 million Americans to nitrates in drinking water and many more to toxic algal blooms.[1]

The cultivation of feed ingredients for the 45 million chickens[2] produced weekly by Pilgrim's is a significant source of water pollution due to nitrates and phosphates washing off fields if improperly managed. Manure from over 4,900 poultry farms supplying Pilgrim's[3] may contain nutrients, antibiotic-resistant bacteria, and pathogens which can pollute adjacent waterways, endangering public health and the environment. Pilgrim's is therefore vulnerable to regulatory actions designed to mitigate these pollution streams.

Several states where Pilgrim's has processing operations[4] have tightened requirements related to nutrient management plans, manure disposal, field application of manure, and groundwater monitoring for animal agriculture.[5] At the federal level, the Farm System Reform Act would pose significant operational challenges to vertically integrated meat processors. Introduced in May 2020, the law is largely motivated by concerns pertaining to the health and environmental externalities associated with meat production.[6]

Pilgrim's disclosures and policies lag those of its peers. Tyson Foods has committed to support improved fertilizer practices on two million acres of corn.[7] Sanderson Farms now uses SASB standards to report its plans to manage risks specifically associated with supply chain water pollution.[8] Sanderson's disclosure renders Pilgrim's the sole remaining large, publicly-traded poultry processor failing to report to shareholders how it intends to manage these risks.

---

[1] https://www.epa.gov/nutrientpollution/sources-and-solutions
http://www.fao.org/3/CA0146EN/ca0146en.pdf
https://ehjournal.biomedcentral.com/articles/10.1186/s12940-018-0442-6
[2] https://ir.pilgrims.com/static-files/e3600306-6cfa-4e6e-bae6-30bd760a13c5
[3] Ibid.
[4] https://www.epa.gov/toxics-release-inventory-tri-program/tri-basic-data-files-calendar-years-1987-2017
[5] https://www.opb.org/news/article/washington-dairy-pollution-regs/
https://www.environmentalintegrity.org/wp-content/uploads/2017/02/Shenandoah-Report.pdf
https://www.jsonline.com/story/news/politics/2017/01/07/state-wants-jump-start-manure-project/96212456/
https://www.nytimes.com/2018/07/09/us/algae-blooms-florida-nyt.html
https://www.flgov.com/wp-content/uploads/2019/01/EO-19-12-.pdf
[6] https://www.congress.gov/bill/116th-congress/senate-bill/3221/text
[7] https://www.tysonsustainability.com/environment/land-stewardship
[8] https://ir.sandersonfarms.com/static-files/a11fcbd2-9dc4-441a-ae92-8258d316280d

Additionally, many of Pilgrim's largest customers increasingly expect their meat suppliers to improve mitigation of these pollution streams.[9] Failing to address this risk may therefore harm Pilgrim's position as a competitive supplier.

Pilgrim's is working to reduce the *quantity* of the water it uses and has a policy requiring "vendors" to comply with applicable environmental laws and regulations, encouraging them to "use best efforts to meet industry best practices and standards and responsibly manage the environmental impact of their operations."[10] However, neither Pilgrim's disclosures nor its policies specifically address the primary drivers of the company's water pollution footprint, including manure from contracted facilities and nutrient runoff from feed crops. Pilgrim's disclosures therefore lack sufficient detail to assure investors that it is adequately managing the risks associated with water pollution within its supply chain.

RESOLVED: Shareholders of Pilgrim's Pride Corporation request a report assessing if and how the company plans to increase the scale, pace, and rigor of its efforts to reduce water pollution from its supply chain. This report should omit proprietary information, be prepared at reasonable cost, and be made available to shareholders by December 1, 2021.

Supporting statement:

Although we defer to management for the precise contents, investors believe that meaningful disclosure within the report could include:

- requirements for manure management practices intended to prevent water pollution
- requirements for leading practices for nutrient management and pollutant limits throughout contract farms and feed suppliers, with a focus on verifiably reducing nitrate contamination
- plans to verify suppliers' compliance with Pilgrim's policies

---

[9] https://www.walmartsustainabilityhub.com/project-gigaton/agriculture
https://www.tescoplc.com/sustainability/planet/agriculture/
https://corporate.mcdonalds.com/corpmcd/scale-for-good/our-planet/protecting-water-resources.html
https://www.yum.com/wps/wcm/connect/yumbrands/badc9774-4800-4f50-93f2-c81344c279d9/2020-Water-Secuirty-090420.pdf?MOD=AJPERES&CVID=nhk.faI

[10] https://sustainability.pilgrims.com/stories/supplier-code-of-conduct/

NORTHERN
TRUST

November 13, 2020

Corporate Secretary
Pilgrim's Pride Corporation
1770 Promontory Circle
Greeley, CO 80634-9038

Re: Mercy Investment Services Inc.,

Dear Corporate Secretary,

This letter will certify that as of November 13, 2020, Northern Trust held for the beneficial interest of Mercy Investment Services Inc., 311 shares of Pilgrim's Pride Corporation. We confirm that Mercy Investment Services Inc., has beneficial ownership of at least $2,000 in market value of the voting securities of Pilgrim's Pride Corporation, and that such beneficial ownership has existed continuously for at least one year including a one year period preceding and including November 13, 2020, in accordance with rule 14a-8 of the Securities Exchange Act of 1934. Further, it is Mercy Investment Services, intent to hold at least $2,000 in market value through the next annual meeting.

Please be advised, Northern Trust is a DTC Participant, whose DTC number is 2669.

If you have any questions, please feel free to give me a call.

Sincerely,

Jennifer W. Beattie
Senior Vice President
312-630-6041

From: [redacted]@pilgrims.com>
Sent: Thursday, November 19, 2020 3:59 PM
To: mminette@mercyinvestments.org
Cc: [redacted]@jbssa.com>
Subject: Deficiency in Proposal

Mary,

I hope you are well. Attached please find the letter explaining the deficiency and an article on rule 14a-8 we had sent you via Fedex.

Please let me know if you have further questions.

Thanks.

[redacted]

Pilgrim's Pride Corporation
[redacted]
[redacted]@pilgrims.com

O: [redacted]
C: [redacted]
www.pilgrims.com
1770 Promontory Circle
Greeley, CO 80634

November [18], 2020

VIA EMAIL

Mercy Investment Services, Inc.
2039 North Geyer Road
Saint Louis, Missouri 63131
mminette@mercyinvestments.org

Attn: Mary Minette, Director of Shareholder Advocacy
Re: Pilgrim's Pride Corporation Rule 14a-8 Proposal

Dear Ms. Minette,

Reference is made to your letter (the "Letter") including the shareholder proposal addressed to Pilgrim's Pride Corporation (the "Company," "we" or "us") received by the Company on November 16, 2020.

The Letter contains a deficiency that Rule 14a-8 under the Securities Exchange Act of 1934 ("Rule 14a-8") requires us to bring to your attention. Rule 14a-8(d) under the Exchange Act requires that any shareholder proposal, including any accompanying supporting statement, not exceed 500 words. Your proposal, including the supporting statement, exceeds this limit. In reaching this conclusion, we have counted full numbers (and not individual digits) and URLs as words and have counted hyphenated terms as multiple words. Titles and introductory statements in the proposal were not counted as words. To remedy this defect, you must revise the proposal so it does not exceed 500 words. For your convenience, we have attached to this letter a copy of Rule 14a-8 as it applies to proposals submitted for our 2021 annual meeting of shareholders (not including recent amendments which are inapplicable).

If you fail to adequately correct this deficiency no later than 14 calendar days from the date you receive this notification, the Company may exclude your proposal from its proxy materials for the upcoming annual meeting of shareholders. Your response must be postmarked or transmitted electronically no later than such 14th calendar day noted above.

Please do not hesitate to contact me if you have any questions regarding the foregoing.

Sincerely,

[redacted]
Pilgrim's Pride Corporation
[redacted]

Enclosure

ELECTRONIC CODE OF FEDERAL REGULATIONS

e-CFR data is current as of November 16, 2020

Title 17: Commodity and Securities Exchanges
PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

---

§240.14a-8 Shareholder proposals.

Link to an amendment published at 85 FR 70294, Nov. 4, 2020.

This section addresses when a company must include a shareholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of shareholders. In summary, in order to have your shareholder proposal included on a company's proxy card, and included along with any supporting statement in its proxy statement, you must be eligible and follow certain procedures Under a few specific circumstances, the company is permitted to exclude your proposal, but only after submitting its reasons to the Commission. We structured this section in a question-and-answer format so that it is easier to understand. The references to “you” are to a shareholder seeking to submit the proposal

(a) *Question 1:* What is a proposal? A shareholder proposal is your recommendation or requirement that the company and/or its board of directors take action, which you intend to present at a meeting of the company's shareholders. Your proposal should state as clearly as possible the course of action that you believe the company should follow. If your proposal is placed on the company's proxy card, the company must also provide in the form of proxy means for shareholders to specify by boxes a choice between approval or disapproval, or abstention. Unless otherwise indicated, the word “proposal” as used in this section refers both to your proposal, and to your corresponding statement in support of your proposal (if any).

(b) *Question 2:* Who is eligible to submit a proposal, and how do I demonstrate to the company that I am eligible? (1) In order to be eligible to submit a proposal, you must have continuously held at least $2,000 in market value, or 1%, of the company's securities entitled to be voted on the proposal at the meeting for at least one year by the date you submit the proposal. You must continue to hold those securities through the date of the meeting.

(2) If you are the registered holder of your securities, which means that your name appears in the company's records as a shareholder, the company can verify your eligibility on its own, although you will still have to provide the company with a written statement that you intend to continue to hold the securities through the date of the meeting of shareholders.

However, if like many shareholders you are not a registered holder, the company likely does not know that you are a shareholder, or how many shares you own. In this case, at the time you submit your proposal, you must prove your eligibility to the company in one of two ways:

(i) The first way is to submit to the company a written statement from the “record” holder of your securities (usually a broker or bank) verifying that, at the time you submitted your proposal, you continuously held the securities for at least one year. You must also include your own written statement that you intend to continue to hold the securities through the date of the meeting of shareholders; or

(ii) The second way to prove ownership applies only if you have filed a Schedule 13D (§240.13d-101), Schedule 13G (§240.13d-102), Form 3 (§249.103 of this chapter), Form 4 (§249.104 of this chapter) and/or Form 5 (§249.105 of this chapter), or amendments to those documents or updated forms, reflecting your ownership of the shares as of or before the date on which the one-year eligibility period begins. If you have filed one of these documents with the SEC, you may demonstrate your eligibility by submitting to the company:

(A) A copy of the schedule and/or form, and any subsequent amendments reporting a change in your ownership level;

(B) Your written statement that you continuously held the required number of shares for the one-year period as of the date of the statement; and

(C) Your written statement that you intend to continue ownership of the shares through the date of the company's annual or special meeting.

(c) *Question 3:* How many proposals may I submit? Each shareholder may submit no more than one proposal to a company for a particular shareholders' meeting.

(d) *Question 4:* How long can my proposal be? The proposal, including any accompanying supporting statement, may not exceed 500 words.

(e) *Question 5:* What is the deadline for submitting a proposal? (1) If you are submitting your proposal for the company's annual meeting, you can in most cases find the deadline in last year's proxy statement. However, if the company did not hold an annual meeting last year, or has changed the date of its meeting for this year more than 30 days from last year's meeting, you can usually find the deadline in one of the company's quarterly reports on Form 10-Q (§249.308a of this chapter), or in shareholder reports of investment companies under §270.30d-1 of this chapter of the Investment Company Act of 1940. In order to avoid controversy, shareholders should submit their proposals by means, including electronic means, that permit them to prove the date of delivery.

(2) The deadline is calculated in the following manner if the proposal is submitted for a regularly scheduled annual meeting. The proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting. However, if the company did not hold an annual meeting the previous year, or if the date of this year's annual meeting has been changed by more than 30 days from the date of

the previous year's meeting, then the deadline is a reasonable time before the company begins to print and send its proxy materials.

(3) If you are submitting your proposal for a meeting of shareholders other than a regularly scheduled annual meeting, the deadline is a reasonable time before the company begins to print and send its proxy materials.

(f) *Question 6:* What if I fail to follow one of the eligibility or procedural requirements explained in answers to Questions 1 through 4 of this section? (1) The company may exclude your proposal, but only after it has notified you of the problem, and you have failed adequately to correct it. Within 14 calendar days of receiving your proposal, the company must notify you in writing of any procedural or eligibility deficiencies, as well as of the time frame for your response Your response must be postmarked, or transmitted electronically, no later than 14 days from the date you received the company's notification. A company need not provide you such notice of a deficiency if the deficiency cannot be remedied, such as if you fail to submit a proposal by the company's properly determined deadline. If the company intends to exclude the proposal, it will later have to make a submission under §240 14a 8 and provide you with a copy under Question 10 below, §240.14a-8(j).

(2) If you fail in your promise to hold the required number of securities through the date of the meeting of shareholders, then the company will be permitted to exclude all of your proposals from its proxy materials for any meeting held in the following two calendar years.

(g) *Question 7* Who has the burden of persuading the Commission or its staff that my proposal can be excluded? Except as otherwise noted, the burden is on the company to demonstrate that it is entitled to exclude a proposal.

(h) *Question 8* Must I appear personally at the shareholders' meeting to present the proposal? (1) Either you, or your representative who is qualified under state law to present the proposal on your behalf, must attend the meeting to present the proposal. Whether you attend the meeting yourself or send a qualified representative to the meeting in your place, you should make sure that you, or your representative, follow the proper state law procedures for attending the meeting and/or presenting your proposal.

(2) If the company holds its shareholder meeting in whole or in part via electronic media, and the company permits you or your representative to present your proposal via such media, then you may appear through electronic media rather than traveling to the meeting to appear in person.

(3) If you or your qualified representative fail to appear and present the proposal, without good cause, the company will be permitted to exclude all of your proposals from its proxy materials for any meetings held in the following two calendar years.

(i) *Question 9:* If I have complied with the procedural requirements, on what other bases may a company rely to exclude my proposal? (1) Improper under state law: If the proposal is not a proper subject for action by shareholders under the laws of the jurisdiction of the company's organization;

NOTE TO PARAGRAPH (i)(1): Depending on the subject matter, some proposals are not considered proper under state law if they would be binding on the company if approved by shareholders. In our experience, most proposals that are cast as recommendations or requests that the board of directors take specified action are proper under state law. Accordingly, we will assume that a proposal drafted as a recommendation or suggestion is proper unless the company demonstrates otherwise.

(2) *Violation of law:* If the proposal would, if implemented, cause the company to violate any state, federal, or foreign law to which it is subject;

NOTE TO PARAGRAPH (i)(2): We will not apply this basis for exclusion to permit exclusion of a proposal on grounds that it would violate foreign law if compliance with the foreign law would result in a violation of any state or federal law.

(3) *Violation of proxy rules:* If the proposal or supporting statement is contrary to any of the Commission's proxy rules, including §240.14a-9, which prohibits materially false or misleading statements in proxy soliciting materials;

(4) *Personal grievance; special interest:* If the proposal relates to the redress of a personal claim or grievance against the company or any other person, or if it is designed to result in a benefit to you, or to further a personal interest, which is not shared by the other shareholders at large;

(5) *Relevance:* If the proposal relates to operations which account for less than 5 percent of the company's total assets at the end of its most recent fiscal year, and for less than 5 percent of its net earnings and gross sales for its most recent fiscal year, and is not otherwise significantly related to the company's business;

(6) *Absence of power/authority:* If the company would lack the power or authority to implement the proposal;

(7) *Management functions:* If the proposal deals with a matter relating to the company's ordinary business operations;

(8) *Director elections:* If the proposal:

(i) Would disqualify a nominee who is standing for election;

(ii) Would remove a director from office before his or her term expired;

(iii) Questions the competence, business judgment, or character of one or more nominees or directors;

(iv) Seeks to include a specific individual in the company's proxy materials for election to the board of directors; or

(v) Otherwise could affect the outcome of the upcoming election of directors.

(9) *Conflicts with company's proposal:* If the proposal directly conflicts with one of the company's own proposals to be submitted to shareholders at the same meeting;

Note to paragraph (i)(9): A company's submission to the Commission under this section should specify the points of conflict with the company's proposal.

(10) *Substantially implemented:* If the company has already substantially implemented the proposal;

Note to paragraph (i)(10): A company may exclude a shareholder proposal that would provide an advisory vote or seek future advisory votes to approve the compensation of executives as disclosed pursuant to Item 402 of Regulation S-K (§229.402 of this chapter) or any successor to Item 402 (a “say-on-pay vote”) or that relates to the frequency of say-on-pay votes, provided that in the most recent shareholder vote required by §240.14a-21(b) of this chapter a single year (*i.e.,* one, two, or three years) received approval of a majority of votes cast on the matter and the company has adopted a policy on the frequency of say-on-pay votes that is consistent with the choice of the majority of votes cast in the most recent shareholder vote required by §240.14a-21(b) of this chapter.

(11) *Duplication:* If the proposal substantially duplicates another proposal previously submitted to the company by another proponent that will be included in the company's proxy materials for the same meeting;

(12) *Resubmissions:* If the proposal deals with substantially the same subject matter as another proposal or proposals that has or have been previously included in the company's proxy materials within the preceding 5 calendar years, a company may exclude it from its proxy materials for any meeting held within 3 calendar years of the last time it was included if the proposal received:

(i) Less than 3% of the vote if proposed once within the preceding 5 calendar years;

(ii) Less than 6% of the vote on its last submission to shareholders if proposed twice previously within the preceding 5 calendar years; or

(iii) Less than 10% of the vote on its last submission to shareholders if proposed three times or more previously within the preceding 5 calendar years; and

(13) *Specific amount of dividends:* If the proposal relates to specific amounts of cash or stock dividends.

(j) *Question 10:* What procedures must the company follow if it intends to exclude my proposal? (1) If the company intends to exclude a proposal from its proxy materials, it must file its reasons with the Commission no later than 80 calendar days before it files its definitive proxy statement and form of proxy with the Commission. The company must simultaneously provide you with a copy of its submission. The Commission staff may permit the company to make its submission later than 80 days before the company files its definitive proxy statement and form of proxy, if the company demonstrates good cause for missing the deadline.

(2) The company must file six paper copies of the following:

(i) The proposal;

(ii) An explanation of why the company believes that it may exclude the proposal, which should, if possible, refer to the most recent applicable authority, such as prior Division letters issued under the rule; and

(iii) A supporting opinion of counsel when such reasons are based on matters of state or foreign law.

(k) *Question 11:* May I submit my own statement to the Commission responding to the company's arguments?

Yes, you may submit a response, but it is not required. You should try to submit any response to us, with a copy to the company, as soon as possible after the company makes its submission. This way, the Commission staff will have time to consider fully your submission before it issues its response. You should submit six paper copies of your response.

(l) *Question 12:* If the company includes my shareholder proposal in its proxy materials, what information about me must it include along with the proposal itself?

(1) The company's proxy statement must include your name and address, as well as the number of the company's voting securities that you hold. However, instead of providing that information, the company may instead include a statement that it will provide the information to shareholders promptly upon receiving an oral or written request.

(2) The company is not responsible for the contents of your proposal or supporting statement.

(m) *Question 13:* What can I do if the company includes in its proxy statement reasons why it believes shareholders should not vote in favor of my proposal, and I disagree with some of its statements?

(1) The company may elect to include in its proxy statement reasons why it believes shareholders should vote against your proposal. The company is allowed to make arguments reflecting its own point of view, just as you may express your own point of view in your proposal's supporting statement

(2) However, if you believe that the company's opposition to your proposal contains materially false or misleading statements that may violate our anti fraud rule, §240 14a 9, you should promptly send to the Commission staff and the company a letter explaining the reasons for your view, along with a copy of the company's statements opposing your proposal. To the extent possible, your letter should include specific factual information demonstrating the inaccuracy of the company's claims Time permitting, you may wish to try to work out your differences with the company by yourself before contacting the Commission staff.

(3) We require the company to send you a copy of its statements opposing your proposal before it sends its proxy materials, so that you may bring to our attention any materially false or misleading statements, under the following timeframes:

(i) If our no-action response requires that you make revisions to your proposal or supporting statement as a condition to requiring the company to include it in its proxy materials, then the company must provide you with a copy of its opposition statements no later than 5 calendar days after the company receives a copy of your revised proposal; or

(ii) In all other cases, the company must provide you with a copy of its opposition statements no later than 30 calendar days before its files definitive copies of its proxy statement and form of proxy under §240.14a-6.

[63 FR 29119, May 28, 1998; 63 FR 50622, 50623, Sept. 22, 1998, as amended at 72 FR 4168, Jan. 29, 2007; 72 FR 70456, Dec. 11, 2007; 73 FR 977, Jan. 4, 2008; 76 FR 6045, Feb. 2, 2011; 75 FR 56782, Sept. 16, 2010]

Mary Minette [mailto:mminette@Mercyinvestments.org]
Sent: Thursday, November 19, 2020 15:25
To: [redacted]@pilgrims.com>
Cc: [redacted]@jbssa.com>
Subject: [Ext]- RE: Deficiency in Proposal

Use caution before opening attachments or links!

Dear [redacted],
Thank you for your letter. We have revised the proposal and believe it now meets the word limit in Rule 14a-8. The new proposal is attached; please let me know if you need a mailed copy of the new proposal and our letter or if anything further is needed to remedy the deficiency.

Please also let me know if any co-filers will need to re-submit the new version of the proposal. Thanks very much,
Mary

Mary Minette
Director of Shareholder Advocacy
Mercy Investment Services
703-507-9651

ADRIAN DOMINICAN SISTERS
1257 East Siena Heights Drive
Adrian, Michigan 49221-1793
517-266-3400 Phone
517-266-3524 Fax

Portfolio Advisory Board

November 19, 2020

Corporate Secretary
Pilgrim's Pride Corporation
1770 Promontory Circle
Greeley, CO 80634-9038

Dear Sir or Madam:

The Portfolio Advisory Board for the Adrian Dominican Sisters has long been concerned not only with the financial returns of its investments, but also with the social and ethical implications of its investments. We believe that a demonstrated corporate responsibility in matters of the environment, social and governance concerns fosters long-term business success. The Adrian Dominican Sisters, a long-term investor, are currently the beneficial owner of shares of Pilgrim's Pride Corporation.

The enclosed resolution requests a report assessing if and how the company plans to increase the scale, pace, and rigor of its efforts to reduce water pollution from its supply chain.

The Adrian Dominican Sisters are co-filing the enclosed shareholder proposal with lead filer, Mercy Investment Services, for inclusion in the 2021 proxy statement, in accordance with Rule 14a-8 of the General Rules and Regulations of the Securities Exchange Act of 1934. We have been a shareholder continuously for over a year and will continue to hold at least these shares through the annual shareholders' meeting. The verification of ownership by our custodian, a DTC participant, is enclosed. Mercy Investment Services may withdraw the proposal on our behalf. We respectfully request direct communications from Pilgrim's Pride, and to have our supporting statement and organization name included in the proxy statement.

We look forward to having productive conversations with the company. Please direct all future correspondence, including an email acknowledgement of receipt of this letter and resolution, to Mary Minette, representative of the Adrian Dominican Sisters, email: mminette@mercyinvestments.org; phone: 703-507-9651; address: 2039 No. Geyer Rd., St. Louis, MO 63131.

Best regards,

Frances Nadolny, OP

Frances Nadolny
OP Administrator
Adrian Dominican Sisters
www.pab.adriandominicans.org

WHEREAS:

Meat production is the leading source of water pollution in the U.S., exposing 5.6 million Americans to nitrates in drinking water and toxic algal blooms.[1]

Cultivation of feed ingredients for the 45 million chickens[2] produced weekly by Pilgrim's is a source of water pollution from fertilizer washing off fields if improperly managed. Manure from over 4,900 poultry farms supplying Pilgrim's[3] may contain nutrients, antibiotic-resistant bacteria, and pathogens which can pollute waterways, endangering public health and the environment. Pilgrim's is therefore vulnerable to regulatory actions to mitigate these pollution streams.

Several states where Pilgrim's has processing operations[4] have tightened requirements related to nutrient management, manure disposal, field application of manure, and groundwater monitoring for animal agriculture.[5] At the federal level, the Farm System Reform Act would pose significant operational challenges to vertically integrated meat processors. Introduced in May 2020, the law is motivated by concerns pertaining to the health and environmental externalities associated with meat production.[6]

Pilgrim's disclosures and policies lag those of its peers. Tyson Foods has committed to support improved fertilizer practices on two million acres of corn.[7] Sanderson Farms now uses SASB standards to report its plans to manage risks specifically associated with supply chain water pollution.[8] Sanderson's disclosure renders Pilgrim's the sole remaining large, publicly-traded poultry processor failing to report to shareholders how it intends to manage these risks.

---

[1] https://www.epa.gov/nutrientpollution/sources-and-solutions
http://www.fao.org/3/CA0146EN/ca0146en.pdf
https://ehjournal.biomedcentral.com/articles/10.1186/s12940-018-0442-6
[2] https://ir.pilgrims.com/static-files/e3600306-6cfa-4e6e-bae6-30bd760a13c5
[3] Ibid.
[4] https://www.epa.gov/toxics-release-inventory-tri-program/tri-basic-data-files-calendar-years-1987-2017
[5] https://www.opb.org/news/article/washington-dairy-pollution-regs/
https://www.environmentalintegrity.org/wp-content/uploads/2017/02/Shenandoah-Report.pdf
https://www.jsonline.com/story/news/politics/2017/01/07/state-wants-jump-start-manure-project/96212456/
https://www.nytimes.com/2018/07/09/us/algae-blooms-florida-nyt.html
https://www.flgov.com/wp-content/uploads/2019/01/EO-19-12-.pdf
[6] https://www.congress.gov/bill/116th-congress/senate-bill/3221/text
[7] https://www.tysonsustainability.com/environment/land-stewardship
[8] https://ir.sandersonfarms.com/static-files/a11fcbd2-9dc4-441a-ae92-8258d316280d

Additionally, many of Pilgrim's largest customers increasingly expect their meat suppliers to improve mitigation of pollution streams.[9] Failing to address this risk may harm Pilgrim's position as a competitive supplier.

Pilgrim's is working to reduce the *quantity* of the water it uses and has a policy requiring "vendors" to comply with applicable environmental laws and regulations, encouraging them to "use best efforts to meet industry best practices and standards and responsibly manage the environmental impact of their operations."[10] However, neither Pilgrim's disclosures nor its policies specifically address the primary drivers of the company's water pollution footprint, including manure from contracted facilities and nutrient runoff from feed crops. Pilgrim's disclosures lack sufficient detail to assure investors that it is adequately managing the risks associated with water pollution within its supply chain.

RESOLVED: Shareholders of Pilgrim's Pride Corporation request a report assessing if and how the company plans to increase the scale, pace, and rigor of its efforts to reduce water pollution from its supply chain. This report should omit proprietary information, be prepared at reasonable cost, and be made available to shareholders by December 1, 2021.

Supporting statement:

Although we defer to management for the precise contents, investors believe that meaningful disclosure within the report could include:

- requirements for manure management practices intended to prevent water pollution
- requirements for leading practices for nutrient management and pollutant limits throughout contract farms and feed suppliers, with a focus on verifiably reducing nitrate contamination
- plans to verify suppliers' compliance with Pilgrim's policies

---

[9] https://www.walmartsustainabilityhub.com/project-gigaton/agriculture
https://www.tescoplc.com/sustainability/planet/agriculture/
https://corporate.mcdonalds.com/corpmcd/scale-for-good/our-planet/protecting-water-resources.html
https://www.yum.com/wps/wcm/connect/yumbrands/badc9774-4800-4f50-93f2-c81344c279d9/2020-Water-Secuirty-09 0420.pdf?MOD=AJPERES&CVID=nhk.faI
[10] https://sustainability.pilgrims.com/stories/supplier-code-of-conduct/

November 19, 2020

Corporate Secretary
Pilgrim's Pride Corporation
1770 Promontory Circle
Greeley, CO 80634-9038

RE: Adrian Dominican Sisters Account at Comerica

Dear Sir/Madam,

Regarding the request for verification of holdings, the above referenced account currently holds 212.00 units of Pilgrims Pride Corporation common stock.

The attached tax lot detail indicates the date the stock was acquired.

Also, please note that Comerica, Inc is a DTC participant.

Please do not hesitate to contact me with any questions.

Sincerely,

Beverly V. Jones

Beverly V. Jones
Senior Trust Analyst
Comerica Bank
411 W. Lafayette Boulevard
MC 3462
Detroit, Michigan 48226
P: 313.222.9874
Bvjones@comerica.com

***