



CONTACT

Meg Wilcox – Ceres | wilcox@ceres.org | phone: 617-319-6457

Susana McDermott – ICCR | smcdermott@iccr.org | 212-870-2938

Leading Investors Press Meat Producers to Tackle Water Pollution Risks

BOSTON/NEW YORK (Nov. 21) As Thanksgiving nears, 45 leading institutional investors collectively managing \$1.2 trillion in assets are pressing some of the nation's largest producers of turkey and other meats to address the significant water pollution risks associated with feeding, slaughtering and processing livestock.

The investors sent joint letters to four of the largest producers in the meat industry, **Cargill, Inc., JBS, Perdue Farms, and Smithfield Foods**. The letters come one month after Hurricane Matthew inundated poultry and hog farms in North Carolina, flooding manure lagoons and killing more than two million chickens, turkeys and hogs.

“As investors analyzing water risks in our portfolios, we believe that robust management of water quality challenges is a critical aspect of risk management in the meat industry, and one of increasing importance in the context of climate change and growing weather extremes,” the investors wrote.

Click here for [one example of the letter](#) and [the list of investor signatories](#).

Investors who signed onto the letters are members of the nonprofit sustainability organization [Ceres](#) and the [Interfaith Center on Corporate Responsibility](#).

“Broad mismanagement of local water resources can lead to devastating regulatory, reputational, and litigation risks, weakening a company's ability to operate profitably,” said **Kristel Verhoef, Active Ownership Specialist** at **ACTIAM**, which has 56 Billion Euro in AUM.

The effort comes on the heels of several shareholder proposals filed with other meat sector players, including **Tyson Foods, Hormel Foods, Pilgrim's Pride** and **Sanderson Farms**, that call for improved water management.

“Comprehensive water stewardship policies are critical to avoid the risks present at several points in the supply chain of meat producers like Hormel,” said **Sister Patricia Daly of the Tri-State Coalition for Responsible Investment**. “We are encouraged by the company’s commitment following the withdrawal of our shareholder proposal, to put a water stewardship policy in place that will apply to major suppliers, contract animal growers and feed suppliers.”

Last year, Ceres released a [report](#) that ranks major food companies on water risk management. Several meat companies including Tyson and JBS were identified among the worst performers. A recent report from Environment America ranked Tyson as the [biggest water polluter](#) in the meat sector, releasing 104 million pounds of toxic pollutants into waterways from 2010 to 2014 from its slaughtering and processing plants, and buying livestock that generates approximately 55 million tons of manure per year. During the same time period, it is estimated that collectively Smithfield (27.3 million lbs.), Cargill (50.4 million lbs.), JBS (37.6 million lbs.) and Perdue (31 million lbs.) directly released 146.3 million pounds of toxic pollutants into U.S. waterways.

Fines for violations of wastewater permits have proven costly to the industry. For example, in 2010 JBS paid [\\$2 million](#) over the failure of a facility to comply with the Clean Water Act and the Pennsylvania Clean Streams Law. JBS was also required to improve operations by reconstructing wastewater systems at an estimated cost of \$6 million.

Some companies in the industry have begun responding to these concerns. Last month, meat processor **Hormel Foods**, along with several other companies joined the [Ceres-World Wildlife Fund AgWater Challenge](#), an initiative to advance water stewardship in the food sector. Hormel [committed](#) to developing a comprehensive water stewardship policy, setting water management expectations that go beyond regulatory compliance for its major suppliers, contract animal growers and feed suppliers – a meat industry first.

“With climate change, business-as-usual management of the more than 300 million tons of manure produced annually by the U.S. livestock industry is no longer feasible. Hurricane Mathew’s effects underscore the vulnerability of meat companies – and their shareholders – to growing risks stemming from large-scale water pollution events, said **Brooke Barton, Senior Program Director of Water and Food Program** at Ceres.

“These letters highlight the need for these companies to address the reputational, legal and regulatory risks of being a large polluter,” said **Nadira Narine, ICCR Senior Program Director** and co-coordinator with Ceres of the initiative. “All companies need to minimize effluent discharge beyond compliance levels, and set related goals and targets.”

Investors signing the letter asked the meat companies to assess the pollution impacts of their direct operations as well as their supply chains, and develop a comprehensive water stewardship policy with related goals that address the following:

- Noncompliance and minimizing permitted releases to waterways
- Safe storage and management of animal waste
- Minimizing fertilizer runoff from animal feed production

“The [Human Right to Water and Sanitation](#), recognized in 2010 by the United Nations General Assembly, underscores the importance of a corporate role in ensuring that water impact risks are managed – including the improvement of waste storage and disposal controls to safeguard local waterways,” said **Marcela Pinilla, Senior Analyst at CBIS**. “In our upcoming engagements with JBS SA and Smithfield/WH Group, we will seek to encourage the inclusion of community impact risks as an element of a comprehensive water stewardship plan.”

About Ceres

[Ceres](#) is a non-profit organization that is mobilizing many of the world’s largest companies and investors to take stronger action on climate change, water scarcity and other global sustainability challenges. Ceres directs the Investor Network on Climate Risk, a group of 120 institutional investors managing \$15 trillion in assets focused on the business risks and opportunities of climate change and water scarcity. Ceres also engages with 100-plus companies, many of them Fortune 500 businesses, committed to sustainable business practices and the urgency for strong climate and clean energy policies. For more information, visit www.ceres.org or follow on Twitter @CeresNews.

About the Interfaith Center on Corporate Responsibility (ICCR)

Celebrating its 45th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300 member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over \$200 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability on questions such as climate change, corporate water stewardship, sustainable food production, human trafficking and slavery in global supply chains and increased access to financial and health care services for communities in need. www.iccr.org

###