

Business and Human Rights Resource Centre
Att_ Saskia Wilks, EU/Western Europe Researcher

Danish Crown Response to the EFFAT Report: Covid-19 outbreaks in slaughterhouses and meat processing plants, June 25th 2020

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Danish Crown A/S
Corporate HQ

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Dear Saskia Wilks,

Thank you for giving Danish Crown the possibility to respond to the publication of the report: *EFFAT Report, Covid-19 outbreaks in slaughterhouses and meat processing plants, State of Affairs and proposals for policy action at EU Level, June 25th 2020*.

The spread of COVID-19 has disrupted lives, livelihoods, communities and business worldwide, including the operation of slaughterhouses and meat processing plants.

At Danish Crown we acknowledge our responsibility to protect the health and safety of our workers, as part of our commitment to respect human and labor rights, and we take this responsibility very seriously.

No doubt Covid-19 has brought new challenges to an industry, which is strained in many ways. And the pandemic has created a new focus on the employment of and accommodation for contract workers – a new kind of disruption which has induced concerns in various ways. Especially while also taking part in ensuring a critical food chain.

The report outlines the need for policy action at EU Level, while focusing on the German situation. Hence our response will have the same focus, however, we underline that our initiatives are broader.

Contract Workers potentially to be banned in Germany

Several months prior to the Covid-19 outbreak Danish Crown were already in the process of evaluating the possibility of recruiting more contract workers as permanent workers.

For our main site in Germany the aim, since early 2019, has been to have 75% permanent staff by the end of 2020; should a new law be enforced we will of course be compliant herewith, if contract workers are fully banned. And we will like to stress that we support the German Government in the process of prohibiting contract workers in the meat industry.



But it is not an easy task to end a system, which has been in place for decades – whether it relates to Germany or other European countries. And in order to protect both the labor force as well as the business, flexibility is needed. The importance of a well-functioning food chain was underlined during the crisis and all Danish Crown's workers confirmed their readiness to stand in the front line and ensure, that there has been no shortage of food. This was an extraordinary situation. But the food industry is based upon peak seasons, and the flexibility to recruit short term workers for such occasions must still be possible. Such approach is preferred not only in Germany, but also at EU Level.

Labor & Human Rights

The allegations related to excessive working hours – up to 16 hours a day – are not recognized by any of our sites. In Germany we have experienced extraordinary situations bringing the hourly work week up to 60 hours, which is fully in compliance with applicable law during the pandemic.

Generally, we have 3rd party auditors monitoring the pay roll and working hours records for contract workers on an ongoing basis to confirm as a minimum compliance with minimum wage and other applicable mandatory social benefits. Unreasonable deductions are not reported from any of the statutory audits.

Hot spots – transport, accommodation & PPE / health check

Generally, the Danish Crown sites, irrespective of country, have a high focus on ensuring a safe and healthy working environment. We believe, that the extremely limited outbreak at our sites is due to our workers general approach to a high level of hygiene.

In addition to this approach, we have provided the necessary PPE, learned from various guidelines, i.e the WHO Guideline "*the New Corona Pneumonia and Food safety, guidance for enterprises*" and implemented initiatives based upon such.

Ongoing reminders of social distancing and other recommendations to stay safe has been communicated via TV-monitors, internal media, info boards supported by sanitation staff. Testing and temperature measuring have also been part of daily life at our abattoirs and processing plants. No reports have been made related to anyone feeling compelled to go to work – also our supervisors have had an extra focus on detecting symptoms.

The transport is not for Danish Crown to control, and the contract workers use various means of transport i.e. bikes, own car, public transport and/or car-pooling; for the latter Danish Crown has, however, communicated a recommended limitation to be observed i.e. max 5 people in a 9-person bus.

With Germany being rated as the country with the most cases of workers in the meat sector being tested positive for Covid-19, we are pleased to see, that all our precautions and the behavior of our workers have limited our confirmed cases. At WestCrown, Danish Crowns joint venture in Germany, 150 workers have been tested positive, which regrettably is due to a gap in the communication from and control by Danish Crown. For our fully owned and controlled German sites a total of 0,2% has been tested positive within our workforce (as per July 2nd 2020).

For the accommodation Danish Crown generally audit the accommodation for contract workers on an annually basis. This is done by an external auditor, and a report with the result is shared with Danish Crown; the audit takes its starting point in national law and the codex enforced by the German industry in 2014. During the Covid-19 outbreak we have increased such audits and more has been conducted by our own employees.



ETUC 2016 Report on Letterbox Companies – reference to Danish Crown Case

With the reference to the Letterbox case back in 2015/2016, as described in *The Impact of Letterbox-type practices on Labour Rights and Public Revenue*, Danish Crown is pleased to confirm that all our German Business Units i.e Danish Crown Beef, Danish Crown Pork and Danish Crown Food have all adhered to the *Freiwillige Selbstverpflichtung* for the German meat business since September 2015. This has ensured that contract workers are being guaranteed social benefits as per German level as well as the enforcement of a minimum wage.

The “Verhältnis Kodeks” and the “Freiwillige Selbstverpflichtung” are both initiatives, which have changed a lot to the better in the German meat industry. But from our point of view it is not all enough. True changes will only be reached if the German Government enacts legislation, which effectively ends the excessive use of contract workers in Germany and most likely we will see an impact on other countries, too.

The pandemic has taught us all an invaluable lesson. And while we are deeply affected by the impact it has caused globally, we are also proud of our resilient global teams, whether directly employed or being a contract worker, who have shown consideration for colleagues and ensured an ongoing food chain to the benefit of the broader public.

At Danish Crown we will continue our efforts in ensuring compliance with labor rights and respecting human rights no matter type of employment contract, while pursuing our aim of transforming the environment for contract workers.

Should there be any questions to our response or approach in general Danish Crown can be contacted via our Press Office Mr Jens Hansen (JNHA@DanishCrown.com or +45 5160 0720).

Yours sincerely

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