

STATE OF MINNESOTA
Department of Labor and Industry
Division of Labor Standards

In the Matter of the Investigation of:
Smithfield Packaged Meats Corp.

Smithfield Packaged Meats Corp.
1010 Dale St N
St Paul, MN 55117-5603

CONSENT ORDER

File No.: ICR-202300038

Smithfield Packaged Meats Corp.
820 11th St N
PO Box 508
St James, MN 56081

Nicole Blissenbach, Commissioner of the Minnesota Department of Labor and Industry, and Smithfield Package Meats Corp. stipulate to the following:

I. RECITALS

The Minnesota Department of Labor and Industry (hereinafter “DLI”) has authority to investigate the possible employment of minor children in a manner contrary to the Minnesota Child Labor Standards Act, Minn. Stat. ch. 181A, and related rules promulgated pursuant to Minn. Stat. § 181A.09 (Minn. R. 5200.0900-.0960) (hereinafter “MCLSA”);

The Commissioner has the authority to enforce the MCLSA. Specifically, the Commissioner may issue compliance orders, impose penalties, and damages, and bring actions to enjoin and restrain any violation of the MCLSA;

Smithfield Packaged Meats Corp. operates a meat processing facility in St. James, Minnesota, in Wantonwan County (“Smithfield”). Smithfield employs individuals at this facility;

DLI’s Division of Labor Standards initiated and conducted a child labor investigation of Smithfield’s St. James facility under the MCLSA (hereinafter “DLI’s Investigation”). The audit period for DLI’s Investigation, or the time period being investigated, is April 13, 2021 through April 13, 2023 (hereinafter “Audit Period”). DLI’s Investigation included an on-site inspection of the St. James facility on April 13, 2023, and service of an investigative subpoena and demands for records;

Smithfield has cooperated with DLI’s Investigation, including providing full access to its facilities, employees, and records. Smithfield maintained communication with DLI during the entirety of DLI’s Investigation;

On July 26, 2023, the Commissioner issued a Compliance Order against Smithfield in connection with DLI’s Investigation. In that Compliance Order, which is incorporated herein by reference, DLI concluded that Smithfield violated the MCLSA;

DLI and Smithfield participated in an informal settlement conference on August 3, 2023;

Smithfield provided a timely notice of objection to the Compliance Order on August 8, 2023;

On May 24, 2024, the Commissioner issued an Amended Compliance Order against Smithfield, which is incorporated herein by reference;

On June 6, 2024, Smithfield provided a timely notice of objection to the Amended Compliance Order;

The Commissioner and Smithfield have engaged in negotiations and have reached an agreement to resolve this matter and DLI's Investigation for the Audit Period, to avoid the burden and expense of further litigation between the parties. The parties also wish to resolve their dispute in an amicable manner. In agreeing to these terms, the Commissioner and Smithfield, acting by and through their counsel, engaged in arm's length negotiations;

Smithfield disputes and does not admit the violations of law alleged by the Commissioner, and nothing in this Consent Order shall be construed as an admission of any wrongful or unlawful act, including with respect to any employment practices. Smithfield specifically disagrees that it violated the MCLSA;

Without admitting any liability, Smithfield is willing to pay an administrative penalty and agrees to implement activities as part of a compliance program and other corrective actions according to the terms of this Consent Order as set forth below;

The Commissioner and Smithfield agree that this Consent Order is intended to and does resolve the July 26, 2023 Compliance Order, as amended by the May 24, 2024 Amended Compliance Order (hereinafter "Amended Compliance Order"), and DLI's Investigation; and

Upon consent of the Commissioner and Smithfield, in consideration of the mutual promises and recitals contained in this Consent Order, the parties agree as follows:

II. PARTIES

This Consent Order applies to and is binding upon the following parties, collectively referred to herein as "the Parties":

- A. Nicole Blissenbach, in her official capacity as the Commissioner of the Minnesota Department of Labor and Industry, and the Minnesota Department of Labor and Industry ("DLI"); and
- B. Smithfield Packaged Meats Corp., located at 820 11th Street N., St. James, Minnesota, 56081 ("Smithfield").

III. SCOPE OF CONSENT ORDER AND RELEASE

- A. Term.** The provisions and agreements contained herein are effective immediately upon the Effective Date of this Consent Order. This Consent Order will remain in effect for a period of one (1) year from the Effective Date.
- B. Effective Date.** As used herein, Effective Date means the date this Consent Order is signed by Smithfield and the Commissioner.
- C. Release.** This Consent Order is made and entered into to resolve (1) DLI's Investigation of Smithfield under the MCLSA, for DLI's Audit Period covering April 13, 2021 through April 13, 2023; and (2) the Amended Compliance Order, which was brought in connection with DLI's Investigation. Nothing contained herein will be construed as limiting the right of any party to take action pursuant to the Judicial Relief process set forth in section VII below if another party fails to comply with this Consent Order or as otherwise provided in this Consent Order, except that violations leading to notification and cure under section IV, G during the Term, will not serve as the basis for MCLSA liability or MCLSA penalties, provided Smithfield complies with the requirements of section IV.
- D. Claims Not Waived by the Commissioner; Other Remedies Reserved.** The Parties to this Consent Order acknowledge that by signing this Consent Order, the Commissioner, on behalf of herself and DLI, does not release or waive the following: (a) any rights or claims arising under the MCLSA occurring outside of the Audit Period; (b) any rights or claims arising under any law other than the MCLSA that are within the scope of the Commissioner or DLI's enforcement authority; and (c) any right to bring a motion or action for the purposes of enforcing this Consent Order pursuant to section VII. The Parties further acknowledge that this Consent Order shall not limit or affect the authority of the Commissioner or DLI to conduct investigations and take actions with respect to any matter within the scope of the Commissioner's or DLI's authority. Notwithstanding the Commissioner or DLI's rights or claims arising under the MCLSA, violations leading to notification and cure under section IV, G during the Term will not serve as the basis for MCLSA liability or MCLSA penalties, provided Smithfield complies with the requirements of section IV. Nothing in this Consent Order shall relieve Smithfield of its obligations to comply with all applicable Minnesota and federal laws and regulations.
- E. Scope of the Consent Order.** The terms of this Consent Order apply to Smithfield's facility, business operations, and employees located at 820 11th Street North, St. James, Minnesota 56081. The terms of this Consent Order also apply to any facilities opened or acquired by Smithfield in Minnesota after the Effective Date of this Consent Order. Smithfield represents that it currently only employs individuals in Minnesota to work at the facility in St. James, Minnesota.

IV. COMPLIANCE AND REPORTING

- A. Compliance Coordinator and DLI Liaison.** Within sixty (60) days of the Effective Date, Smithfield agrees to designate an individual or group of individuals, which may consist of Smithfield internal employees and/or consultants, as a compliance coordinator throughout the Term of this Consent Order, including at least one person who will serve as the liaison with DLI. One of Smithfield's in-house attorneys may function as this liaison. Smithfield shall identify this liaison to DLI within ten (10) days of the designation. The compliance coordinator shall have knowledge and practical experience in human resources practices. The compliance coordinator shall assist Smithfield with adopting, modifying, or revising its policies, practices, and procedures related to child labor; provide training to Smithfield employees and management regarding the prevention of child labor; and provide reports on Smithfield's compliance, all of which is further detailed in this Consent Order.
- B. Compliance with the MCLSA.** Smithfield's St. James' officers, agents, managers (including any and all employees with supervisory authority), employees, and persons acting on behalf of its interest shall not violate the MCLSA.
- C. Contractor Compliance with the MCLSA.** Smithfield shall contractually require its labor staffing agencies and sanitation contractors at the St. James facility to comply with all federal, state and local laws. Smithfield's St. James facility will in good faith attempt to negotiate a provision in its contracts (or use an addendum thereto) requiring its labor staffing agencies and sanitation contractors to comply with the MCLSA as a condition of their contract(s) with Smithfield that were executed before the Effective Date. If after 60 days Smithfield is unsuccessful in negotiating the inclusion of a MCLSA compliance provision in a contract with a particular labor staffing agency or sanitation contractor, Smithfield shall notify DLI of the names and addresses of those labor staffing agencies and/or sanitation contractors. For all contracts with labor staffing agencies and sanitation contractors that are executed on or after the Effective Date, Smithfield shall ensure that such contracts include a provision or addendum thereto requiring the labor staffing agency or sanitation contractor to comply with the MCLSA. Violations of the MCLSA committed by Smithfield's labor staffing agencies or sanitation contractors at the St. James facility leading to notification and cure under section IV, G during the Term will not serve as the basis for MCLSA liability or MCLSA penalties for Smithfield during the Term.
- D. Policies, Practices, and Procedures.** Smithfield agrees as follows:
1. Smithfield shall ensure that all policies, practices, and procedures addressed in this Consent Order are written or communicated to employees in language that is accessible to and understandable by employees of all levels of experience, literacy, and education and are made available in English, Spanish, and any additional language upon an employee's request at its St. James facility.
 2. Smithfield shall maintain and implement a workplace policy at its St. James facility that expressly addresses Smithfield's prohibition against child labor and Smithfield's compliance with the MCLSA. This policy shall include information on the

requirements of the MCLSA and the prohibitions against retaliation described in paragraph I of this section. The policy must also state that Smithfield encourages its employees to raise concerns and make reports of actual or suspected minor children working at Smithfield's St. James facility and that employees can raise these concerns without fear of retaliation. The policy must state that salaried managerial employees must conduct visual screenings of employees and those salaried managerial employees must report any actual or suspected minor children. The policy must identify by name, title, and contact information, the designated compliance official as well as any other managerial employees to whom employees can make such reports. The workplace policy shall be provided to all current and new Smithfield employees for the term of the Consent Order. Separately, Smithfield agrees to instruct to all third-party workers who provide security services at the St. James facility (who due to their role have the unique ability to watch employees arrive and leave the premises), to report actual or suspected minor children working for Smithfield's St. James facility, without fear of retaliation.

3. Smithfield shall maintain a workplace policy that ensures Smithfield's employees who are involved with hiring and the on-boarding and orientation of new employees are able to communicate with prospective employees in the language that the new or prospective employee prefers. This communication can be accomplished by Smithfield utilizing employees involved with these processes, such as its human resources staff, who can fluently speak languages other than English, or by having a resource in place that can facilitate such communication such as an interpreter or language line. Smithfield represents that it uses The Language Line for such purposes.
4. Smithfield shall maintain policies, practices, and procedures relating to compliance with the MCLSA, including in hiring and in conducting investigations of possible child labor violations at Smithfield. In instances in which a Smithfield official, compliance specialist, or employee has concerns about potential violations of the MCLSA at Smithfield, all available information will be considered to address the concerns, including but not limited to a form I-9, a copy of a state issued identification card or driver's license, or a copy of a birth certificate. Receipt and review of the forms I-9 and copies of documents presented at the time of completion of the forms I-9 alone shall not be sufficient to continue employment of an individual in violation of the MCLSA if Smithfield obtains credible information that the I-9 documentation is false or does not relate to the individual.
5. Smithfield shall maintain a workplace policy related to accountability for violations that makes clear that Smithfield will impose discipline on salaried managerial employees who fail to report reasonably credible violations of the MCLSA. The policy must also specify appropriate levels of discipline, up to and including termination or suspension, for salaried managerial employees who may be responsible for or otherwise fail to report child labor violations.

E. Training. Smithfield agrees to provide training as follows:

1. Smithfield shall ensure that all training addressed in this Consent Order is accessible to and understandable by workers of all levels of experience, literacy, and education. Smithfield will also ensure that each of the training materials (including video and audio materials) addressed in this Consent Order are made available in English and Spanish, and any additional language used predominantly (more than 50%) by the employees at its St. James facility.
2. Smithfield shall ensure that all Smithfield employees at the St. James facility who: (a) are salaried managerial employees at Smithfield's St. James facility, (b) are involved with hiring new employees, including but not limited to assisting with and processing new employees' forms and paperwork, or (c) provide training to new employees (including newly transferred employees from another location), receive training about child labor laws. This training must, at a minimum, address the MCLSA and how to recognize, respond to, and report actual or suspected minor children. Smithfield shall ensure that such training is provided within thirty (30) days of the Effective Date. For any employees required to receive such a training who are hired after this initial training occurs, Smithfield shall ensure such employees receive the training within thirty (30) days of their hire during the Term. Smithfield will provide separate training to salaried managers and employees involved in hiring new employees at the St. James facility that provides tools for recognizing when an applicant or employee may be under the age of 18 years old and therefore not eligible for employment at the St. James facility.

F. Reporting. For the Term of this Consent Order, Smithfield agrees as follows:

1. The compliance coordinator(s) will track policy changes, training (including attendees at training sessions), posting requirements and any other compliance activities required by this Consent Order. The DLI liaison will provide DLI with a report that contains proof that the training, policy modifications and other compliance items have taken place. To the extent such information was not already reported to DLI under section IV, G, this report shall also include information on any minors identified (including their name and contact information) that were employed to perform work at the St. James facility during the Term, and what actions Smithfield took to address such violations of the MCLSA, such as terminating employees. Such reports will be made twice during the Term, with the first report being provided to DLI during the first six months of the Term and the second report being provided to DLI during the second six months of the Term.
2. Smithfield will retain a third-party consultant who will make one on-site visit to the St. James facility during the Term of the Consent Order. During the on-site visit, the consultant will conduct interviews of HR staff and salaried managerial employees to assess their understanding of child labor laws and how the plant is working to prevent the employment of underage workers, and interview hourly workers selected on a random basis to ask them questions about the company's policies on underage workers and whether they have any information about underage workers at the plant. The consultant shall immediately report to Smithfield any concerns regarding noncompliance with the MCLSA and this Consent Order for appropriate remedial action. The third-party consultant will draft a written summary of the activities they

have undertaken and the results of the plant visit and Smithfield will provide this summary to DLI, as well as a description of any remedial action taken.

3. DLI will designate a point of contact within its Department for Smithfield's compliance-related communications.

G. Smithfield's Notification to DLI and Cure Period. DLI agrees that during the Term of this Consent Order, Smithfield shall have ten (10) days to cure any alleged violations of the MCLSA either identified by DLI directly or identified by Smithfield. Smithfield shall notify DLI of the name and date of birth provided to Smithfield by each alleged minor and the steps taken by Smithfield to cure the alleged violation within ten (10) days of discovering the alleged violation. In the event Smithfield cures such an alleged violation and reports the alleged violation to DLI within ten (10) days, that violation alone shall not serve as the basis for any action for allegedly violating this Consent Order or as the basis for MCLSA liability or MCLSA penalties, provided Smithfield complies with this section.

H. DLI's Notification to Smithfield. For the Term of this Consent Order, DLI agrees to notify Smithfield in writing of any individuals DLI identifies who: (a) were employed by Smithfield in violation of the MCLSA during the Audit Period, (b) were believed to be a current employee of Smithfield based on their employment status as of the last day of the Audit Period (April 13, 2023), and (c) are still under the age of 18 at the time they are identified by DLI. If that individual is still a current employee of Smithfield at the time DLI notifies Smithfield, Smithfield shall have ten (10) days to cure the alleged violation of which it is notified by DLI under this paragraph, without MCLSA penalty before DLI proceeds with any action for alleged violation of this Consent Order. If Smithfield cures any such violation, that violation shall not serve as the basis for any action for allegedly violating this Consent Order or as the basis for MCLSA liability or MCLSA penalties for Smithfield.

I. Retaliation Prohibited. For the Term of the Consent Order, Smithfield agrees that it and its officers, agents, managers, employees, and all persons acting on its behalf and interest shall not take any retaliatory action against any Smithfield employee because that employee has in the past or during the Term of this Consent Order engaged in activity protected by the Minnesota Whistleblower Act ("MWA"), Minn. Stat. § 181.932, and 2024 Minn. Laws ch. 110, Art. 2, § 16 (adding Minn. Stat. § 181A.12, subd. 5).

J. Posting. Within sixty (60) days of the Effective Date, Smithfield agrees to post certain documents related to child labor laws and this Consent Order in the St. James facility as follows:

1. **Posting the Consent Order.** Smithfield shall post this Consent Order at its St. James, MN location in the place(s) where employee notices are customarily posted. Smithfield shall arrange to have this Consent Order translated into Spanish and shall also post the Spanish-translated version of this Consent Order in the place(s) where employee notices are customarily posted at its St. James, MN location. Both versions of this

Consent Order shall remain posted for a period of not less than sixty (60) days. Smithfield shall provide confirmation that this Consent Order has been posted to DLI within ten (10) days of its posting.

2. **Posting information related to child labor laws and prohibitions against retaliation.** For the Term of this Consent Order, Smithfield shall post notices at its St. James facility in both English and Spanish with information on (a) Minnesota's child labor laws, (b) the retaliation prohibitions referenced in paragraph I of this section, and (c) the designated compliance official or other manager (including their name, title, and contact information) to whom individuals can report concerns of possible child labor violations at the place(s) where employee notices are customarily posted at its St. James, Minnesota location. Smithfield shall provide confirmation that these notices have been posted in the St. James facility to DLI within ten (10) days of their posting.
 3. **Posting notices related to hazardous occupations.** For the Term of this Consent Order, Smithfield shall post conspicuous notices in both English and Spanish outside of each of the rooms or areas where employees are engaged in hazardous occupations at its St. James, MN location, that explain that individuals under the age of 18 are not permitted to work in the area. Smithfield shall provide confirmation that these notices have been posted to DLI within ten (10) days of their posting.
- K. Records.** Smithfield shall make, keep, and preserve records as required by law and this Consent Order, and shall make such records available to DLI within 72 hours of DLI's written request.

V. INDUSTRY OUTREACH

Smithfield agrees to conduct industry outreach at one meat processing and/or food-processing industry event during the Term of this Consent Order of its choosing, for the purpose of engaging with other employers to inform them about child labor laws and best practices for employer compliance. This outreach will be conducted by a Smithfield employee or group of employees. This outreach will include a training provided by Smithfield on best practices regarding reducing child labor violations in the food processing industry and will last a minimum of 30 minutes. Within thirty (30) days after the outreach event, Smithfield will report to DLI on where and when the outreach occurred and the content of the training.

VI. ADMINISTRATIVE PENALTY, FEES, AND COSTS

- A. Administrative Penalty.** DLI has the authority to resolve matters brought pursuant to the MCLSA, which includes compliance orders and penalties issued pursuant to Minn. Stat. §§ 181A.08 and 181A.12. Although Smithfield does not admit liability, the Parties agree that in order to resolve the Amended Compliance Order and DLI's Investigation, and in order to avoid the burdens and expenses of continued litigation, Smithfield will pay an administrative penalty to DLI as follows:

1. Smithfield agrees to pay \$2,000,000.00 within 30 days of the Effective Date of this Consent Order. Smithfield will make the payment payable to "Minnesota Department of Labor and Industry" and deliver payment or mail the payment to:

Department of Labor and Industry
Division of Labor Standards
Attn: Labor Standards & Prairie Bly
443 Lafayette Road N.
St. Paul, MN 55155

- B. Fees and Costs.** The Parties agree that, with the exception of the administrative penalty described above in this Consent Order, the Parties are not entitled to and will not seek from any court monetary relief or compensation, including damages or other fees, costs, expenses, or disbursements in connection with (1) the Amended Compliance Order, and (2) DLI's Investigation for the Audit Period; and that the Parties are responsible for their own fees, costs, and expenses.

VII. JUDICIAL RELIEF

- A. If the Commissioner or DLI reasonably believes that Smithfield has not complied with the requirements of this Consent Order, subject to the Notice and Cure provisions the Commissioner or DLI shall notify Smithfield in writing of its noncompliance setting forth in specificity the issues that are not in compliance. Smithfield will have 21 calendar days after receipt of the notice to respond in writing, setting forth Smithfield's position on the notice of noncompliance. The parties will meet and confer to resolve the issue in good faith to discuss what is in dispute, and the information Smithfield is relying on to support its position. The parties agree, however, that they may not litigate the alleged violations underlying the Amended Compliance Order. If the parties are not able to reach a resolution of the dispute and the Commissioner or DLI still believe that Smithfield has not complied with this Consent Order, the Commissioner or DLI may request relief from a court as described in more detail below.
- B. The Parties to this Consent Order may request relief from a court if issues arise concerning compliance with this Consent Order that cannot be resolved through the process described above in section VII.A, including if Smithfield reasonably believes that the Commissioner or DLI has not complied with the requirements of this Consent Order. The Commissioner or Smithfield may apply to a court for any orders or other relief necessary to construe or effectuate this Consent Order or seek informal conferences for direction as may be appropriate only after the process described above in Section VII.A has failed to resolve the issue.
- C. If Smithfield fails to comply with this Consent Order, and after following the meet and confer process described above in section VII.A, the Commissioner may bring an action in District Court to enforce or require compliance with this Consent Order without further

notice or additional proceedings. The Commissioner may file and enforce any unpaid portion of the penalty as a judgment in district court without further notice or additional proceedings. *See* Minn. Stat. § 16D.17. Additionally, interest shall accrue on and be added to the unpaid balance from the date this Order is signed until it is paid at an annual rate computed in accordance with Minn. Stat. § 549.09.

VIII. VACATION OF COMPLIANCE ORDER

Based upon the above sections, the Commissioner vacates the Amended Compliance Order.

IX. GENERAL TERMS

- A. **Government Data.** Pursuant to the Minnesota Government Data Practices Act, this Consent Order is classified as public data upon its issuance by the Commissioner. All documents in the record shall maintain the data classification to which they are entitled pursuant to the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13. The documents shall not, to the extent they are not already public documents, become public merely because they are referenced herein.
- B. **Voluntary Agreement.** The Parties acknowledge that no person has exerted undue pressure on them to sign this Consent Order. Each party is voluntarily choosing to enter into this Consent Order after arm's length negotiations. The Parties acknowledge that they have read and understand the terms of this Consent Order, that they have been represented by legal counsel and that they are voluntarily entering into this Consent Order to resolve the dispute among them.
- C. **Severability.** The provisions of this Consent Order will be severable, and should any provisions be declared by a court of competent jurisdiction to be unenforceable, the remaining provisions of this Consent Order will remain in full force and effect.
- D. **Entire Agreement.** This Consent Order constitutes the entire agreement between the Parties relating to: (1) DLI's Investigation for the Audit Period; (2) DLI's Amended Compliance Order; and (3) the outcome of violations leading to notification and cure during the Term of this Consent Order which will not serve as the basis of MCLSA liability or MCLSA penalties, provided Smithfield complies with section IV. No party has relied upon any promises or representations that are not stated in this document. No changes to this Consent Order are valid unless they are in writing, identified as an amendment to this Consent Order, and signed by all parties. There are no inducements leading to the execution of this Consent Order except as herein explicitly contained.
- E. **Warranty.** The persons signing this Consent Order warrant that they have full authority to enter into this Consent Order on behalf of the party each represents, and that this Consent Order is valid and enforceable as to that party.

- F. **Governing Law.** This Consent Order shall be construed and interpreted in accordance with the laws of the State of Minnesota.
- G. **Successor Liability.** The terms of this Consent Order will be binding upon Smithfield, its officers, directors, agents, managers, representatives, employees, and any present and future successors and assigns.
- H. **Counterparts.** This Consent Order may be executed in multiple counterparts, which shall be construed together as if one instrument. Any party is entitled to rely on an electronic or facsimile copy of a signature as if it were an original.
- I. **Service.** A copy of this Consent Order shall be served by regular first-class mail and first-class certified mail upon Smithfield at the addresses listed above.

Smithfield Packaged Meats Corp.

Minnesota Department of Labor and Industry

By: Douglas Sutton
 Douglas Sutton
 Its Vice President

By: Nicole Blissenbach
 Nicole Blissenbach, Commissioner

Dated: 11-11-24

Dated: 11-13-24

Upon consideration of the forgoing Consent Order and based upon all the facts, records and proceedings herein, the Commissioner makes the following:

ORDER

NOW THEREFORE, IT IS HEREBY ORDERED that all terms of the Consent Order are approved and adopted.

Dated: 11-13-24

NICOLE BLISSENBACH
 Commissioner

BY: Nicole Blissenbach
 Nicole Blissenbach, Commissioner
 Minnesota Department of Labor and Industry

