



Tyson Foods, Inc.

United Nations Global Compact – Annual Communication of Progress

Period Covered: October 29, 2019 – October 29, 2020



October 29, 2020

To our stakeholders,

I am pleased to confirm that Tyson Foods, Inc. reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption.

In this annual Communication of Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture, and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Mr. Dean Banks
President and Chief Executive Officer
Tyson Foods, Inc.

Human Right and Labor Practices

Our human rights and labor practices are grounded in our Code of Conduct, Core Values and Team Member Promise. These documents outline the many rights, benefits, and responsibilities enjoyed by and expected of team members.

Human Rights

1. *Businesses should support and respect the protection of internationally proclaimed human rights.*
2. *Business should make sure that they are not complicit in human rights abuses.*

Description of Actions

Our ethics are guided by our core values, [Code of Conduct](#), Team Behaviors (also known as our 5Cs) and [Team Member Promise](#), which outline team member rights, benefits and responsibilities. Policies and practices follow the human rights principles set forth in the [United Nations Universal Declaration of Human Rights](#) and the [International Labor Organization's Declaration on Fundamental Principles and Rights at Work](#). Moreover, Team Member rights are further strengthened through annual compliance training, our social compliance auditing program, and our [Ethics Help Line](#).

Measurement of Outcomes

We require all of our team members and directors to participate in [annual compliance training](#) to ensure they understand our policies prohibit any kind of illegal or unethical behavior and that they are obligated to report suspected violations promptly and in good faith.

Our social compliance audit program, launched in 2015, allows us to be more proactive in our social compliance efforts. Our goal is to ensure our team members understand their rights, benefits and responsibilities while also providing key stakeholders visibility into our workplace conditions, which include worker treatment, voice, compensation and safety. You can learn more about this program, including the results of recent audits [HERE](#).

We also encourage team members to speak with their supervisor, local management, or human resources representatives, or to contact the ethics and compliance department with any ethics questions, complaints or concerns they may have. We provide a toll-free number and web-based reporting mechanism (Ethics Help Line) for team members who are obligated to report suspected violations of our Code of Conduct and the law and unethical conduct. Reports may be made anonymously through our Help Line or by asking the Ethics & Compliance Department to treat the report as anonymous, except where restricted by local law. The Ethics Help Line's web reporting page includes an option that allows team members to ask a question about policies, or to request an ethics opinion. This option gives team members an additional communication channel through which to seek clarification on policies and ethics and compliance issues. It also provides us with visibility into common questions. Additional details about our Ethics Help Line, the number of calls received, and the types of issues reported are available [HERE](#).

Finally, we put in place a host of safety measures to protect our team members from potential transmission of COVID-19 in our facilities including wellness health screenings, requiring team members wear surgical-style face masks, implementing social distancing measures, idling plants to conduct additional deep cleaning, and conducting facility-wide COVID-19 testing of team members. The health and safety of our team members is our top priority. We maintain a blog that details our response to COVID-19 and our actions to help keep team members safe. You can learn more [HERE](#). A few highlights include:

- Tyson Foods Pilots Clinics to Promote [Culture of Health](#)
- Tyson Foods [Doubles Bonuses, Increases Health Benefits and Protections for Frontline Workers](#)

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Labor Practices

3. *Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.*
4. *Businesses should uphold the elimination of all forms of forced and compulsory labor.*
5. *Businesses should uphold the effective abolition of child labor.*
6. *Businesses should uphold the elimination of discrimination in respect of employment and occupation.*

Description of Actions

Our labor practices are grounded in our [Code of Conduct](#) and [Team Member Promise](#). More specifically:

- We do not tolerate child, forced or abusive labor in any of our operations or facilities.
- We comply with all applicable employment and wage and hour laws, to include minimum wage, overtime, and maximum hour rules.
- We respect team members' right to join or not to join a trade union, or to have recognized employee representation in accordance with local law.

Additionally, we embrace the diversity of our team members' unique backgrounds, experiences, thoughts and talents. Everyone is valued and appreciated for their distinct contributions. Team members deserve dignity, respect and protection from harassment, discrimination and retaliation. This commitment includes equal employment opportunity without regard to race, color, age, veteran status, religion, gender and gender identity, pregnancy, genetics, national origin, sexual orientation or disability. We maintain, implement through training, and enforce policies strictly prohibiting harassment, discrimination, and retaliation in the workplace. Learn more [HERE](#) and [HERE](#).

Measurement of Outcomes

We work to ensure team members receive fair compensation commensurate to their experience and skills, as well as competitive compensation within the local labor markets. As a result, our compensation program varies by market and by position, allowing us to provide a competitive total rewards package. You can learn more [HERE](#) about the wages and benefits we offer our team members.

As noted above, team members can choose whether they want to unite for collective bargaining purposes. In FY2019, approximately 34,000 employees in the U.S. were subject to collective bargaining agreements with various labor unions, with approximately 11% of those employees at locations either under negotiation for contract renewal or included under agreements expiring in FY2020. The remaining agreements expire over the next several years. Approximately 5,000 employees in foreign countries were subject to collective bargaining agreements.

In addition, we are a member of CEO Action for Diversity & Inclusion™, a group of more than 600 CEOs who have committed themselves and the companies they lead to advance inclusion and diversity in the workplace. Signatories must do more than talk the talk: they commit to taking meaningful actions to transform their workplaces and share both successes and challenges with other companies.

A few additional highlights include:

- In early fiscal year 2020, we joined the Valuable 500, a global movement to put disability on the business leadership agenda. We invite you to learn more [HERE](#).
- We provided a \$100,000 grant to EMBARC, or Ethnic Minorities of Burma Advocacy and Resource Center, to increase awareness and support for civil and immigrant legal services. Learn more [HERE](#).

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Environmental Stewardship

We are 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. To produce food, we depend on land, water and energy to grow ingredients, raise animals and run our facilities.

Through these efforts, we strive to make a long-lasting, positive impact on the environment as well as our company, team members, consumers and customers.

7. *Businesses should support a precautionary approach to environmental challenges.*
8. *Businesses should undertake initiatives to promote greater environmental responsibility.*
9. *Businesses should encourage the development and diffusion of environmentally friendly technologies.*

Description of Actions

Our Senior Vice President Sustainability and Chief Environmental Officer, who reports to our Chief Sustainability Officer, assesses, prioritizes and manages all aspects of our environmental efforts across the company. This position monitors the status of environmental compliance and activities for both our domestic and international operations, and institutes regular meetings with regulatory officials to share information, build relationships and demonstrate our commitment to environmental excellence. In addition to this leadership and oversight:

- An [environmental management system](#) (EMS), modeled after ISO 14001, is in place at each of our U.S. facilities,
- We have set [targets](#) to protect and conserve our environment and natural resources, and
- We routinely evaluate new and emerging technologies aimed toward pollution prevention, conservation, energy efficiency and sustainable operation.

Measurements of Outcomes

Water is essential to producing safe food. We aim to balance responsible water stewardship with protecting the quality and ensuring the safety of our products. To broaden our water stewardship efforts, we worked with the World Resources Institute (WRI) to assess water risk and develop a water stewardship strategy. The water risk assessment focused on exposure to water stress across our processing facilities, locations where we source animals and locations where we source corn to feed animals. The water risk assessment helped us identify priority locations to set goals informed by the local watershed context. The process of setting contextual water targets involves developing an understanding of shared water challenges of concern to Tyson Foods as well as surrounding communities. We invite you to learn more [HERE](#).

We are also committed to a bold reduction of our carbon footprint. We are working toward a “30 by 30” target to reduce greenhouse gas (GHG) emissions 30% by 2030 against a 2016 baseline year. This target is designed to meet the criteria of the Science Based Targets initiative (SBTi), which accepted our target in 2018, making us the first U.S. protein company in the food and beverage sector to receive such an approval. Click [HERE](#) and [HERE](#) to learn more.

Additionally, we maintain a land stewardship goal—the largest ever by a U.S. protein company—to support improved environmental practices on 2 million acres of row crop corn by the end of 2020. Our goal is to provide farmers with tools to inform them how to improve their economic and environmental bottom line, as well as lower the GHG emissions generated by our supply chain. We hope to see, through optimized nutrient management, less demand for fertilizer, resulting in less energy used to produce the fertilizer. Additionally, optimized nutrient management can reduce fertilizer loss per acre, resulting in reduced GHG emissions from farmland. More information is available [HERE](#).

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Anti-Corruption

Tyson Foods is dedicated to responsible corporate governance through strong accountability practices that uphold the public's trust in the company while maintaining the interests of our shareholders. Our comprehensive [Code of Conduct](#) and [Corporate Governance Principles](#) guide our Board of Directors and management in effective and ethical governance. In addition, we strive to develop and maintain good relationships with elected and appointed government officials and government agencies. We are not only regulated by them, we are also in partnership with many of them on numerous fronts, ranging from employee eligibility to food safety.

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Description of Actions

We strive to operate with integrity in all we do and corrupt business practices violate that trust. Bribery and corruption cause great harm to communities in which we do business. We do not tolerate any form of bribery, kickback, payoff or corruption, facilitation payments, with government officials and non-government officials, including our business partners. You can review our policies related to the prevention of bribery and corruption [HERE](#).

Measurement of Outcomes

All team members and members of Tyson Foods' Board of Directors are required to participate in anti-corruption education and training sessions. In addition, management team members employed outside the United States of America are required to disclose their relationships to Government Officials as part of their annual Code of Conduct training.

All team members are required to disclose their relationships to Persons of Influence pursuant to Tyson Foods' Conflict of Interest Policy. Moreover, team members that become aware of or suspect any violation of Tyson Foods' Global Anti-Corruption Policy or the law, have a duty to raise concerns, and may do so without the fear of retaliation. Team members are encouraged to raise concerns to their supervisor, a member of management, human resources representatives, or to the ethics and compliance department. We provide a toll-free number and web-based reporting mechanism (Ethics Help Line). Reports may be made anonymously, except where restricted by local law.

Below are additional examples of our collaboration and transparency efforts with government officials.

- Tyson Foods [Provides Tour of Plant Facilities](#) to Arkansas Department of Health and Marshall Islands Consulate
- Tyson Foods' [Statement on Department of Justice Indictment](#) in Broiler Chicken Investigation

Everything we do at Tyson Foods starts with our purpose – to raise the world's expectations for how much good food can do. We don't just try to meet expectations; we try to exceed them, every day, and then consistently challenge ourselves to improve even more. We want to make a difference in the environment, in our workplace and the communities in which we operate, as well as making a difference in animal welfare – and we want to make this difference while we sustainably feed the world, together.

We invite you to learn more at www.tysonfoodsustainability.com.
