



# Tyson



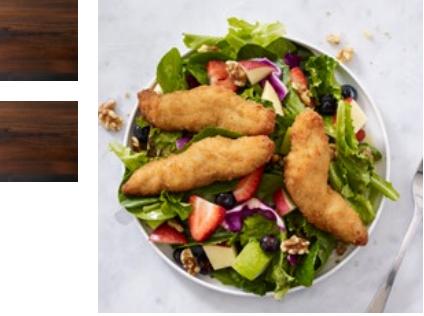
**2020 Progress Report**



# Our New Approach to Sustainability Reporting



The FY2020 reporting cycle provides an opportunity for us to evolve our sustainability reporting practices in order to better meet the information needs of our stakeholders. This Progress Report provides a recap of our FY2020 performance and most important achievements during the year. The Progress Report is complemented by a new online [Environmental, Social and Governance \(ESG\) Hub](#) that provides resources on all of our sustainability initiatives, including background information on key topics, ESG-related policies and an ESG data center. Indices for the Global Reporting Initiative, the Sustainability Accounting Standards Board, the UN Global Compact and the UN Sustainable Development Goals also are available, as well as a digital version of this Progress Report.



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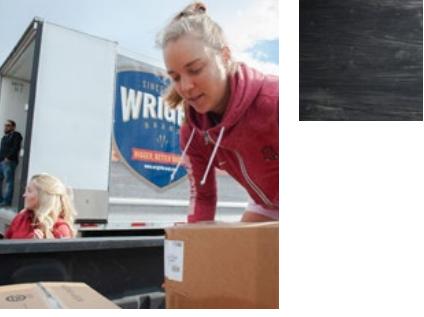
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Given the COVID-19 global pandemic, and in the interest of worker safety, some of the pictures used in this report were taken prior to the pandemic.



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## At Tyson Foods, we embrace big challenges.

Throughout our history, we have always found innovative and creative ways to feed people responsibly, and we're on a journey to find new ways to do so in the future.

With a population that is estimated to grow by an additional 2 billion in 30 years, the world today is more complex than ever, and we are committed to helping build a food system that supports all people and sustains our planet. The challenge is more than just “doing more of the same”—we must do better in thinking differently about how we solve the most complex problems. Through our *Formula*, we will bring together a diverse set of expertise and the scalable resources needed to take on the difficult dilemmas facing our world in the 21st century—and beyond.

Today we supply more than protein to feed our growing world. We also help supply solutions to the pressing food problems of tomorrow. In the process, we hope to raise the world’s expectations for how much good food can do.



# A Message

## From Our President and CEO

Our purpose is to raise the world's expectations for how much good food can do, and we're using our ingenuity and scale to responsibly feed the growing global population.

We're proud to introduce our updated purpose-driven sustainability strategy and three major pillars in this report—1) **empowering people, customers and communities**; 2) **conserving natural resources and protecting our planet**; and 3) **innovating for smart, responsible agriculture**. I'm inspired by the considerable progress we've made in these areas, including, but not limited to, the examples below.

## Awards & Recognition

**#2 (tied) for Religious Inclusion—Corporate Religious Equity, Diversity & Inclusion Index (REDI)**

**"Winning" Company for Gender Diverse Board Women on Boards**

**2020 Clean Water Award**  
**U.S. Poultry & Egg Association**

**#1 Food Production**  
**World's Most Admired Companies, Fortune**

**#4 America's Most Responsible Companies in 2021, Newsweek.** We moved 129 positions in this annual ranking and also ranked #4 in the Consumer Goods category in 2021 compared to #19 last year.

### Empowering People, Customers and Communities

We reached our five-year goal of giving \$50 million in cash and food donations by 2020 to alleviate hunger and help our communities thrive in 2019. The following year, with food insecurity increasing due to the pandemic, we donated an additional 31 million pounds valued at \$65 million—enough to provide 124 million meals.

### Conserving Natural Resources and Protecting Our Planet

We're focused on reducing greenhouse gas emissions and set a new ambition to achieve net zero greenhouse gas emissions across our global operations and supply chain by 2050. We also recently established contextual water targets to better understand water usage around priority facilities and communities—and reduced our water usage by almost 8% since 2015.

### Innovating Smart, Responsible Agriculture

We're working with Where Food Comes From to verify sustainable practices on five million acres of cattle grazing land through their BeefCARE™ program. This is the largest U.S. beef transparency program using measurable environmental protection standards and scientifically proven regenerative practices.

These achievements are just a few examples of our team members' incredible work this past year. In a year unlike any before, I deeply appreciate how they safely worked together to produce sustainable, affordable protein for millions of people.

Our talented teams will help us continue to grow and deliver the high-quality food our customers and consumers expect from us. We'll reach this goal through the determination, hard work and creativity we've drawn on throughout our 86-year history.

We look forward to continuing this momentum with our growers, farmers and ranchers, suppliers and team members to positively impact the world. I'm excited for what's ahead as we work together to become the trusted, first choice for our customers and consumers. ●

A handwritten signature in black ink, appearing to read "Donnie King".

Donnie King  
President and Chief Executive Officer, Tyson Foods

# About Tyson Foods

We are one of the world's largest providers of protein foods.

## Scale and Scope

**\$98 M**

R&D Spend

**\$34.5 B**

Total Assets

**8 Countries &  
5 Continents<sup>1</sup>**

Food Manufacturing Operations

1. This includes Tyson Foods minority joint ventures in Brazil and India.

**\$43.2 B**

FY2020 Revenues

**139,000**

Employees

**145 Countries**

Major sales markets include Australia, Canada, Central America, Chile, China, the European Union, the United Kingdom, Japan, Mexico, Malaysia, the Middle East, South Korea, Taiwan and Thailand



**Chicken**  
**45,000,000**

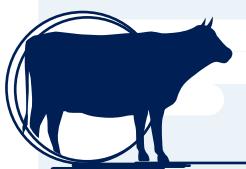
Approximate average head per week capacity



**Prepared Foods**

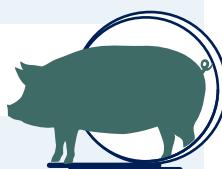
**74,000,000**

Approximate average pounds per week capacity



**Beef**  
**155,000**

Approximate average head per week capacity



**Pork**  
**461,000**

Approximate average head per week capacity



- BEEF
- CHICKEN
- PREPARED FOODS
- PORK
- OTHER

36%  
30%  
20%  
10%  
4%



- RETAIL
- FOODSERVICE
- INTERNATIONAL
- INDUSTRIAL & OTHER

48%  
28%  
14%  
10%



- U.S.
- OUTSIDE OF U.S.

120,000  
19,000



**U.S.-Based Poultry,  
Livestock and Grain  
Supply Partners**

3,890<sup>2</sup>  
3,358  
1,483  
96  
>8,000<sup>3</sup>

2. Total number of chicken supply partners includes Tyson Foods, Legacy Keystone Foods, Tecumsah Poultry.

3. Farmers that sell grain directly to Tyson Foods through our Local Grain Services program.



# A Message

From Our Chief Sustainability Officer



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We know that future success will require collaboration and input from many different stakeholders to create a food system that is both resilient and equitable for all.

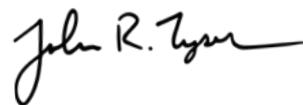
At Tyson Foods, our ambition is to be the most sustainable and transparent food company in the world. We embrace big challenges and are constantly looking for new ways to improve our business in order to continue feeding people responsibly.

2020 was a challenging and unprecedented year, and I'm thankful to all of my colleagues for their hard work and relentless focus to make health and safety a top priority, while delivering safe, nutritious and responsibly produced food to feed the world.

This year, I'm proud to introduce you to our 2020 Progress Report and our new sustainability framework: the "Formula to Feed the Future." We know that future success will require collaboration and input from many different stakeholders to create a food system that is both resilient and equitable for all. The three pillars of our Formula to Feed the Future include empowering people, customers and communities; conserving natural resources and protecting our planet; and innovating for smart, responsible agriculture.

For the first time, our digital Progress Report also includes an ESG Hub that provides a detailed view of all of our sustainability initiatives, including our ESG related policies and ESG Data Center. Through this report and future reports, our intent is to be transparent about our practices, policies and positions, as well as our goals and the progress we are making towards them.

Thank you to our 139,000 Tyson Foods team members, customers, suppliers and other partners whose work helps us to deliver on our goals and commitments. This past year has shown us that we can get through anything together, and I'm optimistic about our shared future to bring nutritious, affordable and accessible protein to the world. ● ● ●



John R. Tyson  
Chief Sustainability Officer  
Tyson Foods

# The Formula to Feed the Future

The Formula to Feed the Future is our framework to help build a food system that supports all people and sustains our planet. There are three primary ambitions:



**Empowering**  
People, Customers  
& Communities



**Conserving**  
Natural Resources &  
Protecting Our Planet



**Innovating**  
Smart, Responsible  
Agriculture

The Formula requires everyone's best thinking in order to tackle the complex problems our world faces today. That's why we're committed to working with a broad range of stakeholders as we all aim to sustainably feed the world.



Our Team  
Members



Shareholders



Farmers &  
Ranchers



Local  
Communities



NGOs



Our Customers  
& Consumers



Our Business  
Operations



Our Supply  
Chain

Our work will focus on a clear set of solutions and priorities:

## People

We're leading a transparent people-first business that values inclusion and equal opportunities, investing in communities, fighting hunger and empowering our team members to bring their best selves to a safe working environment.

### Our Priorities:

- Team Member Health, Safety and Wellbeing
- Equity, Inclusion and Diversity
- Workforce Engagement
- Community Outreach
- Hunger Relief and Food Access

## Natural Resources

We're focused on conserving water, reducing GHG emissions, eliminating manufacturing and food waste, and designing and using packaging that is reusable, recyclable or compostable.

### Our Priorities:

- Water Conservation
- Greenhouse Gas Reduction
- Waste Reduction
- Sustainable Packaging

## Agriculture

We're cultivating a food system that prioritizes agriculture in our global supply chain through land stewardship, animal welfare, education, transparency and traceability.

### Our Priorities:

- Animal Welfare Innovation
- Land Stewardship
- Forest Protection
- Supply Chain Resiliency
- Agriculture Education and Development

# Goals Update

We've set ambitious goals that hold us accountable for meaningful and measurable progress.

Status Key:

● Achieved

● Performing at or above target

● Performing below target

● Encountering significant challenges

GOAL	STATUS	PROGRESS TO DATE
<strong>EMPOWERING PEOPLE, CUSTOMERS AND COMMUNITIES</strong>		
Build a highly engaged team with a 10% increase in retention	●	Recorded a 1% increase in retention from FY2019 to FY2020 as a result of measures to promote a culture of safety and caring
Create a safe workplace by reducing OSHA recordables 10% year-over-year	●	Reduced OSHA recordables 17% from FY2019 to FY2020
Aspire to offer English as a second language and financial literacy training to all employees	●	Upward Academy is currently available to team members in 59 locations, and a virtual version of our financial literacy program was developed in FY20 and will be piloted in 2021
Offer protein and food products that consumers want	●	Launched 355 new products in 2020 and invested \$98 million in R&D
	●	Expanded Raised & Rooted™ plant based protein nuggets to Europe, making Tyson Foods the largest U.S. meat producer to enter the growing alternative protein segment with its own products
Share our products with those who fight hunger and enable food access	●	30+ million pounds of food donated, valued at \$65 million
<strong>CONSERVING NATURAL RESOURCES AND PROTECTING OUR PLANET</strong>		
Reduce greenhouse gases (GHG) 30% by 2030	●	Established road map and working toward achieving Science Based Target initiative (SBTi) approved GHG reduction target
	●	Making progress by setting facility-level energy and emissions targets and investing in a more fuel-efficient fleet
Reduce water intensity 12% by 2020	●	Decreased 7.7% since FY2015 (baseline)
<strong>INNOVATING SMART, RESPONSIBLE AGRICULTURE</strong>		
Be a leader in animal welfare through research, innovation and transparent communication	●	Reported our progress on six key welfare indicators for broiler chickens and cattle & hogs
	●	Completed first Global Welfare Assessment of all poultry, beef and pork supply chains
	●	Earned the Professional Animal Auditor Certification Organization (PAACO®) certification for our FarmCheck® audit program for all poultry across our U.S. vertically integrated supply chain
	●	Conducted innovative research and shared findings on environmental enrichments and lighting for broiler chickens
Increase sustainable land stewardship practices on 2 million acres of row crop corn by 2020	●	Enrolled 408,000 acres of land

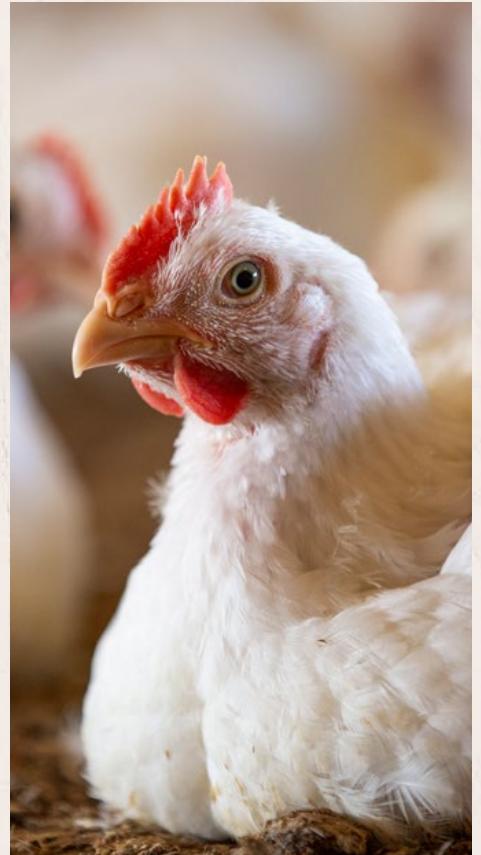
# Our Progress in FY2020



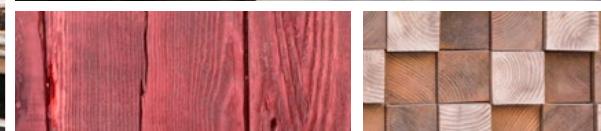
**Empowering  
People, Customers  
and Communities**



**Conserving Natural  
Resources and Protecting  
Our Planet**



**Innovating Smart,  
Responsible Agriculture**



## Empowering People, Customers and Communities

At Tyson Foods, we recognize that our success as a leading protein company is in many ways a testament to our people and relationships. The dedication of our team members, the support of the communities where we live and work and the customers who trust us every day to deliver satisfying and nutritious food to their tables all play a part in our ability to deliver safe, affordable and sustainable food today and for generations to come. We undertake a variety of initiatives to empower these groups for our continued mutual success. This was particularly critical in 2020, a year that saw unprecedented events, from a global pandemic to a heightened and necessary focus on racial injustice and equity.

We support our team members by constantly providing them resources for both personal and professional growth. In particular, we focus on their specific needs through programs addressing English as a second language and providing life skills such as digital and financial literacy, as well as career pathway development programs to support advancement. At the community level, we work closely to address challenges impacting many of the rural areas where Tyson Foods is a critical part of the community, such as increasing access to health care, transportation and nutritious foods. We analyze where our investments can make the most positive change and build programs to meet those needs. Our work to support team members and strengthen communities better positions us to meet the protein needs of our customers through a broad and innovative portfolio of food products. 

## Key Achievements

- 1 Created a chief medical officer position** and plan to add nearly 200 nurses and administrative support personnel to supplement the 400-plus people who are currently part of the company's health services team
- 2 Partnered with Axiom Medical** to help case manage team members and their families affected by the COVID-19 global pandemic by providing health support, access to licensed medical professionals and ongoing education to reduce the spread of illness
- 3 Provided \$300 million in We CARE bonuses** and temporarily increased short-term disability insurance coverage, quarantine pay, guarantee pay and health benefits for team members amidst the COVID-19 global pandemic
- 4 Partnered with Matrix Medical Network®** to ensure the company's U.S. team members are educated about and have access to the COVID-19 vaccines
- 5 Donated \$5 million** to social justice organizations, including Equal Justice Initiative, the National Museum of African American History & Culture, National Urban League, The Executive Leadership Council and Immigrant Connection
- 6 Developed the company's first Human Rights Policy** and signed on to the Department of Transportation's Leaders Against Human Trafficking Pledge as part of our commitment to keep people and communities safe
- 7 Donated nearly \$2 million** to 65 school districts across 60 Tyson Foods plant communities, bringing much-needed resources to teachers and students
- 8 Continued growth of Upward Academy at 59 locations and launched Upward Pathways,** a career pathway program to upskill team members
- 9 Expanded our employee giving platform, Giving Together,** to match donations dollar-for-dollar and to donate \$12 for every volunteer hour logged by team members
- 10 Piloted seven health centers** near company production facilities that will offer team members and their families easier access to high-quality health care
- 11 Recognized by Women on Boards** as a "W" for "Winning" company for our corporate Board's gender diversity, with women representing 25% of membership
- 12 Donated more than 30 million pounds of food**—the most given away on an annual basis in our company's 85-year history
- 13 Expanded our Miles that Matter partnership** with 19 new chapters nationwide to total 44 chapters
- 14 Added 12 new pantries** to our Community Pantry program

# FY2020 Progress

Our Goals	What We Accomplished
 Reduce OSHA recordables by 10% year-over-year	17% reduction in total recordable incident rate
 Build a highly engaged team with a 10% increase in retention	1% increase in retention rate from FY2019
 Aspire to offer English as a second language and financial literacy training to all team members	59 plants offering ESL, financial literacy and citizenship classes
 Provide \$50 million in cash or in-kind donations to fight hunger by 2020	30+ Million pounds of food donated, totaling 124 million meals, valued at \$65 million
 Offer the protein and food products that consumers want	\$98 Million invested in R&D 355 new products launched



## Supporting Our Team During COVID-19

**In 2020, we supported our team members in new ways, particularly our frontline workers, given the hardship the pandemic brought to many people and communities.** Early in the year, we formed a Coronavirus Taskforce, which, among many actions, implemented numerous safety measures to protect workers and maintain a safe workplace, building upon our existing safety protocols. In 2020, we provided \$300 million in WE CARE bonuses and temporarily increased short-term disability, insurance coverage,

quarantine pay, guarantee pay and health benefits for frontline team members amidst the COVID-19 global pandemic. Knowing the pandemic affected team members on a personal level, we expanded our Helping Hands program to assist with some of the unexpected costs they've incurred along the way. These include medical expenses, rent, food, essential utilities and clothing—totaling over \$6 million in direct financial support.

Another way team members have used Helping Hands funding is for childcare—an area Tyson Foods identified as an immediate need early on. Plant management has worked with team members to arrange or change their shifts and even adjust their roles, if necessary, in order to allow them to care for their children.



To further support our team and their communities, we started a COVID-19 Rapid Response Fund and donated more than \$1 million to nonprofit partners in communities where Tyson Foods has operations. 

## Giving Away More Protein Than Ever Before

To directly fight hunger during a year like no other, we stepped up our efforts and gave away more food in a year than ever before in our company's 85-year history. This amounted to more than 30 million pounds, equal to 124 million meals. Valued at \$65 million, approximately 885 truckloads were required to deliver this product. To put it in perspective, if placed bumper-to-bumper, the line of trucks would stretch almost 15 miles. Nonprofits and community organizations are invaluable partners in our hunger relief work, and we expanded many of these relationships in 2020, including:

Adding 12 new pantries to our Community Pantry Program. The pantries act as distribution centers for smaller, less resourced food pantries and allow us to distribute protein deeper into rural communities.



Providing \$1.83 million in grant funds to 51 hunger relief projects helping to feed communities.



Donating nearly 20 million meals to Feed the Children, a leading nonprofit focused on alleviating childhood hunger and one that we've partnered with for the past 15 years. We plan to further expand this partnership, given its coordinated logistics network and ability to reach such a critical subset of the hungry—America's children.

Our food donations were part of more than \$75 million that Tyson Foods invested in FY2020 to fulfill our commitment to address food insecurity, support team members and improve the quality of life in the communities where we operate. 🍋



### Feeding the Families of Health Care Heroes

Early in the pandemic, we learned of the very real struggle for health care workers to find quality protein to purchase for their families. These frontline workers were working 12+ hour shifts only to find grocery stores closed due to restricted hours or the shelves bare. While health care workers were well fed during their shift, not much was done to support their families at home. We saw this gap as our best opportunity to make a real difference.

Tyson Foods brought in truckloads of frozen, fully cooked foodservice poultry items that our Discovery Center Pilot Plant team repacked in five-pound bags and labeled for distribution. Through six weekly distributions at each location, we supported our local health care teams at Washington Regional Medical Center, Northwest Health, Mercy Hospital and Arkansas Children's Northwest—distributing close to 50,000 pounds of protein. 🍋

### Supporting Wellness in the Workplace

We keep team members safe through proactive safety measures and work to promote a culture of safety and caring in our plants. A vital part of this is our We Care workplace safety initiative, which we have expanded even further to include overall team member health and wellness through the pilot of seven new health clinics. The clinics, run in partnership with Marathon Health, provide primary and preventive care, including health screenings, lifestyle coaching and health education, as well as behavioral health counseling. The aim is to bring employees and their families access to high-quality health care, in most cases at no cost. 🍋



## Life Skills for Frontline Workers

The majority of our 139,000 global team members work in our U.S. chicken, beef, pork and prepared foods production facilities. This diverse workforce is comprised of many immigrants to the U.S. Helping them succeed in and out of work is a meaningful and tangible way we can support them.

A key way we support our frontline workers is through Upward Academy—an innovative education program we created to help team members develop important life skills. In FY2020, we increased the number of locations offering free and accessible classes in English as a Second Language (ESL), General Educational Development (GED), citizenship and financial and digital literacy to 59 locations, up from 56 in FY2019. When the COVID-19 global pandemic disrupted in-person classes, Upward Academy pivoted to offer virtual classes so team members could continue their education.



We also launched Upward Pathways, a new approach to create opportunities for upward mobility to team members who exit Upward Academy or those who are not fully utilizing their skills and experience and looking for a next step. These career pathways leading to advanced training opportunities are a first for Tyson Foods. We hope that a more transparent and equitable system through Upward Pathways will support retention rates and increase the pool of qualified frontline applicants for next-level positions. 

## Supporting Equity in Society

We recognize the need to expand our diversity and inclusion efforts beyond our walls and support causes that advance equity, racial justice and lasting change in society. That's why in 2020 Tyson Foods signed the Northwest Arkansas Leadership Pledge for diversity and inclusion, signifying our commitment to foster and expand a more just, equitable and inclusive region. We also awarded five grants, each worth \$1 million, to organizations working tirelessly to advance racial justice and drive positive societal change, including the Equal Justice Initiative, the National Museum of African American History & Culture, National Urban League, The Executive Leadership Council and Immigrant Connection. Immigrant Connection provides legal services to immigrants, including Tyson Foods team members, and was selected as a grantee by our team members. The other four organizations were selected by our Executive Leadership Team for their important work. 





## Conserving Natural Resources and Protecting Our Planet

Tyson Foods is dedicated to delivering sustainable food at scale to feed our growing world. Fulfilling this mission requires protecting and respecting natural resources as we grow our business—including the land, water and energy needed to grow ingredients, raise animals and run our facilities. We're focused on reducing our greenhouse gas (GHG) emissions and water use intensity, promoting sustainable material use, moving toward zero waste to landfill and implementing forest-friendly policies throughout our value chain. Through our efforts, we strive to make long-lasting, positive impacts on the environment, as well as on our company, team members, consumers and customers. ●●●

## Key Achievements

### 1 Mentioned in the EPA's National Water Reuse Action Plan

an aggressive approach to ensure secure and reliable water delivery

### 3 Initiated zero waste to landfill assessments and certification

pilot programs at select production facilities in Arkansas and Tennessee

### 2 Began process of resetting energy and emissions reduction

targets across entire footprint to account for company growth

### 4 Collaborated with World Resources Institute

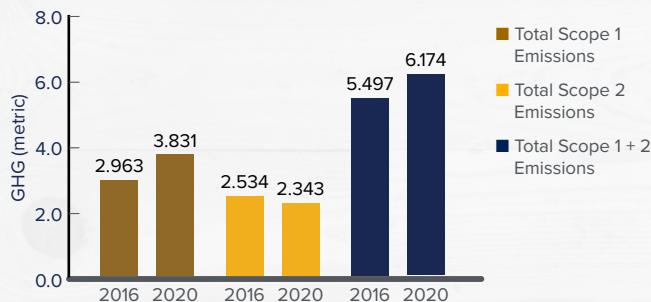
In FY2020 to set contextual water targets in accordance with Alliance for Water Stewardship standards for our plants in Finney County, Kansas and Seguin, Texas

## Goals

### Reduce greenhouse gases (GHG)

**30% by 2030<sup>1,2</sup>**

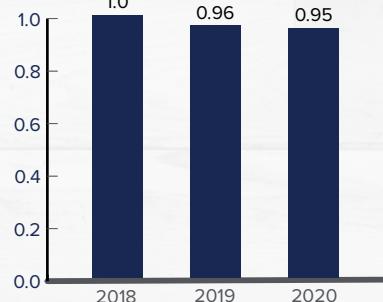
(Million metric tons of CO<sub>2</sub>e) Tons GHG



**Progress:** Established energy reductions goals for our chicken, beef, pork and prepared foods operations in 2020.

### Reduce water intensity 12% by 2020<sup>3</sup>

(Gallons used to produce a pound of finished product)



**Progress:** Reduced water intensity by 7.7% since FY2015 (baseline year).

### Pursue sustainable packaging



#### Progress:

Transitioned virgin fiber paperboard across our Jimmy Dean® brand to 100% post-consumer recycled content in FY2020.

### Develop contextual water targets



#### Progress:

Completed contextual water target plans at Finney County, Kansas and Seguin, Texas in FY2020 and North Richland Hills, Texas in FY2021.

1. Our FY2016 emissions include data from our Tyson Foods U.S.-based operations, The Pork Group and hog buying stations.

2. Our FY2020 emissions include data from our Tyson Foods U.S.-based operations, The Pork Group, hog buying stations, AdvancePierre Foods, Original Philly, Keystone Foods U.S.-based operations, American Proteins and Tecumseh Poultry. If AdvancePierre Foods, Original Philly, Keystone Foods U.S.-based operations, American Proteins and Tecumseh Poultry were excluded from our FY2020 emissions data, we would have reduced our Scope 1 + 2 emissions over 114,000 metric tons over our baseline year.

3. Water data is for production operations (plants, hides, tanneries, rendering) only. Our FY2018 water footprint includes data from our Tyson Foods U.S.-based operations only. Data for Tyson Foods U.S.-based operations, AdvancePierre Foods, Original Philly, Keystone Foods U.S.-based operations, American Proteins and Tecumseh Poultry are included in FY2019 and FY2020.



## Reducing Emissions for a Healthier Planet

We continue to actively work toward meeting our science-based target to reduce greenhouse gas (GHG) emissions 30% by 2030 through emissions reductions within our own operations and across our broader supply chain.

In FY2020, we began the process of updating our GHG baseline to account for business expansion in recent years,

as well as resetting our energy and emissions reduction targets. This work will continue throughout the next three fiscal years.

In addition, through our partnership with the [Department of Energy's \(DOE\) Better Plants® program](#), we conducted energy hunts in some of our plants. After receiving training from the DOE, team members performed multiday assessments in which they looked for opportunities to optimize

systems to save energy in their plants and then quantify the amount of energy savings through science-based methodologies and calculations. In FY2020, we performed six energy treasure hunts. Based on findings, our key focus in FY2021 will be on energy optimization within our refrigeration systems, team member education and engagement with internal and external stakeholders to identify additional areas for improvement. 

# Our Focus on Water Stewardship

We use approximately 31 billion gallons of water in our facilities annually and are working to conserve this critical resource. While we did not meet our 12% water reduction target, we did reduce water usage 7.7% since 2015. We are pleased with these results as we worked to protect food safety, acquired new businesses and responded to the COVID-19 global pandemic. In FY2020, we were mentioned in the [Environmental Protection Agency's National Water Reuse Action Plan](#), an aggressive approach to ensuring reliable and secure water delivery. We also continued to work with the [World Resources Institute \(WRI\)](#) to build upon our previous work that included a water risk assessment focused on our exposure to water stress across our processing facilities and the development of a water stewardship strategy.

Currently, we are working to establish contextual water targets, which consider

local environments and conditions in order to make meaningful change. We've set these targets at three priority facilities: Finney County, Kansas; North Richland Hills, Texas; and Seguin, Texas, and are working on targets for our Amarillo, Texas, facility. We will continue to develop targets for at least seven additional locations in future years.

As part of our [water stewardship efforts](#), [conservation teams](#) at every Tyson Foods facility seek continual improvement through simple actions, such as turning off running hoses, as well as capital funding proposals to install water reuse equipment as appropriate. In FY2020, because of an increase in production pounds, fresh water increased to almost 31 million gallons compared to the previous year. We also reused more than 1.9 billion gallons of wastewater from three plants for crop irrigation. Our facilities in New Holland, Pennsylvania, and Robards,



Kentucky, received the U.S. Poultry & Egg Association's 2020 Clean Water Award for going above and beyond in sustainable wastewater treatment and water reuse. ➤

## Innovation in Packaging

We have packaging innovation labs and pilot plants at our Discovery Centers in Springdale, Arkansas, and Downers Grove, Illinois, which are focused on developing sustainable packaging solutions that align with our packaging strategy to "Remove, Reduce, Reuse, Recycle and Renew." For example, in 2020 we continued the development of replacements for polystyrene foam trays; expanded the use of reusable plastic containers in our fresh beef and pork operations, replacing the need for one-way corrugated containers; and continued development toward eliminating PVC film overwrap in our operations.



Though we are approaching the theoretical maximum use of post-consumer recycled (PCR) and post-industrial recycled (PIR) content possible in our corrugated packaging, while maintaining product integrity requirements, we continue to innovate ways both types of content can be used. In 2020, total recycled content was 37.5% of packaging, with 29.3% PCR content and 8.2% PIR content. We also transitioned virgin fiber paperboard across our Jimmy Dean® brand to 100% PCR in 2020. This brings total conversion of PCR paperboard in the past two fiscal years to 36,945 tons. ➤

## Toward Zero Waste to Landfill

Waste reduction allows us to streamline costs and send as few materials as possible to landfills. Our environmental management experts are continuously exploring innovations in packaging and waste diversion to reduce operational waste output, increase our recycling footprint and reuse waste to add value to products or create new sources of energy. In the fall of 2020, we launched zero waste to landfill pilot projects at three production facilities. The results and learnings from these pilots will inform an enterprise waste and recycling strategy, as well as future goals. Overall in FY2020, we diverted almost 5.2 million pounds of waste from landfills, a 60% increase from the previous year. ➤



## Innovating Smart, Responsible Agriculture

Throughout our history, we have always found newer, better ways to feed people responsibly, and we're on a journey to find new ways to do so in the future through innovative, responsible agriculture. This means helping build a food system that is compassionate to animals, ensures farmers thrive and can support all people while sustaining our planet. Today, we supply more than protein; through our research, innovation and hard work, we are solving for a sustainable future of food. 🌎

# Key Achievements

- 1 Became the first company to receive audit certification for all poultry audit tools across our U.S. Tyson Foods vertically integrated supply chain from the Professional Animal Auditor Certification Organization (PAACO®) by adding Broiler-Breeder and Turkey audit tools**
- 2 Assessed deforestation risks and launched a Forest Protection Standard focused on reducing deforestation risk in Tyson Foods' cattle and beef; soy; palm oil; and pulp, paper and packaging supply chains**
- 3 Established an internal Global Animal Welfare Council, which brings together the best animal welfare minds in the company to develop a One Tyson approach across all animal welfare practices and initiatives**
- 4 Became the first U.S. food company to announce work to verify sustainable production practices at scale in our beef supply chain through the BeefCARE™ program**
- 5 Began benchmarking international key welfare indicators and third-party audits in Tyson Foods-owned facilities in China and Thailand**
- 6 Achieved target of 100% of all cattle haulers being Beef Quality Assurance Transportation certified to haul into Tyson Foods beef harvest facilities**
- 7 Piloted remote third-party welfare audits due to COVID-19 global pandemic constraints**
- 8 Completed first Global Welfare Assessment of all poultry, beef and pork supply chains**
- 9 Became a member of the Global Coalition for Animal Welfare, the world's first food industry-led initiative aimed at advancing animal welfare globally**
- 10 Provided PAACO® training to 100% of our animal welfare team**
- 11 Continued to engage in the Global Roundtable for Sustainable Beef, the U.S. Roundtable for Sustainable Beef, the U.S. Roundtable for Sustainable Poultry and Eggs and the International Poultry Welfare Alliance**
- 12 Recognized by the U.S. Roundtable for Sustainable Beef (USRSB) for Tyson Foods' FarmCheck® and Fresh Meats Sustainability programs**

# Goals

- |  |  |   |
|--|--|---|
|  <p><b>Address deforestation in our supply chain</b></p>   | <p><b>Be a leader in animal welfare through research, innovation and transparent communication</b></p> |  <p><b>Support improved sustainable land stewardship practices on 2 million corn acres by year-end 2020</b></p> |
|  <p><b>Strengthen farmer resilience by supporting best practices that improve yields, soil health, environmental outputs and farm profits</b></p> |                   |   |

# FY2020 By-the-Numbers

## Key Welfare Indicators<sup>1</sup>

BROILERS	2018	2019	2020
Transport Livability	99.8%	99.9%	99.9%
Non-Damaged Wings	98.9%	98.8%	98.9%
Acceptable Paw Scores	78.0%	81.0%	82.8%
CATTLE AND HOGS	2018	2019	2020
No Falls	99.2%	99.9%	99.9%
Not Prodded	99.2%	99.3%	99.9%
Acceptable Wait Times	94.0%	96.8%	97.4%

1. Metrics based on U.S. operations. Percent acceptable as audited against NCC Welfare Guidelines for Broilers or NAMI Recommended Animal Handling Guidelines (September 2019 Rev. 2) for cattle and hogs.

## Land Stewardship



### Goal:

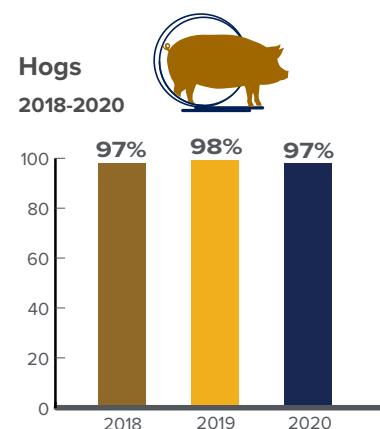
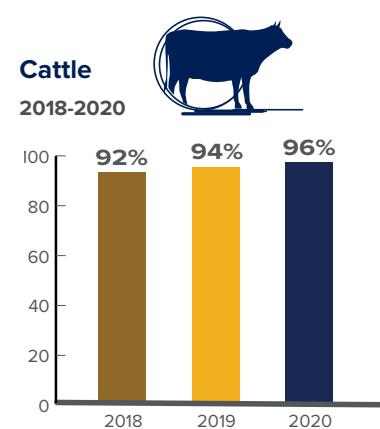
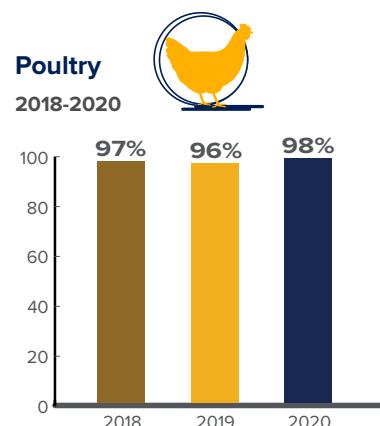
Support improved environmental practices on 2 million acres of corn by the end of 2020.

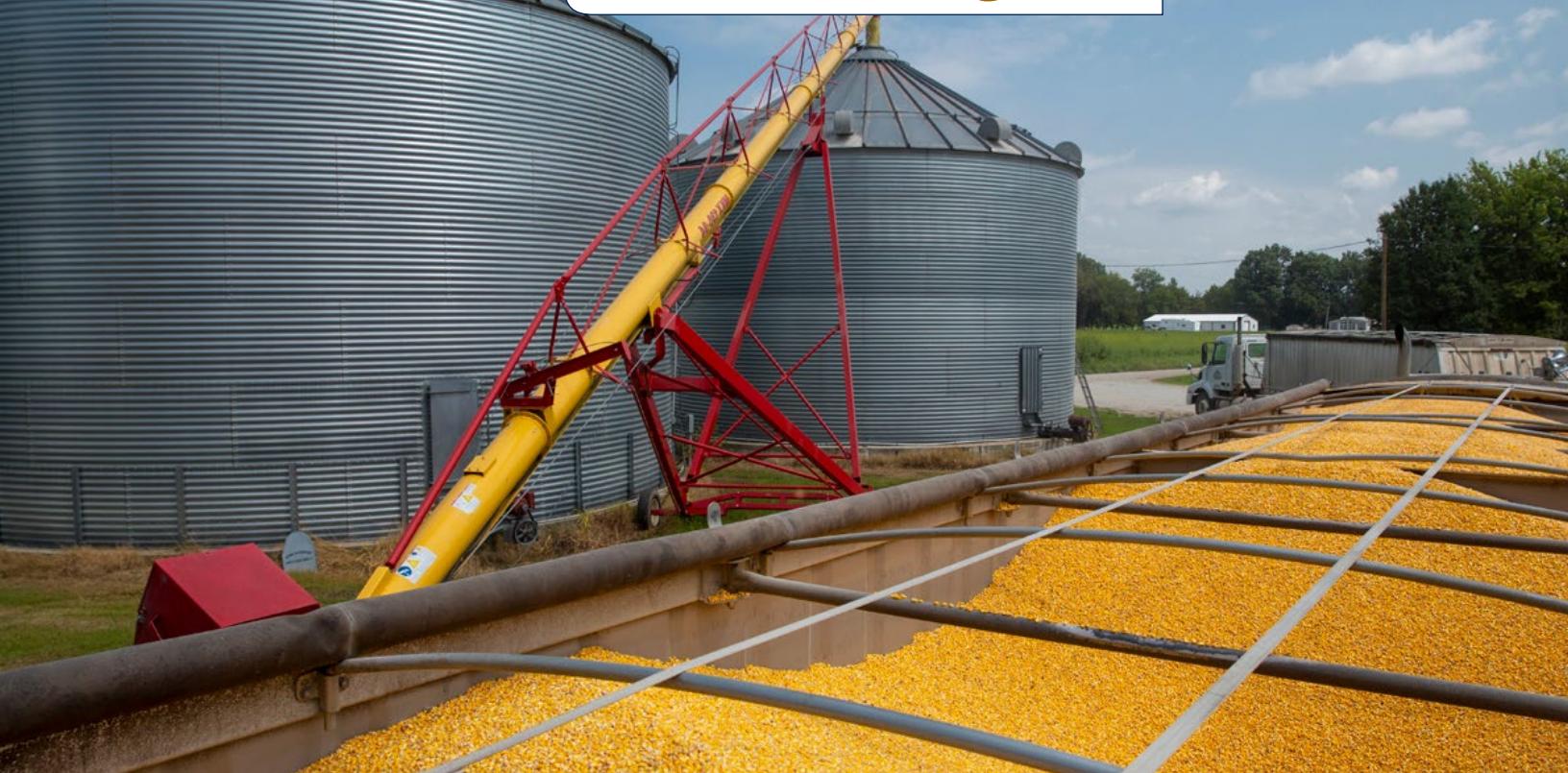
**419,000 Acres**  
2019

**408,000 Acres<sup>2</sup>**  
2020

2. This 408,000 acres represent those originally enrolled by Farmers Business Network in the land stewardship pilot in 2019. The MyFarms pilot enrolled 11,000 acres in the pilot in 2019. Due to lack of data, the 11,000 acres were removed from the pilot in 2020.

## Overall Third-Party Audit Outcomes (average score) by Supply Chain





## Farmer Resilience Through Sustainable Agriculture

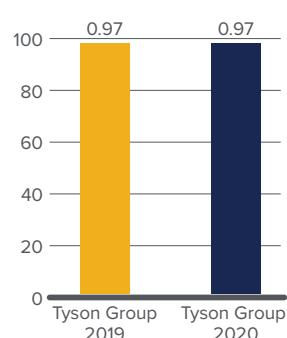
While Tyson Foods doesn't own grain farms, we are the U.S. industry's largest purchaser of feed corn. This corn is used to feed poultry, as well as the cattle and pigs raised by independent farmers and ranchers. Since grain production is part of our supply chain and is a significant contributor to our overall carbon footprint, we set a goal to improve land stewardship practices on 2 million acres of row crop corn—the largest target ever set by a U.S. protein company—by the end of 2020.

With our partners at [Environmental Defense Fund](#) and [Farmers Business Network](#), we provide technical and agronomic assistance to help improve row crop corn yield, with a goal of maximizing positive environmental outcomes. This also helps farmers meet increasing consumer demand for more sustainably grown food. We enrolled 419,000 acres of farmland in the first year of the program and reported baseline data on nutrient use efficiency and tillage practices in our FY2019 sustainability report. Our pilot with MyFarms faced challenges in collecting the necessary farm-level data and has therefore been discontinued, thus removing 11,000 acres from the pilot. Data from years 2019 and 2020 are illustrated in the charts to the right.

Challenges with the MyFarms pilot and interruptions related to the COVID-19 global pandemic hindered our ability to scale our land stewardship work in 2020. Given those setbacks, we are reassessing our options and developing a plan to fulfill our 2 million acre target. ●●●

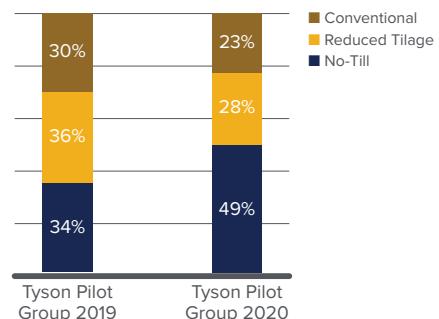
**Pounds of Nitrogen Used Per Bushel of Corn**

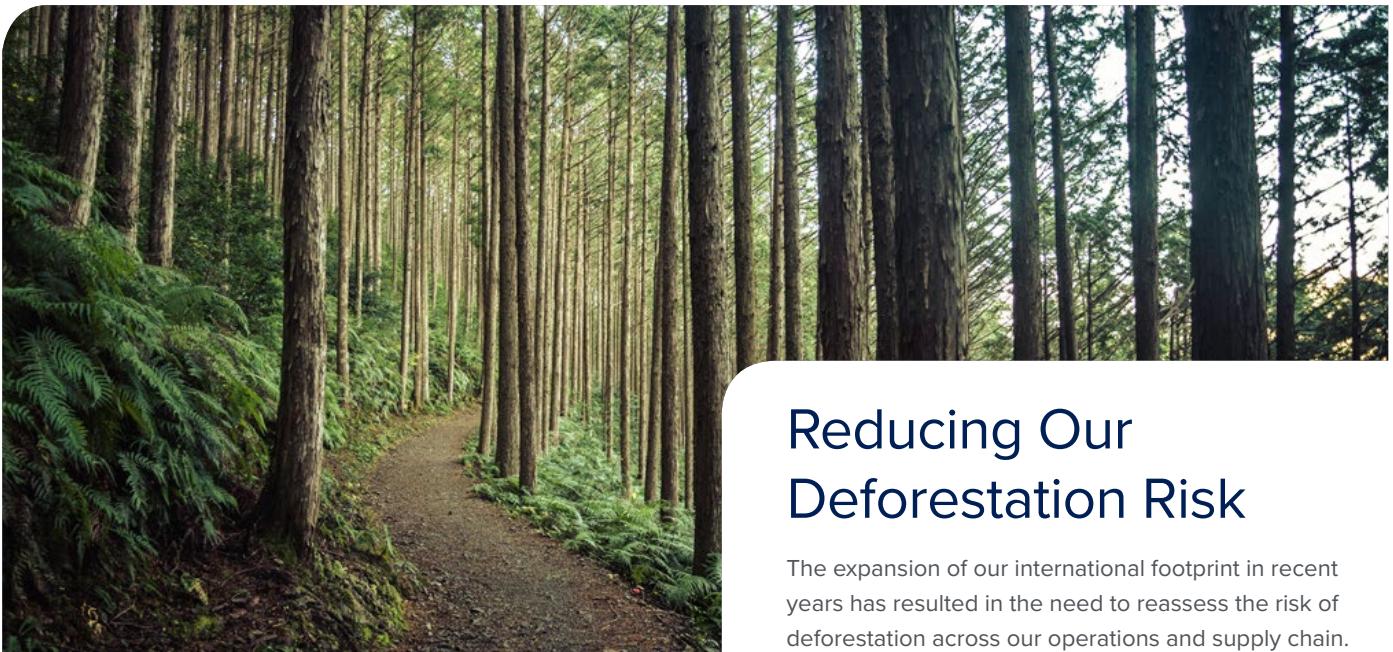
lbs N/bushel



**Distribution of Tillage Practices**

Percentage of Acres





## Reducing Our Deforestation Risk

The expansion of our international footprint in recent years has resulted in the need to reassess the risk of deforestation across our operations and supply chain. That's why, in October 2019, we engaged PROFOREST to help conduct a deforestation risk assessment across our global agricultural supply chain, focusing on four commodities—cattle and beef; palm oil; soy; and pulp, paper and packaging.

### Deforestation Risk by Commodity



The assessment concluded that 94% of our land footprint is at no-to-low risk of being associated with deforestation. Of the remaining 6%, approximately 3% is at medium-to-high risk, and the sourcing origin could not be identified for the other 3%. The charts at left illustrate the risk by commodity.

To proactively address the 6% at risk, we developed and publicly released a [Forest Protection Standard](#), which outlines steps we will take to continue minimizing deforestation risk and protect the forests in the geographies where we source. These steps include:

- Developing and implementing specific Commodity Action Plans detailing the work required in each of our four commodity areas to support deforestation-free sourcing.
- Establishing and communicating supply partner expectations for fulfilling the requirements of our Forest Protection Standard by the timelines embedded in each Commodity Action Plan.
- Working with our suppliers to determine the source origin of the unknown volumes identified in the risk assessment. ●●●



### An Update on Our Research Farms

The Tyson Foods Center for Sustainable Broiler Welfare Research includes two proprietary research farms—the Poultry Concept Farm and the Tyson Broiler Welfare Research Farm. At the latter, we study key aspects of broiler chicken welfare, by creating environments in which the chickens can express their preference to specific environmental components like enrichments. We use a science-based approach to evaluate the impact of these different choices on measurable outcomes of animal welfare and health, such as behavior and key indicators. We have collaborated with the University of Arkansas on this

research, which was funded through a grant provided by the U.S. Poultry and Egg Association.

We are also partnering with four external research and innovation groups to develop automated monitoring tools that precisely assess broiler chicken welfare outcomes through a SMART Broiler grant provided by the Foundation for Food & Agriculture and McDonald's Corporation.

At our Poultry Concept Farm, we research better outcomes for birds, food safety and the environment. The farm acts as an integrated research hub that facilitates collaboration



across functions that are studying animal health and welfare, animal husbandry, the environment and workplace safety. This integrated approach enables all of our focus areas to work together to improve the sustainability of poultry production. ☀️

### Achieving PAACO® Certification for Our Entire Suite of Poultry Audits

In FY2020 we became the first company to receive third-party certification by the Professional Animal Auditor Certification Organization (PAACO®) for all poultry audits across our internal U.S. supply chain. This means that our entire suite of FarmCheck® poultry audits—broilers, broiler breeders and turkey—is now certified. ☀️



## Promoting Sustainable Beef

Tyson Foods is one of the first major U.S. food companies to work with Where Food Comes From, Inc. to verify sustainable production practices at scale in its beef supply chain through the Where Food Comes From BeefCARE™ program, an industry-leading sustainability verification program for cattle ranchers. The program includes standard criteria for animal care, environmental stewardship, and people and community, which are verified through annual on-site, third-party audits.

More than 350 ranches are currently enrolled in the Where Food Comes From BeefCARE™ program, with plans to expand the program over the next several years. Tyson Foods has committed to buying BeefCARE™ approved cattle as part of our commitment to verify sustainable production practices on more than 5 million acres of cattle grazing land in the U.S. The program is recognized by the U.S. Roundtable for Sustainable Beef. In addition, Tyson Foods collaborated with The Nature Conservancy to evaluate and provide recommendations to the environmental components of the BeefCARE™ program.

Producers in the program work to maintain or improve water availability and quality in each grazing area and provide contingency plans for drought, to prevent/reduce soil erosion, maximize forage and pasture roughage yields, promote vegetative diversity and control invasive and noxious weeds, all of which support carbon sequestration or build soil carbon.

The BeefCARE™ audit scoring system gives producers an avenue to work toward continuous improvement. Working with BeefCARE™ certified producers helps Tyson Foods ensure sustainable production practices are being employed and verified.

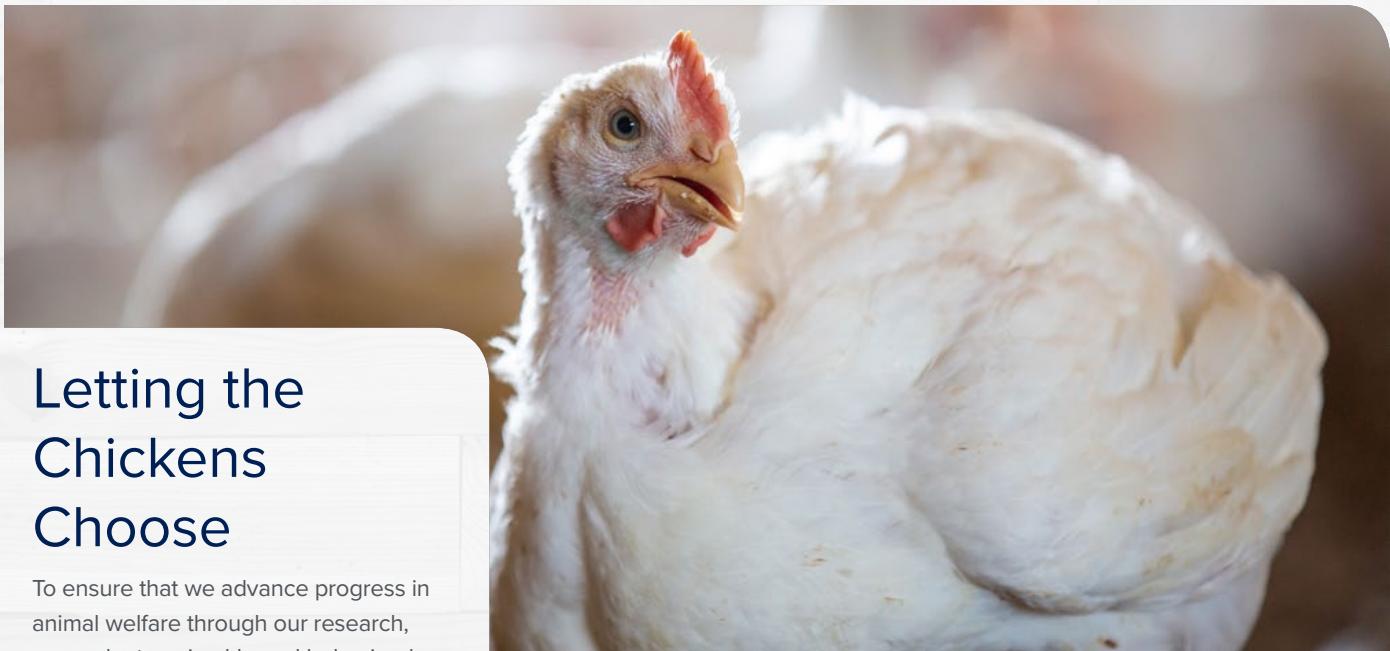
Sustainable beef, however, isn't new at Tyson Foods. In FY2020 the U.S. Roundtable on Sustainable Beef also recognized three Tyson Foods programs for their alignment with the U.S. Beef Industry Sustainability Framework. The recognition applies to processing facilities under the Tyson Fresh Meats sustainability program, as well as to auction market and feed yard partners under the Tyson FarmCheck® program. We also continued with the success of our Progressive Beef™ program, a comprehensive quality management system designed for cattle feeding operations that sell to companies like Tyson Foods. In 2020, we bought approximately 4.3 million cattle in the Progressive Beef™ program. By the end of 2021, the third year of this program, we plan to increase this to approximately 4.7 million cattle, representing 75% of our total cattle purchases. ●



## Driving Industry Progress in Agricultural Sustainability

In FY2020, we continued to engage in multistakeholder efforts focused on key areas such as social and environmental sustainability, responsible antibiotic usage and animal welfare. Collaborative efforts with groups such as the International Consortium on Antimicrobial Stewardship in Agriculture, International Poultry Welfare Alliance, Global Coalition for Animal Welfare, Global Roundtable for Sustainable Beef, U.S. Roundtable for Sustainable Beef and U.S. Roundtable for Sustainable Poultry and Eggs help foster dialogue that can drive continuous improvement in animal agriculture at scale. ●





## Letting the Chickens Choose

To ensure that we advance progress in animal welfare through our research, we evaluate animal-based behavioral and physiologic outcomes.

"Chickens have a very different perception of the world, and it is important that we respect that when we are making decisions for them," says Dr. Karen Christensen, Senior Director of Animal Welfare, Tyson Foods. "Through their actions, they tell us loud and clear what they want—we just have to know how to listen."

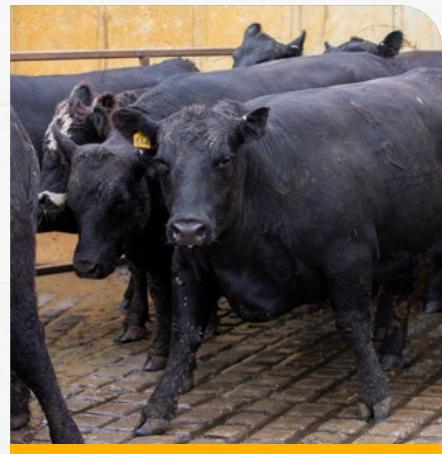
That's why the cornerstone of our broiler chicken house lighting research is a 'choice' lighting scheme that provides the birds with bright light over the feeders and a gradient of light in the other areas of the house. This allows the birds to choose the light intensity they prefer after eating.

We have used the same approach in evaluating different types of environmental enrichments within the broiler house so that we can better understand which types of enrichments the birds engage with the most. Looking ahead, we will apply this approach to other top poultry, pork and beef welfare research priorities. ●●

## Staying Cool Sustainably

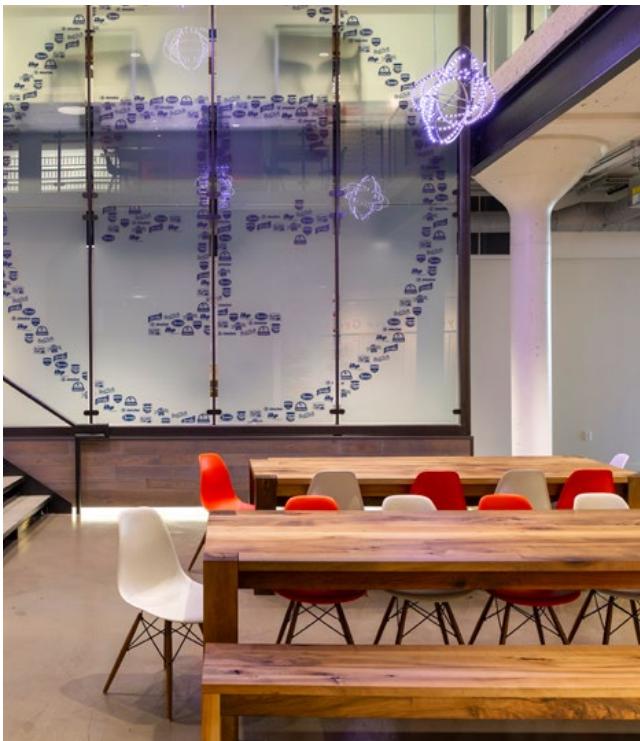
Our team of dedicated animal welfare specialists work every day to drive continuous improvement in animal welfare. Specialists in our Fresh Meats organization pursue continuous improvement through innovations that not only directly impact the welfare of animals today, but anticipate future environmental challenges.

For example, during hot summer months it's important to keep animals cool and comfortable to minimize heat stress. Historically, our Dakota City beef and Storm Lake pork facilities used high-volume sprinkler systems that resulted in significant water use and only offered minimal cooling for the animals. The animal welfare specialists at these locations took on the task of researching more effective and sustainable cooling methods. They discovered that fabricating and installing an experimental misting system forces water through very small nozzles to create a fine mist or



fog. As the droplets of water evaporate, the surrounding air cools immediately.

Their research concluded low-volume/high-pressure misters are a viable alternative to high-volume sprinklers. Both locations confirmed animals prefer the misting system to the sprinklers, as evidenced by their moving toward the misters and trying to stay out of range of sprinklers. ●●



For additional information and data related to the many aspects of our environmental, social and governance (ESG) performance, programs and policies, visit the new Tyson Foods ESG Hub at [www.tysonsustainability.com](http://www.tysonsustainability.com).



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