



Investor Relations | Smithfield Foods USA, Global Food Company

Smithfield Foods Establishes New GHG Reporting Framework

More than 23 Million Dekatherms of Methane Capture Expected Through Biogas Joint Ventures by 2035

SMITHFIELD, Va., Sept. 27, 2024 /PRNewswire/ -- Smithfield Foods has established a new greenhouse gas (GHG) reporting framework based on significant changes to the company's operational footprint, improved data collection and reporting capabilities, and changes to Smithfield's GHG calculation methodology.

"Smithfield was the first major company in our industry to adopt and report a comprehensive sustainability program more than 20 years ago, and we're proud of our continuing track record in environmental stewardship," said Stewart Leeth, chief sustainability officer for Smithfield Foods. "This new framework will provide production-based metrics for our customers to better understand the environmental impact of the food they trust us to produce."

Current GHG accounting rules under the Greenhouse Gas Protocol require companies to recalculate their baseline GHG footprint when there are significant changes in operational structure and calculation methodology. Together, these changes have made comparison to the company's 2010 baseline and measurement against its prior targets not meaningful.

Smithfield's footprint has changed significantly as it has streamlined and optimized operations to focus on the North American market. These changes include the carve-out of its European operations, closure of a large manufacturing facility in California, addition of new manufacturing facilities in Ohio and Tennessee, and the reduction of farm operations in Missouri, Utah, Arizona, California and the East Coast that has reduced its hog production output by nearly 20%.

Data collection, analysis and reporting capabilities have also vastly improved since Smithfield originally established a 2010 baseline.

Smithfield's new reporting framework will utilize the improved data to calculate its GHG inventory in alignment with the Greenhouse Gas Protocol, the international standard for GHG accounting. The company's framework centers on two areas: methane capture on farms and GHG intensity.

Methane capture: Smithfield will report the total amount of methane (metric tons of CO₂e) captured on its company-owned and contract farms.

GHG intensity: Smithfield will report metric tons of CO₂e emitted per hundredweight, or 100 pounds of product produced.

Smithfield continues to further cutting-edge work in methane capture and manure-to-energy conversion with its joint venture partners Monarch Bioenergy and Align RNG. Smithfield co-founded these ventures in 2018 to develop biodigester projects that capture methane from manure on farms and convert it to clean, renewable energy.

Renewable natural gas (RNG) derived from biogas has an extremely low carbon intensity (CI) score and is carbon-negative, with digesters on farms capturing significantly more GHG emissions from biomass than are released from the RNG's end use. Smithfield's recalculation of its operational GHG footprint and revision of its carbon reduction goals also reflect revised accounting of biogas emission reductions attributable to these joint ventures.

The framework announced today, which will be implemented starting with Smithfield's 2024 sustainability report to be published next year, will better quantify Smithfield's GHG reductions using the Greenhouse Gas Protocol accounting standards and reflects the company's continued commitment to measuring and reducing its impact on the environment.

Today, Smithfield and its biogas joint venture partners have captured more than 3.5 million dekatherms (MMBtu) of methane, or 1.37 million metric tons of carbon dioxide equivalent (MMTCO₂e), on farms since 2019

and expect to capture an additional 20 million MMBtu (7.84 MMTCO₂e) by 2035.

About Smithfield Foods

Smithfield Foods is an American food company with a leading position in packaged meats and fresh pork products. With a diverse brand portfolio and strong relationships with U.S. farmers and customers, we responsibly meet demand for quality protein around the world.

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