

Tyson Foods Sustainability Assessment

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Schulich School of Business

Nandhu Krishna



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Company Overview

Tyson Foods Inc. is an American multinational food corporation based in Springdale, Arkansas. Established in 1935 by John W. Tyson, the company has grown to be the world's largest poultry producer and the second-largest beef producer worldwide. As a publicly-traded company listed on the New York Stock Exchange and a member of the S&P 500, Tyson Foods is the third-largest processing and marketing company globally and the second-largest in the United States, with 42,000 employees and \$37 billion in revenue as of 2018. With a broad portfolio of brands spanning chicken, beef, pork, prepared foods, and more, Tyson Foods is one of the world's largest food companies. The company works to meet the nutritional needs of consumers worldwide, providing a range of products to meet different dietary requirements and healthy lifestyles, including gluten-free, low-fat, and all-natural sources. Additionally, Tyson Foods is committed to helping people make healthy choices in their everyday lives and promoting nutrition education to the public, with its CORE Nation initiative offering a range of resources to help people learn about and make sound nutrition decisions—social /environmental issues.

Scale and Scope

\$36.3B
Total Assets

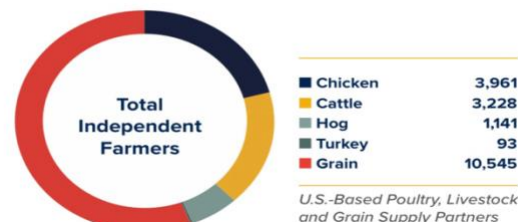
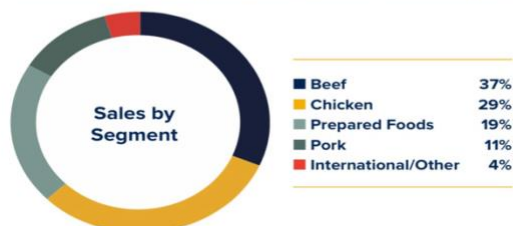
\$47B
FY2021 Sales

\$114M
R&D Spend

137k
Employees

140
Countries*

* Reflected in product sales, with major markets including Australia, Canada, Central America, Chile, China, the European Union, Japan, Malaysia, Mexico, the Middle East, South Korea, Taiwan, Thailand and the United Kingdom.



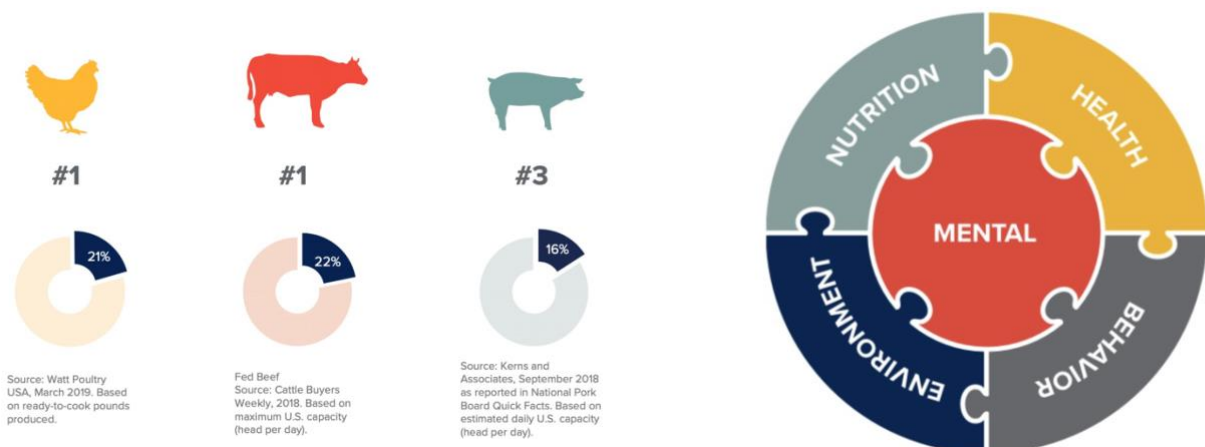
Identify three relevant sustainability issues and why these issues stand against the interests of the society

- 1. Animal Welfare:** Tyson Foods has been subject to public and regulatory criticism due to concerns about animal welfare in its supply chain. The company has been accused of animal cruelty in their factory farms and slaughterhouses and of hiring undocumented migrant workers, who are more willing to work in substandard conditions.
- 2. Climate Change:** Tyson Foods needs to take adequate steps to reduce its carbon emissions, leading to adverse environmental impacts from air, water and land pollution. This issue is relevant in both contemporary and future societies and their well-being.
- 3. Waste Reduction:** Tyson Foods has been criticized for the lack of waste reduction and recycling efforts, leading to higher pollution levels, waste and land degradation. It also causes soil degradation from constant soil abuse due to incorrect and non-systematic waste management.



What are the top negative externalities that is associated with Tyson Foods?

1. Environmental impacts from agricultural practices include water pollution, air pollution, deforestation and climate change. The deleterious contribution of Tyson foods toward greenhouse gas emissions is very high. According to its sustainability reports, the firm has only started to own up to its mistakes and set a course of action as late as 2021. The firm was also coined the number one water polluter among food and agricultural companies.
2. Animal welfare concerns regarding the treatment of poultry and livestock in factory farms. Cattle rearing and poultry are deemed to be the backbone of the company. This can also be linked to overall GHG emissions, as beef – one of its essential products accounts for the maximum GHG emission in the protein sector. This issue called for sustainable livestock production practices and improved targeted GHG calculation methods for better monitoring and strategy planning. The firm also is in second place for its GHG emission in the meat industry.
3. Disruption of local communities due to the presence of factory farms and the concentration of economic power in the hands of large corporations. Alongside the socio-ecological issues, being such a massive company with direct ties to the industry monopoly, the staggering power difference creates an imbalance in society. Pricing and availability of products end up entirely at the company's discretion.



Into what category does the externalities fall in and how are they relevant to Tyson?

The company faces multiple ethical, moral and humanitarian issues that directly or indirectly affect various walks of life. The globally concerning issues are predominantly ecological and social, as many of their business decisions affect the environment and its finite resources. Along with exploiting natural resources, the food industry has to be held accountable for constantly polluting available resources. This ecological issue takes a turn of branching out as a social issue as it impacts not only everyday human life but also raises concerning questions on the future. They exist in a constant state of causing problems. The fact that Tyson foods has a strong hold in the food industry monopoly and can control prices, and cause an over or under-stock of products, seems disturbing and raises a socioeconomic issue where fair pricing and availability are jeopardized.

This statement gains extreme importance as food is one of the most basic necessities for sustaining life. Maleficent practices in the food industry, of both, what goes into the making and how raw materials are sourced, are equally harmful to humans and the environment. Alongside causing immediate harm to society and its consumers in the current setting, its activities also pose threats to future generations as well as the ecosystem. The industry is directly linked to most of the big-scale problems these days, like climate change, GHG emissions, pollution and soil erosion etc.

Sustainability ⓘ

ESG Risk Rating Assessment



ESG Risk Rating



Highest Controversy Level (1 = Low, 5 = Severe)



Incidents: Customer

Top 3 Material ESG Issues

Business Ethics
Overall

Carbon
Own Operations

Human Capital
Overall

As per the Tyson Foods' 2021 sustainability report that laid out the company's aspirations for the future, it states that the company already initiated the process to establish and implement some futuristic goals prioritizing on Environmental, Social, and Governance aspects.

Tyson Foods Inc is primarily focusing on two goals, one being the building and streamlining of the food system that benefits all people along with sustaining our planet. While Tyson Foods is facing severe backlashes from certain environmental /social activists for their lack of necessary actions to ensure sustainability, company's 2021 report points out that a few major measures have been taken and implemented to curb the social and ecological issues. Some of them include rewarding their employees with increase in wages, protecting human rights, sustainable product packaging, ensuring animal welfare, quality food production etc. The report points out that Tyson foods is underlining the climatic impacts and how these effects can be restrained by bringing in net zero greenhouse emissions programs.

Purpose of Reporting

Tyson foods' sustainability report does not look convincing as it provides many misleading information to the consumers, employees, stakeholders, community, government, and media. The report shows that a lot of measures have been taken and implemented to work on sustainability. However, they seem to be trying to blindside the concerned parties and overlook the seriousness of the sustainability issues.

The phenomenon of providing misleading information to affected parties is known as 'Greenwashing'. The article published by Amanda Wax-man points out that Tyson foods resorts to 'Greenwashing' and gives false assurances to everyone. Tyson Foods continues to pollute the environment by emitting tons of pollutants and waste. So€ basically their 'action' on sustainability can be seen only on their websites and sustainability reports. The actual corporate responsibility is not being fulfilled despite the constant pressure from the concerned parties.

Animal abuse is one of the key issues that Tyson foods needs to address. Since many years, they have been called out to address and acknowledge this issue due to the extreme ill treatment on animals in their facilities. The chickens are bred in a way to make them unusually huge and that results in their immobility and the general

health of those helpless birds. Tyson foods' farming method is one of the worst as their focus is only on business and profitability. Tyson foods is well enough to bring some measures to fix their issues. For instance, they can introduce Better Chicken Commitment (BBC). But the company has still not understood the relevance of these kinds of measures and programs. The animals are hung upside down and get thrown to the slaughter line at high speed for their massive meat production.

The sustainability report of Tyson shows that they have committed \$1 million to ensure legal, education, training access to team members in addition to their donation of millions on food supply to pantries, community organizations etc. But the organization needs to understand that there are other pivotal issues to focus on. Tyson Foods is risking the future of the next generations while making huge profits in the present.

Metrics and Performances

Tyson foods reporting and their actual performance results in disparity. The reports on the company's website show a lot of measures and steps that they promise to undertake in the present and future. However, most of these remain as mere promises. Tyson foods choose to report only their improvements on certain aspects while skipping on the other major sustainability issues.

Tyson foods stress on their sustainability packaging, product innovations, and community investment. There has been not much emphasis on issues like environmental pollution, climatic change, climatic change, and waste reduction. To take a proper measure and draw comparisons on the company's sustainability performance, there must be a concrete and more detailed explanation on their website. In the case of Tyson foods, they have not provided proper information that would have helped customers, employees, stakeholders, government, community, media to understand the company's actual take on sustainability on the issues of waste reduction, animal welfare, and climatic impacts. Among agricultural companies, Tyson foods has been placed number one for being the water polluter and number two for being the greenhouse gas emitter in the meat industry. Their current farming practice worsens the soil erosion and water pollution.

So basically Tyson foods has been trying to build a reputation for something they have not really worked on. Lack of providing the right information on sustainability report by Tyson foods reduces the transparency of its overall functioning.

Target/Future Commitment and Progress

Instead of being genuine and transparent in their sustainability reports, it looks like Tyson Foods views sustainability reporting more of a marketing and pleasing strategy. After being pressurized by the shareholders, Tyson foods brought in a sustainability pledge primarily focusing on three dimensions of social, environmental, and economic in a very holistic approach committing to achieve zero emissions by 2050. As the first step to this holistic approach, Tyson foods was supposed to work with crop suppliers in 2020 to apply better practices that can control soil erosion and water runoff. However, this step was never taken and now we are in 2023.

LEGITIMACY

As far as legitimacy is concerned, it is very poor for Tyson foods. Clearly, there has not been much external interference to check on the sustainability measures that were promised to be undertaken by Tyson foods. The Union of Concerned Scientists (UCS) states in their report that Tyson has not progressed beyond 5% in terms of feed footprint.

Tyson foods continue to use the greenwashing strategy through their sustainability reports. The company's net zero pledge exists for their marketing and to appease the concerned parties for the time being. Now that we are aware of the greenwashing strategy and false claims of Tyson foods, as customers we have the choice to choose the right company that follows the sustainability policies and measures. If anything good that can be highlighted for Tyson foods is that they are member of United Nations Global compact and portrays that they comply with sustainable goals for further development.

INSTITUTIONAL FORCES

Why the industry finds it difficult to adopt more progressive sustainability strategies. Cognitive, normative, regulatory forces that explain why companies resort to denial, defense, or isolated strategy. How their chosen company contributes to these forces.

DEFENSE STRATEGY

NORMATIVE INSTITUTIONAL FORCE

Tyson foods has resorted to the normative institutional force. Under the normative, companies mostly perform due to peer pressure and to maintain a social stature in the industry. Tyson foods really does not seem to be enthusiastically supporting or cooperating with any sustainability process. However, they know they are compelled to comply with some part of sustainability process. Top companies are under constant monitoring by the community, government, environmentalists, activists etc. Under such a surveillance, Tyson foods like many other companies is also being forced to 'act' for sustainability. As such there is no legal obligation for companies to abide by the sustainability process. However, they conform to sustainability to a certain extent to avoid any kind of damage to their reputation. Tyson foods' major goal is to multiply their business revenue through massive and continuous production. If Tyson foods come under scanner for not fulfilling their social and ecological responsibilities, they can be at risk of losing their consumers, stakeholders, and their business partners.

No major sustainability issue in the past or present should go unnoticed. Tyson foods came under radar in 2016 when they were observed as one of the major companies who was responsible for polluting the water bodies. It really does not matter how much Tyson foods 'assure' to commit to conservations and pledge themselves in sustainability programs. Tyson has been continuously cheating the community by falsely giving assurances regarding sustainability. Tyson has once got penalized legally for their price fixing. But they have not really progressed any further from that point.

Tyson foods became a member of United Nations Global compact due to their normative institutional force. Tyson foods has stated in their sustainability report that by 2050, they aim to achieve a net zero greenhouse emission. After constant

pressure internally and externally, Tyson foods had to come up with sustainability measures to be implemented in the short and long term.

Tyson foods has adopted a defense strategy. Tyson foods does not have sustainability as its primary strength or focus now. However, they have made some efforts to establish philanthropy through donations and investments to cover up their lack of sustainability progress as evident from their sustainability reports. These philanthropy steps do not substitute for the actual sustainability.

A company like Tyson foods operate on millions of acres of farmland and they have a moral accountability to preserve the soil and water along with understanding the climatic impacts. There is immense pressure from Tyson's shareholders to maintain sustainability. In April 2022, Tyson foods made an announcement that their six plants have worked intensely to reduce waste land to landfills.

Summary

Based on Tyson Foods' sustainability commitments and initiatives, it is clear that the company is using a defense strategy for sustainability. By setting goals and targets, investing in sustainable technologies, and establishing a Sustainability Steering Committee, Tyson Foods is taking proactive measures to ensure that it is operating responsibly and sustainably.

The company's four pillars of sustainability, including sustainable food production, sustainable agriculture, responsible workplace, and healthy communities, demonstrate a comprehensive approach to sustainability that is embedded in the company's operations. By working with farmers and suppliers to improve their sustainability practices, Tyson Foods is also taking a collaborative approach to promoting sustainability across its supply chain.

Overall, Tyson Foods' sustainability initiatives are evidence of its commitment to being a responsible and sustainable company. By using a defense strategy for sustainability, Tyson Foods is taking proactive measures to mitigate risks and protect its long-term viability, while also contributing to a more sustainable future for the planet.

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