

MAKING YOUR WORLD STRONGER

June 30, 2020

The Honorable Elizabeth Warren United States Senate 309 Hart Senate Office Building Washington, D.C. 20510

The Honorable Cory A. Booker United States Senate 717 Hart Senate Office Building Washington, D.C. 20510

Dear Senators Warren and Booker:

Thank you for your June 22nd letter requesting information regarding global protein markets and our response to COVID-19.

Over the past six months, the world has faced an existential crisis that has fundamentally challenged our society and imperiled the health and safety of millions of our fellow global citizens. To date, based on the limited amount of global testing conducted, more than 10 million people have contracted coronavirus. The actual levels of global inflection are sadly likely much higher.

During this unprecedented pandemic, JBS USA has made every effort to safely navigate our business through a volatile environment in which our communities, team members, operations, and supply and demand have all been impacted by the unpredictable influence of coronavirus. We have maintained our operations and the jobs they provide only when we believe our facilities to be safe, and we were the first in our industry to voluntarily close a facility in an effort to break a potential chain of infection and assist in combatting community spread. To date, we have temporarily closed four production facilities to allow our team members to self-quarantine in accordance with CDC guidelines, and we won't hesitate to do so again, if necessary.

At JBS USA, our mission is to be the best and create the opportunity of a better future for our team members. Many in our workforce do not have unlimited employment opportunities. We are proud that we can provide well-paying jobs to many first generation Americans seeking to create a better future for themselves and their families as they pursue an American dream that is too often deferred for so many.

Today, JBS USA beef and pork team members earn on average more than \$20 per hour and receive full benefits, including health care, after 60 days of employment. We offer one of the last manufacturing jobs available that were once the economic engine of our country. These are important jobs in an important industry that provides a basic, essential service for millions of Americans. More importantly, we embrace our responsibility to provide a safe working environment for our team members and we are working hard to do so each and every day.

In response to coronavirus, we were at the forefront of implementing mitigation measures, providing additional compensation to our team members, working proactively with federal, state and local health



agencies, and coordinating with employee unions to quickly establish effective interventions and policies. As cases in the U.S. continue to rise, it is clear that the interventions we have put in place in all of our facilities will become our new normal until a vaccine or more effective control measures are identified. We are committed to fighting this virus over the long term.

JBS USA is working diligently and dedicating additional resources to protect the health and safety of our workers, including the provision of personal protective equipment (PPE), surveillance monitoring, coordinating workforce testing and actively partnering with local health departments on contract tracing. These ongoing efforts include translating our communications into the dozens of languages spoken by our team members. All of this is done in close collaboration with health authorities in support of their response in local communities.

Our efforts preceded and, in some cases exceeded, guidance recently issued by the Centers for Disease Control and Prevention (CDC). Throughout our response, we have continued to develop and improve our policies and processes, hiring three separate independent, third-party epidemiologists to review our mitigation efforts and entertaining multiple visits from federal, state and local health authorities to ensure accountability.

Today, we provide temperature testing for all of our team members prior to entering facilities and extra PPE to all team members, including protective masks that are required to be worn at all times. In addition, we have staggered starts, shifts and breaks, and increased spacing in cafeterias, break and locker rooms, with Plexiglas dividers in key areas. We have also increased sanitation and disinfection efforts throughout the facility, with dedicated staff to continuously clean common areas. We also require sick team members to stay home from work and we have waived short-term disability waiting periods, relaxed attendance policies so people do not come to work sick, and provided free 100% preventative care and free LiveHealth Online services to all team members enrolled in our health plan. Our LiveHealth system allows for virtual doctor visits at no cost to our team members.

JBS USA has also taken measures that exceed administrative guidance in an effort to provide a safe working environment. For example, we removed vulnerable populations from our facilities while offering full pay and benefits. This has allowed approximately 10% of our workforce to stay-at-home during the crisis, while still being able to provide for their families. We have also installed ultraviolet (UV) germicidal air sanitation and plasma air technology in our facilities to neutralize potential viruses in plant ventilation and air purification systems.

These efforts helped to minimize interruptions in food production as we endeavored to continue serving American farmers and retail customers who rely on our production facilities. We also placed a priority on shifting product from food service into retail channels as restaurant and institutional demand fell.

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Exports already in motion at the beginning of the COVID-19 pandemic accounted for about 12 percent of U.S. beef production and 28 percent of pork production in the first quarter of 2020. During the same period, JBS USA had a less than 10 percent market share of pork exports to China and our total market share of pork exports to China throughout the year has been less than 10 percent as well.

It is important to note that exported goods are largely comprised of products not readily preferred by U.S. consumers, such as pig's feet, livers and bone-in products. Exporting these goods that have little to no demand in the U.S. helps increase the value of hogs and maintains the nearly 800,000 jobs in the meat packing and processing industry. Such products, if not exported, would otherwise lead to lower captured value for our producers and result in less availability of the chops, steaks and hamburgers that Americans enjoy.

Finally, we recognize the tremendous challenge the pandemic has posed to the communities in which we live and work. On May 12, 2020, JBS announced a \$120 million global program to aid our local communities in the fight against coronavirus and support long-term community infrastructure projects. In the U.S., the JBS Hometown Strong program will provide more than \$50 million in donations to alleviate food insecurity, strengthen long-term infrastructure, and support COVID-19 emergency response efforts in our local communities.

Our company anchors dozens of rural communities – operating more than 60 meat, poultry and prepared foods plants and employing more than 62,000 people across America. In addition to our Hometown Strong investment, JBS USA has invested more than \$100 million to enhance safeguards for team members and nearly \$100 million to reward them with thank-you bonuses and increased wages during this pandemic.

The men and women of JBS USA have responded admirably to what is arguably the most unprecedented crisis of our time. We are not perfect, but we are doing everything we can to protect our team members who are feeding the nation and provide them with the opportunity to both succeed and thrive in a society that does not always treat everyone fairly or equitably.

Please reach out any time as you have additional questions and we look forward to working with your office as we navigate these difficult times together.

Sincerely,

Andre Mogueira CEO

CEO