

Investor Relations | Smithfield Foods USA, Global Food Company

Smithfield Foods Expands Sustainability Program in New Report, Builds on Industry-Leading Carbon Reduction Efforts and Underscores Commitment to Worker Health and Safety and Diversity, Equity and Inclusion

The company's 2020 Sustainability Impact Report details progress, refreshed pillars, goals and targets, and ongoing commitment to growth in areas critical to holistic, responsible food production

SMITHFIELD, Va., June 2, 2021 /PRNewswire/ -- In addition to its industry-leading greenhouse gas (GHG) reduction commitment to become carbon negative in all U.S. company-owned operations by 2030, Smithfield Foods, Inc. today announced it will reduce GHG emissions across its entire domestic supply chain 30 percent by 2030. This new goal builds on the company's prior pledge to reduce greenhouse gas emissions across its domestic supply chain 25 percent by 2025. Smithfield also announced that it will obtain 50 percent of its electricity from renewable sources, such as solar and wind power, over the same time period.

The new commitments are just two of many included in the company's newly launched 2020 Sustainability Impact Report, which features project updates and refreshed goals and targets across an expanded sustainability platform encompassing seven core pillars: animal care; diversity, equity and inclusion; environmental stewardship; food safety and quality; health and wellness; helping local communities and worker health and safety. Last year, the company transformed its "People" sustainability pillar into two new, standalone pillars to align with its priorities to ensure worker health and safety and embody a diverse, equitable and inclusive organization. A third new pillar was introduced to highlight Smithfield's designated efforts supporting health and wellness.

"Our latest commitments underscore Smithfield's perennial dedication to sustainability," said Stewart Leeth, chief sustainability officer for Smithfield Foods. "Following an unprecedented year, Smithfield carries a renewed sense of purpose in our calling to responsibly produce food and ensure access to affordable, high-quality protein for the growing global population. Through the significant efforts we have undertaken through our sustainability program, we are continuing to realize this call through initiatives that create value for our company and for our stakeholders."

Smithfield's new carbon reduction goal will reduce the company's GHG emissions by nearly 5 million metric tons, the equivalent of removing over 1 million cars from the world's roads or planting 216 million new trees. The expanded initiative follows on the heels of its commitment last fall to become <u>carbon negative across its</u> <u>U.S. company-owned operations</u> and builds upon the company's industry-first <u>2016 carbon reduction goal</u> to reduce absolute GHG emissions 25 percent across its U.S. supply chain by 2025. The company <u>reports progress</u> toward its 25 percent by 2025 goal in its new report. These latest environmental goals are among many other goals the company has set across its holistic sustainability platform, which is modeled after the <u>UN Sustainable Development Goals</u>.

To further affirm its environmental commitments, Smithfield recently signed to <u>Business Ambition for 1.5°C</u>, a global campaign designed to drive climate action in the private sector to reach net-zero global emissions by 2050 and align with a 1.5°C future. The joint initiative, comprised of corporate leaders taking climate action, is modeled after the Paris Climate Accord and spearheaded by the <u>Science Based Targets initiative</u> (SBTi) – a partnership between CDP Worldwide, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

"Our latest climate targets, newly added priorities and refreshed commitments build on nearly two decades of sustainability leadership," said Mr. Leeth. "Our new report reflects our progress to date and outlines important new strategic priorities and commitments for the future aimed at further improving our sustainable practices from farm to facility to fork."

A selection of Smithfield's 2020 sustainability highlights, accomplishments and forward-looking commitments are listed below. New and previously unannounced updates appear in italics:

Animal Care:

- Committing to assess barn enrichment on company-owned farms by 2030.
- Enhancing systematic programs, audits and certifications to ensure the welfare of every animal on Smithfield's farms and facilities globally – including maintaining group housing on all company-owned farms and judicious, transparent use of antibiotics.
- Targeting to obtain one or more globally recognized animal care certifications for all company-owned farms by 2025.

Diversity, Equity & Inclusion:

- Formalizing a Unity and Action strategy to support current and future employees through dedicated training and career development programs.
- Launching supply chain initiatives to diversify its agricultural and manufacturing operations and increasing production facility spend with minority-owned businesses 14 percent by 2025.
- Pledging \$10 million in targeted funding over the next three years to support America's minority farmers – including the establishment of a minority contract grower program to diversify hog suppliers – and advocate for a stronger, more inclusive agricultural future.

Environment:

 Advancing innovative partnerships to capture renewable natural gas from methane on hog-farming operations and becoming the first major protein company to commit to becoming <u>carbon negative</u> in all U.S. company-owned operations by 2030.

- Committing to <u>reappraise its U.S. water supply footprint</u> to further support water conservation and pledging to <u>reduce consumer packaging waste and plastic use</u> by 2030.
- Increasing its commitment to reduce absolute GHG emissions across its U.S. value chain to target a 30 percent reduction and obtain 50 percent of electricity needs from renewable sources by 2030.

Food Safety and Quality:

- Achieving its recurrent food safety and quality target of zero domestic product recalls amid the COVID-19 pandemic.
- Maintaining <u>Global Food Safety Initiative</u> certification at 100 percent of applicable facilities in the U.S., Poland and Romania.

Health & Wellness:

- Committing to <u>reduce added sodium and sugars</u> 10 percent and implement cleaner labeling across its product portfolio by 2025.
- Continuing to maximize its vertically integrated supply chain to produce products critical to human health, such as pharmaceuticals and nutraceuticals, through its <u>Smithfield BioScience</u> program.

Helping Communities:

- Launching <u>Helping Our Heroes</u>, a new initiative to support U.S. military veterans and their families with transitions back to civilian life through dedicated veteran employment, training and retention programs.
- Marking its <u>largest philanthropic year in company history</u> through increased charitable giving efforts totaling nearly \$70 million in cash and in-kind donations to fight hunger and help communities where Smithfield employees live and work.

• Pledging to donate 100 million servings of protein across the U.S. by 2025 through the company's signature hunger-relief initiative, <u>Helping Hungry Homes</u>[®].

Worker Health & Safety:

- Committing to obtain ISO 45001 Health and Safety Certification at all facilities globally by 2025.
- Investing more than \$800 million in COVID-19 response measures during 2020 to protect employees, including facility investments and employee benefits.
- Maintaining health and safety rates below relevant general industry averages globally amid the COVID-19 pandemic.

Smithfield's 2020 Sustainability Impact Report is available at smithfieldfoods.com/sustainability.

About Smithfield Foods, Inc.

Headquartered in Smithfield, Va. since 1936, Smithfield Foods, Inc. is an American food company with agricultural roots and a global reach. Our 43,000 U.S. team members and 16,000 European employees are dedicated to producing "Good food. Responsibly.[®]" and have made us one of the world's leading vertically integrated protein companies. We have pioneered sustainability standards for more than two decades, including our industry-leading commitments to become carbon negative in U.S. company-owned operations and reduce GHG emissions 30 percent across our entire U.S. value chain by 2030. We believe in the power of protein to end food insecurity and have donated hundreds of millions of food servings to our neighbors in need. Smithfield boasts a portfolio of high-quality iconic brands, such as Smithfield[®], Eckrich[®] and Nathan's Famous[®], among many others. For more information, visit www.smithfieldfoods.com, and connect with us on Facebook, Twitter, LinkedIn and Instagram.

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