

XXXXXX

[Title]

[Company Name]

[Address]

CC: [Include company contacts which FAIRR has corresponded with]

[DDth] March 2021

Dear XXX,

We are writing to you as a **coalition of XX investors representing more than \$XX trillion in combined assets** that share a concern for the growing reputational and financial impacts associated with poor labour practices at [Company X] and the broader meat sector following the COVID-19 pandemic.

The disproportionate impact of COVID-19 on meat workers¹ has had direct material impact for the industry through unexpected costs, contracted production capacity, and disruption of operations and food supply chains globally.² Meat producers around the world are now facing fines, prosecution investigations, and employee litigation.³ High rates of contagion and deaths in communities with ties to meat plants⁴ have increased scrutiny of existing health and safety practices and the industry's management of workers. Given the sector's heavy reliance on labour, investors are deeply concerned that poor labour practices, highlighted by COVID-19, are endemic in the animal protein sector and threaten its operational and supply chain viability. This is particularly relevant in the face of broader industry trends that pose serious human capital challenges, such as the transition to a green economy and automation. Strong labour management strategies will be instrumental to defining the social impact of future food production.

Stronger corporate policies compliant with international labour standards and enforcement of such policies are urgently needed to support and empower workers to highlight risks to management as they occur. This can reduce future pandemic disruptions,⁵ improve productivity, attract reputation-sensitive buyers,⁶ improve security of supply, grow market share, and positively impact company ratings to access lower cost of capital in financial markets.⁷

Analysis by FAIRR has shown that [Index score]. We are encouraged by [include individual company assessment information]. We also recognise that [include any recent relevant company

¹ Based on the CHRB definition 'workers' refer to "An individual performing work for a company, regardless of the existence or nature of any contractual relationship with that company." We understand this definition applies to all workers including those in vulnerable condition such as immigrants, refugees, women, subcontracted workers, workers with a disability, those who may speak a different language and other diverse groups irrespective of country of origin, gender, race, ethnicity, religion, disability, legal status, age, sexual orientation who may be subject to forms of discrimination.

² <https://www.frontiersin.org/articles/10.3389/fvets.2020.585787/full>

³ <https://www.wsj.com/articles/families-file-first-wave-of-covid-19-lawsuits-against-companies-over-worker-deaths-11596137454>

⁴ <https://www.pnas.org/content/117/50/31706>

⁵ <https://www.fairr.org/article/industry-infected/>

⁶ https://www.ilo.org/wcmsp5/groups/public/---dgreports/---exrel/documents/publication/wcms_410573.pdf

⁷ <https://www.unpri.org/download?ac=1652>

updates]. However, we believe [Company X] remains vulnerable to growing labour risks due to [FAIRR company-specific assessment of asks]. We would like to work with your senior leadership to ensure [Company X] has the right policy structure and enforcement mechanisms in place **that empower all workers, regardless of contract type or geography, to communicate risks to the company as they occur**. Labour experts have consistently pointed out that this remains the most effective way to address structural labour risks prevalent in the meat sector.

To that end, we respectfully ask [Company X] to respond to the below investor questions. We strongly encourage you to disclose this information in the public domain.

A. HEALTH & SAFETY - SUPPORTING EMPLOYEES' ABILITY TO REMOVE THEMSELVES FROM HARM

A.1. Grievance mechanisms⁸

1. How does the company ensure that legitimate⁹ grievance mechanisms are available and accessible to all workers (i) regardless of their employment contract, (ii) across all relevant operating markets and (iii) in supply chains?
 - a. Please describe the specific actions the company undertakes to evaluate the effectiveness of these mechanism on a regular basis beyond employee training. For example: periodic meetings with workers or their representatives to share data analysis and survey results.
2. How does the company categorize and report grievances, and what is the distribution of reported grievances across all categories?¹⁰
 - a. Please indicate what grievance mechanisms cover health and safety reports/complaints, and violations of workers' rights (i) across operating markets and (ii) in your supply chain.

A.2. Sick pay entitlement

1. Does the company permanently provide paid sick leave to all workers, including subcontracted and temporary workers across operating markets, regardless of whether this provision is included in the national legislation? If not, please elaborate.
2. Regarding the company's wider employee incentive schemes, please elaborate on the factors different incentives are based. For example, elements conditional on attendance such as bonuses tied to 100% attendance rate.¹¹

⁸ The [UNGP](#) framework defines grievance mechanisms as "any routinized, State-based or non-State-based, judicial or non-judicial process through which grievances concerning business-related human rights abuse can be raised and remedy can be sought." To ensure the effectiveness of operational-level grievance mechanisms administered by the company, they should be (a) legitimate, (b) accessible, (c) predictable, (d) equitable, (e) transparent, (f) rights-compatible, (g) a source of continuous learning, and (h) based on engagement and dialogue. These mechanisms should enable all workers to raise complaints or concerns without fear of retaliation related to, but not limited to health and safety, discrimination and labour rights and should not be used to undermine the role of legitimate trade unions in addressing labour-related disputes.

⁹ The [UNGP](#) defines 'legitimate' grievance mechanisms as "enabling trust from the stakeholder groups for whose use they are intended, and being accountable for the fair conduct of grievance processes."

¹⁰ Evidence of the number and types of grievances reported is a good indicator for effectiveness of such mechanisms: only where workers know about and trust a mechanism, will they use it.

¹¹ This is to avoid potential conflict of incentives that may prevent employees from taking paid sick leave. The question seeks to understand how company incentives promote a culture of safety among workers.

B. FAIR WORKING CONDITIONS - OVERSIGHT OF SUBCONTRACTED AND TEMPORARY EMPLOYMENT

B.1. Distribution of labour force across existing varied contractual agreements

1. What is the distribution of workers across the different types of employment contracts, including temporary and agency workers, by operating market, across the company's operations? For example: permanent direct hire, temporary direct hire, contractors and workers employed indirectly through employment agencies.

B.2. Oversight of governance structure

1. What information is reported on a quarterly basis to Board members on the company's workforce, disaggregated by type of employment contract?

C. WORKER REPRESENTATION – IMPROVE REPRESENTATION ACROSS OPERATIONS

C.1. Steps to increase worker representation across operations and geographies

1. What steps is the company taking to support and increase worker representation through (i) internal committees and at the Board level, and (ii) externally through legitimate trade unions.
 - a. Where the right to freedom of association is restricted under law, are there alternative structures for worker representation?
2. What is the size of your workforce covered by collective bargaining agreements with the company? Please disaggregate the data by country of operations, plant, type of contract, and name of the organization representing your workers.

C.2. Steps to engage workers in discussions about the company's response to industry trends

1. How is the company assessing the impact of (i) automation and (ii) climate change on its workforce?
2. How and with what frequency does the company engage workers or their representatives in discussions about the company's strategy in relation to (i) automation and (ii) climate change?

A response to these points by **5 May 2021** would be welcome. We would appreciate it if you could respond in the first instance to Ms. Cristina Figaredo at cristina.figaredo@fairr.org, Engagement Manager at the FAIRR Initiative, which is the organisation coordinating this engagement on our behalf. FAIRR will also follow up with you to organise a meeting with your company's representatives and discuss your responses with members of the coalition.

Yours sincerely,

Signatory name, surname, role (can be different to FAIRR contact person), legal company name