

# Tyson Foods' Forest Protection Standard

## Background

Forests and other natural ecosystems provide climate protection in the form of carbon storage, and related environmental benefits for air and water quality. These areas provide foundations for biodiversity serving as home to numerous flora and fauna. They also provide social benefits in the form of recreational space and serve as a source of income and livelihoods for people living in and near these areas. Growing demand for food production, natural resource extraction and development expansion contributes to these global ecosystem losses.

In Fiscal Year 2017, Tyson Foods, Inc. ("Tyson") collaborated with an environmental non-government organization (NGO) to assess potential key forest-risk commodities the company sourced (beef, palm, and soy). The assessment determined the regions where the forest-risk commodities were sourced had no to low risk for deforestation.

International acquisitions in Fiscal Year 2019 prompted the company to reassess forest risk. Tyson selected Proforest to assess forest risk for direct and indirect sourcing of cattle and beef; palm oil (direct and embedded); soy (direct and embedded); and pulp, paper and packaging. The assessment concluded nearly 94 percent of Tyson's land footprint<sup>i</sup> was at no to low risk of deforestation. Further, the risk assessment concluded deforestation risk was attributed to procurement by the company's international operations. As Tyson identifies unknown sourcing origins for these key commodities, the company anticipates its deforestation risk will be less than six percent.

## Goal to Protect Forest Resources

Protecting forest resources aligns with our purpose – raising the world's expectations for how much good food can do. Through the company's [Core Values](#), we strive to create value for our shareholders, customers, communities and team members, while serving as a steward of the animals, land and environment entrusted to us. As noted above, Tyson has sourced commodities with potential risk related to deforestation in certain global jurisdictions. Accordingly, Tyson recognizes the need to protect forests and biodiversity, reduce our carbon footprint, and conserve natural resources.

In Proforest's assessment, deforestation risk was determined, mainly at the country-level, in three categories: low, high or unknown. While country-level sourcing origins were identified, sub-country or more granular traceability was not available for all commodity volumes. A few highlights of the assessment include the following:

- The majority – more than 95 percent – of the company's cattle and beef and direct soy<sup>ii</sup> sourcing was at low risk for deforestation due to the scale of and U.S. sourcing for domestic operations.
- More than 70 percent of the company's pulp, paper and packaging procurement assessed was identified as low risk due to being of U.S. origin and accompanied by Sustainable Forestry Initiative (SFI) certification.
- Direct palm oil<sup>iii</sup> volumes, while significantly lower than the other commodities analyzed, are likely sourced from countries or jurisdictions of concern for deforestation risk including Indonesia and Malaysia.
- Finally, further work on embedded soy<sup>iv</sup> and embedded palm<sup>v</sup> (i.e., when soy, palm or their derivatives are an ingredient in products Tyson procures) is needed to identify the volumes involved and their sourcing origins.

This Standard complements the company's Science Based Targets initiative (SBTi) accepted target to reduce greenhouse gas emissions 30 percent by 2030. Additionally, Tyson Foods Forest Protection Standard aligns with three United Nations Sustainable Development Goals including Goal 12 - Responsible Consumption and Production; Goal 13 - Climate Action; and Goal 15 - Life on Land. Moreover, Tyson aspires to align this Standard with the [Accountability Framework initiative \(AFI\)](#).

## Deforestation Definition and Timelines

Tyson will apply appropriate and meaningful definitions of forests and other natural ecosystems to measure, monitor, verify, and report progress. Tyson will work with stakeholders and experts to develop these definitions. Definitions will include consideration of jurisdictional<sup>vi</sup> environmental, social and economic factors; farmer considerations; and indirect land use change (ILUC). Forest and other natural ecosystem definitions may include reference to, among others, the [High Carbon Stock Approach](#), [High Conservation Value \(HCV\) Resource Network](#), and AFi.

The completion of the risk assessment and development of this Standard, embodies the company's initial and continuing efforts to address deforestation. Tyson has established the following cutoff<sup>vii</sup> and target sourcing dates for this Standard.

Commodity	Cutoff Date	Target Sourcing Date
Beef and cattle	September 30, 2020	<ul style="list-style-type: none"><li>• Begin sourcing verified deforestation free beef by end of calendar year 2021, with complete transition of our Australasia sourcing by December 31, 2025</li><li>• Sourcing from Latin America by December 31, 2028</li></ul>
Soy (embedded)	September 30, 2020	December 31, 2030
Soy (direct)	September 30, 2020	December 31, 2025
Palm (embedded)	September 30, 2020	December 31, 2030
Palm (direct)	September 30, 2020	December 31, 2025
Pulp, Paper and Packaging	September 30, 2020	December 31, 2025

Tyson will continue to work with customers to meet their deforestation requirements and to supply deforestation-free product consistent with their stated timelines and targets for these at-risk commodities.

## Supplier Expectations

Tyson seeks supply partners who share the company's goal to protect forests and other natural ecosystems. Tyson is targeting the reduction of deforestation risk in its global supply chain. Accordingly, the company will work to source from suppliers demonstrating adherence by the target dates included in this Forest Protection Standard and the related commodity action plans (CAPs). Tyson expects its suppliers to meet the following for prevention of deforestation:

- No supply from areas of deforestation (as referenced in this Standard) from the cutoff date specified for the applicable commodity.
- Work within credible forest protection frameworks.
- For countries and jurisdictions of concern, provide traceability to farm or plantation of origin such as certification, geospatial or other supply chain mapping, and blockchain.
- Adhere to [Tyson Foods, Inc. Supplier Code of Conduct](#), which sets supplier expectations in the areas of labor and human rights, health and safety, the environment and ethical business practices.
- Meet AFi Core Principle 2, Respect for Human Rights.

Tyson recognizes not all suppliers will be able to meet these new requirements immediately; however, Tyson expects suppliers to make the changes necessary to meet the requirements by the target sourcing dates. Suppliers who do not adhere to these expectations will be evaluated and encouraged to put programs in place that align with Tyson's goals and targets on deforestation. In addition, a transition period will be established for any subsequent business acquisitions to ensure adherence within a defined timeframe.

## Forest Protection Standard Governance

Responsibility for implementing this Standard resides with the procurement teams responsible for sourcing the listed commodities. Support and guidance will be provided by Tyson Foods' Corporate Sustainability Team and Chief Sustainability Officer.

This Standard shall be implemented in a manner consistent with the AFi guidelines by establishing and maintaining a plan to address the following:

- Clear, credible and up-to-date CAPs to address identified risks and support progress against this Standard.
- Annual goals, objectives and targets for measuring and improving performance.
- Regular monitoring of progress, including annual review by senior management.
- Traceability across direct and indirect supply chains as necessary.
- A system to monitor and address supplier alignment with this Standard.
- Maintain a risk management process to 1) track deforestation trends and developments; 2) identify other materials in the company's supply chain posing deforestation risk; and 3) monitor existing and developing countries and jurisdictions at-risk for deforestation.
- Transparent reporting on progress through the annual Sustainability Report and other means.
- Partnerships with industry, government, academia and NGOs on efforts to protect forests and other natural ecosystems.

---

<sup>i</sup> A measure of the land impact associated with purchases of these commodities.

<sup>ii</sup> At Tyson, soy is used directly primarily as feed ingredients for poultry and livestock. It is also used in other forms such as soy oil, flour, proteins and soy sauce.

<sup>iii</sup> At Tyson, palm oil is used directly as an ingredient and for frying.

<sup>iv</sup> Soy used as an ingredient in products Tyson buys on the open market is referred to as embedded soy. For the company's risk assessment and for purposes of this policy, embedded soy risk associated with soy used to produce meat Tyson buys is addressed.

<sup>v</sup> Fractions or derivatives of palm oil which are an ingredient in products Tyson buys on the open market are referred to as embedded palm oil.

<sup>vii</sup> A cutoff date is the date after which time deforestation or conversion would be considered non-compliant with this Standard.