

February 9, 2021

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

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

whitecase.com

Re: Pilgrim Pride's Corporation - Omission of Shareholder Proposal Submitted by Oxfam America, Inc.

Ladies and Gentlemen:

On behalf of our client, Pilgrim's Pride Corporation, a Delaware corporation (the "**Company**"), we are writing to respond to the letter dated February 5, 2021 (the "**Proponent Letter**") from Goulston & Storrs, counsel to Oxfam America, Inc. (the "**Proponent**"), relating to the Proponent's shareholder proposal and supporting statement received by the Company on October 21, 2020 (the "**Proposal**"). The Proponent Letter responds to our letter, dated January 8, 2021 (the "**No-Action Request**"), requesting confirmation that the staff (the "**Staff**") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "**Commission**" or 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 the Proposal from its proxy statement and form of proxy for the 2021 annual meeting of shareholders (the "**2021 Proxy Materials**"). The Proponent Letter and copies of additional correspondence with the Proponent regarding the Proposal since we submitted the No-Action Request are attached hereto as **Exhibit A**. The Company has not received any other correspondence relating to the Proposal. We are concurrently sending a copy of this response letter to Proponent.

In the Proponent Letter, the Proponent makes several arguments for why it believes the Company is not entitled to no-action relief to exclude its Proposal, including that (i) the Proponent has demonstrated its eligibility to submit the Proposal under Rule 14a-8(b), (ii) the Company has not substantially implemented the Proposal under Rule 14a-8(i)(10) and (iii) the Proposal does not relate to the Company's ordinary business operations under Rule 14a-8(i)(7). We respectfully disagree with these arguments, and take this opportunity to reinforce the prior positions stated in our No-Action Request, with a focus on the application of Rule 14a-8(b).

The Proponent has failed to demonstrate that it is eligible to submit the Proposal under Rule 14a-8(b), thus warranting its exclusion from the 2021 Proxy Materials. A "plain meaning" analysis of the Proponent's broker letter (attached to the No-Action Request) (the "**Broker Letter**") reveals that the letter does not "clear[ly] and sufficiently evidence [the] requisite minimum ownership requirements" of Rule 14a-8(b) (i.e., that the Proponent continuously held the requisite amount of Company stock for at least one year as of and including the date the Proponent submitted the Proposal). *Staff Legal Bulletin No. 14K* (Oct. 16, 2019) ("**SLB 14K**"). The Broker Letter states that "National Financial Services (NFS) holds 181 shares of Pilgrim Pride (PPC) for the benefit of Oxfam America, Inc." and that "Oxfam America, Inc. is the beneficial owner of the Shares and has owned shares of Pilgrim Pride (PPC) continuously since September 15, 2014." By way of elementary English grammar, "the Shares" and "shares" in the latter sentence do not clearly refer to the same set of shares of Company stock; "the Shares" is upper case and uses a definite article to tie it to the previously-cited quantity of 181 shares found in the first sentence, and "shares" is lower case and has no article, designating an unquantified, generic amount of shares. A reasonable person reading that the Proponent "is the beneficial

owner of *the* Shares and has owned *shares* of Pilgrim Pride (PPC) continuously” would need to overlook careless wording and adopt a generous, results-oriented reading in favor of the Proponent to conclude that it has proven Rule 14a-8(b) eligibility. When the Staff criticized “overly technical” analyses of broker letters in SLB 14K, it was rejecting formalistic arguments by companies that proponents must use specific “magic” words and sentence structures. The Staff was not espousing a canon of interpretation that every broker letter be read charitably in a proponent’s interest. The Proponent even seems to concede the Company’s “plain meaning” argument set out in the No-Action Request. In the Proponent Letter, rather than rebutting the Company’s argument, the Proponent dwells on the argument’s length to paint it as “grammatical,” “overly technical” and, in turn, not reflective of “plain meaning.” Any textualist argument, which by definition breaks down the text to its bare elements to show ordinary meaning, requires some grammatical explanation to be complete. Additionally, the level of detail of the Company’s “plain meaning” argument was not a byproduct of its complexity, but instead of the Company’s goal to show the Staff that it has consistently rejected broker letters like Proponent’s for insufficient proof of eligibility.

The Proponent Letter also “supplementally confirms” that “the Proponent did in fact hold the requisite amount of Company stock continuously for the requisite one-year period preceding the Proposal submission date.” Rule 14a-8(b) and Staff Legal Bulletin No. 14G are clear that this statement must come from the record holder (i.e., National Financial Services), not the Proponent, within the required time period under Rule 14a-8(f)(1). The Proponent readily admits that its confirmation does not meet Rule 14a-8(b)/(f)(1)’s requirements, saying it is “not necessarily relevant to the consideration of the adequacy of the Broker Letter taken together with the Company’s cover letter accompanying the Proposal.” Thus, the Proponent has not proven its eligibility to submit the Proposal under Rule 14a-8(b), and the Proposal is excludable on procedural grounds.

As described in the No-Action Request, the Proposal may also be excluded in reliance on Rule 14a-8(i)(10), as the Company has substantially implemented the Proposal’s essential objective via the publication of its 2019 Sustainability Report, SEC filings, corporate website and press release and Modern Slavery Act statements, all included with the No-Action Request. The Proposal is further 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. For more information, see the No-Action Request.

We respectfully request that the Staff concur with our view, summarized here and detailed in the No-Action Request, that the Company may properly omit the Proposal from its 2021 Proxy Materials in reliance on Rules 14a-8(b) and (f)(1), Rule 14a-8(i)(10) and/or Rule 14a-8(i)(7). If the Staff wishes to discuss the responses provided, please do not hesitate to contact the undersigned at (212) 819-8320 or Maia Gez, Esq. at (650) 213-0302.

Sincerely,

Scott Levi

Scott Levi, Esq.

CC: Minor Sinclair, Oxfam America, Inc.
 Diana Kearney, Oxfam America, Inc.
 Kim Pryor, Pilgrim’s Pride Corporation
 Dunham Winoto, Pilgrim’s Pride Corporation
 John Vetterli, Esq.
 Maia Gez, Esq.
 David L. Coombs, Goulston & Storrs

EXHIBIT A

From: Levi, Scott
Sent: Friday, January 8, 2021 9:40 PM
To: alexandre.galimberti@Oxfam.org; Diana.Kearney@Oxfam.org
Cc: Gez, Maia; Vetterli, John; Winoto, Dunham; Pryor, Kim; Sangalis, Theodore
Subject: RE: No-Action Request – Pilgrim's Pride Corporation (Oxfam America Inc. Proposal)
[EMAIL 2 OF 2]
Attachments: Pilgrim's Pride Corporation - No-Action Request, Exhibit C.zip

Attached is Exhibit C.

Scott Levi | Associate
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White & Case LLP | 1221 Avenue of the Americas | New York, NY 10020-1095

From: Levi, Scott
Sent: Friday, January 8, 2021 9:35 PM
To: 'alexandre.galimberti@Oxfam.org' <alexandre.galimberti@Oxfam.org>; 'Diana.Kearney@Oxfam.org' <Diana.Kearney@Oxfam.org>
Cc: Gez, Maia <maia.gez@whitecase.com>; Vetterli, John <jvetterli@whitecase.com>; 'Winoto, Dunham' <Dunham.Winoto@pilgrims.com>; 'Pryor, Kim' <Kim.Pryor@jbssa.com>; 'Sangalis, Theodore' <Theodore.Sangalis@jbssa.com>
Subject: No-Action Request – Pilgrim's Pride Corporation (Oxfam America Inc. Proposal) [EMAIL 1 OF 2]

Mr. Galimberti and Ms. Kearney,

After careful consideration, our client Pilgrim's Pride Corporation has concluded that it would be advisable to request no-action relief from the Securities and Exchange Commission to enable it to exclude the shareholder proposal of Oxfam America Inc. from the proxy materials for its 2021 annual meeting. Accordingly, please see the attached request for no-action relief that has been submitted to the SEC today. Please note that this email also serves as notice to Mr. Sinclair at Oxfam.

Due to constraints on sending files over a certain size, the attached includes the request letter and Exhibits A and B to the letter. We will send **Exhibit C to the letter as a zip file in a separate email.**

Best regards,

Scott Levi | Associate
T +1 212 819 8320 M [REDACTED] E scott.levi@whitecase.com
White & Case LLP | 1221 Avenue of the Americas | New York, NY 10020-1095

From: ShareholderProposals <shareholderproposals@SEC.GOV>
Sent: Friday, January 8, 2021 9:32 PM
To: Levi, Scott <scott.levi@whitecase.com>
Subject: Confirmation of email receipt

This is to confirm receipt of the email that you sent to the Division of Corporation Finance at ShareholderProposals@sec.gov. If your email contains a no-action request pursuant to Rule 14a-8, we will begin processing it as soon as possible. If you intended to send your email to the Division of Investment Management, please re-send it to IMShareholderProposals@sec.gov to ensure the most efficient processing.

From: Levi, Scott
Sent: Tuesday, February 9, 2021 6:50 AM
To: Levi, Scott
Subject: FW: Proponent Correspondence to No-Action Request (Pilgrim's Pride)
Attachments: Oxfam - Pilgrims Pride No Action Letter Response - February 2021- Executed.pdf

From: Lingenfelter, Linh <llingenfelter@goulstonstorrs.com>
Sent: Friday, February 5, 2021 5:28 PM
To: shareholderproposals@sec.gov
Cc: Coombs, David <DCoombs@GOULSTONSTORRS.com>; Ryan Rasdall ***
Subject: Proponent Correspondence to No-Action Request (Pilgrim's Pride)

To the Office of Chief Counsel in the Division of Corporation Finance of the U.S. Securities and Exchange Commission:

As permitted by Staff Legal Bulletin No. 14D (Nov. 7, 2008), attached please find our correspondence, on behalf of Oxfam America, Inc., in connection with Pilgrim's Pride Corporation's no-action request sent to you via e-mail on January 8, 2021.

As stated in the attached, we ask that you transmit your response in connection with Pilgrim's Pride Corporation's no-action request to David Coombs at dcoombs@goulstonstorrs.com.

Best regards,
Linh

Linh Lingenfelter
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February 5, 2021

VIA EMAIL (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
Shareholder Proposal of Oxfam America, Inc.
for Inclusion in the 2021 Proxy Statement
of Pilgrim's Pride Corporation**

Ladies & Gentlemen:

We are counsel for Oxfam America, Inc. (the "Proponent") in connection with the Proponent's shareholder proposal (the "Proposal") submitted to Pilgrim's Pride Corporation (the "Company"), pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for inclusion in the Company's proxy statement for its 2021 annual meeting of shareholders. This letter is in response to the letter of White & Case LLP, on behalf of the Company, dated January 8, 2021 (the "Company Request Letter"), delivered to your office, in which the Company requests confirmation that the staff (the "Staff") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "Commission") will not recommend enforcement action if the Company omits the Proposal in reliance on Rule 14a-8(b), Rule 14a-8(f)(1), Rule 14a-8(i)(10), and Rule 14a-8(i)(7). The full text of the Proposal, submitted on October 21, 2020 is enclosed with the Company Request Letter.

In accordance with Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB No. 14D"), this letter is being delivered by e-mail to shareholderproposals@sec.gov. Pursuant to Rule 14a-8(k) and SLB No. 14D, a copy of this letter is being furnished concurrently to the Company by e-mail.

Pursuant to the guidance provided in Staff Legal Bulletin No. 14F (Oct. 18, 2011), we ask that the Staff transmit its response and that the Company transmit any correspondence intended for the Proponent in connection with the Company Request Letter to the undersigned by email at dcoombs@goulstonstorrs.com.

SUMMARY

The Company contends that the Proposal may be excluded pursuant to:

- Rule 14a-8(b) and Rule 14a-8(f)(1), as the Proponent has failed to demonstrate that it is eligible to submit the Proposal (see page 3 of the Company Request Letter);
- Rule 14a-8(i)(10), as the Company has substantially implemented the Proposal (see page 6 of the Company Request Letter); and
- Rule 14a-8(i)(7), as the Proposal relates to the Company’s ordinary business operations (see page 15 of the Company Request Letter).

For the reasons discussed below, we disagree with the Company’s analysis and its characterization of the Proposal, and we respectfully request that the Staff reject the Company’s request for a no-action letter concerning the Proposal.

ANALYSIS

1. Eligibility to Submit the Proposal

In its October 21, 2020 cover letter accompanying the Proposal, the Proponent affirmed that it met the ownership and holding requirements to submit the Proposal, confirmed that it would continue to hold the requisite shares through the date of the Company’s 2021 annual meeting, and stated that ownership verification would be forthcoming.

On November 2, 2020, in response to the Company’s deficiency notice sent on October 22, 2020, the Proponent sent the Company a proof of ownership letter on the letterhead of Fidelity Clearing & Custody Solutions (the “Broker Letter”), which provides clearing, custody and other brokerage services through National Financial Services.

The Company seeks to exclude the Proposal under Rule 14a-8(b) and Rule 14a-8(f)(1). The crux of the Company’s argument is that the Broker Letter did not clearly and sufficiently evidence that the Proponent continuously held the requisite amount of Company stock for the requisite time period because “shares” (in its lower-case form) refers to a generic and unquantified collection of shares.¹

The Company acknowledges the Staff’s position set forth in Staff Legal Bulletin No. 14K (Oct. 16, 2019) (“SLB No. 14K”) that a “plain meaning” approach should be applied to proof of ownership letters.² Nevertheless, the Company insists that its interpretation and basis for exclusion do not amount to an “overly technical reading” of the Broker Letter – a position that is belied by the nearly three-and-a-half pages of the Company Request Letter devoted to a

¹ Company Request Letter, 1.B.i, p. 4.

² Company Request Letter, 1.B, p. 4.

grammatical argument. We respectfully ask that the Staff not permit exclusion of the Proposal on the basis of such an overly technical reading of the Broker Letter.

We supplementally confirm that, although not necessarily relevant to the consideration of the adequacy of the Broker Letter taken together with the Company's cover letter accompanying the Proposal, the Proponent did in fact hold the requisite amount of Company stock continuously for the requisite one-year period preceding the Proposal submission date.

2. The Proposal Has Not Been Substantially Implemented

The Company contends that under Rule 14a-8(i)(10), the Proposal may be excluded because the Company has substantially implemented the Proposal's essential objective via the publication of the disclosures attached as Exhibit C to the Company Request Letter (the "Existing Disclosures").³ While we recognize that the Company has published various statements acknowledging that it respects human rights, the Proposal requests that the Company go beyond platitudes and policy statements and actually provide the details of the Company's human rights processes and actual findings following investigations. More specifically, the Proposal seeks that the Company articulate how the Company's human rights policies are implemented in practice, how it monitors such implementation, and how it plans to be transparent about the findings of its human rights due diligence (HRDD) processes.

Below, we explain how each of the following Existing Disclosures does not, individually or in the aggregate, substantially implement the essential objective of the Proposal.

A. Supplier Code of Conduct

The Company points out that its Supplier Code of Conduct details the Company's requirements for vendors and suppliers to adhere to labor principles identified in the UN Guiding Principles, the OECD Guidelines for Multinational Enterprises, and the Core Conventions of the International Labor Organization. While it is laudable that the Company has a goal of having 100% of its suppliers "agree" to the Supplier Code of Conduct, the Company does not explain in its Existing Disclosures how it plans to: (i) investigate and ensure that its suppliers and vendors are complying with such obligations; and (ii) publish the results of its investigations. HRDD is a process, not just a policy statement, and monitoring and enforcement are critical components of that process.

B. Modern Slavery Act Statements

The Company points out that its Modern Slavery Act Statements and related website disclosures provide detailed reporting on the Company's due diligence actions and activities to address

³ Company Request Letter, 2.A.i, p. 7.

workforce and supply chain human rights violations, as well as track progress to remediate those violations. Unfortunately, these disclosures only apply to the Company's U.K. and Europe subsidiaries, namely, Moy Park Ltd. and Tulip Ltd. ("Tulip") They do not address the HRDD actions and activities here in the U.S. We applaud the fact that Tulip reported an investigation that found two potential victims of modern slavery at Tulip's Linton site. This is one example of the type of transparent reporting we would like to see for the Company's U.S. operations as well. The fact that the Company's overseas subsidiaries may be taking appropriate HRDD actions and activities in Europe does not mean that the Company has taken such actions and activities here in the U.S., where most of its plants and facilities are located.

C. Sustainability Report

The Company's Sustainability Report, while commendable in laying out certain initiatives, does not set out a comprehensive and transparent HRDD process. Based on guidance and recommendations from the UN Guiding Principles on Business and Human Rights⁴, The Danish Institute for Human Rights⁵, and CIDSE⁶, such a process should, at a minimum, allow shareholders to understand: (i) how the Company identifies and assesses the wide range of human rights risks involved in poultry processing; (ii) what steps the Company has taken to prevent and mitigate human rights violations; (iii) what the Company will do to compensate for or remediate past abuses; and (iv) how the Company will ensure transparency to shareholders so that shareholders can truly understand how the Company is mitigating the reputational, legal, and operational risks that come from failing to identify and prevent human rights abuses. Furthermore, we expect HRDD to review how a company's operations impact all stakeholders (including local communities and suppliers), not just its workers.

While we recognize initiatives such as conducting audits and hosting employee town hall meetings are elements of HRDD, in that they can assist a company in identifying human rights abuses, such efforts stop short of identifying to shareholders what the Company has found from such efforts and how it plans to prevent and mitigate human rights abuses in the future.

D. COVID-19 Measures Reported in its Q3 Form 10-Q and Sustainability Report

The Company points out that it has adopted several measures to respond to COVID-19, as indicated in its Q3 Form 10-Q and Sustainability Report. While we applaud such efforts, we note that they constitute only one part of a comprehensive HRDD process outlined above. The Company's reporting on COVID-19 fails to identify: (i) which human rights issues may arise as a result of COVID-19 (e.g., health risks not just to workers, but to families of workers and to

⁴ https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

⁵ <https://www.humanrights.dk/business/tools/human-rights-impact-assessment-guidance-toolbox>.

⁶ https://media.business-humanrights.org/media/documents/files/documents/HRDD_EN_Final.pdf

local communities; financial (and consequently, loss of housing and education) risks to stakeholders who have to stay at home to prevent infecting their co-workers or family members); and (ii) the Company's finding on its HRDD (e.g., how have its stakeholders actually been harmed by COVID-19?). Furthermore, many of the safety measures and policies that the Company has identified only apply to a subset of its employees—they do not necessarily apply (or it is not clear that they apply) to hourly wage employees at the Company's factories who are likely facing the highest risk of contracting COVID-19.

In addition to such shortcomings in the Company's reporting, the reality is that the Company's safety measures and policies have proven ineffective in many cases, as news stories have reported worker protests⁷, lawsuits⁸, and COVID-19 outbreaks⁹.

3. The Proposal Does Not Relate to the Company's Ordinary Business Operations

The Company contends that the Proposal may be excluded under Rule 14a-8(i)(7) on the grounds that the Proposal's underlying subject matter relates to the Company's ordinary business operations and that the Proposal attempts to micro-manage the Company. We disagree with the Company's analysis. In particular, we submit that:

1. The primary purpose of the Proposal concerns HRDD, as demonstrated by both the Proposal's resolution and the Proposal's supporting statement. The Company incorrectly characterizes the supporting statement as narrowing the Proposal's focus to worker health and safety.
2. The Proposal's request for an HRDD report has been designed with sufficient flexibility and deference to the board so as not to micro manage the Company.

A. The Primary Purpose of the Proposal Concerns Human Rights

The Company argues that the Proposal should be excluded under the ordinary business operations exception because it "concerns health and safety policies and practices, the management of which is a core tenet of the Company's operations."¹⁰ While the Company acknowledges that the Proposal's resolution is focused on human rights due diligence reporting¹¹, the Company contends that the rest of the Proposal primarily discusses workplace

⁷ <https://www.startribune.com/pilgrim-s-pride-workers-protest-company-s-covid-19-policies/570022352>.

⁸ <https://www.kltv.com/2020/06/16/family-lufkin-pilgrims-pride-employee-who-died-covid-suing-company/>.

⁹ <https://www.wctv.tv/2020/07/07/employees-claim-covid-outbreak-at-pilgrims-pride/>.

¹⁰ Company Request Letter, 3.B.i, p. 16.

¹¹ Company Request Letter, 3.B.ii, p.17.

policies and practices, particularly efforts to protect workers against COVID-19.¹² The Company's analysis goes on to dissect the supporting statement, offering what superficially appear to be mathematically impressive statistics such as "three out of four paragraphs" and "ten out of the 15 sentences" as delving into workplace safety issues.¹³ We think the Company mischaracterizes the thrust of the supporting statement, and that the Company's statistics derive from a selective reading of the Proposal text.

The first paragraph of the supporting statement, consistent with the Proposal's resolution, sets out a broad concern toward the Company's human rights impact, touching on not only Company-owned operations but also the Company's considerable human rights impacts through contract growers and its supply chain. Indeed, not once does this paragraph mention workplace health or safety.¹⁴

The topic sentence of the second paragraph of the supporting statement further demonstrates the Proposal's concern with stakeholders other than the Company's workers: "*Companies that fail to address human rights concerns risk backlash from communities, customers, and regulators, ...*".¹⁵ The second sentence in this paragraph continues the broad human rights focus: "*Industrial meat production exposes workers, farmers, and communities to actual and potential adverse human rights impacts.*"¹⁶ This broader focus is continued by the concluding statement in the same paragraph: "*In addition to risks faced by workers, surrounding communities are also impacted by processing plants' interference with their right to clean water.*"¹⁷ Indeed, only one sentence (the third sentence) in this paragraph relates specifically to workers (and, in this case, not just the Company's workers but workers in the poultry processing industry generally).¹⁸ Reference to the welfare of workers industry-wide as one example of a broader significant social policy issue does not transform the Proposal into one that seeks only to address the health and safety of the Company's workforce.

The third paragraph of the supporting statement speaks to the "aggravat[ing]" impacts of the COVID-19 pandemic on these broad human rights concerns.¹⁹ Among other things, the topic sentence of this paragraph specifically refers to the development of "infection hotspots" around the poultry industry.²⁰ It should go without saying that the efforts (or lack thereof) of businesses,

¹² Company Request Letter, 3.B.ii, pp.17-18.

¹³ *Id.*

¹⁴ Proposal, p. 1.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

governments and individuals in each doing his, her or its part to combat this pandemic have wide-ranging impacts that go beyond any one company's processing plants, or even their immediately surrounding communities. To characterize the effect and intent of this paragraph as being focused on managing workplace health and safety is to fail to appreciate the gravity and global reach of the COVID-19 pandemic, and the need for collective action to defeat it.

If any paragraph in the supporting statement could be labeled as being focused primarily on workplace health and safety, it would be the fourth paragraph and its recitation of the Company's history of workplace violations. It would be incorrect, however, to point to this paragraph as being foundational of a narrow workplace-focused proposal. This paragraph is but one illustration, one item of additional background information that shareholders may find relevant in assessing the merits of the Proposal. This paragraph, fairly read in context, does nothing to alter the broad human rights scope of the Proposal, taken as a whole.

The fifth and final paragraph, including its reference to the UN Guiding Principles on Business and Human Rights, re-affirms the broad human rights purpose and focus of the Proposal and its concern with stakeholders beyond the Company's workers.²¹

B. The Proposal Would Not Micro-Manage the Company

The Company claims that the Proposal would micromanage the Company "by imposing several, highly specific means for implementing employee-related policies and practices"²² and "by imposing stringent requirements for reporting on multifaceted workplace issues."²³ The Company bolsters its claim by asserting that the Proposal goes as far as to mandate which topics be addressed, recommends ways as to which the topics be investigated, and requires that the Company achieve a certain level of success.²⁴ For those reasons, the Company asserts that the Proposal would micromanage the Company.

However, those statements mischaracterize the contents of the Proposal. While the Proponent agrees that recommendations were included in the Proposal, the language does not go as far as to "mandate" or "require" specific actions by the Company or its management. The Company maintains its discretion to report and implement its HRDD process in the means and manner it sees fit. Rather, the Proposal provides guidance on the components of a robust HRDD report based on recommendations from several reputable sources. In the 1998 amendments to Rule 14a-8, which sought to delineate the scope of ordinary business operations, the Commission clarified that a shareholder proposal seeks to micro manage a company if it "prob[es] too deeply into

²¹ Proposal, p. 2.

²² Company Request Letter, 3.D, p. 20.

²³ Company Request Letter, 3.D.ii, p. 21.

²⁴ *Id.*

matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”²⁵ To further clarify, the Commission listed examples, such as “where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.”²⁶

Here, the Proposal implicates none of these concerns. It requests a HRDD report on the Company and provides recommendations on what types of information such report would ideally cover. Such enumeration of topic areas leaves ample room for the Company’s board of directors to use its judgment and discretion to determine the precise scope of disclosure to be included in those topic areas, as well as to include other topic areas relevant to the policy issue.

C. The Proposal Implicates a Significant Policy Issue: Human Rights

The Company asserts that the Proposal should be excluded because it “does not focus on a significant policy issue transcending the Company’s ordinary business operations.”²⁷ The Company shared in its Company Request Letter that it reached this conclusion after the Company’s Equity Nominating Committee concluded that the “thrust of the Proposal ... concerns the policies and practices that the Company has instituted to protect employees from injuries, incidents and illnesses that they routinely face as poultry processing workers.”²⁸ We strongly disagree with the Company’s conclusion.

The Proposal focuses exclusively on a significant policy issue that transcends the Company’s day to day operations: the Company’s human rights impact. The Staff has consistently found human rights to transcend ordinary business. As “one of the world’s largest chicken producers...operat[ing] primarily in the United States (the ‘U.S.’), the United Kingdom (the ‘U.K.’) and continental Europe and Mexico,” the Company has a global and consequential reach.²⁹

The Company argues that the delta between the Proposal and the Company’s efforts is not significant and does not present a significant social policy for the Company.³⁰ Regrettably, this conclusion has not proven to be true, as seen in the shortcomings of the Company’s current reporting and actions and their resulting consequences, detailed in Part 2 of this letter. Having a robust HRDD process and evidencing such process in a report as the Proposal requests is a key step to the Company actually fulfilling its commitment to human rights.

²⁵ SEC Release No. 34-40018 (avail. May 21, 1998).

²⁶ *Id.*

²⁷ Company Request Letter, 3.E, p. 22.

²⁸ Company Request Letter, 3.E.iii, p. 24.

²⁹ Company Request Letter, p. 2.

³⁰ Company Request Letter, 3.E, pp. 22-24.

CONCLUSION

In accordance with Rule 14a-8(g) and Staff Legal Bulletin No. 14 (July 13, 2001), the Company has the burden of demonstrating that it is entitled to exclude the Proposal. The Company has not met its burden.

The Proposal clearly focuses on the significant social policy of human rights. The Company's poor track record in this area shows that its current HRDD process is inadequate and that the Proposal has not been substantially implemented. Far from seeking to micro-manage the Company's ordinary business operations, the Proposal requests a report on the Company's HRDD process to assess, identify, prevent, and mitigate adverse human rights impacts. Such a report, although comprehensive in what it requests the Company to report on, affords the Company's board of directors ample latitude in the manner and means of disclosure and implementation and does not seek to impose any specific conditions on how the Company chooses to operate its business or manage its workforce.

Based upon the analysis set forth above, we respectfully request that the Company's request for no-action relief be denied.

If you have any questions or require additional information, please do not hesitate to contact me at (617) 574-3563 or by email at dcoombs@goulstonstorr.com.

Sincerely,



David L. Coombs

cc: White & Case LLP (on behalf of Pilgrim's Pride Corporation)
Kim Pryor, Pilgrim's Pride Corporation
Minor Sinclair, Oxfam America
Diana Kearney, Oxfam America

February 5, 2021

VIA EMAIL (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
Shareholder Proposal of Oxfam America, Inc.
for Inclusion in the 2021 Proxy Statement
of Pilgrim's Pride Corporation**

Ladies & Gentlemen:

We are counsel for Oxfam America, Inc. (the "Proponent") in connection with the Proponent's shareholder proposal (the "Proposal") submitted to Pilgrim's Pride Corporation (the "Company"), pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for inclusion in the Company's proxy statement for its 2021 annual meeting of shareholders. This letter is in response to the letter of White & Case LLP, on behalf of the Company, dated January 8, 2021 (the "Company Request Letter"), delivered to your office, in which the Company requests confirmation that the staff (the "Staff") of the Division of Corporation Finance of the U.S. Securities and Exchange Commission (the "Commission") will not recommend enforcement action if the Company omits the Proposal in reliance on Rule 14a-8(b), Rule 14a-8(f)(1), Rule 14a-8(i)(10), and Rule 14a-8(i)(7). The full text of the Proposal, submitted on October 21, 2020 is enclosed with the Company Request Letter.

In accordance with Staff Legal Bulletin No. 14D (Nov. 7, 2008) ("SLB No. 14D"), this letter is being delivered by e-mail to shareholderproposals@sec.gov. Pursuant to Rule 14a-8(k) and SLB No. 14D, a copy of this letter is being furnished concurrently to the Company by e-mail.

Pursuant to the guidance provided in Staff Legal Bulletin No. 14F (Oct. 18, 2011), we ask that the Staff transmit its response and that the Company transmit any correspondence intended for the Proponent in connection with the Company Request Letter to the undersigned by email at dcoombs@goulstonstorrs.com.

SUMMARY

The Company contends that the Proposal may be excluded pursuant to:

- Rule 14a-8(b) and Rule 14a-8(f)(1), as the Proponent has failed to demonstrate that it is eligible to submit the Proposal (see page 3 of the Company Request Letter);
- Rule 14a-8(i)(10), as the Company has substantially implemented the Proposal (see page 6 of the Company Request Letter); and
- Rule 14a-8(i)(7), as the Proposal relates to the Company’s ordinary business operations (see page 15 of the Company Request Letter).

For the reasons discussed below, we disagree with the Company’s analysis and its characterization of the Proposal, and we respectfully request that the Staff reject the Company’s request for a no-action letter concerning the Proposal.

ANALYSIS

1. Eligibility to Submit the Proposal

In its October 21, 2020 cover letter accompanying the Proposal, the Proponent affirmed that it met the ownership and holding requirements to submit the Proposal, confirmed that it would continue to hold the requisite shares through the date of the Company’s 2021 annual meeting, and stated that ownership verification would be forthcoming.

On November 2, 2020, in response to the Company’s deficiency notice sent on October 22, 2020, the Proponent sent the Company a proof of ownership letter on the letterhead of Fidelity Clearing & Custody Solutions (the “Broker Letter”), which provides clearing, custody and other brokerage services through National Financial Services.

The Company seeks to exclude the Proposal under Rule 14a-8(b) and Rule 14a-8(f)(1). The crux of the Company’s argument is that the Broker Letter did not clearly and sufficiently evidence that the Proponent continuously held the requisite amount of Company stock for the requisite time period because “shares” (in its lower-case form) refers to a generic and unquantified collection of shares.¹

The Company acknowledges the Staff’s position set forth in Staff Legal Bulletin No. 14K (Oct. 16, 2019) (“SLB No. 14K”) that a “plain meaning” approach should be applied to proof of ownership letters.² Nevertheless, the Company insists that its interpretation and basis for exclusion do not amount to an “overly technical reading” of the Broker Letter – a position that is belied by the nearly three-and-a-half pages of the Company Request Letter devoted to a

¹ Company Request Letter, 1.B.i, p. 4.

² Company Request Letter, 1.B, p. 4.

grammatical argument. We respectfully ask that the Staff not permit exclusion of the Proposal on the basis of such an overly technical reading of the Broker Letter.

We supplementally confirm that, although not necessarily relevant to the consideration of the adequacy of the Broker Letter taken together with the Company's cover letter accompanying the Proposal, the Proponent did in fact hold the requisite amount of Company stock continuously for the requisite one-year period preceding the Proposal submission date.

2. The Proposal Has Not Been Substantially Implemented

The Company contends that under Rule 14a-8(i)(10), the Proposal may be excluded because the Company has substantially implemented the Proposal's essential objective via the publication of the disclosures attached as Exhibit C to the Company Request Letter (the "Existing Disclosures").³ While we recognize that the Company has published various statements acknowledging that it respects human rights, the Proposal requests that the Company go beyond platitudes and policy statements and actually provide the details of the Company's human rights processes and actual findings following investigations. More specifically, the Proposal seeks that the Company articulate how the Company's human rights policies are implemented in practice, how it monitors such implementation, and how it plans to be transparent about the findings of its human rights due diligence (HRDD) processes.

Below, we explain how each of the following Existing Disclosures does not, individually or in the aggregate, substantially implement the essential objective of the Proposal.

A. Supplier Code of Conduct

The Company points out that its Supplier Code of Conduct details the Company's requirements for vendors and suppliers to adhere to labor principles identified in the UN Guiding Principles, the OECD Guidelines for Multinational Enterprises, and the Core Conventions of the International Labor Organization. While it is laudable that the Company has a goal of having 100% of its suppliers "agree" to the Supplier Code of Conduct, the Company does not explain in its Existing Disclosures how it plans to: (i) investigate and ensure that its suppliers and vendors are complying with such obligations; and (ii) publish the results of its investigations. HRDD is a process, not just a policy statement, and monitoring and enforcement are critical components of that process.

B. Modern Slavery Act Statements

The Company points out that its Modern Slavery Act Statements and related website disclosures provide detailed reporting on the Company's due diligence actions and activities to address

³ Company Request Letter, 2.A.i, p. 7.

workforce and supply chain human rights violations, as well as track progress to remediate those violations. Unfortunately, these disclosures only apply to the Company's U.K. and Europe subsidiaries, namely, Moy Park Ltd. and Tulip Ltd. ("Tulip") They do not address the HRDD actions and activities here in the U.S. We applaud the fact that Tulip reported an investigation that found two potential victims of modern slavery at Tulip's Linton site. This is one example of the type of transparent reporting we would like to see for the Company's U.S. operations as well. The fact that the Company's overseas subsidiaries may be taking appropriate HRDD actions and activities in Europe does not mean that the Company has taken such actions and activities here in the U.S., where most of its plants and facilities are located.

C. Sustainability Report

The Company's Sustainability Report, while commendable in laying out certain initiatives, does not set out a comprehensive and transparent HRDD process. Based on guidance and recommendations from the UN Guiding Principles on Business and Human Rights⁴, The Danish Institute for Human Rights⁵, and CIDSE⁶, such a process should, at a minimum, allow shareholders to understand: (i) how the Company identifies and assesses the wide range of human rights risks involved in poultry processing; (ii) what steps the Company has taken to prevent and mitigate human rights violations; (iii) what the Company will do to compensate for or remediate past abuses; and (iv) how the Company will ensure transparency to shareholders so that shareholders can truly understand how the Company is mitigating the reputational, legal, and operational risks that come from failing to identify and prevent human rights abuses. Furthermore, we expect HRDD to review how a company's operations impact all stakeholders (including local communities and suppliers), not just its workers.

While we recognize initiatives such as conducting audits and hosting employee town hall meetings are elements of HRDD, in that they can assist a company in identifying human rights abuses, such efforts stop short of identifying to shareholders what the Company has found from such efforts and how it plans to prevent and mitigate human rights abuses in the future.

D. COVID-19 Measures Reported in its Q3 Form 10-Q and Sustainability Report

The Company points out that it has adopted several measures to respond to COVID-19, as indicated in its Q3 Form 10-Q and Sustainability Report. While we applaud such efforts, we note that they constitute only one part of a comprehensive HRDD process outlined above. The Company's reporting on COVID-19 fails to identify: (i) which human rights issues may arise as a result of COVID-19 (e.g., health risks not just to workers, but to families of workers and to

⁴ https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

⁵ <https://www.humanrights.dk/business/tools/human-rights-impact-assessment-guidance-toolbox>.

⁶ https://media.business-humanrights.org/media/documents/files/documents/HRDD_EN_Final.pdf

local communities; financial (and consequently, loss of housing and education) risks to stakeholders who have to stay at home to prevent infecting their co-workers or family members); and (ii) the Company's finding on its HRDD (e.g., how have its stakeholders actually been harmed by COVID-19?). Furthermore, many of the safety measures and policies that the Company has identified only apply to a subset of its employees—they do not necessarily apply (or it is not clear that they apply) to hourly wage employees at the Company's factories who are likely facing the highest risk of contracting COVID-19.

In addition to such shortcomings in the Company's reporting, the reality is that the Company's safety measures and policies have proven ineffective in many cases, as news stories have reported worker protests⁷, lawsuits⁸, and COVID-19 outbreaks⁹.

3. The Proposal Does Not Relate to the Company's Ordinary Business Operations

The Company contends that the Proposal may be excluded under Rule 14a-8(i)(7) on the grounds that the Proposal's underlying subject matter relates to the Company's ordinary business operations and that the Proposal attempts to micro-manage the Company. We disagree with the Company's analysis. In particular, we submit that:

1. The primary purpose of the Proposal concerns HRDD, as demonstrated by both the Proposal's resolution and the Proposal's supporting statement. The Company incorrectly characterizes the supporting statement as narrowing the Proposal's focus to worker health and safety.
2. The Proposal's request for an HRDD report has been designed with sufficient flexibility and deference to the board so as not to micro manage the Company.

A. The Primary Purpose of the Proposal Concerns Human Rights

The Company argues that the Proposal should be excluded under the ordinary business operations exception because it "concerns health and safety policies and practices, the management of which is a core tenet of the Company's operations."¹⁰ While the Company acknowledges that the Proposal's resolution is focused on human rights due diligence reporting¹¹, the Company contends that the rest of the Proposal primarily discusses workplace

⁷ <https://www.startribune.com/pilgrim-s-pride-workers-protest-company-s-covid-19-policies/570022352>.

⁸ <https://www.kltv.com/2020/06/16/family-lufkin-pilgrims-pride-employee-who-died-covid-suing-company/>.

⁹ <https://www.wctv.tv/2020/07/07/employees-claim-covid-outbreak-at-pilgrims-pride/>.

¹⁰ Company Request Letter, 3.B.i, p. 16.

¹¹ Company Request Letter, 3.B.ii, p.17.

policies and practices, particularly efforts to protect workers against COVID-19.¹² The Company's analysis goes on to dissect the supporting statement, offering what superficially appear to be mathematically impressive statistics such as "three out of four paragraphs" and "ten out of the 15 sentences" as delving into workplace safety issues.¹³ We think the Company mischaracterizes the thrust of the supporting statement, and that the Company's statistics derive from a selective reading of the Proposal text.

The first paragraph of the supporting statement, consistent with the Proposal's resolution, sets out a broad concern toward the Company's human rights impact, touching on not only Company-owned operations but also the Company's considerable human rights impacts through contract growers and its supply chain. Indeed, not once does this paragraph mention workplace health or safety.¹⁴

The topic sentence of the second paragraph of the supporting statement further demonstrates the Proposal's concern with stakeholders other than the Company's workers: "*Companies that fail to address human rights concerns risk backlash from communities, customers, and regulators, ...*".¹⁵ The second sentence in this paragraph continues the broad human rights focus: "*Industrial meat production exposes workers, farmers, and communities to actual and potential adverse human rights impacts.*"¹⁶ This broader focus is continued by the concluding statement in the same paragraph: "*In addition to risks faced by workers, surrounding communities are also impacted by processing plants' interference with their right to clean water.*"¹⁷ Indeed, only one sentence (the third sentence) in this paragraph relates specifically to workers (and, in this case, not just the Company's workers but workers in the poultry processing industry generally).¹⁸ Reference to the welfare of workers industry-wide as one example of a broader significant social policy issue does not transform the Proposal into one that seeks only to address the health and safety of the Company's workforce.

The third paragraph of the supporting statement speaks to the "aggravat[ing]" impacts of the COVID-19 pandemic on these broad human rights concerns.¹⁹ Among other things, the topic sentence of this paragraph specifically refers to the development of "infection hotspots" around the poultry industry.²⁰ It should go without saying that the efforts (or lack thereof) of businesses,

¹² Company Request Letter, 3.B.ii, pp.17-18.

¹³ *Id.*

¹⁴ Proposal, p. 1.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ *Id.*

²⁰ *Id.*

governments and individuals in each doing his, her or its part to combat this pandemic have wide-ranging impacts that go beyond any one company's processing plants, or even their immediately surrounding communities. To characterize the effect and intent of this paragraph as being focused on managing workplace health and safety is to fail to appreciate the gravity and global reach of the COVID-19 pandemic, and the need for collective action to defeat it.

If any paragraph in the supporting statement could be labeled as being focused primarily on workplace health and safety, it would be the fourth paragraph and its recitation of the Company's history of workplace violations. It would be incorrect, however, to point to this paragraph as being foundational of a narrow workplace-focused proposal. This paragraph is but one illustration, one item of additional background information that shareholders may find relevant in assessing the merits of the Proposal. This paragraph, fairly read in context, does nothing to alter the broad human rights scope of the Proposal, taken as a whole.

The fifth and final paragraph, including its reference to the UN Guiding Principles on Business and Human Rights, re-affirms the broad human rights purpose and focus of the Proposal and its concern with stakeholders beyond the Company's workers.²¹

B. The Proposal Would Not Micro-Manage the Company

The Company claims that the Proposal would micromanage the Company "by imposing several, highly specific means for implementing employee-related policies and practices"²² and "by imposing stringent requirements for reporting on multifaceted workplace issues."²³ The Company bolsters its claim by asserting that the Proposal goes as far as to mandate which topics be addressed, recommends ways as to which the topics be investigated, and requires that the Company achieve a certain level of success.²⁴ For those reasons, the Company asserts that the Proposal would micromanage the Company.

However, those statements mischaracterize the contents of the Proposal. While the Proponent agrees that recommendations were included in the Proposal, the language does not go as far as to "mandate" or "require" specific actions by the Company or its management. The Company maintains its discretion to report and implement its HRDD process in the means and manner it sees fit. Rather, the Proposal provides guidance on the components of a robust HRDD report based on recommendations from several reputable sources. In the 1998 amendments to Rule 14a-8, which sought to delineate the scope of ordinary business operations, the Commission clarified that a shareholder proposal seeks to micro manage a company if it "prob[es] too deeply into

²¹ Proposal, p. 2.

²² Company Request Letter, 3.D, p. 20.

²³ Company Request Letter, 3.D.ii, p. 21.

²⁴ *Id.*

matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.”²⁵ To further clarify, the Commission listed examples, such as “where the proposal involves intricate detail, or seeks to impose specific time-frames or methods for implementing complex policies.”²⁶

Here, the Proposal implicates none of these concerns. It requests a HRDD report on the Company and provides recommendations on what types of information such report would ideally cover. Such enumeration of topic areas leaves ample room for the Company’s board of directors to use its judgment and discretion to determine the precise scope of disclosure to be included in those topic areas, as well as to include other topic areas relevant to the policy issue.

C. The Proposal Implicates a Significant Policy Issue: Human Rights

The Company asserts that the Proposal should be excluded because it “does not focus on a significant policy issue transcending the Company’s ordinary business operations.”²⁷ The Company shared in its Company Request Letter that it reached this conclusion after the Company’s Equity Nominating Committee concluded that the “thrust of the Proposal ... concerns the policies and practices that the Company has instituted to protect employees from injuries, incidents and illnesses that they routinely face as poultry processing workers.”²⁸ We strongly disagree with the Company’s conclusion.

The Proposal focuses exclusively on a significant policy issue that transcends the Company’s day to day operations: the Company’s human rights impact. The Staff has consistently found human rights to transcend ordinary business. As “one of the world’s largest chicken producers...operat[ing] primarily in the United States (the ‘U.S.’), the United Kingdom (the ‘U.K.’) and continental Europe and Mexico,” the Company has a global and consequential reach.²⁹

The Company argues that the delta between the Proposal and the Company’s efforts is not significant and does not present a significant social policy for the Company.³⁰ Regrettably, this conclusion has not proven to be true, as seen in the shortcomings of the Company’s current reporting and actions and their resulting consequences, detailed in Part 2 of this letter. Having a robust HRDD process and evidencing such process in a report as the Proposal requests is a key step to the Company actually fulfilling its commitment to human rights.

²⁵ SEC Release No. 34-40018 (avail. May 21, 1998).

²⁶ *Id.*

²⁷ Company Request Letter, 3.E, p. 22.

²⁸ Company Request Letter, 3.E.iii, p. 24.

²⁹ Company Request Letter, p. 2.

³⁰ Company Request Letter, 3.E, pp. 22-24.

CONCLUSION

In accordance with Rule 14a-8(g) and Staff Legal Bulletin No. 14 (July 13, 2001), the Company has the burden of demonstrating that it is entitled to exclude the Proposal. The Company has not met its burden.

The Proposal clearly focuses on the significant social policy of human rights. The Company's poor track record in this area shows that its current HRDD process is inadequate and that the Proposal has not been substantially implemented. Far from seeking to micro-manage the Company's ordinary business operations, the Proposal requests a report on the Company's HRDD process to assess, identify, prevent, and mitigate adverse human rights impacts. Such a report, although comprehensive in what it requests the Company to report on, affords the Company's board of directors ample latitude in the manner and means of disclosure and implementation and does not seek to impose any specific conditions on how the Company chooses to operate its business or manage its workforce.

Based upon the analysis set forth above, we respectfully request that the Company's request for no-action relief be denied.

If you have any questions or require additional information, please do not hesitate to contact me at (617) 574-3563 or by email at dcoombs@goulstonstorr.com.

Sincerely,



David L. Coombs

cc: White & Case LLP (on behalf of Pilgrim's Pride Corporation)
Kim Pryor, Pilgrim's Pride Corporation
Minor Sinclair, Oxfam America
Diana Kearney, Oxfam America

January 8, 2021

VIA E-MAIL (shareholderproposals@sec.gov)

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Re: Pilgrim's Pride Corporation - Omission of Shareholder Proposal Submitted by Oxfam America, Inc.

Ladies and Gentlemen:

On behalf of our client, Pilgrim's Pride Corporation, a Delaware corporation (the "**Company**" or "**PPC**"), 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 any enforcement action if, in reliance on Rule 14a-8 under the Securities Exchange Act of 1934, as amended ("**Rule 14a-8**"), 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 Oxfam America Inc. (the "**Proponent**"). 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 Proponent, thereby notifying the Proponent 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 Proponent 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 Proponent that if the Proponent elects to submit 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:

“Resolved: Shareholders request the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on Pilgrim’s Pride’s human rights due diligence (HRDD) process to assess, identify, prevent and mitigate actual and potential adverse human rights impacts.

The Supporting Statement

- “recommend[s] the report:
 - Include the human rights principles used to frame its risk assessments;
 - Outline the human rights impacts of Pilgrim’s Pride’s business activities, including company-owned operations, contract growers, and supply chain, and plans to mitigate adverse impacts;
 - Explain the types and extent of stakeholder consultation; and
 - Address Pilgrim’s Pride’s plans to track effectiveness of measures to assess, prevent, mitigate, and remedy adverse human rights impacts.
- states that “[p]oultry processing workers, including at Pilgrim’s Pride, have routinely faced serious labor rights violations, including injuries from unsafe line speeds and other hazards, exposure to toxins, wage and hour violations, sexual harassment, and workplace discrimination.”
- notes that the “[novel coronavirus (“COVID-19”)] pandemic has severely aggravated these dangers, with the poultry industry being infection hotspots in multiple states” and that “[w]orkers at Pilgrim’s Pride have complained about insufficient protections, working in spite of fevers and presenting COVID-19 symptoms, and lacking information about exposure to infected individuals.”
- further notes that “[w]orkers also relayed that Pilgrim’s Pride failed to provide adequate protection equipment, and are asked to re-use them day after day” and that the “poultry processing industry is plagued by legal complaints, fines revealing patterns of workplace violations.”
- concludes that the “UN Guiding Principles on Business and Human Rights affirm that corporations have a responsibility to respect human rights within company-owned operations and throughout their supply chain” and that “companies are expected to conduct HRDD, informed by the core international human rights instruments, to assess, identify, prevent, and mitigate adverse human rights impacts.”

A complete copy of the Proposal is attached hereto as **Exhibit A**. We are also providing to the Staff in **Exhibit C** excerpts from the Company’s most recent quarterly report on Form 10-Q, filed with the SEC on October 29, 2020 (the “**2020 Q3 Form 10-Q**”), 2019 Sustainability Report (the “**Sustainability Report**”), Supplier Code of Conduct (the “**Supplier Code**”), corporate website and press release, published by the Company on October 21, 2020, as well as Modern Slavery Act Statements for both Moy Park and Tulip (collectively, the “**Existing Disclosures**”).

Bases 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(b) and Rule 14a-8(f)(1), as the Proponent has failed to demonstrate that it is eligible to submit the Proposal (see page 3);
- Rule 14a-8(i)(10), as the Company has substantially implemented the Proposal (see page 6); and
- Rule 14a-8(i)(7), as the Proposal relates to the Company’s ordinary business operations (see page 15).

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 conjunction with management, the Company’s Board of Directors (the “**Board**”) reviewed the Proposal with in 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, is included on page 22 of this letter.

Analysis

1. Exclusion of the Proposal under Rule 14a-8(b) and Rule 14a-8(f)(1)

A. *Background – Rule 14a-8(b) and Rule 14a-8(f)(1).*

On October 21, 2020, the Company received the Proposal by email, accompanied by a cover letter from the Proponent, dated October 21, 2020 (the “**Cover Letter**”). The Cover Letter stated as follows: “Oxfam America has continuously held, for at least one year as of the date hereof, sufficient shares of the Company’s common stock to meet the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended. Verification of this ownership will be forthcoming. Oxfam America intends to continue to hold such shares through the date of the Company’s 2021 annual meeting of shareholders.”

On October 22, 2020, one day after receiving the Proposal, the Company sent by U.S. mail to the Proponent a deficiency notice (the “**Deficiency Notice**”) citing certain procedural deficiencies under Rule 14a-8(b). The Deficiency Notice described the beneficial ownership requirements of Rule 14a-8(b) and the type of proof necessary to demonstrate beneficial ownership under Rule 14a-8(b). The Company also emailed the Deficiency Notice to the Proponent on October 28, 2020, six days after receiving the Proposal. The Proponent responded by email on October 28, 2020 to the Company confirming receipt of the Deficiency Notice.

On November 2, 2020, the Proponent responded to the Company’s Deficiency Notice by email, attaching a proof of ownership letter on the letterhead of Fidelity Clearing & Custody Solutions (the “**Broker Letter**”), which provides clearing, custody and other brokerage services through National Financial Services. The Broker Letter states as follows:

“National Financial Services (NFS) holds 181 shares of Pilgrim Pride (PPC) for the benefit of Oxfam America, Inc. Per our records, the initial purchase was on September 15, 2014. Oxfam America, Inc. is the beneficial owner of the Shares and has owned shares of Pilgrim Pride (PPC) continuously since September 15, 2014 in account ending [redacted].”

The Broker Letter also stated: “This letter is in conjunction with the filing on October 21, 2020.”

Exhibit B includes: (i) the Cover Letter and the email with which it was sent by the Proponent to the Company; (ii) the Deficiency Notice and the email with which it was sent by the Company to the Proponent; (iii) the email from the Proponent to the Company confirming receipt of the Deficiency Notice; and (iv) the Broker Letter and the email with which it was sent by the Proponent to the Company.

B. *Analysis – Rule 14a-8(b) and Rule 14a-8(f)(1).*

The Company may exclude the Proposal under Rules 14a-8(b) and 14a-8(f)(1) because, after the Company delivered the Deficiency Notice to the Proponent, the Proponent did not substantiate its eligibility to submit the Proposal by showing its continuous ownership of the required amount of shares of Company common stock (the “**stock**”) through and including the Proposal’s submission date. Under Rule 14a-8(b)(1), to be eligible to submit a proposal, among other requirements, the proponent must have continuously held, for at least one year as of and including the date the proponent submits the proposal, at least \$2,000 in market value, or 1%, of the class of company securities entitled to be voted on the proposal at the annual meeting of the company’s shareholders. Under Rule 14a-8(b)(2), where the proponent is not the record holder of the securities and does not file beneficial ownership or insider reports with the SEC, the proponent must submit to the company a written statement from the record holder of its securities verifying that, at the time it submitted its proposal, it continuously held the requisite amount of securities for at least one year.

Under Rule 14a-8(f)(1), a company may exclude a shareholder proposal if the proponent fails to prove that it meets the Rule 14a-8(b)(1) eligibility requirements and related Rule 14a-8(b)(2) documentation requirements, as long as the company timely notifies the proponent of the deficiency and the proponent fails to correct the deficiency within 14 days of receiving such notice. Pursuant to Staff Legal Bulletin No. 14G (“**SLB 14G**”), a deficiency notice must (i) identify the specific date on which the proposal was submitted and (ii) explain that the proponent must obtain a proof of ownership letter verifying continuous ownership of the requisite amount of securities for the one-year period preceding and including such proposal submission date. To help shareholders avoid procedural exclusion of their proposals, the Staff supplied in Staff Legal Bulletin No. 14F (Oct. 18, 2011) (“**SLB 14F**”) the following sample format for a proof of ownership letter: “[a]s of [date the proposal is submitted], [name of shareholder] held, and has held continuously for at least one year, [number of securities] shares of [company name] [class of securities].” In Staff Legal Bulletin No. 14K (Oct. 16, 2019) (“**SLB 14K**”), the Staff clarified that use of this sample format was not required, stating that the Staff takes a “plain meaning approach to interpreting the text of . . . proof of ownership letter[s]” and “generally do[es] not find arguments persuasive” where they apply an “overly technical reading of proof of ownership letters as a means to exclude a proposal.” However, the Staff cautioned that while minor variations from the Staff’s sample proof of ownership letter are insufficient to exclude a proposal, this assumes that “the language used in such letter is clear and sufficiently evidences the requisite minimum ownership requirements.” *SLB 14K*.

i. The Broker Letter – Rule 14a-8(b) and Rule 14a-8(f)(1).

Under SLB 14K’s “plain meaning” rules of construction, the Broker Letter falls short of “clearly and sufficiently evidenc[ing]” that the Proponent continuously held, for at least one year as of and including the date the Proponent submitted the proposal, the requisite amount of Company stock. The Company concedes that the Broker Letter appears to meet certain threshold requirements of Rule 14a-8(b). It states that the record holder “holds 181 shares of Pilgrim Pride (PPC) for the benefit of” the Proponent, which amount was worth at least \$2,000 during the 60 calendar days before October 21, 2020, the Proposal’s submission date. *See* Staff Legal Bulletin No. 14 (July 13, 2001) (“**SLB 14**”) (stating that “in order to determine whether the shareholder satisfies the \$2,000 threshold, we look at whether, on any date within the 60 calendar days before the date the shareholder submits the proposal, the shareholder’s investment is valued at \$2,000 or greater, based on the average of the bid and ask prices”).

The Broker Letter also states, two sentences later, that “Oxfam America, Inc. is the beneficial owner of *the Shares* and *has owned shares* of Pilgrim Pride (PPC) continuously since September 15, 2014 in account ending [redacted]” (emphasis added). Based on a plain English reading of this sentence:

- 1) The term “the Shares” in its capitalized form is not defined, but the use of the definite article “the” and capitalized “S” in referring to “the Shares” reasonably suggests that it is referring to the “181 shares” previously referenced in the Broker Letter (*see, e.g., “definite article,”* LEXICO, *available at* https://www.lexico.com/en/definition/definite_article (last visited Dec. 31, 2020) (explaining that a “definite article” is a word that “introduces a noun phrase and implies that the thing mentioned has already been mentioned”). Accordingly, based on this plain reading, the Proponent is *currently* the beneficial owner of the requisite amount of Company stock.
- 2) In contrast, the second clause of the sentence makes it unclear that these shares have been continuously held for the requisite time period of time. In particular, the second clause, in discussing the Proponent’s continuous ownership “since September 15, 2014,” alludes only to owning “shares,” without the capitalization of the “s” and definite article “*the*” (emphasis added) described above. As shares are countable, the term “shares” with no definite article constitutes a zero article with a plural countable noun, and its plain meaning is therefore a generic and unquantified collection of shares of Company stock. *See, e.g., Using English for Academic Purposes, Grammar in EAP, available at* http://www.uefap.com/grammar/nouns/article-rules.htm?option=com_content&view=article&id=761&catid=188&Itemid=435 (last visited Dec. 23, 2020); and Richard Nordquist, *What Is the Purpose of the Article in English Grammar?* (last updated June 26, 2020), THOUGHT Co., *available at* <https://www.thoughtco.com/zero-article-grammar-1692619#:~:text=In%20English%20grammar%2C%20the%20term,%2C%20an%2C%20or%20the.&text=In%20general%2C%20no%20article%20is,where%20the%20reference%20is%20indefinite> (stating that

“no article is used with . . . plural count nouns where the reference is indefinite”). Moreover, the inconsistent references in the first and second clause of this sentence -- first to “the Shares” and then to “shares” in general -- makes these two references fundamentally different and indicate differing meanings, with the former reference of “the Shares” referring to the “181 shares” and the latter reference of “shares” referring to some other unquantified number of shares. Thus, a plain reading of the phrase “has owned shares” is that the Proponent has owned some unquantified number of shares of Company stock since September 2014—a clear failure to satisfy the Rule 14a-8(b) requirement for proof of ownership of the requisite amount of Company stock.

The Company’s characterization is not, to cite SLB 14K, an “overly technical reading,” but rather the basic understanding of both English grammarian and teachers of English as a second language. *See, e.g., Grammar in EAP; What Is the Purpose of the Article in English Grammar?* (explaining that “the loosest and therefore most frequent type of generic statement is that expressed by the zero article with plural count nouns . . .”). Additionally, by the principle of *noscitur a sociis*, the lack of capitalization and definite article to modify “shares” of the Company distinguishes its meaning from that of “the Shares” just three words before.

The Staff has consistently stated that a proponent must supply proof of ownership under Rule 14a-8(b) via an affirmative written statement and a company is not required to make inferences regarding eligibility in the proponent’s favor that may not be accurate. For instance, in *Verizon Comms.* (avail. Jan. 25, 2008), the Staff permitted the exclusion on Rule 14a-8(f) grounds of a proposal where the broker letter stated that the proponent “has held a security position . . . dating back to March, 2005 . . . [and t]he purchase consisted of 1109 shares which he held consistently.” Arguing that “consistently” did not plainly mean “continuously” as required by Rule 14a-8(b), insofar as “consistent” holding could mean regular but not necessarily uninterrupted holding, the company explained that “the [response letter] cannot be read to provide this assurance without making assumptions and inferences as to its intended meaning, which may or may not be accurate.” *See also Bank of America Corp.* (avail. Feb. 28, 2014) (concurring in the omission of a proposal on Rule 14a-8(f) grounds where the broker letter stated that the proponent “held at least \$2000.00 market value of [company common stock] during period referenced above,” based on company’s argument that “during” plainly meant something different than “continuous”). Like in *Verizon*, to read Proponent’s Broker Letter as stating that Proponent continuously held 181 shares of Company stock since September 15, 2014, the Company would need to “mak[e] assumptions and inferences as to its intended meaning, which may or may not be accurate” in light of fundamental principles of syntax and rules of construction. The Proponent also has not carried its burden to show eligibility by stating in the Broker Letter “[p]er our records, the initial purchase was on September 15, 2014.” Merely stating the purchase date of securities alongside a reference to their current ownership does not imply their continuous ownership since the purchase date. *See Morgan Stanley* (avail. Feb. 14, 2014) (concurring in the exclusion of a proposal on Rule 14a-8(f) grounds where the broker letter stated “01/26/2007 – Purchased 208 shares at \$82.10 per share for a total of \$17,0686.79”); and *SLB 14, Question 1.c(2)* (explaining that “periodic investment statements” do not demonstrate sufficiently continuous ownership of securities, because “a shareholder must submit an affirmative written statement from the record holder . . . that specifically verifies that the shareholder owned the securities *continuously* for a period of one year as of the time of submitting the proposal”).

Moreover, the Company’s plain reading of “shares” as an unquantified number of shares of Company stock, rather than the “181 shares” of Company stock and “the Shares” identified earlier in the Broker Letter, is consistent with a past Staff reading of a similarly-worded proof of eligibility. In *General Electric Co.* (avail. Jan. 30, 2012) (“*GE*”), the Proponent’s submission letter stated that:

“The Fund is a beneficial holder of General Electric common stock with market value in excess of \$2,000 held continuously for more than year prior to this date of submission. The Fund intends to continue to own General Electric common stock through the date of the Company’s 2012 annual meeting.”

In its grant of no-action relief, the Staff indicated that “Rule 14a-8(b) requires proponent to provide a written statement that the proponent intends to hold its company stock through the date of the shareholder meeting.” The Staff rejected the proponent’s argument that one would be expected to divine a definite article in front of the word “shares” in the required statement of the proponent’s intent to hold a requisite number of shares through the date of

the annual meeting. *See GE* (disagreeing with proponent’s contentions that the “definite article is plainly implicit” and that “[t]he meaning and intent is clear and unmistakable when the two sentences are taken as whole and read in context in the light of their purpose and function”). While the Proponent here did state in its Cover Letter that “Oxfam America has continuously held, for at least one year as of the date hereof, sufficient shares of the Company stock to meet the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended,” Rule 14a-8(b) and SLB 14G are clear that this statement must come from the record holder, which in this case means that this statement must be in the Broker Letter.

C. Conclusion – Rule 14a-8(b) and Rule 14a-8(f)(1).

In sum, the Proponent’s Broker Letter does not meet Rule 14a-8(b)’s requirement to prove continuous ownership of the requisite amount of Company stock for at least the mandatory one-year period. More than 14 days have passed since October 28, 2020, the date on which the Proponent confirmed receipt of the Deficiency Notice, and the Proponent has not cured the deficiency, making the Proposal excludable in line with Rule 14a-8(f)(1).

2. Exclusion of the Proposal Under Rule 14a-8(i)(10)

The Proposal may be excluded in reliance on Rule 14a-8(i)(10), as the Company has substantially implemented the Proposal’s essential objective via the publication of its Existing Disclosures.

A. A Proposal May Be Excluded if the Company’s Existing Policies, Procedures or Disclosures Substantially Implement the Guidelines of the Proposal.

Pursuant to Rule 14a-8(i)(10), a company may exclude a shareholder proposal if the company has already substantially implemented the proposal. The Staff has stated that “substantial” implementation under the rule does not require implementation in full or exactly as presented by the proponent. *See SEC Release No. 34-40018* (avail. May 21, 1998) (the “**1998 Release**”). Rather, a company will have substantially implemented a shareholder proposal if the company’s “particular policies, practices and procedures compare favorably with the guidelines of the proposal.” *Texaco, Inc.* (avail. Mar. 28, 1991). In fact, while Rule 14a-8(i)(10) was originally interpreted to allow exclusion of a shareholder proposal only when the proposal was “fully effected” by the company, the SEC has revised its approach to the exclusion over time to allow for exclusion of proposals that have been “substantially implemented.” *See SEC Release No. 34-19135* (Oct. 14, 1982); *SEC Release No. 34-20091* (Aug. 16, 1983); and *1998 Release*.

To permit exclusion of a proposal on the grounds that a company’s policies “compare favorably” with the proposal’s guidelines, Rule 14a-8(i)(10) does not require a company to implement every detail of a proposal or to implement a proposal in exactly the same manner set forth by the proponent. The Staff has permitted the exclusion of shareholder proposals under Rule 14a-8(i)(10) when a company’s actions have satisfactorily addressed the proposal’s underlying concerns and its essential objective, even when the manner by which a company implements the proposal does not correspond precisely to the actions sought by the proponent, *see MGM Resorts International* (avail. Feb. 28, 2012); *ConAgra Foods, Inc.* (avail. July 3, 2006); and *Johnson & Johnson* (avail. Feb. 17, 2006), or follows a different form than that requested in the proposal. *See The Talbots, Inc.* (avail. Apr. 5, 2002) and *The Gap, Inc.* (avail. Mar. 16, 2001).

Specifically in the context of shareholder proposals requesting reports on a company’s human rights due diligence process, the Staff has concurred that such proposals are substantially implemented when the company’s policies address the essential purpose of the proposal’s underlying concerns. *See Amazon.com, Inc.* (avail. May 27, 2020) (“**Amazon**”). In *Amazon*, a proposal requested a human rights due diligence report tracking the UN Guiding Principles on Business and Human Rights (the “**UN Guiding Principles**”) to “identify, assess, prevent, and mitigate ... adverse human rights impacts.” *Id.* The company argued, and the Staff agreed, that it had substantially implemented its proposal by way of its own “Human Rights Principles” policy. In particular, the Staff conceded that the company’s Human Rights Principles policy articulated the methods by which it addressed human rights impacts even though the company’s policy did not detail its precise risk assessment process. *Id.* It was enough that the company’s policies publicly disclosed that the company “continuously evaluates [its] operations and value chain to

identify, assess, and address salient human rights risks; engage key stakeholders; and prioritize areas where [the company has] the greatest opportunity to have a positive impact on workers and communities.” *Id.* See also *The Wendy’s Co.* (avail. Apr. 10, 2019) (agreeing that a proposal requesting a human rights due diligence report was substantially implemented where a company did not satisfy all of the proposal’s requested disclosures but had pre-existing policies which addressed the same subject matter and demonstrated that it was focused on “work[ing] toward continuous improvement in all aspects of...human rights”). See also *The Boeing Co.* (avail. Jan. 30, 2017) (concurring that a proposal requesting review and preparation of a company policy relating to human rights was substantially implemented because the company demonstrated that it had already published a report on the same subject matter and made it publicly available on its website); *Entergy Corp.* (avail. Feb. 14, 2014) (acknowledging that a proposal, which requested a report “on policies the company could adopt...to reduce its greenhouse gas emissions,” was substantially implemented despite the fact that the company’s existing related disclosures and report did not address the ability to make such reductions, as the company disclosed its environmental sustainability efforts more generally on its website); and *Freeport-McMoRan Copper & Gold Inc.* (avail. Mar. 5, 2003) (permitting exclusion of a proposal on requesting a company’s board amend a human rights policy and report on “substantial implementation” grounds because the company had already addressed the subject matter of the proposal in its existing policies).

i. The Company’s Existing Disclosures Substantially Implement the Proposal.

The Company believes that its Existing Disclosures “compare favorably” to and address the underlying concerns and objective of the Proposal. In particular, the Company has substantially implemented the Proposal through its extensive reporting in the following materials that detail the labor-related human rights due diligence processes already embedded in the Company’s operational strategy:

- the Sustainability Report,¹ which details the Company’s efforts across all three of its reportable segments in the U.S., the U.K. and Europe, and Mexico to identify and implement health and safety initiatives;
- the Supplier Code of Conduct,² which lists the labor-related human rights principles that the Company believes are significant at the supply chain level and the requirements for its vendors and contractors to uphold those principles; and
- the 2020 Modern Slavery Act Statements and related website disclosures for businesses in its U.K. and Europe segment, namely, Moy Park Ltd. (“**Moy Park**”) and Tulip Ltd. (“**Tulip**”).³

In particular, the Modern Slavery Act Statements, which the Company has published annually since 2016, provide detailed reporting on the Company’s due diligence actions and activities to address workforce and supply chain human rights violations, as well as track progress to remediate those violations. These reports are made in alignment with the U.K.’s Modern Slavery Act of 2015 (the “**Modern Slavery Act**”).

Looked at holistically, the Company’s efforts to evaluate its impact on workforce and labor-related human rights issues, and report on each of the required items that the Proposal requests, prove that the Company is already making clear and substantial efforts to uphold not only the human rights principles that are relevant to its specific industry, but also those outlined in UN Guiding Principles for corporations more generally. The table below, as well as the following section, demonstrates how the Company’s disclosures and policies largely satisfy each of the components of the Proposal and identify how the Company is committed to continuously improve these ongoing efforts to mitigate labor-related human rights issues each year.

	Proposal Topic	Relevant Disclosure
A	“Include the human rights principles used to frame [the	Sustainability Report:

¹ Pilgrim’s Pride, Sustainability Report, available at <https://sustainability.pilgrims.com/>.

² Pilgrim’s Pride, Supplier Code, available at <https://sustainability.pilgrims.com/stories/supplier-code-of-conduct/>.

³ Modern Slavery Act Statements for Moy Park, available at Modern Slavery Registry: Moy Park Ltd, <https://www.modernslaveryregistry.org/companies/7868-moy-park-ltd>; and Tulip, available at Modern Slavery Registry: Tulip Ltd, <https://www.modernslaveryregistry.org/companies/8665-tulip-ltd>.

	<p>Company’s] risk assessments”</p>	<ul style="list-style-type: none"> • “Team Members” • “Communities” • “Responding to COVID-19” • “Suppliers” • “Team Members: Building a Diverse and Dedicated Workforce, Engaging Our Team Members” <p>Supplier Code</p> <ul style="list-style-type: none"> • “Introductory Section” • “Labor and Human Rights” • “Health and Safety” <p>Modern Slavery Act Statements</p> <ul style="list-style-type: none"> • Moy Park, p. 3 • Tulip, p. 3 <p>Pilgrim’s Periodic Reports:</p> <ul style="list-style-type: none"> • 2020 Q3 Form 10-Q, pp. 40–41
B	<p>“Outline the human rights impacts of [the Company’s] business activities, including company-owned operations, contract growers, and supply chain, and plans to mitigate adverse impacts”</p>	<p>Sustainability Report</p> <ul style="list-style-type: none"> • “Team Members: Team Member Health and Safety, Our Management Approach; Corrective Actions; Increasing Our Focus on Prevention; Audits” • “Suppliers, Our Supplier Standards” • “Responding to COVID-19” <p>Supplier Code</p> <ul style="list-style-type: none"> • “Introductory Section” <p>Modern Slavery Act Statements</p> <ul style="list-style-type: none"> • Moy Park pp. 3–4 • Tulip, pp. 5, 6–8
C	<p>“Explain the types and extent of stakeholder consultation”</p>	<p>Sustainability Report:</p> <ul style="list-style-type: none"> • “Team Members: Town Hall Meetings; Building a Diverse and Dedicated Workforce, Engaging Our Team Members; Team Member Health and Safety” • “Who We Are” • “A Message from our President and CEO” <p>Modern Slavery Act Statements</p> <ul style="list-style-type: none"> • Moy Park, pp. 3–4 • Tulip, pp. 6, 7, 9–11
D	<p>“Address [the Company’s] plans to track effectiveness of measures to assess, prevent, mitigate, and remedy adverse human rights impacts”</p>	<p>Sustainability Report:</p> <ul style="list-style-type: none"> • “Team Members: Our Management

		<p>Approach; Team Member Health and Safety”</p> <ul style="list-style-type: none"> • “Suppliers” <p>Supplier Code</p> <ul style="list-style-type: none"> • “Health and Safety” <p>Modern Slavery Act Statements</p> <ul style="list-style-type: none"> • Moy Park, p. 4 • Tulip, pp. 11, 13–14
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ii. *Proposal Topic A – The Company Details the Human Rights Principles, Particularly Relating to the Workforce, That It Uses to Assess Risks at the Company- and Supply Chain-Levels.*

The Company’s Existing Disclosures substantially implement the Proposal’s request for disclosure on “human rights principles used to frame its risk assessments” by satisfying the Proposal’s objective of addressing internationally-recognized labor-related human rights concerns at the Company- and supply chain-levels, particularly as those concerns relate to the health and safety of workers. In each of its disclosures that expound on labor-related human rights concerns, the Company explains the principles used to assess the relevant risks that are connected with the Company’s activities and operations.

Supplier Code. The Supplier Code details the Company’s requirements for vendors and suppliers to adhere to the labor principles identified in the UN Guiding Principles, which include non-discrimination and equal opportunity in the workplace.⁴ The Supplier Code goes even *further* than the Proposal requests and requires third-party suppliers and vendors to comply with workforce-related human rights principles not only mentioned in the UN Guiding Principles, but also in other international standards, including the OECD Guidelines for Multinational Enterprises and the Core Conventions of the International Labor Organization.⁵

Form 10-Q. Moreover, the Company’s Form 10-Q explains that the Company “implement[s] guidance from the U.S. Centers for Disease Control and Prevention, the National Institute of Occupational Safety and Health, and local and regional Departments of Health in an effort to keep our employees safe and healthy” and goes on to describe the specific steps it takes to mitigate the impacts of the COVID-19 pandemic on its employees:

“Employee health and safety is our priority. As an essential business in a critical infrastructure industry, we continue to produce chicken and pork products, while coordinating with and implementing guidance from the U.S. Centers for Disease Control and Prevention, the National Institute of Occupational Safety and Health, and local and regional Departments of Health in an effort to keep our employees safe and healthy. Measures we have implemented include, but are not limited to: increasing physical distancing of our employees, where possible, by staggering start and shift breaks, placing on-site tents to create more space for employees at break and at meal times, and installing physical barriers to distance employees while working on production lines; adding temperature and symptom screening stations for employees prior to entering our facilities; increasing personal hygiene practices and providing our employees additional personal protective equipment and sanitation stations; and increasing sanitation of our facilities. In the U.S., we provided appreciation bonuses to eligible employees in April and May of 2020 and expanded certain sick leave policies to provide more flexibility. In addition, we implemented global travel restrictions and work-from-home policies for employees who have the ability to work remotely.”⁶

⁴ Supplier Code, “Labor and Human Rights”; *Id.* at Introductory Section; *see also* Sustainability Report, “Suppliers.”

⁵ Supplier Code.

⁶ 2020 Q3 Form 10-Q, pp. 40–41.

Modern Slavery Act Statements. With respect to its U.K. and Europe reportable segment, the Company makes additional and highly detailed disclosures about its efforts to uphold ethical practices of its workforce. The Modern Slavery Act Statements for both Moy Park and Tulip, respectively, provide that the Company makes directed efforts in the U.K. and Europe at “prevent[ing] modern slavery and human trafficking in [its] own operations and supply chains.”⁷ Furthermore, both Modern Slavery Act Statements state that Moy Park and Tulip include human rights principles recognized by the UN Guiding Principles within their business and wider supply chain.⁸

Sustainability Report. The Sustainability Report sets forth a detailed list of workforce and labor human rights principles and objectives with respect to each of the Company’s stakeholders, to which the Company, as a whole, strives to adhere across the reportable segments. For example, the Company’s Sustainability Report identifies various labor-related principles that the Company prioritizes⁹ and works to uphold, including ensuring a healthy and safe work environment,¹⁰ honoring minimum wage and hour requirements,¹¹ and prohibiting workplace discrimination or sexual harassment.¹² Each of these principles falls into one of the workforce-related “labor rights” that the Proposal explicitly mentions (e.g., health and safety concerns, like “injuries” and “protections” from illness, wage and hour violations, and “harassment...and workplace discrimination”).¹³ The Sustainability Report further provides that the Company is “focusing its efforts to help combat the spread of the virus while protecting [its] team members”¹⁴ and has a dedicated section outlining the Company’s response to COVID-19.¹⁵

Taken together, these disclosures identify the precise human rights labor- and employment-related concerns—health and safety protections, including safeguards against COVID-19, fair wage and hour compensation and prohibitions against discriminatory practices—that the Proposal explicitly identifies as “serious” and which the Company’s “[p]oultry process workers...have routinely faced.” These disclosures, as well as the actions they detail, also directly align with the UN Guiding Principles, because the Company has “taken adequate measures for [the] prevention, mitigation and, where appropriate, remediation” of any risks to their workforce.¹⁶ Therefore, the Company’s preexisting disclosures prove the Company has framed its due diligence assessments around specific and internationally-recognized human rights principles and thus substantially implements the first disclosure request of the Proposal.

iii. *Proposal Topic B – The Company Outlines the Impacts of Its Business Activities on the Human Rights Principles That It Already Prioritizes as Significant and Details Its Efforts to Mitigate Adverse Impacts in the Existing Disclosures.*

In response to the Proposal’s request that the Company “[o]utline the human rights impacts of [the Company’s] business activities, including company-owned operations, contract growers, and supply chain, and plans to mitigate adverse impacts,” the Existing Disclosures analyze in detail how the Company’s operations impact the worker-related human rights concerns that the Company seeks to address at both the company- and supply-chain levels, meeting the essential objective of the Proposal.

⁷ Moy Park Modern Slavery Act Statement, p. 2; *see also* Tulip Modern Slavery Act Statement, p. 2.

⁸ Tulip MSA Statement, p. 3 (affirming a commitment to the UN Guiding Principles and noting that Tulip implements those principles into its workforce-related human rights due diligence efforts); *see also* Moy Park MSA Statement, p. 3 (noting that Moy Park operates “in compliance with...the [UN] Universal Declaration of Human Rights Principles,” which are incorporated by reference into the UN Guiding Principles).

⁹ Sustainability Report, “Team Members.”

¹⁰ Sustainability Report, “Team Members: Team Member Health and Safety.”

¹¹ Sustainability Report, “Team Members: Building a Diverse and Dedicated Workforce, Compensation and Benefits.”

¹² *Id.*

¹³ Sustainability Report, “Communities.”

¹⁴ Sustainability Report, “Communities: Responding to COVID-19.”

¹⁵ Sustainability Report, “Our Response to COVID-19.”

¹⁶ *See* UN Guiding Principles, *available at*

https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf, p. 13.

The Sustainability Report and Supplier Code explain how the Company’s business operations affect worker health and safety human rights concerns for both the Company’s suppliers and workforce.

- With respect to the workforce in its production facilities and across the Reportable Segments,¹⁷ understanding that injury, illness and similar incidents occur as a result of “potential weaknesses or failures in [the Company’s] safety management,” the Company details its “corrective action plans” to identify causes of any deficiencies in workplace health and safety protections and mitigate and/or prevent incidents.¹⁸
- With respect to the supply chain, the Sustainability Report notes that the Company requires suppliers to undergo audits based on several criteria, including “risk management,” and to comply with applicable laws, regulations, and international standards, including the UN Guiding Principles, as they related to the following, labor-specific human rights concerns: “forced labor...employment practices, [and] health and safety.”¹⁹

In addition, the Company publicly discloses its worker health and safety risk assessments, as well as the illness-prevention steps that the Company has instituted to reduce the risk of COVID-19 infection, as follows:

- *Safety Observation Process.* The Company works to prevent worker health and safety incidents by conducting a “comprehensive safety audit project to identify and reduce potential hazards related to walking surfaces, falls and slips, electrical safety, machine guarding and ergonomics.”²⁰ The safety audit project is applied Company-wide.²¹ The Company focuses on remedying issues that are identified in the annual audit—for 2020, the initiative focused on conveyor belt guarding to mitigate any risks in unsafe production lines.²²
- *Occupational Health Audit.* In addition to the annual safety audits described above, the Company performs annual occupational health audits “to identify and reduce potential hazards” and illnesses that arise at the Company.²³ The occupational health audit occurs at “every location” where the Company operates.²⁴
- *COVID-19 Response.* The Company discloses 20 measures it has implemented to mitigate health concerns surrounding the COVID-19 outbreak related to health and safety (e.g., comprehensive health screenings and providing extra personal protective equipment for all workers); increased cleaning and sanitizing of production facilities; team member support (e.g., requiring sick team members to stay home from work); and safety measures (e.g., increased physical distancing, staggered start times and restricted facility access).²⁵

The Company has also aligned its U.K. and Europe segments with the requirements of the Modern Slavery Act by implementing due diligence processes and preparing annual reports on the Company’s efforts to identify and mitigate modern slavery and human trafficking in the supply chain. The Modern Slavery Act requires organizations that operate in the U.K., such as the Company, to “conduct due diligence processes in relation to slavery and human trafficking in its business and supply chains.”²⁶

¹⁷ Sustainability Report, “Suppliers, Our Supplier Standards”; *see also* Supplier Code.

¹⁸ *Id.*

¹⁹ Sustainability Report, “Team Members: Team Member Health and Safety, Corrective Actions;” *see also* Sustainability Report, “Suppliers, Our Supplier Standards.”

²⁰ Sustainability Report, “Team Members: Team Member Health and Safety: Increasing Our Focus on Prevention.”

²¹ *Id.*

²² *Id.*

²³ Sustainability Report, “Team Members: Team Member Health and Safety, Audits.”

²⁴ *Id.*; *see also* Sustainability Report, “Team Members: Team Member Health and Safety, Our Management Approach.”

²⁵ Sustainability Report, “Responding to COVID-19.”

²⁶ Modern Slavery Act, Sec. 54(5)(c), *available at* <https://www.legislation.gov.uk/ukpga/2015/30/section/54/enacted>.

For example, the Modern Slavery Act Statement for Tulip (the “**Tulip MSA Statement**”) identifies the Company’s “high risk” business activities that impact the human rights concerns of modern slavery and human trafficking, which are critical to the Proposal’s essential objective of tackling worker safety issues.²⁷ The Tulip MSA Statement also notes the following activities which it considers “to be at high risk”: (i) the use of agency labor at all Tulip sites “to cope with peaks in demand”; (ii) the “farms that supply pigs” to Tulip’s slaughterhouses; (iii) the suppliers over whom Tulip does not have “direct management control”; and (iv) the “[t]ransport[ation] and logistics companies used to transport raw materials and finished goods.”²⁸

Moreover, in line with the Proposal’s request, Moy Park and Tulip both outline the measures they take to mitigate the adverse human rights concerns for labor and worker health and safety associated with their businesses. The Tulip MSA Statement and the Modern Rights Statement of Moy Park (“**Moy Park MSA Statement**”) detail several “[g]ood practices that are embedded within all...sites” to resolve any potential or actual slavery or trafficking concerns.²⁹ Both the Moy Park and Tulip MSA Statements note “strong working links” with several organizations which manage, audit and investigate members of the supply chain network: Gangmasters and Labour Abuse Authority, which Moy Park and Tulip enlist to “investigate and prosecute cases of modern slavery and exploitation”; Stronger Together, which provides employees with modern slavery and trafficking awareness training and access to an “[i]ndependent 3rd party whistle blowing hotline”; and SEDEX, one of the most widely-known supply chain auditing companies, which performs “ethical audits on all [Moy Park and Tulip] sites every 2 years” and even works to address issues pre-audit.³⁰ Additionally, the Tulip MSA Statement describes in detail the efforts it takes by performing unannounced audits at its sites and training its employees to ensure that supervisors, human resources managers, and production line workers alike know the process for “raising any [slavery or trafficking] issues with the management team.”³¹ Similarly, the Moy Park MSA Statement describes a four-step due diligence process that Moy Park implemented to “[m]itigate the risk of slavery and human trafficking occurring in [Moy Park’s] supply chains.”³² These processes include: the identification of potential risk areas at the supply chain; the mitigation of those risk areas; the monitoring of any other “potential risk areas”; and the protection of whistleblowers who may reveal unsafe or unethical practices in the Company.³³

The Company already engages its employees and third-party suppliers to remain aware of, and take measures to prevent, the human rights concerns most salient to its workforce. The Moy Park and Tulip MSA Statements applicable to the U.K. and Europe reportable segment clarify which human rights risks impact the Company’s operations and the means by which the Company remedies those risks. The Company is also firmly committed to improving due diligence efforts in its U.S. and Mexico segments, as evidenced by the actions that the Company has taken to work with suppliers to cooperate and comply with ethical labor practices. Therefore, because the Company’s disclosures and actions indicate a focus on continuously improving its labor-related human rights initiatives, the Company has substantially implemented the Proposal’s request.

- iv. *Proposal Topic C – The Company Extensively Details the Stakeholders It Consults and the Extent To Which It Consults Those Stakeholders In Identifying, Assessing, Mitigating and Preventing Human Rights Concerns.*

Substantially implementing the Proposal’s request for an “expla[nation] of the types and extent of stakeholder consultation” in addressing human rights impacts, the Existing Disclosures detail the Company’s stakeholder engagement initiatives, including the types of stakeholders and processes for engagement that it uses to determine labor-related human rights concerns in both its operations and supply chain. Therefore, these disclosures satisfy the

²⁷ Tulip MSA Statement, p. 5.

²⁸ *Id.*

²⁹ *Id.*; Moy Park MSA Statement, p. 3.

³⁰ Tulip MSA Statement, pp. 5–7; Moy Park MSA Statement, p. 3.

³¹ Tulip MSA Statement, pp. 8, 10.

³² Moy Park MSA Statement, p. 3.

³³ *Id.*

objective of the Proposal to address human rights concerns and risks, particularly as they relate to workforce and health and safety matters.

The Company already discloses that it consults its employees as a way to determine issues in the workplace that need remedying, and furthermore, describes the various means by which the Company engages its team members.³⁴

According to the Sustainability Report, the Company consults its employees across all locations “during roundtable or town hall meetings.”³⁵ During these roundtables and town hall meetings, employees of all levels and from every department within the Company are invited to “meet with management and *ask questions, express concerns and present solutions*” (emphasis added).³⁶ For any “identified action items” that employees raise and which warrant solutions, the Company will prepare follow-up plans and address them within a “reasonable time frame.”³⁷ In addition, the Moy Park and Tulip MSA Statements describe how they provide employees and other relevant stakeholders with “an opportunity to report unethical practices [or] human rights issues.”³⁸

With respect to Company employees, the Company has multiple whistleblower hotlines in place which are confidential and operated by independent third parties.³⁹ As the Sustainability Report discloses, the Pilgrim’s “Ethics Line is used for employee consultation and we continuously gather feedback around our material issues from internal and external stakeholders through one-on-one conversations with customers, consumers, team members, subject matter experts and involvement in cross-collaborative supply chain sustainability initiatives.”⁴⁰ In addition, Moy Park has an Ethical Self-Assessment tool that each manufacturing facility must complete every six months as a way to conduct “due diligence via auditing of employee records and worker interviews.”⁴¹ Likewise, the Tulip MSA Statement describes that it engages employment agencies to conduct “interviews of random workers” and survey employees as a way to “check on ethical standards and to ensure Modern Slavery policies and procedures were being correctly followed.”⁴² These interviews are based on the “Stronger Together” interview questions,⁴³ which cover a variety of topics relating to treatment at work, improper pay practices, and recruitment.⁴⁴ Moreover, the Sustainability Report notes that “[a]ll operations supervisors are required to conduct multiple safety observations each week to identify unsafe behaviors and intervene with helpful coaching prior to the occurrence of an unsafe act, condition or injury.”⁴⁵

At the supply chain level, the Company makes ongoing outreach efforts to assess suppliers’ compliance with the Company’s labor-related human rights policies and seeks input for improvement in tracking, identifying and remediating risk. The Sustainability Report, in particular, notes that the Company maintains “consistent collaboration with [its] suppliers” and is working with each of its suppliers to have them agree to the Supplier Code. Similarly, Tulip explains that it participates in “collaborative working groups” with suppliers, speaking and engaging with its 785 suppliers to assess the human rights issues in its supply chains.⁴⁶ The Moy Park MSA Statement also notes that it conducts regular meetings with its suppliers “to ensure those in [Moy Park’s] supply

³⁴ See, e.g., Sustainability Report, “Team Members: Building a Diverse and Dedicated Workforce, Engaging Our Team Members” (disclosing that the Company “conduct[s] regular surveys to maintain an accurate understanding of team member engagement, perceptions and attitudes...[to] quickly identify and address concerns”).

³⁵ Sustainability Report, “Team Members: Town Hall Meetings Keep Our Open Door Policy Top of Mind.”

³⁶ *Id.*

³⁷ *Id.*

³⁸ Moy Park MSA Statement, p. 3.

³⁹ See, e.g., Tulip MSA Statement, p. 6.

⁴⁰ Sustainability Report, “Who We Are: Our Approach.”

⁴¹ Moy Park MSA Statement, p. 3.

⁴² Tulip MSA Statement, pp. 7–10.

⁴³ *Id.*

⁴⁴ *Id.*; see also Stronger Together, Sample Worker Interview Questions, available at <https://www.stronger2gether.org/wp-content/uploads/2018/03/Sample-Worker-Questions.png>.

⁴⁵ Sustainability Report, “Team Members: Team Member Health and Safety.”

⁴⁶ Tulip MSA Statement, pp. 4, 11.

chain and contractors work to comply with” the Company’s ethical initiatives and the Modern Slavery Act more generally.⁴⁷

The extensive disclosure regarding the types and level of stakeholder consultation make clear that the Company recognizes the importance of encouraging participation in labor-related human rights efforts, especially relating to worker health and safety, by relevant members in the poultry industry. The Company regularly consults with both its own employees and with third-party suppliers, vendors and contract growers, all of whom equally impact the Company’s ability to manage workplace and labor-related risks in the food industry. Additionally, and as discussed above, the Sustainability Report and the Moy Park and Tulip MSA Statements describe due diligence efforts, including stakeholder engagement in compliance with the UN Guiding Principles. This indicates that the Company has already taken, and continues to take, concerted efforts to engage with multiple stakeholders to tackle internationally-recognized human rights concerns for workforce health and safety throughout the value chain.

- v. *Proposal Topic D—In the Existing Disclosures, the Company Thoroughly Describes Its Plans to Track the Success of its Labor-Related Human Rights Due Diligence and Mitigation Efforts.*

In response to the Proposal’s request for Company disclosure regarding the Company’s plans to “[a]ddress [its] plans to track effectiveness of measures to assess, prevent, mitigate, and remedy adverse human rights impacts,” the Existing Disclosures reveal the different ways in which the Company tracks its success in conducting labor-related human rights due diligence and addressing any issues present. The Existing Disclosures compare favorably to the Proposal’s request because, read together, they ultimately indicate that the Company is firmly committed to tracking and continually improving its ongoing efforts to tackle human rights issues oriented around worker health and safety.

The Sustainability Report discloses in several places the different ways it tracks the effectiveness of its responses to human rights incidents in its workforce. For example, the Company notes that it ensures “successful implementation” of its corrective efforts with respect to worker health and safety and other labor-related issues by closely tracking any injuries, incidents and other unethical working conditions.⁴⁸ The Company also makes its safety data “integrated across a shared digital platform” which allows the Company to “develop data-driven corrective actions” and track its efforts to remedy “unsafe acts” relating to health, safety, discriminatory or other workforce-related human rights issues.⁴⁹ In the Mexico reportable segment, the Company has instituted a data-tracking system according to governmental regulations which identify when occupational health and safety standards are upheld or fall below regulatory standards.⁵⁰

Additionally, the Company tracks the effectiveness of its suppliers by requesting compliance with the Supplier Code, which requires, among other things, that third-party vendors and suppliers “comply with all safety and health laws” and Company protocols, and that they “provide a non-violent and safe work environment, free of . . . physical harm.” The Company tracks how many suppliers adhere to and comply with the Supplier Code, and even indicates a “2020 supply chain goal . . . to have 100% of [its] suppliers, who have entered into or updated agreements . . . since 2018, agree to [the] Supplier Code of Conduct.”⁵¹

Both the Moy Park and Tulip MSA Statements also explicitly describe the tracking of progress with respect to workforce human rights diligence and mitigating any incidents. Moy Park “measures the effectiveness” of its ethical worker and supply chain initiatives through key performance indicators that relate to incidents reported through Moy Park’s whistleblowing hotline, performance revealed by third-party audits, and outcomes of frequently-conducted

⁴⁷ Moy Park MSA Statement, p. 3.

⁴⁸ Sustainability Report, “Team Member Health and Safety: Increasing Our Focus on Prevention.”

⁴⁹ Sustainability Report, “Team Member Health and Safety: Our Management Approach”; *see also* Sustainability Report, “Team Members: Our Management Approach.”

⁵⁰ Sustainability Report, “Team Member Health and Safety: Our Management Approach.”

⁵¹ Sustainability Report, “Suppliers”; Supplier Code: “Health and Safety.”

“supplier performance” assessments.⁵² The Tulip MSA Statement states that Tulip creates “targets” that it aims to meet every year, or else works to complete those targets on an “ongoing” basis. For instance, last year’s targets of creating a responsible sourcing policy and developing “advice and guidance for suppliers and farmers on Modern Slavery” were both achieved, while the goal of performing a “valid [SEDEX] audit” on all suppliers with more than thirty employees remains an “[o]ngoing goal.”⁵³

Like the Proposal’s focus on “plans” in the future, the Company has firmly committed to continuously improving upon and further implementing new processes that identify and mitigate human rights issues. These goals are clear for each of the Company’s reportable segments in the Sustainability Report and the Moy Park and Tulip Modern Slavery Act Statements, all of which are updated and published each year. The Sustainability Report, which applies to each of the Company’s U.S., Mexico, and U.K and Europe segments, provides that the Company continuously tracks key performance indicators throughout the year to determine whether, at year-end, the Company has either exceeded or is “on track to meet [its] goal[s]” for workplace health and safety and supplier relations.⁵⁴ Based on those determinations, the Company has committed to “working diligently to improve” to meet and even exceed its goals.⁵⁵ At the supply chain level, the Sustainability Report also expressly states a “commit[ment] to continually improving [its] . . . supply chain” and acknowledges that it “must collaborate with [its] supplier partners to improve the overall sustainability of [the] supply chain.”⁵⁶ Similarly, the Company has made commitments to conduct ongoing diligence with respect to modern slavery and human trafficking for its Moy Park and Tulip businesses in the U.K. and Europe. In its Modern Slavery Statements published each year, the Company identifies how it tracks its ethical and human rights initiatives and develops new metrics according to the year-end findings on the Company’s progress.

Together, the Company’s Existing Disclosures substantially implement each of the four aspects of the Proposal described above and affirm the Company’s commitment to international human rights standards. In particular, the Existing Disclosures demonstrate that the Company views due diligence efforts with respect to the workforce (and particularly, health and safety) not just as a “check-the-box” exercise, but instead as an ongoing commitment that requires thoughtful deliberation and disclosures.

3. 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.

A. A Proposal May Be Excluded Under Rule 14a-8(i)(7) 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 deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *1998 Release*.

⁵² Moy Park MSA Statement, p. 4.

⁵³ Tulip MSA Statement, p. 13.

⁵⁴ Sustainability Report, “A Message from our President and CEO.”

⁵⁵ *Id.*

⁵⁶ Sustainability Report, “Suppliers: Our Commitment.”

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 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*.

Furthermore, 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).

B. The Proposal Relates to Ordinary Business Operations Because its Primary Purpose, Made Evident by Supporting Statements, Directly Relates to the Management of Employee-Related Practices and Policies.

i. Background – The Primary Purpose of the Proposal is Worker Health and Safety.

The Proposal should be excluded on Rule 14a-8(i)(7) grounds, because the thrust of the Proponent’s request concerns health and safety policies and practices, the management of which is a core tenet of the Company’s operations. With respect to the language of the Proposal, while the “resolved” clause requests a report on the Company’s human rights due diligence process, the supporting statements re-focus the intent of the resolved clause on the health and safety rights and well-being of the Company’s employees. When evaluating whether a proposal is excludable under Rule 14a-8(i)(7), the Staff considers the proposal in its entirety, and not only the resolved clause. Staff Legal Bulletin No. 14J (Oct. 23, 2018) (“**SLB 14J**”); and Staff Legal Bulletin No. 14K (Oct. 16, 2019) (“**SLB 14K**”). In considering a proposal as a whole, the Staff has frequently excluded proposals where the resolution dealt with a broader social issue but the supporting statements were directed at the company’s ordinary business operations. *Pilgrim’s Pride Corp.* (avail. Feb. 25, 2016) (“*Pilgrim’s Pride*”); *Comcast Corp.* (avail. Mar. 10, 2015) (“*Comcast*”); and *TJX Companies* (avail. Apr. 9, 2020) (concurring in the exclusion of a proposal even though the resolution “touch[ed] on a significant policy issue” of prison rights because the preamble and supporting statements focused on the “ordinary business” of improving the company’s auditing and compliance procedures for its supply chain).

More specifically, the Staff has permitted the omission of proposals which broadly sought human rights reports, similar to the Proposal here, to the extent that the proposals' supporting statements revealed a focus on ordinary business issues, such as employee management and policies. In *Comcast*, the company successfully argued that a proposal primarily relating to "policies concerning [the company's] employees" was excludable even though the resolution exclusively requested a human rights report. *Id.* The resolved clause asked that "management review its policies related to human rights...and report its findings" and made no mention of any other topic or aspect of the company's operations. *Id.* However, the "whereas" clause and supporting statements of the proposal only mentioned one specific human rights issue, lifted from the United Nations' Universal Declaration of Human Rights: "whether the [c]ompany's policies permit employees to take part in his or her government free from retribution." *Id.* In excluding the proposal under the "ordinary business" exception of Rule 14a-8(i)(7), the Staff agreed with the company that the proposal truly concerned "workforce management and employee relations" because the proposal, considered as a whole and including the supporting statements, was dedicated to employee political participation rights with respect to non-retaliation policies. *Id.* See also *General Electric Co. (St. Joseph Health System)* (avail. Jan. 10, 2005) (concurring that a proposal was excludable even though its resolution focused only on executive compensation, because the language of the introductory recitals and supporting statements made clear that "the thrust and focus of the proposal is on the ordinary business matter of...programming and film production").

ii. *Analysis – The Primary Purpose of the Proposal is Worker Health and Safety.*

The Proposal in this case is analogous to the proposal in *Comcast* and the supportive precedent cited above, because even though the Proposal's resolution is focused on human rights due diligence reporting, the rest of the Proposal primarily discusses workplace policies and practices, particularly efforts to protect workers against COVID-19. Just like the resolved clause of the *Comcast* proposal, which only requested a review and report on human rights, here, the resolved clause of the Proposal only asks for a report on the Company's human rights due diligence processes. However, the majority of the Proposal, much like that in *Comcast*, primarily "mentions one specific human rights issue" of workforce-related matters at the Company.

In fact, three out of the four paragraphs in the explanatory section of the Proposal delve deeply into discussions about the Company's policies and practices for protecting its employees from various types of harm. In particular, the first paragraph focuses on the fact that the Company's poultry processing workers routinely face "injuries from unsafe line speeds and other hazards [and] exposure to toxins" among other workplace practices. Moreover, the next two paragraphs discuss in detail the Company "conditions in the workplace" and the "conditions...that could put [its] team members' health or lives at risk," including risks from COVID-19 and alleged "insufficient protections" of its workers against the virus. These two paragraphs therefore focus on claims of unsafe employee working conditions during COVID-19, including a description of a lack of protective equipment. The crux of the Proposal, like that in *Comcast*, is therefore relocated from the resolved clause to the explanatory paragraphs in the Proposal, which is directed to Company workplace matters, and more specifically, the health and safety "risks faced by workers."

Where the Staff has denied no-action relief for proposals on human rights due diligence reports, the proposal concerned a company's impact on human rights more generally and not on employee health or safety issues. See, e.g., *Amazon*; see also *Lear Corp.* (avail. Mar. 6, 2020) (requesting a human rights risk assessment and report regarding the "company's high-risk business activities in its operations and value chain" without requesting a focus on any one specific facet of the company's business practices). In *Amazon*, the proposal requested that the company publish a human rights impact assessment to evaluate "[a]ctual and potential adverse impacts" associated with the Company's products, detailing "[h]uman rights...principles used to frame the assessment" and how their "findings will be acted upon in order to prevent, mitigate and/or remedy impacts." *Amazon*. Despite some similarities to the resolved clause of this Proposal, each sentence in the two explanatory paragraphs of the *Amazon* proposal after the supporting statements discussed how the report should focus on the "human rights of stakeholders," setting the focus broadly on human rights. *Id.* Moreover, the *Amazon* proposal did not target a specific practice by the Company, but only requested that the company address human rights and "make improvements where necessary." *Id.* Unlike the *Amazon* proposal, here, the Proposal asks the Company to diligence and report on human rights concerns as they

relate to the “serious labor rights violations” and the “insufficient [COVID-19] protections” for workers at poultry processing plants. More specifically:

- Ten out of the 15 sentences that make up the explanatory paragraphs in the Proposal directly target the alleged workplace-specific issues at the Company, and the Proposal is particularly focused on workforce policies in light of the COVID-19 pandemic. For example, the Proposal states that “[w]orkers at Pilgrim’s Pride have complained about insufficient protections, working in spite of fevers and presenting COVID-19 symptoms”, and that the “COVID-19 pandemic has severely aggravated these dangers” for the Company’s poultry processing workers.
- The Proposal also dedicates two full paragraphs to describing how the Company manages COVID-19 safety, including the “protection equipment” it provided workers, how many workers “have become infected [or] have died,” and other alleged “workplace violations.” According to the Proposal, the Company’s COVID-19 policies “indicate that meaningful steps need to be taken” to improve “insufficient” health and safety protections that workers “have routinely faced.”

Although the Proponent generally describes the Company’s “responsibility to respect human rights,” the Proposal ultimately focuses on one human rights issue – workers at the Company – and does not highlight any other “business activit[y]” of the Company beyond its treatment of workers. In sum, even though its resolved clause and subsequent bullet points request a broad-based human rights due diligence report, the Proposal’s central theme is the impact of the Company’s policies and practices with respect to employee health, safety and labor-related conditions, particularly as they relate to the COVID-19 pandemic. Accordingly, because the Proposal focuses on the Company’s management of its workforce and not the Company’s human rights efforts more generally, the Proposal is excludable.

C. The Proposal is Excludable as Relating to Ordinary Business Operations Because It is Directed at the Company’s Management of its Workforce.

The Proposal is excludable because, as described above, its focus is on the Company’s oversight of the health and safety of its workers, which fits squarely within past precedent where the Staff determined that workplace matters directly related to a company’s ordinary business operations.

i. Background – A Proposal on Worker Health & Safety is Excludable as Ordinary Business.

The Staff noted in the 1998 Release that “the management of the workforce” represents an ordinary business matter, and has explicitly stated that it will concur in the exclusion of proposals concerning the management of non-executive workforce because they implicate company decisions on how best to operate. *1998 Release; United Techs. Corp.* (avail. Feb. 19, 1993) (“[P]roposals directed at a company’s employment policies and practices with respect to its non-executive workforce [are] uniquely matters relating to the conduct of the company’s ordinary business operations, [including] management of the workplace, employee supervision, labor-management relations, ... conditions of the employment and employee training and motivation.”). *See also Intel Corp.* (avail. Mar. 18, 1999) (permitting the exclusion of a proposal concerning various employee “protections” as relating to the company’s ordinary business operations, “i.e., management of the workforce”). Matters relating to the management of a company’s workforce include regulating the employees’ “workplace environment,” or reporting on working conditions, policies or standards. *Pilgrim’s Pride*. *See also TJX Companies* (permitting exclusion of a proposal because it related to “workplace safety and working conditions,” including general wage conditions and non-compliance with safety and labor laws, which “fit squarely within the realm of ordinary business matters”); *Wal-Mart Stores, Inc.* (avail. Mar. 23, 1998) (permitting the exclusion of a proposal requesting a report on employee working conditions because the proposal was “directed at...the company’s ordinary business operations (i.e., primarily employment-related matters)”; and *NYNEX Corp.* (avail. Feb. 10, 1989) (concurring that a proposal was excludable as ordinary business because its request for employee protection against environmental, health and safety hazards was relating to “particular matters” of employee relations). According to the Staff, proposals relating to workforce policies and practices can be excluded because they infringe on a company’s routine and day-to-day oversight of employees. *XPO Logistics, Inc.* (avail. Mar. 6, 2019). Moreover, the Staff will concur in the exclusion

of a shareholder proposal concerning employment-related policies even if the proposal ties those policies to a broader social issue. *Cracker Barrel Old Country Stores, Inc.* (avail. Oct. 13, 1992). *See also Comcast and Lowe's Companies, Inc.* (avail. Mar. 10, 2015) (permitting a proposal's exclusion as "ordinary business...as relating to Lowe's policies concerning its employees" where the resolved clause requested human rights reporting but the rest of the proposal focused on employees' political rights).

ii. *Analysis – A Proposal on Worker Health and Safety is Excludable as Ordinary Business.*

Here, as described above, the crux of the Proposal concerns workplace matters, and more specifically, the Company's policies and practices with respect to managing the health, safety and labor risks of its poultry production workers. As explained above, although the Proposal's resolved clause discusses "human rights due diligence", the level of detail and attention the remainder of the Proposal makes to employee health and other "serious labor rights violations" demonstrates that the Proponents are in fact asking the Company to target its diligence with respect to workforce policies and practices.

The Company's management of its health and safety practices (including with respect to COVID-19) is an ordinary business matter that should not be subject to shareholder oversight, because it is deeply embedded into its existing policies, disclosures and operations. As stated in the Company's disclosures on health and safety, the Company considers "[t]eam member health and safety [to be] an integral component of [the Company's] 2020 sustainability strategy."⁵⁷ Additionally, the Sustainability Report notes that the Company implements safety and health standards in each of its U.S., Mexico, and U.K. and Europe segments, for each of its 60 production facilities and for all of its 58,000 team members. With such a large employee population and international footprint, any decisions about health and safety policies necessarily impact operations at both the company-specific and facility-specific levels, including budgets for initiatives and training, and, in light of COVID-19, sanitizing and protective equipment to adhere to applicable governmental guidance.

Certain components of health and safety management systems also vary by facility according to the specific jurisdictional standards and particular needs of the teams. In particular, each one of the states and countries in which the Company requires varying health-related protocols relating to the global pandemic, and any other standard health and safety considerations necessarily implicate a myriad of different international, federal, state, local or provincial regulations, facility certification requirements, and ongoing permitting and licensing requirements and monitoring. Indeed, the Company's website disclosures note that, in addition to "companywide" safety and performance policies, the Company implements "facility-specific" trainings to "identify unsafe behaviors and intervene" with particularized coaching systems.⁵⁸

Disclosures on the Company's website also underscore the operational decision-making considerations around worker health and safety policies. On its website, the Company notes its "active collaboration with" health officials to protect its workforce from COVID-19⁵⁹ and states that management is continuing to "adapt and adjust its approach [to COVID-19] as necessary," and has already partnered with "expert epidemiologists and medical professionals, and is following guidance provided by the U.S. Centers for Disease Control and Prevention, the Occupational Safety and Health Administration, local health departments and other officials to prevent the potential spread of COVID-19."⁶⁰ The Company provides an in-depth list of 20 new policies that it has implemented since the COVID-19 pandemic began and as a way to respond to the health and safety issues of its employees more generally. Among the measures that the Company has taken include health and wellness measures (such as temperature testing of all team members, conducting health screenings for anyone entering the facility, and providing extra personal protective equipment); increased cleaning and sanitizing of facilities (such as implementing "[g]ermicidal air sanitation...to neutralize viruses in plant ventilation and air purification systems"); support for team members

⁵⁷ Sustainability Report, "Team Members: Team Member Health and Safety."

⁵⁸ *Id.*

⁵⁹ Pilgrim's Pride, Response to COVID-19, *available at*

<https://sustainability.pilgrims.com/chapters/communities/responding-to-covid-19/> (last visited Dec. 21, 2020).

⁶⁰ *Id.*

exposed to the infection (such as “requir[ing] sick team members to stay home from work”); and safety, “education, training and enforcement” of physical distancing and other COVID-19 preventive measures.⁶¹ These efforts are at the very core of the Company’s business operations. Accordingly, the Proposal here should also be excluded because its main purpose relates directly to the improvement of health and safety production practices for the Company’s employees.

Moreover, matters relating to employee health, safety, and labor practices are inextricably tied to the routine business considerations that are best left to Company management. With such a large-scale workforce operating in multiple states across the nation, in Mexico and in Europe, decisions made about employment-related issues, particularly health protections and standards for managing worldwide pandemics, necessarily impact how the Company manages its employees and production facilities, including staffing (and by consequence, production and operational) levels, budgetary reserves for environmental, health and safety matters and investments in protective equipment or sterilization materials. Because the Staff has determined that proposals about such matters fall within the realm of excludable ordinary business matters relating to “workforce management and employee relations,” the Proposal here, too, should be excluded under Rule 14a-8(i)(7).

D. The Proposal, if Implemented, Would Micro-manage the Company by Interfering in Workplace-Specific Matters and Supplanting the Judgment of Management with Expertise in Employment Matters Particular to the Food Industry.

The Proposal effectively micro-manages the Company by imposing several, highly specific means for implementing employee-related policies and practices that are critical to the Company’s functioning and successful operations as a food producer. In particular, the Proposal imposes a stringent reporting method and prescribes directives for the Company to achieve certain benchmarks for success.

i. Background – The Proposal Would Micro-manage the Company.

Proposals are excludable under Rule 14a-8(i)(7) as “micro-managing” a Company if they prob[e] too deeply into matters of a complex nature upon which shareholders, as a group, would not be in a position to make an informed judgment.” *1998 Release*. In recent years, the Staff permitted the exclusion of proposals as micro-managing a company where the proposal not only sought to tell the company what to do, but prescribed actionable items dictating how the company should do it. *CSX Corp.* (avail. Feb. 28, 2020). In *CSX Corp.*, the proposal requested that the company “commission a study” and make determinations on how the “corporation can best atone for its [past] participation in slavery.” *Id.* The proponents specified that the report should “study” the issue, “formulate” the company’s process for atonement and “clarify” the means and method by which the company was taking steps toward atonement. *Id.* The Staff agreed that the proposal sought to micro-manage the company, and was therefore excludable under Rule 14a-8(i)(7), because it dictated what the company must do and the steps that the company should take to implement the proposal’s request. *Id.* The proposal limited the flexibility of management by forcing the company “evaluate [a certain topic’s] merits and urgency in relation to other matters at hand in order to determine when they need to be addressed.” *Id.* See also *Intel Corp.* (avail. Mar. 15, 2019) (permitting exclusion of a proposal that requested statements made to the public via diversity-related website disclosures in support of the Gay Pride movement as micro-managing, on the Staff’s view that the proposal sought to dictate that the company “must adopt a specific policy position and prescrib[e] how the [c]ompany must communicate policy decision”).

Moreover, a proposal can still be considered to micro-manage a company even if it recommends, rather than dictates, the means and methods by which a company should address a certain social issue. *Ford Motor Co.* (avail. Mar. 2, 2004) (“*Ford*”). In *Ford*, a proposal requested that the company publish a report to shareholders on the company’s efforts with respect to global warming. *Id.* The proposal provided recommended topics on what Ford should discuss in the report, including the company’s operational impact on temperatures, atmospheric gases and carbon dioxide production, but noted that the report should contain “any other information that Ford staff deems relevant.” *Id.* The Staff permitted exclusion of the proposal because the “specific method of preparation and the

⁶¹ *Id.*

specific information to be included” acted as directives that unreasonably micro-managed the company. *Id.* See also *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)).

ii. *Analysis – The Proposal Would Micro-manage the Company.*

Like in *CSX Corp.* and *Ford*, the Proposal would micro-manage the Company by imposing stringent requirements for reporting on multifaceted workplace issues. Just as the proposal in *CSX Corp.* directed both the actions and the processes the company should undertake to address and atone for its participation in slavery, the Proposal’s resolved clause directs the Company to undertake detailed reporting obligations, while its supporting statements specify a comprehensive list of disclosure metrics to satisfy. And, much like the requested greenhouse gas report in *Ford*, which was excluded even though it gave the company discretion to include what it “deem[ed] relevant,” here, the requested human rights due diligence report should be excluded even though it merely “recommend[s]” the report include certain items, such as “human rights principles,” “human rights impacts” and “plans to track effectiveness of measures.” Similar to *Ford*, although labeled as “recommend[at]ions,” these metrics operate as demands because of their intricate level of detail, as well as the fact that the Proposal further notes that the Company is “*expected to conduct [the due diligence]*” specified in the metrics (emphasis added).

The Proposal does not merely ask the Company’s board or management to consider taking more directed actions in addressing a potential policy issue. Instead, just like *CSX Corp.* proposal, the Proposal mandates the topics that must be addressed by the Company, recommends the ways in which those topics be investigated and communicated to the public, and requires that these measures by the Company achieve a certain level of success as follows:

- *Mandated Topic:* The Proposal focuses on a subset of human rights, namely, the labor and employee-related issues that the Company’s poultry processing workers “have routinely faced,” such as injuries from production lines, exposure to hazardous materials, and, protections to curb the spread and infection of COVID-19.
- *Imposition of Reporting Method:* The Proposal dictates in the resolved clause that the Company must conduct “human rights” due diligence, and prepare a report detailing three distinct findings with respect to “adverse human rights impacts”: an assessment of the impacts, identification of the impacts, and a discussion of how to prevent and mitigate the impacts.
- *Prescription of Reporting Content:* The Proposal dictates that the report include the following items:
 - A description of the “human rights principles used to frame its risk assessments.”
 - An “outline of the human rights impacts” on certain business activities, namely “company-owned operations, contract growers, and [the] supply chain.”
 - An “explanation of the types and extent of stakeholder consultation.”
 - A discussion of the Company’s “plans to *track effectiveness of measures to assess, prevent, mitigate and remedy* adverse human rights impacts” (emphasis added).

Decisions regarding the creation and content of a report, as well as the appropriate resolution with respect to any impacts the report identifies, involves a number of business, financial and legal considerations which the Company has already considered and which would be unduly constrained if the Company were required to follow the precise orders of the Proposal.

The various directives above require the Company to engage in the following prescriptive processes including the following: (i) identifying what it describes as “human rights” principles (which, as noted above, appear to be directed at worker health and safety principles) most relevant to the Company’s industry as a food product (poultry) processor and developing a framework to measure those metrics; (ii) identifying the relevant stakeholders and determining the level of engagement that would be most impactful or useful to the Company’s due diligence efforts;

and (iii) providing forward-looking statements by providing specific “plans to track the effectiveness of measures to assess, prevent, mitigate and remedy adverse human rights impacts.”

Each of these prescriptive steps involves different and complex operational and financial considerations depending on the particular country and, if applicable, state in which operations are conducted. Moreover, due to the number, variety and complexity of its contractors, suppliers, and operations across geographies and brands, imposing a one-size-fits all approach to the Company’s business is inappropriate. Rather than leaving it to the discretion of management and the Board to determine which applicable impacts are most significant to report and resolve, the Proposal supplants that discretion and dictates that the Company disclose and remedy specific risks mandated by the Proposal and in the manner that the Proposal dictates, without regard to the complexity of and variations in the Company’s business operations across the globe.

The Company is committed to identifying and mitigating risks relating to human rights generally and employee-related health and safety in particular, evidenced by its extensive disclosures both on its website and in separate supplier and segment-specific policy statements, described elsewhere in this letter. However, any decisions on which risks the Company can reasonably and most effectively address should be left to management, which has the expertise and business acumen to determine how best to allocate time and resources to addressing labor-related initiatives. Therefore, because the Proposal seeks to micro-manage the Company by prescribing the methods of human rights due diligence and content for the report, as well as determining which workforce-related objectives it needs to prioritize over others, the Proposal should be excluded under Rule 14a-8(i)(7).

E. 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 human rights due diligence practices and reporting, particularly as they related to workplace health, safety and other labor-related matters. 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, actions and disclosures and the low level of shareholder support for the subject matter of the Proposal in prior years, 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 identifying and mitigating worker health and safety and other “human rights”-related issues in its operations, the Proposal is not appropriate for a shareholder vote.

i. The Proposal Relates to Core Business Activities Relating to Worker Health and Safety.

The Committee first evaluated whether the Proposal effectively micro-manages the Company, and in so doing, considered the steps that the Company has already taken to implement a human rights due diligence report, particularly as it relates to worker health and safety matters. The Committee considered all of the factors discussed elsewhere in this letter in Section 3.D above, including the factors that management reports on in its disclosures and considers in determining the Company’s workplace health and safety policies and procedures. The Committee determined that the Proposal, if implemented, would override management’s judgment about its workforce and the policies necessary to ensure proper health and safety protections.

Additionally, the Committee reviewed the Company’s strategies for implementing workplace health and safety policies and practices, including those policies developed in light of COVID-19, detailed in Section 3.C above. The Company has explicitly prioritized employee health and safety in each of its reportable segments in the U.S., Mexico and the U.K. and Europe. For example, in the U.S. segment, the Company has also devoted substantial resources to instituting new COVID-19 safety protocols to protect its workforce from contracting and spreading the

infection.⁶² In addition to the already-established policies to protect Company employees, the Company has noted that its employees’ “health and safety is an integral component of [its] 2020 sustainability strategy,”⁶³ has developed “aggressive goals for year-over-year improvement” in workplace policies and practices, and has started tracking its safety metrics globally in the year ahead.⁶⁴ The Committee determined that the Company already plans to “shar[e] [its] progress” with respect to its diligence on global safety data, and would also plan to determine the nature and the extent of the Company’s review, further diligence and reporting with respect to health and safety issues in the workplace. These considerations are integral to the Company’s ordinary business operations because they relate to the protection and safety of employees and other employment-related matters, and are thus tailored to management’s considerations for its workforce.

- ii. *The Company’s Shareholder Engagement Efforts Best Position Management and the Board to Prioritize the Human Rights Worker Health and Safety Initiatives That Are Most Important to Shareholders.*

The Committee determined that its management and Board are in the best position to consider and implement policies with respect to workplace health and safety initiatives and noted that the Company’s shareholders have not expressed significant concerns about the Company’s health and safety practices. The Committee considered 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 human rights, they have come from the Proponents only in the past two years, and have obtained low approval rates of 12.8% in 2020 and 12.3% in 2019.

- iii. *The Delta Between the Proposal and the Company’s Current Reporting on Worker Health and Safety and Human Rights Matters Do Not Amount to a Significant Policy Issue.*

The Committee has determined that the delta between the Company’s current efforts to identify and mitigate workplace-related issues (including those described in the Company’s disclosures described in Section 2.A of this letter) and the detailed requirements of the Proposal is not a significant policy issue meriting the Proposal’s inclusion in the 2021 Proxy Materials. In making this determination, the Committee considered how the Company has already addressed, and is currently addressing, considerations around workplace health and safety, including all of the efforts that the Company has taken with respect to its employees and COVID-19, as further described below.

In particular, the Committee considered the Existing Disclosures and actions of the Company described in Section 2.A above. For example, the Committee considered disclosure in the Sustainability Report, which details the Company’s efforts across all reportable segments in the U.S., Mexico and the U.K. and Europe to identify and implement health and safety initiatives; the Supplier Code, which lists the labor-related human rights principles that the Company believes are significant at the supply chain level and the requirements for its vendors and contractors to uphold those principles; and the Moy Park and Tulip 2020 MSA Statements and related website disclosures for businesses in its U.K. and Europe segment. In assessing these disclosures and the actions they describe by the Company’s management, the Committee further noted efforts of the Company to address and closely monitor worker health and safety issues, all of which are considerable, and further noted that the delta between these disclosures and actions, and the requests of the Proposal, is not significant.

Next, the Committee reviewed the Proposal’s focus on using human rights principles to track, and report on, the effectiveness of its measures to assess, prevent, mitigate and remedy adverse human rights impacts, specifically as they relate to “insufficient [workplace] protections” for employees. Because management and the Board must necessarily take into consideration several different legal, regulatory and operational factors in creating effective workplace policies and oversight, as discussed in Section 3.C above, the Committee determined that the issues that the Proposal raises align with the Company’s current efforts to protect its employees from accidents, illnesses, and other health and safety incidents, as well as ongoing efforts to eradicate the spread and infection of the COVID-19

⁶² Sustainability Report, “Our Response to COVID-19.”

⁶³ Sustainability Report, “Team Members: Team Member Health and Safety.”

⁶⁴ *Id.*

illness. Because there is no critical difference between the focus of the Proposal's request on worker health and safety matters and the Company's efforts and commitments concerning the same, the Proposal does not concern a significant policy issue upon which shareholders should vote.

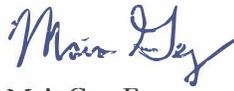
The Committee's delta analysis is consistent with Staff precedent on significant policy issues. The thrust of the Proposal, as described under Section 3.A, concerns the policies and practices that the Company has instituted to protect employees from injuries, incidents and illnesses that they routinely face as poultry processing workers. The Staff has not recognized workplace health and safety policies as being significant policy issues for purposes of Rule 14a-8(i)(7). *See, e.g., The Chemours Co.* (avail. Jan. 17, 2017) (permitting the exclusion of a proposal in part, because the "bulk of the proposal focused on issues" that were more directly related to workplace safety, and therefore did not raise "any possible significant policy issue" transcending matters "associated with the [c]ompany's operations"). 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 Rules 14a-8(b)/14a-8(f)(1), 14a-8(i)(10) and 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,

A handwritten signature in blue ink, appearing to read "Maia Gez". The signature is fluid and cursive, with the first name "Maia" being more prominent than the last name "Gez".

Maia Gez, Esq.

CC: Minor Sinclair, Oxfam America Inc.
Kim Pryor, Pilgrim's Pride Corporation
Dunham Winoto, Pilgrim's Pride Corporation
John Vetterli, Esq.

EXHIBIT A



October 21, 2020

BY EMAIL AND OVERNIGHT DELIVERY

Pilgrim's Pride Corporation
Attn: Secretary
1770 Promontory Circle
Greeley, Colorado 80634

Re: Shareholder Proposal for 2021 Annual Meeting

To the Secretary of Pilgrim's Pride Corporation:

Enclosed please find a proposal of Oxfam America Inc. ("Oxfam America") to be included in the proxy statement of Pilgrim's Pride Corporation (the "Company") for its 2021 annual meeting of shareholders.

Oxfam America has continuously held, for at least one year as of the date hereof, sufficient shares of the Company's common stock to meet the requirements of Rule 14a-8 under the Securities Exchange Act of 1934, as amended. Verification of this ownership will be forthcoming. Oxfam America intends to continue to hold such shares through the date of the Company's 2021 annual meeting of shareholders.

Oxfam America welcomes the opportunity to discuss the proposal with representatives of the Company.

Sincerely,

A handwritten signature in blue ink, appearing to read "Minor Sinclair", enclosed in a light blue rectangular box.

Minor Sinclair
Director of US Domestic Programs
Oxfam America

Enclosure

cc: David L. Coombs, Esq. (Goulston & Storrs PC)
Linh N. Lingenfelter, Esq. (Goulston & Storrs PC)
Lauren A. Wilson, Esq. (Goulston & Storrs PC)

Report on Human Rights Due Diligence 2021 – Pilgrim’s Pride Corporation

Resolved: Shareholders request the Board of Directors prepare a report, at reasonable cost and omitting proprietary information, on Pilgrim’s Pride’s human rights due diligence (HRDD) process to assess, identify, prevent and mitigate actual and potential adverse human rights impacts.

Supporting Statement:

We recommend the report:

- Include the human rights principles used to frame its risk assessments;
- Outline the human rights impacts of Pilgrim’s Pride’s business activities, including company-owned operations, contract growers, and supply chain, and plans to mitigate adverse impacts;
- Explain the types and extent of stakeholder consultation; and
- Address Pilgrim’s Pride’s plans to track effectiveness of measures to assess, prevent, mitigate, and remedy adverse human rights impacts.

Companies that fail to address human rights concerns risk backlash from communities, customers, and regulators, which poses significant harm to long-term shareholder value. Industrial meat production exposes workers, farmers, and communities to actual and potential adverse human rights impacts. Poultry processing workers, including at Pilgrim’s Pride, have routinely faced serious labor rights violations, including injuries from unsafe line speeds and other hazards, exposure to toxins, wage and hour violations, sexual harassment, and workplace discrimination.¹ In addition to risks faced by workers, surrounding communities are also impacted by processing plants’ interference with their right to clean water.²

The COVID-19 pandemic has severely aggravated these dangers,³ with the poultry industry being infection hotspots in multiple states.⁴ Workers at Pilgrim’s Pride have complained about insufficient protections, working in spite of fevers and presenting COVID-19 symptoms, and lacking information about exposure to infected individuals, which has led to publicized protests, including one with an employee holding a ‘Workers Are Not Slaves’ sign.⁵ Workers also relayed that Pilgrim’s Pride failed to provide adequate protection equipment, and are asked to “re-use them day after day.”⁶ Investigators found that multiple Pilgrim’s Pride workers have become infected and some have died from COVID-19.⁷

¹ https://www.oxfamamerica.org/static/media/files/Lives_on_the_Line_Full_Report_Final.pdf
<https://www.hrw.org/report/2019/09/04/when-were-dead-and-buried-our-bones-will-keep-hurting/workers-rights-under-threat>

² <https://prairierivers.org/wp-content/uploads/2018/10/Slaughterhouse-report-10.11.18.pdf>
<https://feedingourselfthirsty.ceres.org/company-scorecards/pilgrims-pride>

³ <https://www.oxfamamerica.org/explore/research-publications/disposable/>

⁴ <https://investigatamidwest.org/2020/04/16/tracking-covid-19s-impact-on-meatpacking-workers-and-industry/>
<https://thefern.org/2020/04/mapping-covid-19-in-meat-and-food-processing-plants/>

⁵ <https://qz.com/africa/1871345/somalis-took-on-a-minnesota-meatpacking-plant-to-stop-covid-19/>

⁶ <https://www.wctv.tv/2020/07/07/employees-claim-covid-outbreak-at-pilgrims-pride/>

⁷ <https://thefern.org/2020/04/mapping-covid-19-in-meat-and-food-processing-plants/>;
<https://www.newsobserver.com/news/coronavirus/article242898471.html>; <https://www.denverpost.com/2020/09/16/workers-protest-covid-fine-jbs-greeley/>; <https://www.nwaonline.com/news/2020/aug/05/meat-firms-fight-worker-death-claims/>.

Increased public scrutiny on these harmful production practices generates significant financial risk. The poultry processing industry is plagued by legal complaints, fines⁸, and investigations⁹ revealing patterns of workplace violations. Pilgrim's Pride and its subsidiaries have accumulated numerous fines, totaling \$34.7M in penalties together with corporate parent JBS.¹⁰ Though Pilgrim's Pride commits to "not permit degrading conditions in the workplace that could put our team members' health or lives at risk"¹¹ repeated investigations, fines, and lawsuits indicates that meaningful steps need be taken to ensure that the company upholds this promise.

The UN Guiding Principles on Business and Human Rights¹² affirm that corporations have a responsibility to respect human rights within company-owned operations and throughout their supply chain. To meet this responsibility, companies are expected to conduct HRDD, informed by the core international human rights instruments, to assess, identify, prevent, and mitigate adverse human rights impacts.¹³ To protect its long-term financial interest, Pilgrim's Pride should do just that.

⁸ <https://www.chstoday.com/safety/article/21918131/pilgrims-pride-adds-to-flock-of-osha-violations>

⁹ <https://www.nelp.org/news-releases/gao-report-finds-injured-meat-poultry-workers-denied-medical-care-at-worksite/>; *See also* <https://www.al.com/news/2020/01/congresswoman-urges-investigation-after-death-of-pilgrims-pride-worker.html> (detailing threats of investigations).

¹⁰ <https://violationtracker.goodjobsfirst.org/parent/jbs>

¹¹ <https://sustainability.pilgrims.com/chapters/team-members/>

¹² https://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf

¹³ <https://www.ohchr.org/en/professionalinterest/pages/coreinstruments.aspx>; <https://www.ilo.org/declaration/lang--en/index.htm>; <http://www.oecd.org/investment/mnc/1922428.pdf>

EXHIBIT B

From: Alexandre Galimberti <[REDACTED]@Oxfam.org>
Date: October 21, 2020 at 17:07:35 MDT
To: "[REDACTED]@pilgrims.com", "[REDACTED]" <[REDACTED]@jbssa.com>
Cc: Diana Kearney <[REDACTED]@Oxfam.org>, "Wilson, Lauren" <[REDACTED]@GOULSTONSTORRS.com>
Subject: [Ext]- Oxfam shareholder resolution for 2021 AGM

Use caution before opening attachments or links!

Dear [REDACTED], [REDACTED],

I hope that the both of you are doing well.

Attached please find the cover letter and shareholder proposal from Oxfam for Pilgrim's 2021 AGM. Our team, as always, is eager for an opportunity to discuss the contents of our proposal with you and your executive leaders. Please let us know if you have availability and would like to discuss. I am also happy to answer any immediate questions or provide additional information.

Sincerely,

ALEX GALIMBERTI
Senior Advocacy & Collaborations Advisor
U.S. Domestic Programs
Oxfam America | Boston
Cell: [REDACTED]
www.oxfamamerica.org

pronouns: he/him/él

Disclaimer

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October 22, 2020

VIA OVERNIGHT MAIL

Oxfam America | Boston
Minor Sinclair
U.S. Domestic Programs
226 Causeway Street 5th Floor
Boston, MA 02114-2206
Cell: [REDACTED]
www.oxfamamerica.org

Attn: Minor Sinclair, Director of US Domestic Programs
Re: Pilgrim's Pride Corporation Rule 14a-8 Proposal

Dear Mr. Sinclair,

Reference is made to your letter (the "Letter") addressed to the Secretary of Pilgrim's Pride Corporation (the "Company"), received by the Company on October 21, 2020, including a shareholder proposal submitted by you on behalf of Oxfam America, as proponent (the "Proponent").

Pursuant to Rule 14a-8 under the Securities Exchange Act of 1934 ("Rule 14a-8"), to be eligible to submit a proposal, among other requirements, the Proponent must have continuously held, for at least one year by the date the Proponent submits the proposal, at least \$2,000 in market value, or 1%, of the Company's securities entitled to be voted on the proposal at the annual meeting of its shareholders. Furthermore, the Proponent must continue to hold those securities through the date of the meeting.

To demonstrate the Proponent's eligibility, if the Proponent is not a registered holder, at the time you submit the Proponent's proposal, you are required to submit to the Company a written statement from the record holder of the Proponent's securities verifying that, at the time you submitted the proposal, the Proponent continuously held the requisite amount of the Company's common stock, par value \$0.01 per share, for at least one year.

The Letter fails to comply with the foregoing procedural requirements of Rule 14a-8 due to a lack of proof of such ownership by the record holder. To remedy this defect, the Proponent must submit sufficient proof of the Proponent's continuous ownership of the required number or amount of Company shares for the one-year period preceding and including October 21, 2020, the date the Proposal was submitted to the Company. As explained in Rule 14a-8(b) and in SEC staff guidance, sufficient proof must be in the form of:

tel [REDACTED]
fax [REDACTED]
www.pilgrims.com

- (1) A written statement from the “record” holder of the Proponent’s shares (usually a broker or a bank) verifying the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including October 21, 2020; or
- (2) If the Proponent has filed with the SEC a Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5, or amendments to those documents or updated forms, reflecting the Proponent’s ownership of the required number or amount of Company shares, a copy of the schedule and/or form, and any subsequent amendments.

If the Proponent intends to demonstrate ownership by submitting a written statement from the “record” holder of the Proponent’s shares as set forth in (1) above, please note that most large U.S. brokers and banks deposit their customers’ securities with, and hold those securities through, DTC, a registered clearing agency that acts as a securities depository. Under SEC Staff Legal Bulletin No. 14F, only DTC participants are viewed as record holders of securities that are deposited at DTC. You can confirm whether the Proponent’s broker or bank is a DTC participant by asking the Proponent’s broker or bank or by checking DTC’s participant list available online. In these situations, shareholders must obtain proof of ownership from the DTC participant through which the securities are held, as follows:

- (1) If the Proponent’s broker or bank is a DTC participant, then the Proponent needs to submit a written statement from the Proponent’s broker or bank verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including October 21, 2020.
- (2) If the Proponent’s broker or bank is not a DTC participant, then the Proponent needs to submit proof of ownership from the DTC participant through which the shares are held verifying that the Proponent continuously held the required number or amount of Company shares for the one-year period preceding and including October 21, 2020. If the DTC participant holding the stockholder’s shares is not able to confirm the ownership but is able to confirm the holdings in the shares of the stockholder’s bank or broker, two proof of ownership statements confirming the stockholder’s requisite ownership should be provided—one from the stockholder’s broker or bank confirming the stockholder’s ownership, and the other from the DTC participant confirming that broker or bank’s ownership.

If you fail to adequately correct the procedural deficiency and provide the requisite proof of ownership 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 its shareholders.

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

Sincerely,



[REDACTED]
Pilgrim’s Pride Corporation
[REDACTED]



1770 Promontory Circle
Greeley, CO 80634-9039 USA

tel [REDACTED]
fax [REDACTED]
www.pilgrims.com

From: Alexandre Galimberti [[mailto:\[REDACTED\]@Oxfam.org](mailto:[REDACTED]@Oxfam.org)]
Sent: Monday, November 2, 2020 14:51
To: [REDACTED]@pilgrims.com>
Cc: [REDACTED]@jbssa.com>
Subject: [Ext]- RE: Request for proof of ownership

Use caution before opening attachments or links!

Hi [REDACTED],

Attached is our proof of ownership document.
Please let me know if you have any questions or need anything else from us.

We will also be more than happy to schedule a time to discuss the content of our resolution with your executive team.

Sincerely,

ALEX GALIMBERTI
Senior Advocacy & Collaborations Advisor
U.S. Domestic Programs
Oxfam America | Boston
Cell: [REDACTED]
www.oxfamamerica.org

pronouns: he/him/él



From: Alexandre Galimberti
Sent: Wednesday, October 28, 2020 12:47 PM
To: [REDACTED]@pilgrims.com>
Cc: [REDACTED]@jbssa.com>
Subject: RE: Request for proof of ownership

Hi [REDACTED],

We did receive the letter and a staff member from our essential crew at the office sent me a scanned copy. Thanks for checking in by email is well. Our brokerage firm will be preparing our proof of ownership document. I will send it to you when we get from them.

Sincerely,
Alex

From: [REDACTED] <[REDACTED]@pilgrims.com>
Sent: Wednesday, October 28, 2020 10:59 AM
To: Alexandre Galimberti <[REDACTED]i@Oxfam.org>

Cc: [REDACTED] <[REDACTED]@jbsa.com>
Subject: Request for proof of ownership

Alex,

I hope you are well. Attached please find the letter we had sent you via Fedex requesting further documentation.

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

Disclaimer

The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited. If you received this in error, please contact the sender and delete the material from any computer. This email has been checked for viruses. However, JBS USA Food Company and its constituent companies cannot accept responsibility for loss or damages arising from use of this email or attachments and we recommend that you subject these to your virus checking procedures prior to use.



Fidelity Clearing & Custody Solutions®

100 Crosby Parkway KCIJ
Covington, KY 41015

October 30, 2020

Oxfam America, Inc.
Activist Fund
226 Causeway Street, Floor 5
Boston, MA 02114-2155

To whom it may concern:

Please accept this letter as confirmation that National Financial Services (NFS) holds 181 shares of Pilgrim Pride (PPC) for the benefit of Oxfam America, Inc. Per our records, the initial purchase was on September 15, 2014.

Oxfam America, Inc. is the beneficial owner of the Shares and has owned shares of Pilgrim Pride (PPC) continuously since September 15, 2014 in account ending [REDACTED]

This letter is in conjunction with the filing on October 21, 2020.

Sincerely,

A handwritten signature in cursive script that reads "Linda M. Gilman".

Client Services Manager

Our file: [REDACTED]

200 Seaport Boulevard, Boston, MA 02210

Fidelity Clearing & Custody Solutions® provides clearing, custody, or other brokerage services through National Financial Services LLC or Fidelity Brokerage Services LLC, Members NYSE, SIPC.

526665.6.0

EXHIBIT C

Proposal Topic A

managed workplace that enables our team members to thrive and have better futures. We are humbled by our committed and dedicated workforce of more than 58,000 team members – 31,900 of whom are based in the U.S. and Puerto Rico, 11,000 in Mexico and 15,600 in Europe. Ninety-nine percent of our team members work in production facilities and approximately one percent work at Pilgrim's corporate offices around the world.



Our Management Approach

Our managers reinforce Pilgrim's culture of respect by being available to team members who want to discuss issues. All management policies and programs are annually reviewed by management teams, and specific team member issues are reviewed weekly or as frequently as necessary to address issues.

To ensure our policies and programs are functioning correctly, Pilgrim's measures and evaluates health and safety, turnover, absenteeism and overtime indicators each week. This allows us to make immediate adjustments if necessary and ensure team member health, safety and working conditions are upheld according to Pilgrim's standards across all facilities.

We operate all our facilities in compliance with labor and human rights laws. We also adhere to strict internal policies and programs that provide additional guidance to best serve our team members. The company has a zero-tolerance policy on child and forced labor. Additionally, in the U.S. we do not use prison labor at our facilities. Our background check policy does support re-entry into the workforce, of persons with a criminal record, dependent on several factors including the assessment of potential risks and liabilities, the "nature and gravity" of the individual's criminal offense or conduct and the nature of the duties and essential function of the position sought. Pilgrim's does not permit degrading conditions in the workplace that could put our team members' health or lives at risk. We uphold

applicable wage and hour laws, such as minimum wage and overtime

compensation, and legally mandated benefits. In the U.S., for our hourly



team members, we do a competitive wage analysis two times per year and for salaried team members we do a competitive wage analysis one time per year to ensure we are paying competitively for where they work and live.

Salaries are adjusted as necessary based on these competitive wage analyses. We also respect our team members' rights of association, of joining labor unions and of collective bargaining. In 2019, 62% of our team members working in the U.S. and Puerto Rico, 75% in Mexico and 34% in Europe were covered by collective bargaining agreements.

Our Code of Conduct and Ethics

Pilgrim's Code of Conduct and Ethics includes behavioral guidelines and standards to ensure appropriate workplace conduct, efficient and safe operations and the well-being of our team members. All Pilgrim's team members receive annual in-person, online or video-based training on the Code of Conduct and Ethics.

The Pilgrim's Code of Conduct and Ethics applies to all team members. The

Code has policies for each of the company's major risk areas, including team

member safety, food safety, environmental compliance, animal welfare,

corporate ethics, workplace conduct and taxation and finance. All Pilgrim's

managers are responsible for enforcing the Code of Conduct and Ethics in their divisions.

In addition to Code of Conduct and Ethics training, new team members also receive an ethics handbook during orientation and are expected to abide by our policies regardless of their position in the company. Corrective actions for violating the Code or company policies include coaching, written warnings, final written warnings and, if necessary, termination of employment. Serious violations such as theft can result in immediate termination.

Additionally, Pilgrim's provides all employees of all levels with harassment training annually. Harassment of employees by supervisors or co-workers is a violation of federal law and company policy. Pilgrim's has in place a policy concerning all forms of harassment, including, but not limited to sex-based harassment, harassment and retaliation against individuals who report any form of harassment in our workplace.

Our Open Door Policy and Ethics Line

Each Pilgrim's facility has anonymous and non-anonymous ways to report grievances. Team members can bring their concerns directly to management without retaliation or fear of retaliation. With our open door policy, full- and part-time team members are encouraged to bring issues they feel are impacting their performance or environment to supervisors or the Human Resources department. Team members are also encouraged to talk with their supervisor about situations if they feel they have not been treated fairly.

The Pilgrim's Ethics Line is available to every team member in every country where the company operates, and is provided in 11 languages to accommodate our diverse workforce. Through the Ethics Line, all Pilgrim's team members have access to a toll-free phone number and an online platform to securely and confidentially report concerns, unethical behavior or policy violations. Reporting can be done anonymously. In 2019, 1,187 Ethics Line reports were filed, investigated and closed with appropriate personnel or other administrative action taken when warranted.

All team members are introduced to the open door policy and Ethics Line during new-hire orientation, and all new managers discuss the policy and related procedures with senior management when they assume their roles.



Communities



Our Commitment

At Pilgrim's, we value the important role we play in the communities where our team members live and work. We understand the responsibility that comes with being a major employer in rural communities, and we work hard to contribute to the well-being of these communities by providing gainful employment opportunities and participating in volunteerism, donation and sponsorship opportunities.

Our Management Approach

To make sure our volunteering, sponsorships and donations have the most meaningful impact, we target our efforts to support local initiatives throughout our communities. Many of our contributions benefit schools, hospitals and youth organizations. We also have a long history of partnering with a wide variety of non-profit organizations in local

communities, and each of our facilities encourages its team members to take every opportunity to be active stewards of their community.



We do not set companywide giving or volunteering targets; instead, each facility has an annual budget dedicated to supporting local initiatives and communities. While some facilities focus on working to better the lives of local youth, others choose to assist in the fight to alleviate hunger in their communities.

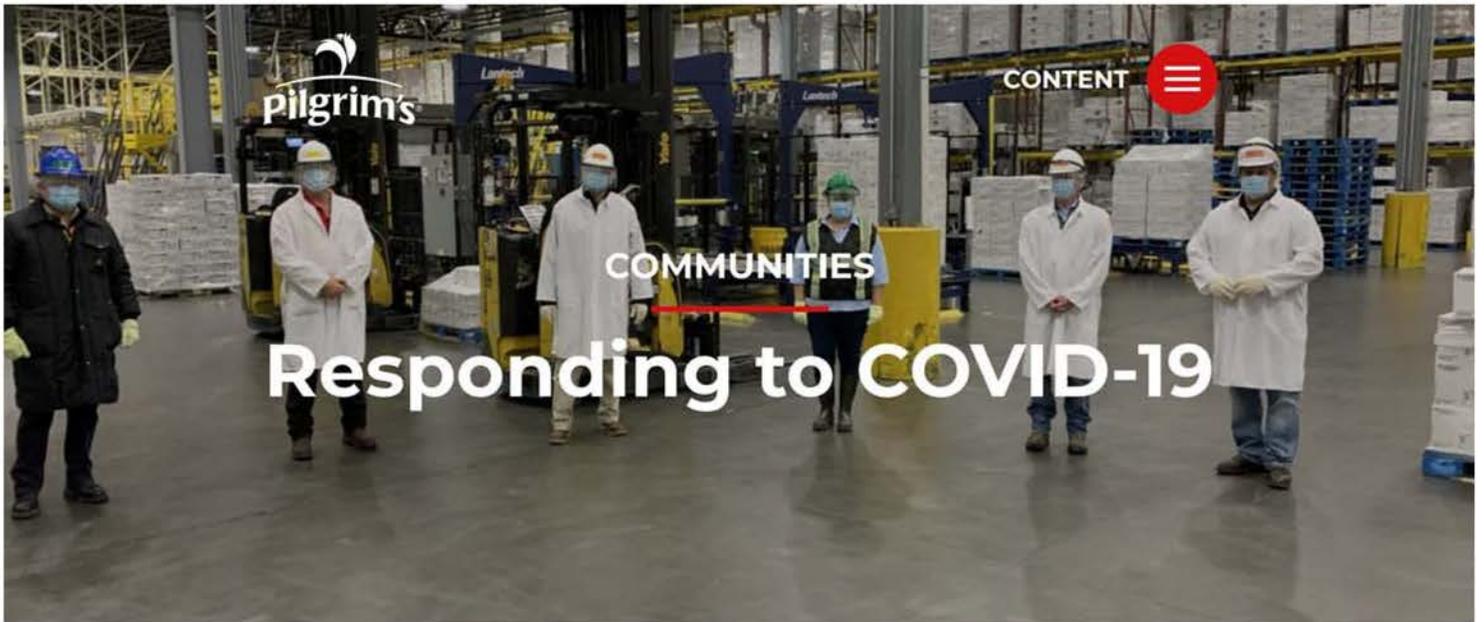
Each Pilgrim's facility is encouraged to follow some basic guidelines for partnering with the community and determining the best use of the funds.

While we do not have set qualifications for our charitable support, we prioritize organizations that:

- Support the disadvantaged and those in need
- Prevent modern slavery and support victims of modern slavery
- Improve the development and well-being of youth
- Promote agriculture
- Support our team members
- Promote acceptance and diversity
- Support our local communities

Keeping these criteria in mind, each facility's human resources director and general manager support organizations and community functions that they believe will have the greatest impact on their community. We strive to provide a balance between providing financial support and in-person volunteer hours that match community requests.





Our Response: United States

Pilgrim's operates more than 30 poultry and prepared foods facilities across the United States. As such, our role in providing food for Americans—and citizens around the globe—is critical. Ensuring the health and safety of our team members as we address COVID-19 is even more critical.

That's why the company is focusing its efforts to help combat the spread of the virus while protecting our team members and our company. Pilgrim's continues to partner with expert epidemiologists and medical professionals, and is following guidance provided by the U.S. Centers for Disease Control and Prevention, the Occupational Safety and Health Administration, local health departments and other officials to prevent the potential spread of COVID-19.

To date, the company has adopted numerous enhanced safety measures to keep its workplaces and team members safe.



Safety Measures

To date, the company has adopted numerous safety measures at its facilities to prevent coronavirus from entering its workplaces and support its team members.

HEALTH & WELLNESS

- Temperature testing all team members prior to entering facilities, including the use of hands-free thermometers and thermal imaging testing technology
- Conducting health screenings for anyone entering the facility
- Providing extra personal protective equipment (PPE), including face shields and protective masks, which are required to be worn at all times

INCREASED CLEANING & SANITIZING

- Hiring dedicated staff whose only job is to continuously clean facilities, including common areas beyond the production floor
- Germicidal air sanitation with ultraviolet (UV) and bipolar ionization technology, which help to neutralize viruses in plant ventilation and air purification systems
- Increasing sanitation and disinfection efforts, including whole facility deep-cleaning every day

TEAM MEMBER SUPPORT

- Removing vulnerable populations from our facilities, offering full pay and benefits
- Requiring sick team members to stay home from work, offering pay and benefits consistent with our short term disability policy
- Waiving short-term disability waiting periods
- For COVID positive team members who are under company mandated 14-day quarantine and cannot work from home, the company offers pay

and benefits.

- Providing free 100% preventative care to all team members enrolled in the company's health plan
- Offering free LiveHealth Online services for team members enrolled in the company's health plan that allow for virtual doctor visits at no cost
- Implementing flexible work-from-home practices for corporate team members
- We have invested \$65 million to enhance safeguards for our workforce and to reward team members with thank-you bonuses; all hourly facility team members received at minimum a \$300 thank-you bonus

SAFETY MEASURES

- Increasing spacing in cafeterias, break and locker rooms, including dividers in common areas and on the production floor
- Promoting physical distancing by staggering starts, shifts and breaks
- Hiring staff to assist with education, training and enforcement of COVID-19 preventive measures
- Educating and encouraging team members to practice social distancing at home and in the community outside of work
- Restricting access to facilities and not allowing visitors
- Prohibiting international and domestic travel



Active Collaboration

Pilgrim's continues to communicate and coordinate with federal, state, local and public health officials to:

- Proactively demonstrate plant interventions and safety measures
- Provide insight on industry best practices and seek expertise



07 / 08

Suppliers



2019 Key Facts & Figures



>13,000

manufacturing suppliers



>6,300

livestock and poultry producer partners



\$1.8B

paid to livestock and poultry producer partners

The nature of our business demands we work with a diverse set of suppliers that range from family farm partners who raise our chickens and

hogs to large, multinational companies that manufacture and provide services for our production facilities. We work in partnership with over  19,300 suppliers to ensure the highest-quality inputs.

As part of the Pilgrim's supply chain, our vendors contribute to our overall sustainability. Impacts related to the environmental and social pillars of sustainability differ for each of our unique suppliers based on the material they manufacture, the species of livestock or poultry they raise, and the service they provide. Our ability to directly affect these impacts is often outside of our immediate control; however, we strive to partner with suppliers who share our values to achieve a more sustainable food supply.

As part of our efforts to minimize impacts in the supply chain, we developed a **Supplier Code of Conduct**. It ensures that suppliers agree to meet or exceed our high standards when conducting business with Pilgrim's. The code covers human rights, forced labor, freedom of association and collective bargaining, minimum age for employment, equal employment opportunity, employment practices, health and safety, environmental issues and business integrity, which includes anti-corruption and bribery. Our 2020 supply chain goal is to have 100% of our suppliers, who have entered into or updated agreements with us since 2018, agree to our Supplier Code of Conduct.

2020 / GOALS

Supply Chain



on trust and shared values that contribute to continued progress both in our sourcing programs and sustainability goals.



Our Supplier Standards

All suppliers providing products or services that have direct contact with food are required to pass the ISNetworld and either the Global Food Safety Initiative (GFSI) or British Retail Consortium (BRC) audits, or an equivalent certification and provide a letter of guarantee. We defer to organizations like GFSI and BRC to evaluate the effectiveness of audits, collect feedback and make related adjustments. The letter of guarantee certifies that the food products are safely produced and are of consistent quality. We also require these suppliers to undergo an additional audit to confirm they have met these requirements.

We evaluate all potential manufacturing suppliers based on several criteria, including compliance, commercial offering, supply flexibility and responsiveness, service, risk management, quality, price, reliability, financial capability, reputation and experience. When assessing new manufacturing suppliers, we prioritize local companies as they are often cost-competitive. Sourcing products, ingredients and services from within our communities helps further supports local economies, and we prefer to work with companies at their local offices, whenever possible.





Building a Diverse and Dedicated Workforce



Our Commitment

At Pilgrim's, diversity is one of our greatest strengths, and we know that the success of our company depends on the collective skills, backgrounds and experiences of our team members. By treating our team members with dignity and respect, and by promoting diversity and inclusion, we strive to create a trusting and productive workplace.

Our Management Approach

Due to the various locations of our facilities and our large, diverse workforce composed of team members of different ethnicities and national origins, Pilgrim's faces unique communication challenges. As many as 15 different languages are spoken at any one facility. To ensure team members can express themselves and understand key messages, we provide company materials in various languages and dialects. This includes team member information such as benefits, safety instructions and new hire and continuous training materials. In addition, each facility offers unlimited

access to Language Lines, which provides more than 200 languages and creates immediate access to clear communication across our facilities.  Pilgrim's works diligently to accommodate the cultural needs of all our team members. We encourage all facilities to evaluate the effectiveness of their accommodations and to identify the best approaches to address their unique situations.

We also empower our facilities to work within their communities to recruit and retain diverse team members. Our local teams aim to hire and employ a workforce that represents the communities where they live and work. As a contractor to the U.S. federal government, we maintain affirmative action programs to implement our Equal Employment Opportunity Policy and work to identify opportunities for improvement, such as partnering with universities to recruit talent.

Pilgrim's also actively partners with the U.S. federal government to guarantee a lawful and legal workforce. Since 2012, Pilgrim's has participated in the U.S. Immigration and Customs Enforcement (ICE) Mutual Agreement between Government and Employers (IMAGE) program. The IMAGE program promotes voluntary compliance with employment authorization provisions of the Immigration and Nationality Act and assists in the prevention of the hiring or continued employment of people who are not authorized to work in the U.S. As a committed employer of a legal workforce, Pilgrim's is assisted by the program in its efforts to develop a more secure and stable workforce, and enhance fraudulent document awareness through education and training.

Equal Employment Opportunity

As part of our Equal Employment Opportunity Policy, we reaffirm our commitment to recruit, hire, promote and train all team members regardless of race, religion, color, national origin, sex, sexual orientation, gender



Compensation and Benefits

Pilgrim's provides competitive pay to our team members and rewards top performers. Our compensation philosophy is meritocratic, and we strive to reward team members for their specific contributions. All team members receive paid time off with specifics being dependent on state regulations and union contracts as applicable. The minimum time of paid sick leave (personal days) for all salaried employees is 40 hours. Additionally, team members are not required to provide proof of medical diagnosis before utilizing sick leave. The minimum time of paid time off for all employees is 40 hours, availability timing of this is dependent on eligibility criteria and/or union contracts at each specific facility location. All team members and their families are offered benefits including medical, dental and vision insurance. Dependent on qualifications, some employees may receive 6 weeks of paid short-term disability for the birth of a child. We also provide life and disability insurance, and offer flexible spending accounts to promote healthy lifestyles amongst team members. Additionally, team members are provided the option to contribute to company matching retirement plans; these vary depending on the country in which the team member lives and works.

Engaging Our Team Members

We value the thoughts and opinions of our team members and conduct regular surveys to maintain an accurate understanding of team member engagement, perceptions and attitudes on topics such as pay and benefits,



PILGRIM'S

Supplier Code of Conduct



Pilgrim's is committed to conducting business ethically, with integrity and in compliance with all applicable laws and regulations, as well as various international standards including OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the Core Conventions of the International Labor Organization (ILO). Pilgrim's expects Vendors to demonstrate the same commitment to ethical business conduct and integrity by complying with all applicable laws, regulations and rules. Additionally, all Vendors must agree to abide by this Vendor Code of Conduct (the "Code").

Compliance With Laws

Vendors must fully comply with all applicable laws and regulations, including Federal, State, local, and trade laws where products may be

Political Contributions



Vendors shall not make political contributions or provide gifts to any candidate for public office, elected official, political party or committee on behalf of or as a representative of Pilgrim's. Vendors shall not express any political views on behalf of Pilgrim's.

Fair Competition

Vendors must comply with all laws regarding competition, antitrust and fair dealing in the jurisdictions in which the Vendor conducts business with or on behalf of Pilgrim's. Vendors shall avoid any agreements or actions in restraint of competitive trade, such as bid rigging, market allocation, or price fixing.

Labor and Human Rights

Vendors must comply with all labor laws, wage and hour laws and laws relating to non-discrimination in hiring, employment practices, harassment and retaliation. Additionally, Pilgrim's USA expects Vendors to be in compliance with the United Nations Principles on Business and Human Rights, the 10 Principles of the United Nations Global Compact, and the Core Conventions of the ILO.

Vendors must only employ workers who meet applicable minimum age and eligibility requirements in the jurisdiction. Vendors shall not use slave, child or forced labor. Pilgrim's expects Vendors to comply with ILO Forced Labor Convention No. 29, ILO Abolition of Forced Labor No. 105, ILO Minimum Age Convention No. 138, and ILO Worst Forms of Child Labor Convention No. 182.

Vendors must respect the right of workers to form or join a union or bargain collectively.

Pilgrim's values diversity and equal opportunity in the workplace and expects Vendors to adhere to ILO Discrimination (Employment and Occupation) Convention No. 111, and to embrace equal opportunity and diversity in their business practices.



Health and Safety

Vendors must comply with all safety and health laws, rules and regulations in the jurisdiction where the Vendors conducts business. Vendors must take reasonable measures to prevent workplace hazards.

Vendors must provide a non-violent and safe work environment, free of threats, intimidation or physical harm.

Confidentiality, Inside Information and Data Privacy

Vendors may only use confidential Pilgrim's information to perform work on behalf of Pilgrim's and shall not disclose the information unless required by law. Confidential information may only be shared with others within the Covered Vendor on a need-to-know basis.

Vendors may gain access to material, non-public information acquired through the Vendor's relationship with Pilgrim's ("Inside Information"). Vendors are prohibited from buying or selling securities of Pilgrim's or its affiliates while in possession of Inside Information or communicating to others Inside Information.

Vendors must follow all laws and regulations regarding the privacy of individuals, including employees and customers. Personal information should not be disclosed to anyone outside of Pilgrim's except as required by legal or regulatory process and as permitted by any applicable agreement.

OUR BUSINESS STRUCTURE AND SUPPLY CHAINS

Moy Park is the European Division of Pilgrim's producing a diverse range of poultry products across fresh primary, coated and ready-to-eat categories, supplying leading retailers and foodservice providers throughout the UK, Ireland and Europe with high-quality poultry products. The business is one of the UK's top 15 food companies, Northern Ireland's largest private sector business and one of Europe's leading poultry producers.

Moy Park may be best known for fresh, locally sourced poultry but we also produce beef products, vegetarian products such as spring rolls and onion rings and desserts including donuts and apple pies.

With a £1.6 billion turnover employing approximately 13,000 people across facilities in Northern Ireland, England, Holland and France, Moy Park processes almost up to 6 million fresh chickens per week, which is around 30% of the UK's total production, and 200,000 tonnes of added value products annually.

Moy Park is a market leader in a number of added value categories in the UK, these include Primary Added Value, Fresh Coated and Ready To Eat. Across our supply chain Moy Park works with approximately 800 poultry farmers in Northern Ireland and Great Britain and has c.40 million birds on the ground at any one time. The majority of these growers are contracted and independently manage their own businesses, while the others include company owned and leased farms.

Moy Park sources from suppliers who are broadly categorised as meat, ingredients, packaging and indirect suppliers.



SCOPE

This statement sets out the steps taken by Moy Park Limited and relevant UK subsidiaries to prevent modern slavery and human trafficking in our own operations and supply chains.

Entities required to publish a statement under the Modern Slavery Act and therefore covered by this Group Statement include: Moy Park Limited; Kitchen Range Foods Limited and Dungannon Proteins Ltd.

In the next 12 months we will also strengthen our approach to managing the risk of modern-day slavery by including our continental Europe businesses: In France: Moy Park France SAS & Moy Park Beef Orleans Sarl; and in the Netherlands: Albert Van Zoonen BV.

OUR POLICIES AND PRACTICES

We operate in compliance with the Ethical Training Initiative (ETI) which derives from the core conventions of the International Labour Organisation, and from the United Nations Universal Declaration of Human Rights. We are regularly audited by third parties who publish our audit results on the Supplier Ethical Data Exchange (Sedex). This is a web-based database where suppliers post labour standards information and self-assessments in addition to all site audit reports.

Moy Park is an AB registered member of SEDEX and uses this platform to manage its supply chain relations with customers and suppliers.

We keep fully abreast with the work of the GLAA (Gangmaster's and Labour Abuse Authority) who are responsible for the licensing of labour providers within the food and agricultural sectors in the UK.

In addition, we are also members of the Association of Labour Providers (ALP). ALP is a specialist trade association promoting responsible recruitment and good practice for organisations that supply the workforce to the food processing, agricultural and wider consumer goods supply chain. We also support the Stronger Together initiative which is a multi-stakeholder business-led initiative aiming to reduce modern slavery particularly forced labour, labour trafficking and other hidden third-party exploitation of workers. They provide guidance, training, resources and a network for employers, labour providers, workers and their representatives to work together to reduce exploitation.

In 2018 we launched a new whistle blowing hotline "Ethics Point". This confidential hotline provides employees and stakeholders with an opportunity to report unethical practices, human rights issues or food safety standards. This hotline is operated by a third-party company.

In 2018 we also launched a new Ethical Self-Assessment tool which is completed by each of our manufacturing facilities every six months and is also used to support our internal ethical audit programme that is in place. This wider auditing programme incorporates recommended Modern Slavery due diligence via auditing of employee records and worker interviews.



**Whistle
Blowing
Hotline**



**Internal
Auditing
Programme**

ASSESSING AND MANAGEMENT OF RISKS

To ensure those in our supply chain and contractors work to comply with the Ethical Trade Initiative and the Modern Slavery Act, in 2017 we commenced a "Sustainability Framework" with our 1st tier ingredient suppliers as a pilot programme, which we continued to roll out in 2018. This framework focused on Sustainability, Ethics and Modern Slavery through the supply chain and suppliers, through risk assessment and regular supplier meetings, were assessed against the key criteria. This framework was implemented with Ingredients Suppliers covering 91% of our Ingredient spend.

We have a robust governance process in place for our Labour Providers, and have two main Labour Providers (NI & GB). This process includes SLA's, labour management controls, regular auditing including worker interviews and Stronger Together training and implementation.



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Modern Slavery Act Statement

This statement sets out Tulip Ltd.'s actions to understand all potential modern slavery risks related to its business and supply chain, the steps it puts in place to ensure there is no slavery or human trafficking. This statement relates to actions and activities during the financial year 1st October 2018 to 31st December 2019. This reflects the company change in end of year reporting.



Organisational Structure and supply chains

This statement covers the activities of Tulip Ltd (www.tulipltd.co.uk), which is now part of the global Pilgrims Pride Corporation. (<https://www.pilgrims.com/>) Pilgrims has headquarters in USA and also owns Moy Park, which is also based in the UK.

Tulip provides a wide range of quality, cost effective and innovative products to retail, wholesale and food service sectors across the UK. We are the country's number one producer of higher welfare pigs. Our shared vision with Pilgrims Pride Corporation is to become the best and most respected company in the industry, which creates opportunity for a better future for our team members. It's strategic pillars are based on becoming a more valued partner with key customers, relentlessly pursuing operational excellence, safe people, safe products and healthy attitudes and to develop a unique portfolio of diverse, complementary business models. Tulips foundations and strength lie in its core values of Determination, Simplicity, Availability, Humility, Sincerity, Discipline and Ownership.

We operate across 15 sites in the UK with 5,889 permanent employees with up to an additional 2,100 additional agency workers at peak periods.

We fully support the United Nations Guiding Principles on Human Rights and during this year will seek to become members of UN Global Compact. (www.unglobalcompact.org) Through our Responsible Sourcing Policy and working with other suppliers and customers, we aim to implement these principles within our business and wider supply chain. We are founding members of FNET (Food Network for Ethical Trade) (<https://foodnetworkforethicaltrade.com/>) which helps us to achieve impact within our and the wider food supply chain. We also map all our sites and our supplier sites in Sedex (<https://www.sedexglobal.com/>) and all of our sites are subject to an 3rd party independent ethical audit at least every 2 years.



ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Executive Summary

Overview

We reported a net income attributable to Pilgrim's of \$33.4 million, or \$0.14 per diluted common share, and net income before tax totaling \$56.0 million, for the three months ended September 27, 2020. These operating results included net sales of \$3.1 billion, gross profit of \$313.8 million and \$367.6 million of cash generated from operations. We generated a consolidated operating margin of 3.1% with operating margins of 0.1%, 3.5% and 18.4% in our United States ("U.S."), United Kingdom ("U.K.") and Europe, and Mexico reportable segments, respectively.

We reported net income attributable to Pilgrim's of \$94.7 million, or \$0.38 per diluted common share, and profit before tax totaling \$152.6 million, for the nine months ended September 27, 2020. These operating results included net sales of \$9.0 billion, gross profit of \$610.8 million and \$508.3 million of cash generated from operations. We generated a consolidated operating margin of 2.3% with operating margins of 2.3%, 3.1% and 0.2% in our U.S., U.K. and Europe, and Mexico reportable segments, respectively.

As discussed in "Note 20. Commitments and Contingencies", on October 13, 2020, we announced that we have entered into a plea agreement (the "Plea Agreement") with the U.S. Department of Justice (the "DOJ"). As a result of the Plea Agreement, we recognized a fine of \$110,524,140 as expense, which is included in *Selling, general and administrative expense* in the Condensed Consolidated Statements of Income for the three and nine months ended September 27, 2020. In addition, as discussed below under "Hometown Strong Initiative", we launched an initiative during the third quarter to support the communities in which we operate with unexpected challenges, such as the COVID-19 pandemic, and as a result, we recorded \$14.5 million in incremental donation expense related to this initiative during the third quarter. Adjusted net income for the three and nine months ended September 27, 2020, which excludes the DOJ antitrust fine, increase in donation expense and other items shown in the "Reconciliation of Adjusted Net Income" table below, was \$161.7 million and \$206.9 million, respectively. See "Reconciliation of Adjusted Net Income" section below for a reconciliation of Net income attributable to Pilgrim's to Adjusted net income attributable to Pilgrim's.

Impact of COVID-19

The extensive impact of the pandemic caused by the novel coronavirus ("COVID-19") has resulted and will likely continue to result in significant disruptions to the global economy, as well as businesses and capital markets around the world. In an effort to halt the outbreak of COVID-19, a number of countries, states, counties and other jurisdictions have imposed various measures, including but not limited to, voluntary and mandatory quarantines, stay-at-home orders, travel restrictions, limitations on gatherings of people, reduced operations and extended closures of businesses. On April 28, 2020, President Trump signed an executive order directing the Department of Agriculture to ensure meat and poultry processors in the U.S. continue operations uninterrupted to the maximum extent possible and designating meat and poultry processing plants as critical infrastructure.

As the global spread of the virus began to accelerate late in March, we began to experience adverse impacts to our business and financial results. The impact of the COVID-19 pandemic included disruptions in supply chain, an increase in both broiler and chick costs and an increase in payroll and benefits costs. During the three months ended September 27, 2020, the impact of the COVID-19 pandemic on our financial results decreased because of increased demand for our products at retail grocery stores and quick service restaurants and our ability to meet this demand through our transitioned business operations, as further discussed below. We believe that we will continue to experience disruptions to our business due to the COVID-19 pandemic for the remainder of 2020 and into 2021.

The impact of COVID-19 and measures to prevent its spread have affected and continue to affect our business in a number of ways.

- *Our workforce.* Employee health and safety is our priority. As an essential business in a critical infrastructure industry, we continue to produce chicken and pork products, while coordinating with and implementing guidance from the U.S. Centers for Disease Control and Prevention, the National Institute of Occupational Safety and Health, and local and regional Departments of Health in an effort to keep our employees safe and healthy. Measures we have implemented include, but are not limited to: increasing physical distancing of our employees, where possible, by staggering start and shift breaks, placing on-site tents to create more space for employees at break and at meal times, and installing physical barriers to distance employees while working on production lines; adding temperature and symptom screening stations for employees prior to entering our facilities; increasing personal hygiene practices and providing our employees additional personal protective equipment and sanitation stations; and increasing sanitation

of our facilities. In the U.S., we provided appreciation bonuses to eligible employees in April and May of 2020 and expanded certain sick leave policies to provide more flexibility. In addition, we implemented global travel restrictions and work-from-home policies for employees who have the ability to work remotely.

- *Our operations.* All of our 60 production facilities are operating, although some facilities have reduced production levels and outputs due to increased health and safety measures, employee absenteeism and as a consequence of the decline in demand by restaurants and other foodservice businesses. To date, we have not experienced a material impact from a plant closure and our facilities have largely been exempt from government closure orders.
- *Demand for our products.* COVID-19 and the implementation of restricted living have led to a shift in demand from restaurants to retail grocery stores, with consumers eating more at home due to stay-at-home orders. In our U.S. and Mexico businesses, demand for parts and whole-birds (typically bound for restaurants) and prepared foods (distributed, in part, to schools) has declined, while our U.K. and Europe business, which is more retail focused, has generally seen less of an impact. In an effort to counter the adverse effects of COVID-19, we have transitioned, where commercially reasonable and possible to do so, our business operations to be in the best position to supply COVID-19 market demands. These efforts have included transferring live supply to case ready, shifting production form and mix from foodservice to retail, increasing capacity utilization of retail packaging equipment, and analyzing export positions.
- *Liquidity.* Our liquidity position is strong and we have taken additional measures to increase liquidity to prepare for the challenging environment ahead. On March 20, 2020 and March 25, 2020, we elected to borrow \$200.0 million and \$150.0 million, respectively, under the U.S. Credit Facility as a precautionary measure in order to increase our cash position and preserve financial flexibility in light of current uncertainty in the global markets resulting from the COVID-19 outbreak. The draw-down proceeds are expected to be held on our balance sheet and may be used for general corporate purposes.
- *Foreign currency exchange rates and commodity prices.* During the nine months ended September 27, 2020, we experienced increased volatility in foreign currency exchange rates and commodity prices, in part related to the uncertainty from COVID-19, as well as actions taken by governments and central banks in response to COVID-19. We expect continued volatility in foreign currency exchange rates and commodity prices during 2020, though we cannot reasonably estimate the duration, extent or impact of that volatility.
- *CARES Act.* On March 27, 2020, the U.S. government enacted the CARES Act, which includes modifications to the limitation on business interest expense and net operating loss provisions, and provides a payment delay of employer payroll taxes during 2020 after the date of enactment. We estimate the payment of approximately \$51 million of employer payroll taxes otherwise due in 2020 will be delayed with 50% due by December 31, 2021 and the remaining 50% by December 31, 2022.

Raw Materials and Pricing

Our U.S. and Mexico segments use corn and soybean meal as the main ingredients for feed production, while our U.K. and Europe segment uses wheat, soybean meal and barley as the main ingredients for feed production.

The spread of COVID-19 and the resulting consumer reaction early in the second quarter triggered an unexpected shift in demand from foodservice to retail markets. While the industry redirected supply from foodservice to retail, not all foodservice items could be quickly reworked toward retail. This drove a sudden supply and demand imbalance during the second quarter, with increased amounts of excess products on the market and a decline in unit pricing temporarily below cost. The industry adjusted through reductions of egg sets and chick placements which continued throughout the three months ended September 27, 2020, resulting in lower levels of broiler production. Retail demand remained robust as consumers predominantly favored food at home consumption.

During the third quarter, foodservice demand, while not yet at pre-COVID-19 levels, has improved since the onset of the COVID-19 pandemic and the low point of demand experienced April 2020. As a result, the market prices for the three months ended September 27, 2020 have become relatively more stable and settled at a level within the five-year range, moving with seasonal norms. While chicken prices have reverted to more normal seasonal levels and movements, prices for the remainder of 2020 and into 2021 will depend on the continued recovery of the foodservice industry, together with factors such as the evolution of the COVID-19 crisis, how governments impose and ease restrictions, uncertainty surrounding the general economy and unemployment rates, total protein supply and how these elements affect consumers' chicken consumption domestically and globally.

Hometown Strong Initiative

Proposal Topic B



Improve the Pilgrim's Safety Index score by 15% year over year. In 2019, the Safety Index score improved 37% compared to 2018.

*Goal set for our U.S. facilities



Our Management Approach

Our safety policies, governance structure and management approach are designed to promote a safe work culture for our more than 58,000 team members. The Pilgrim's Occupational Health and Safety Management System focuses on training and educating our team members and eliminating work hazards. The System meets relevant government requirements in each country. We defer to governing bodies like those listed below to evaluate the effectiveness of external safety audit processes, collect feedback and make necessary adjustments.

Our American and Puerto Rican facilities operate in alignment with U.S. Occupational Safety and Health Administration (OSHA) standards. In Europe, our programs meet the Health Safety Executive Reporting of Incidents Diseases and Dangerous Occurrences Regulations (RIDDOR). In Mexico, our team tracks data according to the government Secretaria del

Trabain and the Safety and Health regulations, which comply with OSHA standards.



Each Pilgrim's facility has a Safety Manager, also called a Safety, Health and Environment (SHE) Manager in some regions, who reports to the General Manager or Complex Manager. In total, we have more than 300 team members whose roles and responsibilities are dedicated to the health and safety of our team members in our facilities. Every facility also has a safety committee that is chaired by the facility Safety Manager or Site Director and consists of hourly team members, union representatives and key senior management from the site. Approximately three to 15% of all team members are engaged in safety committees, which represent 100% of our workforce. The facility safety manager and facility safety team (or Site Director, SHE Manager and facility Senior Management team in some regions) analyze environmental and physical hazards and propose strategies, aligned with the hierarchy of controls, to keep our workplace safe. Each Pilgrim's business unit has a Head of Safety who reports to the Head of Human Resources or Head of Operations, who reports to the President of that business unit. There is also a corporate safety and human resources team that supports all Pilgrim's business units by further analyzing data and tracking programs across the company. The Heads of Safety at Pilgrim's sit on a corporate Safety Leadership Committee. This committee meets regularly to discuss safety standards and best practices. Every Head of Safety also participates in the Executive Safety Council. This Council consists of executives from across the Pilgrim's parent company including; business unit Presidents, Vice Presidents, Heads of Operations, Heads of Engineering, Heads of Human Resources and the Heads of Safety. The council meets regularly to discuss outcomes and progress, and to review recommended changes from the Safety Leadership Committee. Safety performance is also a driver of executive-level bonuses.

To ensure successful implementation of our health and safety policies, safety data is integrated across a shared digital platform, allowing us to share best practices and identify enterprise-wide trends. This enables us to

develop data-driven corrective actions to our processes, including team member observations, safety inspections and audits. We also update our safety programs regularly by detailing new challenges, auditing techniques and providing straightforward solutions. Our safety teams focus on safety training, performance, measurement and the sharing of best practices across all of Pilgrim's business units.



Team members are empowered to report and correct unsafe acts and conditions without fear of retribution. Team members are also empowered to remove themselves from situations they deem to be unsafe.

To continuously improve, we set companywide and facility-specific safety goals each year and track leading safety indicators. Performance is reported daily, weekly and monthly to management teams so decisions that impact health and safety can be made swiftly. All operations supervisors are required to conduct multiple safety observations each week to identify unsafe behaviors and intervene with helpful coaching prior to the occurrence of an unsafe act, condition or injury.

We monitor weekly for unsafe behaviors, working surfaces, machine guarding, safety gaps, electrical safety, drive cam coaching effectiveness, preventable vehicle accident rates and corrective actions. We also track indicators, such as total recordable incident rate (TRIR), days away, restrictions and transfers (DART) rate, lost time rate and severe incidents, weekly. We consistently outperform industry averages in TRIR and DART rate, and continue to improve the performance of our health and safety programs.

We also track a Safety Index for each facility that measures the frequency of severe incidents per hour of operation. A severe incident is defined as an amputation, hospitalization, vision loss, fracture or second- or third-degree burns resulting in greater than five days lost time, any injury resulting in greater than five days lost time or a fatality.

Training system to make safety training available for new hires in multiple languages. We also have written job-safety analyses for all of our positions.



Increasing Our Focus on Prevention

During every fiscal year, we conduct a comprehensive safety audit project to identify and reduce potential hazards related to walking surfaces, falls and slips, electrical safety, machine guarding and ergonomics. Based on the results of the annual audits, we identify three high-priority initiatives—one that is companywide, one that is business unit-wide and two that are prioritized by each facility. Additionally, each facility undergoes an annual ergonomics audit where issues are identified, logged and remediated within a reasonable period of time. In 2020, our company-wide initiative is machine guarding with a focus on conveyor belt guarding.

Our Safety Observation Process ensures supervisors identify unsafe acts or workplace conditions and coach team members to proactively change potentially dangerous behaviors. The Safety Observation Process allows Pilgrim's to use data collection, analysis and coaching to prevent injuries from occurring. In addition to supervisors, the Safety Observation Process incorporates other hourly and salaried team members to foster a culture of shared ownership with regard to health and safety. Our reporting also includes a leading indicator dashboard that is tracked weekly according to targets and includes monitoring observations for unsafe behaviors.

Corrective Actions

While we focus on education, training, process improvements and cultural accountability, accidents do occur, and we must acknowledge, report and learn from safety-related incidents. We have a formal Incident Investigation

Procedure to investigate and reduce, mitigate or eliminate injuries, illnesses and fatalities. The incident investigation process assists operations in preventing the recurrence of similar incidents and in identifying injury and illness trends, potential weaknesses or failures in our safety management and proximate and root causes of incidents. This process allows Pilgrim's to develop effective corrective action plans. In addition, within each business unit, locations regularly share incident investigation information to facilitate learning and prevention.



Audits

Each year, every location undergoes a comprehensive safety management system audit, a fleet safety audit and an occupational health audit. In addition, since 2015, Pilgrim's has conducted comprehensive safety analysis audits to identify and reduce potential hazards.

Independent Contractors

Although our contracted workforce is a small portion of our total workforce, we take our responsibility for their health and safety seriously. We partner with third parties to ensure Pilgrim's contractors meet our health and safety standards. In the U.S., contractors are required to have an "A" or "B" grade to work at our facilities. Those contractors with "C" and "F" grades must have a variance form on file granted by the site safety and health manager and the general manager. Contractor grades are derived from Contract Safety Information, which includes safety, injury and illness statistics, aggregate insurance requirements, OSHA inspection history, workers' compensation experience modifier (EMR), OSHA forms 300 and 300A,

on trust and shared values that contribute to continued progress both in our sourcing programs and sustainability goals.

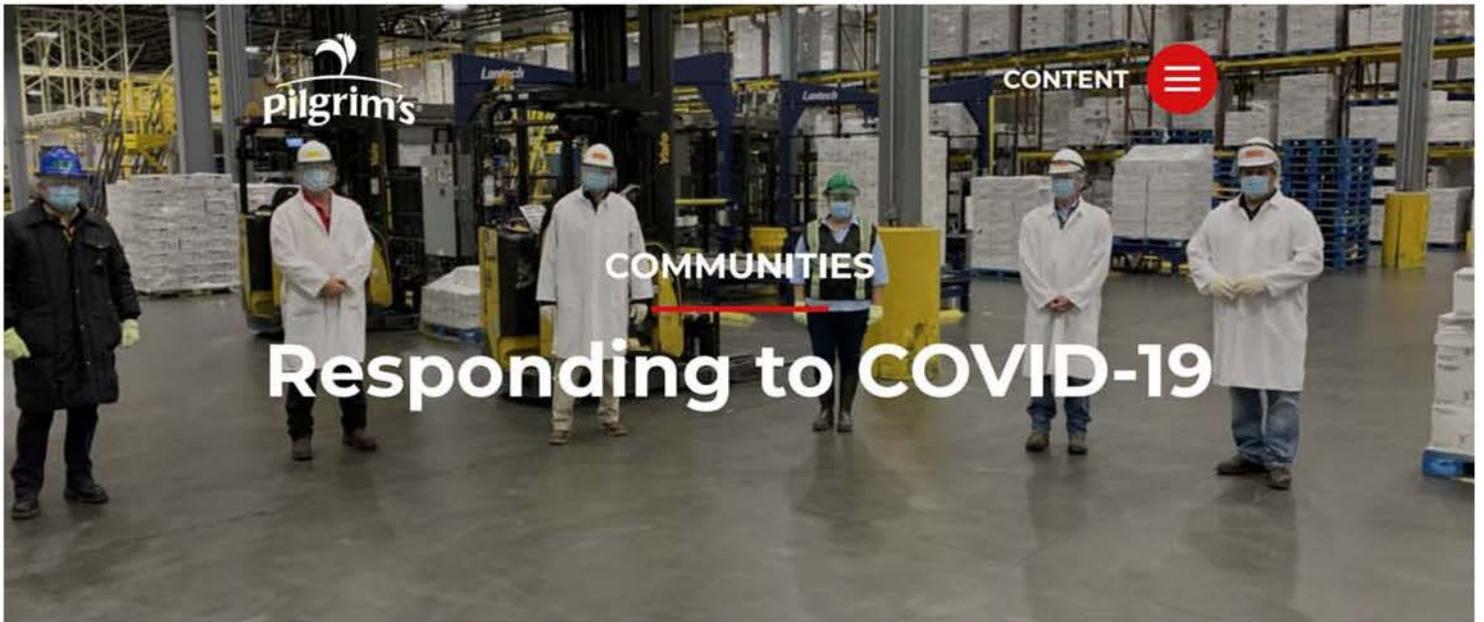


Our Supplier Standards

All suppliers providing products or services that have direct contact with food are required to pass the ISNetwork and either the Global Food Safety Initiative (GFSI) or British Retail Consortium (BRC) audits, or an equivalent certification and provide a letter of guarantee. We defer to organizations like GFSI and BRC to evaluate the effectiveness of audits, collect feedback and make related adjustments. The letter of guarantee certifies that the food products are safely produced and are of consistent quality. We also require these suppliers to undergo an additional audit to confirm they have met these requirements.

We evaluate all potential manufacturing suppliers based on several criteria, including compliance, commercial offering, supply flexibility and responsiveness, service, risk management, quality, price, reliability, financial capability, reputation and experience. When assessing new manufacturing suppliers, we prioritize local companies as they are often cost-competitive. Sourcing products, ingredients and services from within our communities helps further supports local economies, and we prefer to work with companies at their local offices, whenever possible.





Our Response: United States

Pilgrim's operates more than 30 poultry and prepared foods facilities across the United States. As such, our role in providing food for Americans—and citizens around the globe—is critical. Ensuring the health and safety of our team members as we address COVID-19 is even more critical.

That's why the company is focusing its efforts to help combat the spread of the virus while protecting our team members and our company. Pilgrim's continues to partner with expert epidemiologists and medical professionals, and is following guidance provided by the U.S. Centers for Disease Control and Prevention, the Occupational Safety and Health Administration, local health departments and other officials to prevent the potential spread of COVID-19.

To date, the company has adopted numerous enhanced safety measures to keep its workplaces and team members safe.



Safety Measures

To date, the company has adopted numerous safety measures at its facilities to prevent coronavirus from entering its workplaces and support its team members.

HEALTH & WELLNESS

- Temperature testing all team members prior to entering facilities, including the use of hands-free thermometers and thermal imaging testing technology
- Conducting health screenings for anyone entering the facility
- Providing extra personal protective equipment (PPE), including face shields and protective masks, which are required to be worn at all times

INCREASED CLEANING & SANITIZING

- Hiring dedicated staff whose only job is to continuously clean facilities, including common areas beyond the production floor
- Germicidal air sanitation with ultraviolet (UV) and bipolar ionization technology, which help to neutralize viruses in plant ventilation and air purification systems
- Increasing sanitation and disinfection efforts, including whole facility deep-cleaning every day

TEAM MEMBER SUPPORT

- Removing vulnerable populations from our facilities, offering full pay and benefits
- Requiring sick team members to stay home from work, offering pay and benefits consistent with our short term disability policy
- Waiving short-term disability waiting periods
- For COVID positive team members who are under company mandated 14-day quarantine and cannot work from home, the company offers pay

and benefits.

- Providing free 100% preventative care to all team members enrolled in the company's health plan
- Offering free LiveHealth Online services for team members enrolled in the company's health plan that allow for virtual doctor visits at no cost
- Implementing flexible work-from-home practices for corporate team members
- We have invested \$65 million to enhance safeguards for our workforce and to reward team members with thank-you bonuses; all hourly facility team members received at minimum a \$300 thank-you bonus

SAFETY MEASURES

- Increasing spacing in cafeterias, break and locker rooms, including dividers in common areas and on the production floor
- Promoting physical distancing by staggering starts, shifts and breaks
- Hiring staff to assist with education, training and enforcement of COVID-19 preventive measures
- Educating and encouraging team members to practice social distancing at home and in the community outside of work
- Restricting access to facilities and not allowing visitors
- Prohibiting international and domestic travel



Active Collaboration

Pilgrim's continues to communicate and coordinate with federal, state, local and public health officials to:

- Proactively demonstrate plant interventions and safety measures
- Provide insight on industry best practices and seek expertise



PILGRIM'S

Supplier Code of Conduct



Pilgrim's is committed to conducting business ethically, with integrity and in compliance with all applicable laws and regulations, as well as various international standards including OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the Core Conventions of the International Labor Organization (ILO).

Pilgrim's expects Vendors to demonstrate the same commitment to ethical business conduct and integrity by complying with all applicable laws, regulations and rules. Additionally, all Vendors must agree to abide by this Vendor Code of Conduct (the "Code").

Compliance With Laws

Vendors must fully comply with all applicable laws and regulations, including Federal, State, local, and trade laws where products may be

Political Contributions



Vendors shall not make political contributions or provide gifts to any candidate for public office, elected official, political party or committee on behalf of or as a representative of Pilgrim's. Vendors shall not express any political views on behalf of Pilgrim's.

Fair Competition

Vendors must comply with all laws regarding competition, antitrust and fair dealing in the jurisdictions in which the Vendor conducts business with or on behalf of Pilgrim's. Vendors shall avoid any agreements or actions in restraint of competitive trade, such as bid rigging, market allocation, or price fixing.

Labor and Human Rights

Vendors must comply with all labor laws, wage and hour laws and laws relating to non-discrimination in hiring, employment practices, harassment and retaliation. Additionally, Pilgrim's USA expects Vendors to be in compliance with the United Nations Principles on Business and Human Rights, the 10 Principles of the United Nations Global Compact, and the Core Conventions of the ILO.

Vendors must only employ workers who meet applicable minimum age and eligibility requirements in the jurisdiction. Vendors shall not use slave, child or forced labor. Pilgrim's expects Vendors to comply with ILO Forced Labor Convention No. 29, ILO Abolition of Forced Labor No. 105, ILO Minimum Age Convention No. 138, and ILO Worst Forms of Child Labor Convention No. 182.

Vendors must respect the right of workers to form or join a union or bargain collectively.

Pilgrim's values diversity and equal opportunity in the workplace and expects Vendors to adhere to ILO Discrimination (Employment and Occupation) Convention No. 111, and to embrace equal opportunity and diversity in their business practices.



Health and Safety

Vendors must comply with all safety and health laws, rules and regulations in the jurisdiction where the Vendors conducts business. Vendors must take reasonable measures to prevent workplace hazards.

Vendors must provide a non-violent and safe work environment, free of threats, intimidation or physical harm.

Confidentiality, Inside Information and Data Privacy

Vendors may only use confidential Pilgrim's information to perform work on behalf of Pilgrim's and shall not disclose the information unless required by law. Confidential information may only be shared with others within the Covered Vendor on a need-to-know basis.

Vendors may gain access to material, non-public information acquired through the Vendor's relationship with Pilgrim's ("Inside Information"). Vendors are prohibited from buying or selling securities of Pilgrim's or its affiliates while in possession of Inside Information or communicating to others Inside Information.

Vendors must follow all laws and regulations regarding the privacy of individuals, including employees and customers. Personal information should not be disclosed to anyone outside of Pilgrim's except as required by legal or regulatory process and as permitted by any applicable agreement.

OUR BUSINESS STRUCTURE AND SUPPLY CHAINS

Moy Park is the European Division of Pilgrim's producing a diverse range of poultry products across fresh primary, coated and ready-to-eat categories, supplying leading retailers and foodservice providers throughout the UK, Ireland and Europe with high-quality poultry products. The business is one of the UK's top 15 food companies, Northern Ireland's largest private sector business and one of Europe's leading poultry producers.

Moy Park may be best known for fresh, locally sourced poultry but we also produce beef products, vegetarian products such as spring rolls and onion rings and desserts including donuts and apple pies.

With a £1.6 billion turnover employing approximately 13,000 people across facilities in Northern Ireland, England, Holland and France, Moy Park processes almost up to 6 million fresh chickens per week, which is around 30% of the UK's total production, and 200,000 tonnes of added value products annually.

Moy Park is a market leader in a number of added value categories in the UK, these include Primary Added Value, Fresh Coated and Ready To Eat. Across our supply chain Moy Park works with approximately 800 poultry farmers in Northern Ireland and Great Britain and has c.40 million birds on the ground at any one time. The majority of these growers are contracted and independently manage their own businesses, while the others include company owned and leased farms.

Moy Park sources from suppliers who are broadly categorised as meat, ingredients, packaging and indirect suppliers.



SCOPE

This statement sets out the steps taken by Moy Park Limited and relevant UK subsidiaries to prevent modern slavery and human trafficking in our own operations and supply chains.

Entities required to publish a statement under the Modern Slavery Act and therefore covered by this Group Statement include: Moy Park Limited; Kitchen Range Foods Limited and Dungannon Proteins Ltd.

In the next 12 months we will also strengthen our approach to managing the risk of modern-day slavery by including our continental Europe businesses: In France: Moy Park France SAS & Moy Park Beef Orleans Sarl; and in the Netherlands: Albert Van Zoonen BV.

OUR POLICIES AND PRACTICES

We operate in compliance with the Ethical Training Initiative (ETI) which derives from the core conventions of the International Labour Organisation, and from the United Nations Universal Declaration of Human Rights. We are regularly audited by third parties who publish our audit results on the Supplier Ethical Data Exchange (Sedex). This is a web-based database where suppliers post labour standards information and self-assessments in addition to all site audit reports.

Moy Park is an AB registered member of SEDEX and uses this platform to manage its supply chain relations with customers and suppliers.

We keep fully abreast with the work of the GLAA (Gangmaster's and Labour Abuse Authority) who are responsible for the licensing of labour providers within the food and agricultural sectors in the UK.

In addition, we are also members of the Association of Labour Providers (ALP). ALP is a specialist trade association promoting responsible recruitment and good practice for organisations that supply the workforce to the food processing, agricultural and wider consumer goods supply chain. We also support the Stronger Together initiative which is a multi-stakeholder business-led initiative aiming to reduce modern slavery particularly forced labour, labour trafficking and other hidden third-party exploitation of workers. They provide guidance, training, resources and a network for employers, labour providers, workers and their representatives to work together to reduce exploitation.

In 2018 we launched a new whistle blowing hotline "Ethics Point". This confidential hotline provides employees and stakeholders with an opportunity to report unethical practices, human rights issues or food safety standards. This hotline is operated by a third-party company.

In 2018 we also launched a new Ethical Self-Assessment tool which is completed by each of our manufacturing facilities every six months and is also used to support our internal ethical audit programme that is in place. This wider auditing programme incorporates recommended Modern Slavery due diligence via auditing of employee records and worker interviews.



**Whistle
Blowing
Hotline**



**Internal
Auditing
Programme**

ASSESSING AND MANAGEMENT OF RISKS

To ensure those in our supply chain and contractors work to comply with the Ethical Trade Initiative and the Modern Slavery Act, in 2017 we commenced a "Sustainability Framework" with our 1st tier ingredient suppliers as a pilot programme, which we continued to roll out in 2018. This framework focused on Sustainability, Ethics and Modern Slavery through the supply chain and suppliers, through risk assessment and regular supplier meetings, were assessed against the key criteria. This framework was implemented with Ingredients Suppliers covering 91% of our Ingredient spend.

We have a robust governance process in place for our Labour Providers, and have two main Labour Providers (NI & GB). This process includes SLA's, labour management controls, regular auditing including worker interviews and Stronger Together training and implementation.

DUE DILIGENCE PROCESSES

As part of our initiative to identify and mitigate risk we have systems in place to:

1.

Identify and assess potential risk areas in our supply chains.

2.

Mitigate the risk of slavery and human trafficking occurring in our supply chains.

3.

Monitor potential risk areas in our supply chains.

4.

Protect whistle blowers.

TRAINING

We have facilitated some Stronger Together Modern Slavery training across our business, and support the work being done to reduce forced labour and human trafficking. Agency staff have been fully briefed on the Stronger Together principles as part of their induction process and have mechanisms to increase the visibility of issues. Throughout 2019 we will be implementing full and refresher training on Modern Slavery for our team members.

MEASURING EFFECTIVENESS

Moy Park measures the effectiveness of its ethical trading initiatives through KPI's relating to incidents reported through its confidential whistleblowing hotline, performance at 3rd party ethical audits, outcomes from labour provider audits and supplier performance results from the Sustainability Framework. These KPI's will continue to be reported through 2019.

More specifically, the following KPI's will be additional key area of focus for 2019:

1.

Further roll-out of Sustainability framework to Suppliers on a risk-based approach.

2.

Revision of our Ethical, Human Rights and Modern Slavery policies

3.

Implementation of minimum standards with our 3rd party labour providers and twice yearly audits of 3rd party suppliers

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31st December 2018.



Chris Kirke
President

Date: 1st July 2019



High Risk Activities

The following activities are considered to be at high risk of modern slavery or human trafficking

- Typically, as a food manufacturer we do use agency labour on all our sites to cope with peaks in demand.
- The farms that supply pigs to our network of abattoirs.
- Suppliers within our supply chain where we do not have direct management control. These are suppliers who either supply us ingredients which make up the products that we sell or packaging for these products.
- Transport and logistics companies used to transport raw materials and finished goods.



3

Risk Assessment and Due Diligence

The risk of modern slavery and human trafficking within our organisation we believe is mitigated as a result of the policies and procedures we have in place and also the knowledge and skills of our employees.

Good practices that are embedded within all Tulip Ltd sites are

GLAA (Gangmasters and Labour Abuse Authority (<http://www.gla.gov.uk/>))

- We have strong working links with the GLAA. They are responsible for the licensing of labour providers within the food and agricultural sectors in the UK. They also work with the police and other agencies to investigate and prosecute cases of modern slavery and exploitation.
- Our Responsible Sourcing Manager sits on the Labour Providers and Users Advisory Board which works to implement best practice and learnings within the industry.

Stronger Together (<https://www.stronger2gether.org/>)

- Stronger Together awareness raised at all inductions
- Stronger Together deeper training carried out by all site HR staff
- Additional training completed by all Supervisors and Line Managers
- Posters displayed on all sites in multiple languages
- Independent 3rd party whistle blowing hotline available in multiple languages
- Checks carried out on addresses and bank accounts by payroll staff at start of contract

We are active associate members of the ALP

(Association of Labour Providers - <http://labourproviders.org.uk/>) and have hosted training events and seminars on our sites and staff across the group have attended.



Employment Agencies

- Annual agency internal audit by our HR Team which includes interviews of random workers
- Annual 3rd party agency audit which includes interviews of random workers and check on both the site and Head Office operations of agencies we use
- Primarily one agency across most of our sites with a strict Service Level Agreement in place with a commitment to Modern Slavery Prevention
- Annual agency worker surveys which include Stronger Together related questions
- Strong compliance culture within the agencies and a close working relationship with the GLAA.
- Working together to solve issues on a practical basis and remediate where required

SEDEX - (<https://www.sedexglobal.com/>)

- SMETA ethical audits on all our sites every 2 years. A number of our sites have additional ethical audits in place in line with their customers specific requirements.
- Pro-active response internally to address issues before an audit
- Members of the Sedex Stakeholders Forum which works to improve standards and provide clarity in interpreting the standards.
- Requirement of all suppliers to Tulip Ltd with over 30 employees to be linked with us on SEDEX and share results of SAQ's and audits



Employees

- We have Trade Unions present on some sites and Works Councils on all sites and actively promote and support employee engagement
- Dignity at Work – All employees are expected to work with integrity and respect for each other. All employees receive Dignity at Work training as part of their induction and are free to raise any issues with the management team on site or to utilise the whistleblowing line.
- Re-launch of our whistle blowing line using the same provider as Pilgrims Pride. This will be opened up for all stakeholders of the business to use to report any issues affecting them.
- Bi-annual surveys of employees and action plans developed to implement any required changes as a result of these

The processes and procedures on the previous page are under the responsibility of the VP HR, Site HR Managers and the Responsible Sourcing Manager.

As part of the risk assessment process we have now implemented a Modern Slavery Policy included in the appendix.

Listed on the flowing pages are the issues we have uncovered during the year and the work we have done to mitigate the risks across our business and supply chain.



2 weeks later our Responsible Sourcing Manager returned 2 weeks later to carry out a further 80 interviews of workers across all shift patterns following concerns that were raised as part of an exit interview. However no evidence was discovered of any issues during this process.

Due to close proximity of the site to our Bury St Edmunds site our Responsible Sourcing Manager also attended and interviewed 35 workers to ensure that there was no similar issues raised. There were no items of concern raised during this process.

Unannounced audits

We have continued this year with 4 unannounced welfare audits at our sites. This is a joint operation with Staffline Compliance Team. We interviewed random samples of workers to check on ethical standards and to ensure Modern Slavery policies and procedures were being correctly followed and were understood by our colleagues. Also as an additional check on their welfare. No further issues were uncovered during this. We will continue this through the next year to cover all our sites on a bi-annual basis.

Bright Futures

We are proud business partners of the Bright Futures scheme (<http://brightfuturesuk.org/>)

This enables victims of Modern Slavery to return to work via a paid 4 week placement and if desired a non competitive interview for a role once satisfactorily completed. This year we have placed 8 people at across Ashton, Corsham and Tipton sites, 4 of these went on to secure permanent employment and have become valuable members of our teams. During the year our Responsible Sourcing Manager has been part of a working group with other business and charity partners to establish Bright Futures as a stand alone organisation specialising in the rehabilitation of Modern Slavery victims into work. We have a number of people waiting to start placements and will continue to provide this opportunity through the coming year.

Proposal Topic C



Town Hall Meetings Keep Our Open Door Policy Top of Mind

To maintain a culture of trust and respect, we offer opportunities for our team members to provide and receive feedback during roundtable or town hall meetings or other engagement situations. Team members from each department are invited to meet with management and ask questions, express concerns and present solutions. Team members are reminded of our open door policy at meetings. Minutes are taken during each meeting and follow-up plans are made for any identified action items. We address action items within a reasonable time frame and provide feedback to any team members who raised concerns.



Our 2019 Stories

See how we're building a culture of health, safety, diversity and leadership with team members.

2020 NAMI Worker Safety Awards

Pilgrim's USA

RoSPA Health & Safety Awards

Pilgrim's Moy Park

In 2019, Pilgrim's Moy Park achieved a Gold and a Gold



Compensation and Benefits

Pilgrim's provides competitive pay to our team members and rewards top performers. Our compensation philosophy is meritocratic, and we strive to reward team members for their specific contributions. All team members receive paid time off with specifics being dependent on state regulations and union contracts as applicable. The minimum time of paid sick leave (personal days) for all salaried employees is 40 hours. Additionally, team members are not required to provide proof of medical diagnosis before utilizing sick leave. The minimum time of paid time off for all employees is 40 hours, availability timing of this is dependent on eligibility criteria and/or union contracts at each specific facility location. All team members and their families are offered benefits including medical, dental and vision insurance. Dependent on qualifications, some employees may receive 6 weeks of paid short-term disability for the birth of a child. We also provide life and disability insurance, and offer flexible spending accounts to promote healthy lifestyles amongst team members. Additionally, team members are provided the option to contribute to company matching retirement plans; these vary depending on the country in which the team member lives and works.

Engaging Our Team Members

We value the thoughts and opinions of our team members and conduct regular surveys to maintain an accurate understanding of team member engagement, perceptions and attitudes on topics such as pay and benefits,

scheduling, safety and satisfaction with supervisors. Surveys are refined annually to get more specific feedback from our team members. We quickly identify and address concerns from our team members and strive to create an environment where team members recognize the importance of their roles. Finally, 100% of all Pilgrim's U.S. and Mexico salaried team members receive performance reviews and a portion of Pilgrim's Europe salaried team members receive performance reviews.



Total Team Members



Improve the Pilgrim's Safety Index score by 15% year over year. In 2019, the Safety Index score improved 37% compared to 2018.

*Goal set for our U.S. facilities



Our Management Approach

Our safety policies, governance structure and management approach are designed to promote a safe work culture for our more than 58,000 team members. The Pilgrim's Occupational Health and Safety Management System focuses on training and educating our team members and eliminating work hazards. The System meets relevant government requirements in each country. We defer to governing bodies like those listed below to evaluate the effectiveness of external safety audit processes, collect feedback and make necessary adjustments.

Our American and Puerto Rican facilities operate in alignment with U.S. Occupational Safety and Health Administration (OSHA) standards. In Europe, our programs meet the Health Safety Executive Reporting of Incidents Diseases and Dangerous Occurrences Regulations (RIDDOR). In Mexico, our team tracks data according to the government Secretaria del

Trabain and the Safety and Health regulations, which comply with OSHA standards.



Each Pilgrim's facility has a Safety Manager, also called a Safety, Health and Environment (SHE) Manager in some regions, who reports to the General Manager or Complex Manager. In total, we have more than 300 team members whose roles and responsibilities are dedicated to the health and safety of our team members in our facilities. Every facility also has a safety committee that is chaired by the facility Safety Manager or Site Director and consists of hourly team members, union representatives and key senior management from the site. Approximately three to 15% of all team members are engaged in safety committees, which represent 100% of our workforce. The facility safety manager and facility safety team (or Site Director, SHE Manager and facility Senior Management team in some regions) analyze environmental and physical hazards and propose strategies, aligned with the hierarchy of controls, to keep our workplace safe. Each Pilgrim's business unit has a Head of Safety who reports to the Head of Human Resources or Head of Operations, who reports to the President of that business unit. There is also a corporate safety and human resources team that supports all Pilgrim's business units by further analyzing data and tracking programs across the company. The Heads of Safety at Pilgrim's sit on a corporate Safety Leadership Committee. This committee meets regularly to discuss safety standards and best practices. Every Head of Safety also participates in the Executive Safety Council. This Council consists of executives from across the Pilgrim's parent company including; business unit Presidents, Vice Presidents, Heads of Operations, Heads of Engineering, Heads of Human Resources and the Heads of Safety. The council meets regularly to discuss outcomes and progress, and to review recommended changes from the Safety Leadership Committee. Safety performance is also a driver of executive-level bonuses.

To ensure successful implementation of our health and safety policies, safety data is integrated across a shared digital platform, allowing us to share best practices and identify enterprise-wide trends. This enables us to

develop data-driven corrective actions to our processes, including team member observations, safety inspections and audits. We also update our safety programs regularly by detailing new challenges, auditing techniques and providing straightforward solutions. Our safety teams focus on safety training, performance, measurement and the sharing of best practices across all of Pilgrim's business units.

Team members are empowered to report and correct unsafe acts and conditions without fear of retribution. Team members are also empowered to remove themselves from situations they deem to be unsafe.

To continuously improve, we set companywide and facility-specific safety goals each year and track leading safety indicators. Performance is reported daily, weekly and monthly to management teams so decisions that impact health and safety can be made swiftly. All operations supervisors are required to conduct multiple safety observations each week to identify unsafe behaviors and intervene with helpful coaching prior to the occurrence of an unsafe act, condition or injury.

We monitor weekly for unsafe behaviors, working surfaces, machine guarding, safety gaps, electrical safety, drive cam coaching effectiveness, preventable vehicle accident rates and corrective actions. We also track indicators, such as total recordable incident rate (TRIR), days away, restrictions and transfers (DART) rate, lost time rate and severe incidents, weekly. We consistently outperform industry averages in TRIR and DART rate, and continue to improve the performance of our health and safety programs.

We also track a Safety Index for each facility that measures the frequency of severe incidents per hour of operation. A severe incident is defined as an amputation, hospitalization, vision loss, fracture or second- or third-degree burns resulting in greater than five days lost time, any injury resulting in greater than five days lost time or a fatality.



Our Approach

In 2015, we performed an extensive corporate materiality analysis (CMA) that identified the material issues for our business. This analysis, while inclusive of Pilgrim's internal perception of the company's sustainability performance, relied heavily on the views and perceptions of outside stakeholders, including non-governmental organizations, community organizations, key customers, suppliers, financial institutions, government officials, academia, industry trade associations and other industry stakeholders. The topics identified through this consultation process defines our key priority areas, five-year goals and reported annual performance.

Additionally, the Pilgrim's Ethics Line is used for employee consultation and we continuously gather feedback around our material issues from internal and external stakeholders through one-on-one conversations with customers, consumers, team members, subject matter experts and involvement in cross-collaborative supply chain sustainability initiatives.

This feedback helps inform our process, progress to goals and annual performance which is, at minimum, annually reported to our board of directors for additional feedback and guidance. Additionally, select stakeholders were involved in the development of this report.

To fully integrate our key priority areas as identified by our CMA and ensure we remain focused on continuous improvement, we set aggressive 2020 improvement goals based on our 2015 benchmarks.

Due to our recent acquisitions, our 2020 goals are only applicable to our U.S. business; however, we are currently aligning our approach to

OUR POLICIES AND PRACTICES

We operate in compliance with the Ethical Training Initiative (ETI) which derives from the core conventions of the International Labour Organisation, and from the United Nations Universal Declaration of Human Rights. We are regularly audited by third parties who publish our audit results on the Supplier Ethical Data Exchange (Sedex). This is a web-based database where suppliers post labour standards information and self-assessments in addition to all site audit reports.

Moy Park is an AB registered member of SEDEX and uses this platform to manage its supply chain relations with customers and suppliers.

We keep fully abreast with the work of the GLAA (Gangmaster's and Labour Abuse Authority) who are responsible for the licensing of labour providers within the food and agricultural sectors in the UK.

In addition, we are also members of the Association of Labour Providers (ALP). ALP is a specialist trade association promoting responsible recruitment and good practice for organisations that supply the workforce to the food processing, agricultural and wider consumer goods supply chain. We also support the Stronger Together initiative which is a multi-stakeholder business-led initiative aiming to reduce modern slavery particularly forced labour, labour trafficking and other hidden third-party exploitation of workers. They provide guidance, training, resources and a network for employers, labour providers, workers and their representatives to work together to reduce exploitation.

In 2018 we launched a new whistle blowing hotline "Ethics Point". This confidential hotline provides employees and stakeholders with an opportunity to report unethical practices, human rights issues or food safety standards. This hotline is operated by a third-party company.

In 2018 we also launched a new Ethical Self-Assessment tool which is completed by each of our manufacturing facilities every six months and is also used to support our internal ethical audit programme that is in place. This wider auditing programme incorporates recommended Modern Slavery due diligence via auditing of employee records and worker interviews.



**Whistle
Blowing
Hotline**



**Internal
Auditing
Programme**

ASSESSING AND MANAGEMENT OF RISKS

To ensure those in our supply chain and contractors work to comply with the Ethical Trade Initiative and the Modern Slavery Act, in 2017 we commenced a "Sustainability Framework" with our 1st tier ingredient suppliers as a pilot programme, which we continued to roll out in 2018. This framework focused on Sustainability, Ethics and Modern Slavery through the supply chain and suppliers, through risk assessment and regular supplier meetings, were assessed against the key criteria. This framework was implemented with Ingredients Suppliers covering 91% of our Ingredient spend.

We have a robust governance process in place for our Labour Providers, and have two main Labour Providers (NI & GB). This process includes SLA's, labour management controls, regular auditing including worker interviews and Stronger Together training and implementation.

DUE DILIGENCE PROCESSES

As part of our initiative to identify and mitigate risk we have systems in place to:

1.

Identify and assess potential risk areas in our supply chains.

2.

Mitigate the risk of slavery and human trafficking occurring in our supply chains.

3.

Monitor potential risk areas in our supply chains.

4.

Protect whistle blowers.

TRAINING

We have facilitated some Stronger Together Modern Slavery training across our business, and support the work being done to reduce forced labour and human trafficking. Agency staff have been fully briefed on the Stronger Together principles as part of their induction process and have mechanisms to increase the visibility of issues. Throughout 2019 we will be implementing full and refresher training on Modern Slavery for our team members.

MEASURING EFFECTIVENESS

Moy Park measures the effectiveness of its ethical trading initiatives through KPI's relating to incidents reported through its confidential whistleblowing hotline, performance at 3rd party ethical audits, outcomes from labour provider audits and supplier performance results from the Sustainability Framework. These KPI's will continue to be reported through 2019.

More specifically, the following KPI's will be additional key area of focus for 2019:

1.

Further roll-out of Sustainability framework to Suppliers on a risk-based approach.

2.

Revision of our Ethical, Human Rights and Modern Slavery policies

3.

Implementation of minimum standards with our 3rd party labour providers and twice yearly audits of 3rd party suppliers

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31st December 2018.



Chris Kirke
President

Date: 1st July 2019



3

Risk Assessment and Due Diligence

The risk of modern slavery and human trafficking within our organisation we believe is mitigated as a result of the policies and procedures we have in place and also the knowledge and skills of our employees.

Good practices that are embedded within all Tulip Ltd sites are

GLAA (Gangmasters and Labour Abuse Authority (<http://www.gla.gov.uk/>))

- We have strong working links with the GLAA. They are responsible for the licensing of labour providers within the food and agricultural sectors in the UK. They also work with the police and other agencies to investigate and prosecute cases of modern slavery and exploitation.
- Our Responsible Sourcing Manager sits on the Labour Providers and Users Advisory Board which works to implement best practice and learnings within the industry.

Stronger Together (<https://www.stronger2gether.org/>)

- Stronger Together awareness raised at all inductions
- Stronger Together deeper training carried out by all site HR staff
- Additional training completed by all Supervisors and Line Managers
- Posters displayed on all sites in multiple languages
- Independent 3rd party whistle blowing hotline available in multiple languages
- Checks carried out on addresses and bank accounts by payroll staff at start of contract

We are active associate members of the ALP

(Association of Labour Providers - <http://labourproviders.org.uk/>) and have hosted training events and seminars on our sites and staff across the group have attended.



Employment Agencies

- Annual agency internal audit by our HR Team which includes interviews of random workers
- Annual 3rd party agency audit which includes interviews of random workers and check on both the site and Head Office operations of agencies we use
- Primarily one agency across most of our sites with a strict Service Level Agreement in place with a commitment to Modern Slavery Prevention
- Annual agency worker surveys which include Stronger Together related questions
- Strong compliance culture within the agencies and a close working relationship with the GLAA.
- Working together to solve issues on a practical basis and remediate where required

SEDEX - (<https://www.sedexglobal.com/>)

- SMETA ethical audits on all our sites every 2 years. A number of our sites have additional ethical audits in place in line with their customers specific requirements.
- Pro-active response internally to address issues before an audit
- Members of the Sedex Stakeholders Forum which works to improve standards and provide clarity in interpreting the standards.
- Requirement of all suppliers to Tulip Ltd with over 30 employees to be linked with us on SEDEX and share results of SAQ's and audits



Report on work undertaken in

Modern Slavery Victims At Linton Site

As a result of a supervisor raising concerns with the site HR Manager, we promptly launched our remediation/investigation procedure in Modern Slavery. Whilst the potential victims were removed to a place of safety over the weekend, our Responsible Sourcing Manager together with the Head of Compliance for Staffline arrived at the site to interview the 2 potential victims. As a result of this interview we concluded that this was likely to be a case of Modern Slavery./forced labour. We reported this to the GLAA who attended site to further interview the 2 workers. As a result of this an arrest was made of a suspected gang master. The victims did not want to be referred into the National Referral Mechanism and decided that they would move location to a different area . We supported them by employing them on full time contracts and helped them to settle into their new address.

As a result of this we decided to widen the investigation to ensure that all workers on our site we also not victims potentially hidden. Our Responsible Sourcing Manger spoke to over 150 workers in their own native language. As a result we discovered another potential victim. We made the decision to remove him from the site and place him into temporary hotel accommodation. Working with Cambridgeshire Police and the Salvation Army the victim decided he did want to go into the Nation Referral Network which we supported him to do.

The suspects involved are part of a wider ongoing criminal investigation.

No further issues were uncovered at the site during this process.



2 weeks later our Responsible Sourcing Manager returned 2 weeks later to carry out a further 80 interviews of workers across all shift patterns following concerns that were raised as part of an exit interview. However no evidence was discovered of any issues during this process.

Due to close proximity of the site to our Bury St Edmunds site our Responsible Sourcing Manager also attended and interviewed 35 workers to ensure that there was no similar issues raised. There were no items of concern raised during this process.

Unannounced audits

We have continued this year with 4 unannounced welfare audits at our sites. This is a joint operation with Staffline Compliance Team. We interviewed random samples of workers to check on ethical standards and to ensure Modern Slavery policies and procedures were being correctly followed and were understood by our colleagues. Also as an additional check on their welfare. No further issues were uncovered during this. We will continue this through the next year to cover all our sites on a bi-annual basis.

Bright Futures

We are proud business partners of the Bright Futures scheme (<http://brightfuturesuk.org/>)

This enables victims of Modern Slavery to return to work via a paid 4 week placement and if desired a non competitive interview for a role once satisfactorily completed. This year we have placed 8 people at across Ashton, Corsham and Tipton sites, 4 of these went on to secure permanent employment and have become valuable members of our teams. During the year our Responsible Sourcing Manager has been part of a working group with other business and charity partners to establish Bright Futures as a stand alone organisation specialising in the rehabilitation of Modern Slavery victims into work. We have a number of people waiting to start placements and will continue to provide this opportunity through the coming year.



Stronger Together Organisational Performance Assessment

We have updated this assessment this year as part of our continual improvement. We have increased our percentage score by over 23% as a result of implementing the actions from last years assessment. This assessment is designed to evaluate our business both at business and site level and supply chains approach to dealing with Modern Slavery and to help direct our priorities going forward. This includes worker interviews, commitment to tackle Modern Slavery, assessing and acting to reduce the risk of Modern Slavery, providing remedy and monitoring of progress and communicating our progress. It found we have strong processes and procedures in place and we have effective systems in place to reduce the risk of Modern Slavery. The actions undertaken as mentioned previously at our Linton site have provided us the opportunity to test and refine our processes and procedures.

Supply Chain

We are proud to be founding members of FNET (Food Network for Ethical Trade) (<https://foodnetworkforethicaltrade.com/>). This is a supplier led initiative with over 40 suppliers and 10 retailers as members which focusses on improving human rights within supply chains. We use the risk assessment tool to assess human rights risk within our business and work as part of collaborative working groups to tackle issues within our supply chains. Our Responsible Sourcing Manager is a member of the Strategic Advisory Group which is part of the board structure.

The main areas of focus for work in supply chains is Transport and Logistics, Risk Assessment Group and Worker/Supplier Engagement. We are leads within the engagement group. This year we have created director and buyer training on human rights and our focus for this year is worker information

As part of the Transport & Logistics Group we have re assessed our impact and are holding in early 2020 a joint event with Stronger Together to raise awareness and hopefully begin some joint work in this area across all our transport and cold stores providers.

Proposal Topic D

managed workplace that enables our team members to thrive and have better futures. We are humbled by our committed and dedicated workforce of more than 58,000 team members – 31,900 of whom are based in the U.S. and Puerto Rico, 11,000 in Mexico and 15,600 in Europe. Ninety-nine percent of our team members work in production facilities and approximately one percent work at Pilgrim's corporate offices around the world.



Our Management Approach

Our managers reinforce Pilgrim's culture of respect by being available to team members who want to discuss issues. All management policies and programs are annually reviewed by management teams, and specific team member issues are reviewed weekly or as frequently as necessary to address issues.

To ensure our policies and programs are functioning correctly, Pilgrim's measures and evaluates health and safety, turnover, absenteeism and overtime indicators each week. This allows us to make immediate adjustments if necessary and ensure team member health, safety and working conditions are upheld according to Pilgrim's standards across all facilities.

We operate all our facilities in compliance with labor and human rights laws. We also adhere to strict internal policies and programs that provide additional guidance to best serve our team members. The company has a zero-tolerance policy on child and forced labor. Additionally, in the U.S. we do not use prison labor at our facilities. Our background check policy does support re-entry into the workforce, of persons with a criminal record, dependent on several factors including the assessment of potential risks and liabilities, the "nature and gravity" of the individual's criminal offense or conduct and the nature of the duties and essential function of the position sought. Pilgrim's does not permit degrading conditions in the workplace that could put our team members' health or lives at risk. We uphold

applicable wage and hour laws, such as minimum wage and overtime compensation, and legally mandated benefits. In the U.S., for our hourly team members, we do a competitive wage analysis two times per year and for salaried team members we do a competitive wage analysis one time per year to ensure we are paying competitively for where they work and live. Salaries are adjusted as necessary based on these competitive wage analyses. We also respect our team members' rights of association, of joining labor unions and of collective bargaining. In 2019, 62% of our team members working in the U.S. and Puerto Rico, 75% in Mexico and 34% in Europe were covered by collective bargaining agreements.



Our Code of Conduct and Ethics

Pilgrim's Code of Conduct and Ethics includes behavioral guidelines and standards to ensure appropriate workplace conduct, efficient and safe operations and the well-being of our team members. All Pilgrim's team members receive annual in-person, online or video-based training on the Code of Conduct and Ethics.

The Pilgrim's Code of Conduct and Ethics applies to all team members. The Code has policies for each of the company's major risk areas, including team member safety, food safety, environmental compliance, animal welfare, corporate ethics, workplace conduct and taxation and finance. All Pilgrim's managers are responsible for enforcing the Code of Conduct and Ethics in their divisions.

In addition to Code of Conduct and Ethics training, new team members also receive an ethics handbook during orientation and are expected to abide by our policies regardless of their position in the company. Corrective actions for violating the Code or company policies include coaching, written warnings, final written warnings and, if necessary, termination of employment. Serious violations such as theft can result in immediate termination.



Improve the Pilgrim's Safety Index score by 15% year over year. In 2019, the Safety Index score improved 37% compared to 2018.

*Goal set for our U.S. facilities



Our Management Approach

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We also track a Safety Index for each facility that measures the frequency of severe incidents per hour of operation. A severe incident is defined as an amputation, hospitalization, vision loss, fracture or second- or third-degree burns resulting in greater than five days lost time, any injury resulting in greater than five days lost time or a fatality.

Training system to make safety training available for new hires in multiple languages. We also have written job-safety analyses for all of our posi



Increasing Our Focus on Prevention

During every fiscal year, we conduct a comprehensive safety audit project to identify and reduce potential hazards related to walking surfaces, falls and slips, electrical safety, machine guarding and ergonomics. Based on the results of the annual audits, we identify three high-priority initiatives—one that is companywide, one that is business unit-wide and two that are prioritized by each facility. Additionally, each facility undergoes an annual ergonomics audit where issues are identified, logged and remediated within a reasonable period of time. In 2020, our company-wide initiative is machine guarding with a focus on conveyor belt guarding.

Our Safety Observation Process ensures supervisors identify unsafe acts or workplace conditions and coach team members to proactively change potentially dangerous behaviors. The Safety Observation Process allows Pilgrim's to use data collection, analysis and coaching to prevent injuries from occurring. In addition to supervisors, the Safety Observation Process incorporates other hourly and salaried team members to foster a culture of shared ownership with regard to health and safety. Our reporting also includes a leading indicator dashboard that is tracked weekly according to targets and includes monitoring observations for unsafe behaviors.

Corrective Actions

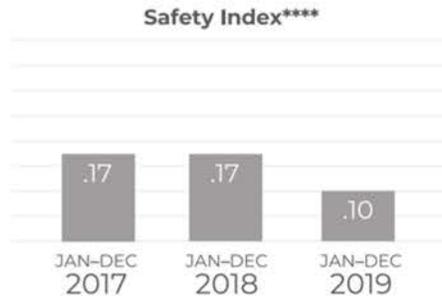
While we focus on education, training, process improvements and cultural accountability, accidents do occur, and we must acknowledge, report and learn from safety-related incidents. We have a formal Incident Investigation



United States

In 2019, we reduced our DART rate by 15%, had a 4% increase in TRIR but improved our Safety Index score by 37%, compared to 2018. In 2019, Pilgrim's U.S. DART rate and TRIR were 45% and 14% below the most recently published industry average, respectively. Unfortunately, in 2019 we had one fatality in the U.S. We will continue to strive for improved company performance around safety, and allocate resources and tools to better understand and correct any issues at their core and improve the overall safety of our team members.

Pilgrim's USA* DART Rate, TRIR and Safety Index



* Includes all facilities in the U.S. and Puerto Rico

** Industry averages not yet available

*** U.S. Bureau of Labor Statistics, U.S. Department of Labor, Poultry Processing

**** Pilgrim's Safety Index measures the frequency of severe incidents per hour of operation. A severe incident is defined as an amputation, hospitalization, vision loss, fracture or second- or third-degree burns resulting in greater than five days lost time, any injury resulting in greater than five days lost time or a fatality.

Europe

Our Pilgrim's Moy Park and Tulip teams track data according to the Health Safety Executive RIDDOR (Reporting of Incidents Diseases and Dangerous Occurrences) Regulations, in accordance with OSHA standards. Our Moy Park team has consistently reduced DART rate, TRIR and Lost Time rate year-over-year. From 2018 to 2019 Pilgrim's Moy Park reduced DART rate by 29%. Pilgrim's acquired Tulip in October of 2019 and is in the process of aligning policies, training, documentation and best practices.

Pilgrim's Europe* DART Rate and Safety Index

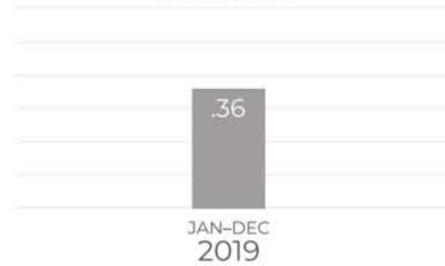


DART Rate

0.71

JAN-DEC
2019*

Safety Index**



* Data includes Pilgrim's Moy Park and Pilgrim's Tulip

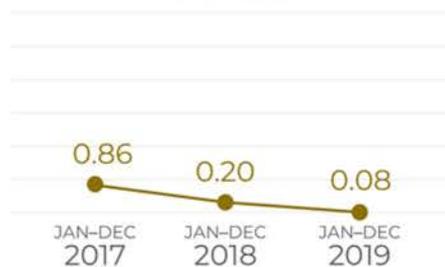
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Mexico

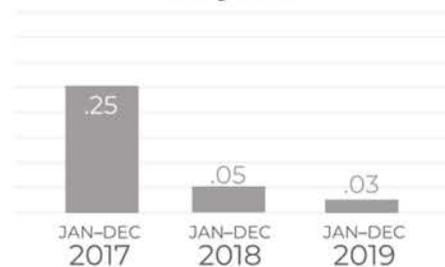
In Mexico, our team tracks data according to the government Secretaria del Trabajo and the Safety and Health regulations, which comply with OSHA standards. Our team has continued to reduce its DART rate and improve our Safety Index score year-over-year. We decreased our DART rate by 60% and improved our Safety Index score by 37% from 2018 to 2019.

Pilgrim's Mexico DART Rate and Safety Index

DART Rate



Safety Index*



 Pilgrim's DART Rate

hogs to large, multinational companies that manufacture and provide services for our production facilities. We work in partnership with over  19,300 suppliers to ensure the highest-quality inputs.

As part of the Pilgrim's supply chain, our vendors contribute to our overall sustainability. Impacts related to the environmental and social pillars of sustainability differ for each of our unique suppliers based on the material they manufacture, the species of livestock or poultry they raise, and the service they provide. Our ability to directly affect these impacts is often outside of our immediate control; however, we strive to partner with suppliers who share our values to achieve a more sustainable food supply.

As part of our efforts to minimize impacts in the supply chain, we developed a **Supplier Code of Conduct**. It ensures that suppliers agree to meet or exceed our high standards when conducting business with Pilgrim's. The code covers human rights, forced labor, freedom of association and collective bargaining, minimum age for employment, equal employment opportunity, employment practices, health and safety, environmental issues and business integrity, which includes anti-corruption and bribery. Our 2020 supply chain goal is to have 100% of our suppliers, who have entered into or updated agreements with us since 2018, agree to our Supplier Code of Conduct.

2020 / GOALS

Supply Chain





100% of our suppliers agree to our Supplier Code of Conduct. We are on track to achieving this goal.



Our Commitment

We are committed to continually improving our business, our products and our supply chain. We understand that our responsibility spans beyond production under our direct control and that we must collaborate with our supplier partners to improve the overall sustainability of our supply chain.

Our Management Approach

Procurement for Pilgrim's is centralized in the U.S. through our JBS USA corporate offices and embedded within Pilgrim's Mexico, Pilgrim's Moy Park and Pilgrim's Tulip businesses. The Heads of Procurement lead several teams that are each 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. This structure allows us to maximize our supplier partnerships across the business and ensure consistency and uniformity.

Our approach to managing our supply chain includes consistent collaboration with our suppliers. All suppliers are contractually obligated to follow laws and regulations. We also establish long-term relationships built



A Message from our President and CEO

On behalf of the global Pilgrim's family, I am excited to present the 2019 Pilgrim's Sustainability Report – Feeding Our Future. Pilgrim's is known as one of the world's leading providers of poultry, retail-ready and prepared foods. We want to be equally recognized for our commitments to safety and sustainability. As proud as we are to make high-quality food that millions of people put on their plates every day, it's just as important that we do so in ways that meet the expectations of our stakeholders, customers, consumers and the communities we call home.

We made significant progress toward our sustainability goals in 2019. Thanks to the dedication of the global Pilgrim's family—our family farm partners, suppliers and more than 58,000 team members in France, England, Mexico, the Netherlands, Northern Ireland, Puerto Rico and the United States—we advanced in all but one of our priority areas. Unfortunately, we have seen an uptick in water-use intensity since 2015, but we are working diligently to improve and sustainably reduce our water-use.

Here's a snapshot of our progress against key goals:

Our Goal: Improve our Safety Index Score – which measures team member health and safety – by 15% every year between 2015 and 2020

2019 Update: We exceeded this goal, with a 37% improvement from

2018 to 2019



Our Goal for 2020: Reduce electricity-use intensity by 12%

2019 Update: We've **reduced** electricity-use intensity by 9% since 2015

Our Goal for 2020: Reduce natural gas-use intensity by 14%

2019 Update: We've **reduced** natural gas-use intensity by 11% since 2015

Our Goal for 2020: Reduce GHG emission intensity by 14%

2019 Update: We've **already met this goal**, with a 14% reduction of GHG emission intensity since 2015

Our Goal for 2020: Reduce water-use intensity by 10%

2019 Update: We increased water-use intensity by 8% since 2015

Our Goal for 2020: Score 90% or better on Pilgrim's Animal Health and Welfare Scorecard in our processing facilities, and 95% or better in our live operations

2019 Update: We're **on track** to meet this goal

Supplier Goal: 100% of our suppliers agree to our Supplier Code of

Conduct

Progress: We're **on track** to meet this goal

While we are excited about our accomplishments in 2019, we have recently faced an unprecedented challenge in coronavirus. Our global teams have worked tirelessly to provide a safe working environment for our team members who are providing food for their families, neighbors, countries and the world. It has been an honor to serve alongside our team as we have faced this crisis with passion, commitment and purpose.

At Pilgrim's, we are not only focused on today, but on sustainably feeding our future. We are confident our culture and values will continue to guide us



PILGRIM'S

Supplier Code of Conduct



Pilgrim's is committed to conducting business ethically, with integrity and in compliance with all applicable laws and regulations, as well as various international standards including OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights and the Core Conventions of the International Labor Organization (ILO). Pilgrim's expects Vendors to demonstrate the same commitment to ethical business conduct and integrity by complying with all applicable laws, regulations and rules. Additionally, all Vendors must agree to abide by this Vendor Code of Conduct (the "Code").

Compliance With Laws

Vendors must fully comply with all applicable laws and regulations, including Federal, State, local, and trade laws where products may be

Pilgrim's values diversity and equal opportunity in the workplace and expects Vendors to adhere to ILO Discrimination (Employment and Occupation) Convention No. 111, and to embrace equal opportunity and diversity in their business practices.



Health and Safety

Vendors must comply with all safety and health laws, rules and regulations in the jurisdiction where the Vendors conducts business. Vendors must take reasonable measures to prevent workplace hazards.

Vendors must provide a non-violent and safe work environment, free of threats, intimidation or physical harm.

Confidentiality, Inside Information and Data Privacy

Vendors may only use confidential Pilgrim's information to perform work on behalf of Pilgrim's and shall not disclose the information unless required by law. Confidential information may only be shared with others within the Covered Vendor on a need-to-know basis.

Vendors may gain access to material, non-public information acquired through the Vendor's relationship with Pilgrim's ("Inside Information"). Vendors are prohibited from buying or selling securities of Pilgrim's or its affiliates while in possession of Inside Information or communicating to others Inside Information.

Vendors must follow all laws and regulations regarding the privacy of individuals, including employees and customers. Personal information should not be disclosed to anyone outside of Pilgrim's except as required by legal or regulatory process and as permitted by any applicable agreement.

DUE DILIGENCE PROCESSES

As part of our initiative to identify and mitigate risk we have systems in place to:

1.

Identify and assess potential risk areas in our supply chains.

2.

Mitigate the risk of slavery and human trafficking occurring in our supply chains.

3.

Monitor potential risk areas in our supply chains.

4.

Protect whistle blowers.

TRAINING

We have facilitated some Stronger Together Modern Slavery training across our business, and support the work being done to reduce forced labour and human trafficking. Agency staff have been fully briefed on the Stronger Together principles as part of their induction process and have mechanisms to increase the visibility of issues. Throughout 2019 we will be implementing full and refresher training on Modern Slavery for our team members.

MEASURING EFFECTIVENESS

Moy Park measures the effectiveness of its ethical trading initiatives through KPI's relating to incidents reported through its confidential whistleblowing hotline, performance at 3rd party ethical audits, outcomes from labour provider audits and supplier performance results from the Sustainability Framework. These KPI's will continue to be reported through 2019.

More specifically, the following KPI's will be additional key area of focus for 2019:

1.

Further roll-out of Sustainability framework to Suppliers on a risk-based approach.

2.

Revision of our Ethical, Human Rights and Modern Slavery policies

3.

Implementation of minimum standards with our 3rd party labour providers and twice yearly audits of 3rd party suppliers

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31st December 2018.



Chris Kirke

President

Date: 1st July 2019



Stronger Together Organisational Performance Assessment

We have updated this assessment this year as part of our continual improvement. We have increased our percentage score by over 23% as a result of implementing the actions from last years assessment. This assessment is designed to evaluate our business both at business and site level and supply chains approach to dealing with Modern Slavery and to help direct our priorities going forward. This includes worker interviews, commitment to tackle Modern Slavery, assessing and acting to reduce the risk of Modern Slavery, providing remedy and monitoring of progress and communicating our progress. It found we have strong processes and procedures in place and we have effective systems in place to reduce the risk of Modern Slavery. The actions undertaken as mentioned previously at our Linton site have provided us the opportunity to test and refine our processes and procedures.

Supply Chain

We are proud to be founding members of FNET (Food Network for Ethical Trade) (<https://foodnetworkforethicaltrade.com/>). This is a supplier led initiative with over 40 suppliers and 10 retailers as members which focusses on improving human rights within supply chains. We use the risk assessment tool to assess human rights risk within our business and work as part of collaborative working groups to tackle issues within our supply chains. Our Responsible Sourcing Manager is a member of the Strategic Advisory Group which is part of the board structure.

The main areas of focus for work in supply chains is Transport and Logistics, Risk Assessment Group and Worker/Supplier Engagement. We are leads within the engagement group. This year we have created director and buyer training on human rights and our focus for this year is worker information

As part of the Transport & Logistics Group we have re assessed our impact and are holding in early 2020 a joint event with Stronger Together to raise awareness and hopefully begin some joint work in this area across all our transport and cold stores providers.



Temporary Labour Agencies

We have had a full programme of audits at all agencies who supply us with labour throughout the year. No major issues were discovered during this and any minor action points will be checked by our HR Teams when they undertake a follow up audit within 6 months.

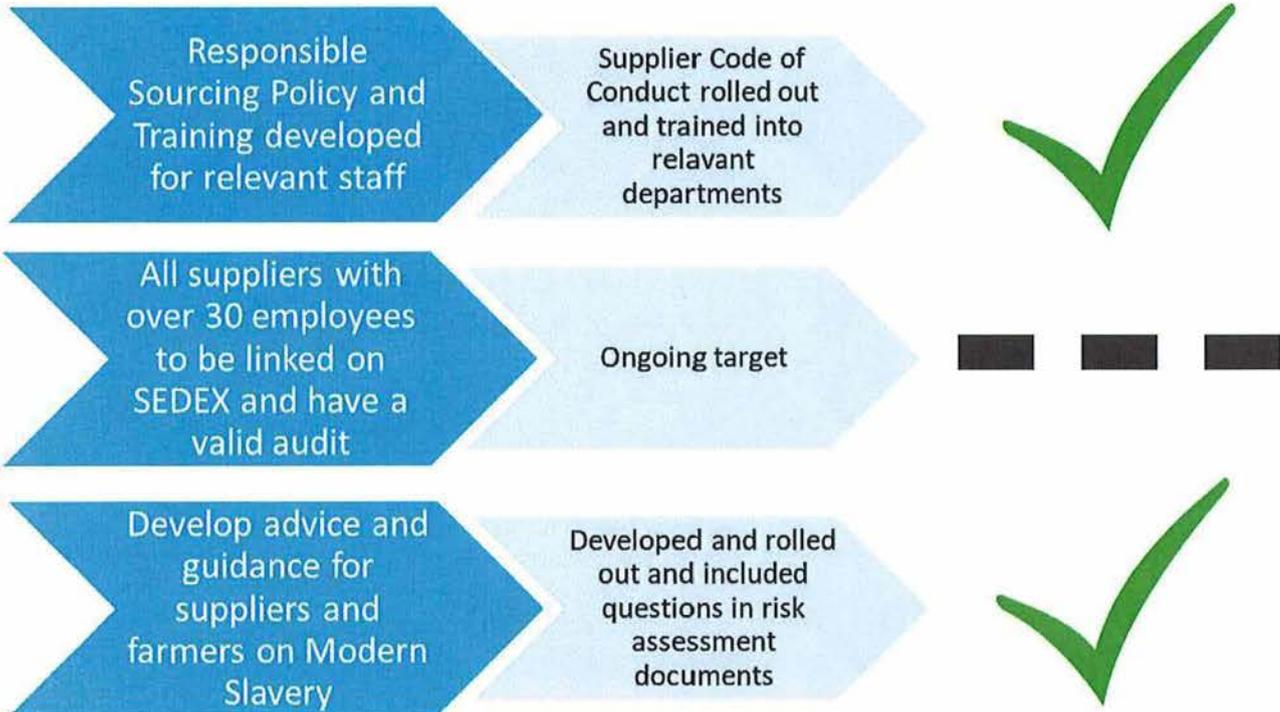
Farms

We have continued to work with our farmers on their processes and procedures around Modern Slavery and to improve visibility of the topic. Our whistle blowing line is now available to all our farmers and interested stakeholders to report any issues. Our field team have continued their risk assessment and support work with our Outdoor Bred farmers which has included work with them on site in areas of policy and procedures. We will continue to support this ongoing programme through the year, especially as labour shortages are seen to be increasing as a result of Brexit.



5.0

Last Years Targets





5.0

Targets for current year

