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The challenges of 2020 provided us an opportunity to simplify and reaffirm our core business priorities, with a focus foremost on our employees. The success and resilience of our company is built on our culture of Responsibility, Operational Excellence and Innovation (ROI). We uphold an especially keen focus on Operational Excellence, which compels us to tirelessly pursue sustainable improvement across our operations. Moving forward, we intend to further reduce complexity across our vertically integrated business through enhanced visibility into our operations and supply chains to target inefficiencies, reduce waste and foster collaboration among our skilled workforce.

These goals and principles go hand in hand with Smithfield’s perennial commitment to sustainability, an integral program that we affirmed, updated and expanded in 2020 to target important issues for our company and stakeholders. These include animal care; a diverse, equitable and inclusive organization; environmental stewardship; food safety and quality; health and wellness; local community support; and the health and safety of our employees.

This report reflects our position as an industry leader in sustainability and introduces our latest five- and 10-year goals across Smithfield’s updated and existing sustainability pillars. It also provides an open and honest account to consumers and other stakeholders who want to know more about where their food is made and how it is produced.

Animal Care
We maintained our systematic programs and certifications to ensure the well-being of animals in our care on Smithfield’s farms and facilities globally.

Diversity, Equity and Inclusion
We underscored our long-term responsibility to create a more diverse, equitable and inclusive workplace with the launch of our Unity and Action platform.

Environment
We advanced innovative partnerships to capture renewable natural gas from methane at our hog-farming operations and became the first major protein company to commit to becoming carbon negative in all U.S. company-owned operations by 2030.

Food Safety and Quality
We continued to measure our food safety and quality performance against the industry-leading Global Food Safety Initiative (GFSI) standard, achieving 100% GFSI recertification at all of our applicable facilities in the United States, Poland and Romania.

Health and Wellness
We streamlined our processes and formulations to help deliver on our 2025 targets, including reducing added sugars and sodium by 10% across our product lines.

Helping Communities
We increased giving efforts to support communities by donating nearly 70 million servings of protein to hunger relief causes and more than $1 million in educational scholarships to Smithfield families.

Worker Health and Safety
We invested more than $800 million in COVID-19 response measures at our facilities and in employee benefits in 2020 to keep workers healthy and safe while maintaining health and safety rates below the relevant industry averages globally.

As we turn to the next chapter of our company’s story, we look ahead with anticipation toward Smithfield’s robust, bright future. The incredible strength and resilience of our employees continues to be the key to our success. We know that when we are faced with difficulties, it is our employees who create the solution. Together, we will guide our business to excellence.

Sincerely,

Dennis Organ
President and CEO
Smithfield Foods, Inc.
Q: As your sustainability strategy evolves, Smithfield is introducing three new pillars: Diversity, Equity and Inclusion; Health and Wellness; and Worker Health and Safety. Tell us about the new pillars and how you see them advancing the company’s sustainability strategy and overall goals.

A: The introduction of our new pillars is consistent with the breadth of our sustainability strategy and how it has evolved over time. They represent areas that are important to the company and our stakeholders. Historically, Diversity, Equity and Inclusion and Worker Health and Safety have always been elements of our People pillar. Now, as stand-alone priorities, we can highlight our singular efforts and accomplishments under each. For example, through our comprehensive Unity and Action strategy, which we announced internally in June, we acknowledged that we can expand our efforts to create a more inclusive culture at Smithfield and support a more equal and just society. We believe that requires action, above all. Our actions and dedicated programs are focused in three areas — making a meaningful impact in our management ranks, creating educational opportunities to attract diverse talent and broadening diversity across the agricultural supply chain. Our Health and Wellness pillar gives us an opportunity to highlight the importance of animal protein in the human diet. We also call out how the animals we harvest for food provide byproducts that help the human condition in ways people don’t realize: heparin and insulin for diabetes management, valves for heart surgery, and regenerative innovations to build cellular materials for burns and injuries.

Q: Tell us more about the Worker Health and Safety pillar, especially in the context of the COVID-19 pandemic.

A: Keeping our employees healthy and safe has been the critical focus of our response to COVID-19. We invested more than $800 million in our overarching COVID-19 response in 2020, as we fulfilled our obligation to help secure and maintain the food supply. Our global health and safety program (Smithfield Injury Prevention System, or SIPS), team and safety engagement culture drive continuous health and safety improvements across our organization.

Q: The pandemic has shed light on the fragility of the global food system and worsened food insecurity issues in the United States and globally. How did Smithfield’s sustainability programs and systems address these challenges?

A: The pandemic has made people think about where their food comes from and has reminded us that for most of human existence, the food supply has been precarious. In contrast, the quantity, quality and accessibility of food produced today is much better than in the past. Smithfield serves an important role in this regard by continuing to produce safe and affordable food responsibly — and especially during the pandemic — and investing in the health and safety of our employees to ensure the continuity of the food supply. At the same time, we improved and expanded our sustainability program. We significantly lowered the use of land, water, energy, feed and greenhouse gas (GHG) emissions per pound of protein produced over time, and our efforts to continue those improvements remain constant even through the pandemic.

Q: Despite the many challenges in 2020, what are you most excited about in 2021 or beyond for the future of sustainability at Smithfield?

A: Looking ahead, it’s good to see that, even with the attention paid to the pandemic, sustainability remains top of mind. Smithfield is well prepared. We’ve refreshed our sustainability platform for the next 10 years and have goals and targets to address climate change, water, waste, worker safety, diversity needs and all the issues that we’ve identified as critical to our success. And we are already seeing progress. Operating through the pandemic, while not easy, has reminded us that sustainability is deeply embedded in our organization, that it strengthens our adaptability and resilience and that we have the confidence of our stakeholders and in our purpose.
Our Corporate Purpose

Headquartered in Smithfield, Virginia, since 1936, we are an American food company with wholly owned operations in the United States, Poland, Romania and the United Kingdom (UK). We also have joint ventures in Mexico.

Our Mission

We are passionate about producing good food the right way. Our business depends on the humane treatment of animals; stewardship of the environment; producing safe and high-quality food; the vitality of local communities; and creating a fair, ethical and rewarding work environment for our people.

Our Vision

With our culture of responsibility, operational excellence and innovation, we will be a trusted food and protein company as we sustainably feed people around the world.

Our Social Purpose

We are committed to improving food security and ending hunger by donating high-quality, nutritious food. We also support other philanthropic solutions in the fight against hunger as well as in areas of education, veterans and those that align with the sustainability program.

Our Business

Farming Operations

Pigs
- 506 company-owned pig farms and 2,120 contract pig farms in the United States
- 67 company-owned pig farms and 1,101 contract pig farms internationally
- 21.4 million pigs produced globally
- $503 million contract farm payments globally

Poultry
- Three company-owned poultry farms and 68 contract poultry farms internationally
- 11.4 million market poultry produced internationally
- $4 million contract farm payments internationally

Food Production
- 47 U.S. facilities
- 24 international facilities

Market and Offerings
- $16.1 billion in sales, including $221 million in e-commerce
- 11.2 billion pounds of fresh pork, packaged meats and poultry sold
- Iconic brands: Smithfield®, Eckrich®, Nathan’s Famous®, among others
Our Stakeholders

Smithfield stakeholders — employees, farmers, suppliers and customers as well as our philanthropic, educational, community and U.S. veteran organizations — are essential to strengthening our business in support of our mission to feed the world in a responsible way. The initiatives and efforts we describe in this report are all more successful through our engagement with them.

By the Numbers

- 59,000+ employees
- 3,221 independent contract farmers; 2,120 independent farmers
- 804 suppliers
- 4,925 retail and foodservice customers in 39 countries
- Supplying 57 of the top 75 retailers, all top 30 foodservice distributors and 17 of the top 30 restaurant chains in the United States

Philanthropic and Community Stakeholders

- 181 local and national hunger relief nonprofits, food banks and pantries
- 227 educational institutions and organizations
- 30 U.S. veterans associations and organizations
Identifying Our Sustainability Priorities

We regularly analyze global and local trends to identify sustainability issues that are most important to our company. The outcomes inform our strategic, sustainability management and communications priorities.

Given the changes brought about by the COVID-19 pandemic, we refreshed our materiality assessment in September 2020 to incorporate priority shifts in material environmental, social and governance (ESG) issues, as recommended by our stakeholders or otherwise highlighted by the pandemic.

Our refreshed materiality assessment was conducted in accordance with the best-in-practice guidelines of the Global Reporting Initiative (GRI), an international independent reporting standards organization.

Our assessment, reflected in our refreshed materiality matrix, highlighted an increased interest from internal and external stakeholders in five issue areas:

- Occupational health and safety
- Diversity, equity and inclusion
- Food insecurity
- Employee engagement and development
- Health, wellness and nutrition

Learn more about our issue prioritization and material topic definitions [here](#).
Our Sustainability Strategy

The year 2020 both challenged and affirmed Smithfield’s long-term sustainability strategy. Amidst our day-to-day efforts to keep our employees as healthy and safe as possible and to help maintain the U.S. food supply, we affirmed, expanded and focused on our long-term commitments to reduce the environmental impacts of our operations and to build a more diverse, equitable and inclusive business.

Our 2020 Sustainability Impact Report reflects our focus across seven pillars and our new goals against each:

- **Animal Care**
  - **Our Goal:** Keep animals safe, comfortable and healthy.
  - As the world’s largest pork producer, we have a responsibility to be a leader in animal care. We take pride in the responsible husbandry of our animals and have implemented a number of bold steps that underpin our commitment to producing food responsibly.

- **Diversity, Equity and Inclusion**
  - **Our Goal:** Ensure a diverse and inclusive workplace and culture that respect every employee and support a more equal and just society in our communities.
  - Our Unity and Action strategy is strengthening our business through leadership and development, educational and entrepreneurial opportunities.

- **Environment**
  - **Our Goal:** Shrink our environmental impact and eliminate waste.
  - We lead our industry in setting carbon-reduction goals and finding innovative ways to achieve them and in optimizing our supply chain, reducing waste and improving energy and water efficiency.

- **Food Safety and Quality**
  - **Our Goal:** Deliver safe, affordable, high-quality protein to meet the growing global demand.
  - We operate under time-tested food safety programs. Consumers put their trust in Smithfield every time they eat one of our products. The safety and quality of our food are fundamental to our success.

- **Health and Wellness**
  - **Our Goal:** Promote wellness through improved nutrition and innovations in pharmaceuticals, nutraceuticals and other human applications.
  - We are innovating to deliver great choices for today’s changing food preferences. We are also focused on leveraging beneficial byproducts from our meat-production operations to develop pharmaceuticals; nutraceuticals; medical-device solutions; and other cutting-edge, potentially lifesaving health care solutions.

- **Helping Communities**
  - **Our Goal:** Serve our communities through targeted philanthropy and employee volunteerism to make a meaningful impact that addresses food insecurity, advances education and supports our country’s military veterans and their families.
  - We value our connection to the communities where our people work and live. We contributed nearly 70 million servings to hunger relief organizations during 2020. We also provided educational assistance, including scholarships for Smithfield families, and we supported the U.S. military veteran community through philanthropy and employment opportunities.

- **Worker Health and Safety**
  - **Our Goal:** Keep our employees healthy and safe.
  - We invested more than $800 million in our overarching COVID-19 response to help ensure our workplaces and employees are healthy and safe while facing the unprecedented challenges presented during the COVID-19 pandemic.
Our Contributions to the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (UNSDGs) represent a global agenda to address the most pressing environmental and social issues facing our world today. We are committed to addressing these sustainable development challenges in areas where we believe we can make a difference:

**Goal 2: Zero Hunger**
End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

**Goal 3: Good Health and Well-Being**
Ensure healthy lives and promote the well-being for all.

**Goal 4: Quality Education**
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

**Goal 6: Clean Water and Sanitation**
Ensure availability and sustainable management of water and sanitation for all.

**Goal 7: Affordable and Clean Energy**
Ensure access to affordable, reliable, sustainable and modern energy for all.

**Goal 8: Decent Work and Economic Growth**
Promote sustained, inclusive and sustainable economic growth; full and productive employment; and decent work for all.

**Goal 9: Industry, Innovation and Infrastructure**
Build resilient infrastructures, promote inclusive and sustainable industrialization and foster innovation.

**Goal 10: Reduced Inequalities**
Reduce inequality within and among countries.

**Goal 12: Responsible Consumption and Production**
Ensure sustainable consumption and production patterns.

**Goal 13: Climate Action**
Take urgent action to combat climate change and its impacts.

**Goal 15: Life on Land**
Protect, restore and promote sustainable use of terrestrial ecosystems; sustainably manage forests; combat desertification; and halt reverse-land degradation and biodiversity loss.

To learn more on how we are making an impact, visit our UN Sustainable Development Goals Index.
Sustainability Governance

We are passionate about producing good food, the right way. We aim to be an ethical food industry leader that sets benchmarks for sustainability. We do this in part through sound governance and management principles and practices, which provide the foundations for trust, transparency and progress at our company.

Our systems for ethical conduct, the way we engage with stakeholders, our approach to public policy and our management of supply chain issues are all important elements of our sustainability strategy, cutting across our key pillars and creating value for our company and for our stakeholders.

Ethics and Integrity

Our Code of Business Conduct and Ethics, which is applicable to all employees and corporate officers, describes policies and practices for conducting business in accordance with applicable laws and ethical standards. Employees are required to read the Code and act in full compliance. Our executive-level Ethics and Compliance Committee, chaired by our chief legal officer, oversees the full range of compliance issues for our company and administers the Code. We encourage employees to report ethics violations or similar concerns through an anonymous telephone hotline. The company reviews and responds to all hotline complaints.

Our Reporting Structure

Our sustainability strategy and disclosures program include an executive-level position to lead our efforts, corporate-level oversight committees and a core team to further drive progress. Our chief sustainability officer reports to our chief administrative officer who reports directly to our chief executive officer (CEO). Our CEO reviews our sustainability performance at least on a quarterly basis. We establish and routinely evaluate goals and targets under each pillar to drive ongoing progress to create value for our stakeholders, employees and the company as a whole.

Our Enterprise Risk Management System, Code of Business Conduct and Ethics and approach to public policy are important elements of our sustainability strategy.
Creating Value for Our Stakeholders

Smithfield’s supply chain includes every one of the essential elements of our production and distribution processes. It begins with the farms that grow grain for our pigs, incorporates our vertically integrated hog-farming operations and processing plants and then finishes with our transportation network bringing finished products to retail stores, restaurants and other customers and consumers.

During the COVID-19 pandemic, our integrated supply chain enabled us to effectively manage our operations. It gave us confidence that our employee health and safety measures were consistently executed and maintained across our facilities, allowing us to quickly pivot to help our customers meet rapidly shifting consumer eating habits.

Our efforts create value for a full range of stakeholders and enhance our financial performance. We provide opportunities for thousands of farmers through our contract growing relationships and grain purchases. We employ 59,000+ people globally, providing training and health and wellness activities. We invest hundreds of millions of dollars each year in capital improvements to facilities and equipment. We also create value in our communities where we pay taxes, make local purchases and create societal value through our initiatives related to hunger relief, education and support for U.S. military veterans.
Forward-Looking Information

This report contains “forward-looking” statements within the meaning of the federal securities laws. The forward-looking statements include statements concerning our outlook for the future as well as other statements of beliefs, future plans and strategies or anticipated events and similar expressions concerning matters that are not historical facts. Our forward-looking information and statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, the forward-looking statements.

These risks and uncertainties include, but are not limited to, the availability and prices of live hogs; feed ingredients (including corn); raw materials; fuel and supplies; food safety; livestock disease; live hog-production costs; product pricing; the competitive environment and related market conditions; risks associated with our indebtedness, including cost increases due to rising interest rates or changes in debt ratings or outlook; hedging risk; adverse weather conditions; operating efficiencies; changes in foreign currency exchange rates; access to capital; the cost of compliance with and changes to regulations and laws, including changes in accounting standards, tax laws, environmental laws, agricultural laws and occupational health and safety laws; adverse results from litigation; actions of domestic and foreign governments; labor relations issues; credit exposure to large customers; the ability to realize the anticipated strategic benefits of the acquisition of Smithfield Foods, Inc.,* by WH Group; the ability to make effective acquisitions and successfully integrate newly acquired businesses into existing operations; and other risks and uncertainties described under “Item 1A. Risk Factors.”

Readers are cautioned not to place undue reliance on forward-looking statements because actual results may differ materially from those expressed in, or implied by, the statements. Any forward-looking statement that we make speaks only as of the date of such statement, and we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

About This Report

This report covers our sustainability progress during the 2020 calendar year against our goals and targets across our sustainability pillars. Where appropriate, we also provide updates on initiatives underway in 2021. We completed our most recent set of goals and targets in 2020 and launched new 2025/2030 goals and targets, which we will report against in future sustainability reports. This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Option.

Smithfield Foods, Inc. is a wholly owned subsidiary of Hong-Kong-based WH Group Limited, a publicly traded company with shareholders around the world. Operationally, we are part of an enterprise that shares our belief in global opportunities and our commitment to product safety and quality.

*All references to “Smithfield,” “we,” “us” and “our” are terms of convenience used to refer to Smithfield Foods and all of its subsidiaries.
Smithfield’s animal care practices underline our steadfast commitment to the safety, health and comfort of our animals. Our employees are caregivers who prioritize the respectful and humane treatment of animals every day across all segments of our supply chain. In a year of immeasurable challenges, their dedication never wavered.

We enhanced our world-class animal care practices in 2020, reemphasizing our certification and audit requirements on our farms and at our processing facilities and committing to new forward-looking targets by 2025 and beyond.
2020 Highlights and Achievements

★ We continued to enhance our legacy management approach to animal care. At the same time, we understand the importance of the Five Freedoms of animal welfare.

★ We extended our Process Verified Program (PVP) certification, a program of the U.S. Department of Agriculture (USDA) that helps ensure animals coming to our facilities have been raised where management systems address the welfare of animals, to all our U.S. suppliers.

★ We continued to achieve excellence in animal care, reaching each of our 2020 targets and introducing new targets, including a commitment to implement barn-enrichment initiatives on company-owned farms by 2030.

Goals and Targets

In this report, we are publishing our new and refreshed sustainability goals and targets. By reporting our progress against them, we hold ourselves accountable for our performance.

Our Animal Care Goal
Keep animals safe, comfortable and healthy.

Our Animal Care Targets

On Our Farms

• Continue to maintain and implement updates to our Animal Care Management System and achieve an annual audit score of excellent (97%–100%) globally.

• Maintain group housing for all pregnant sows on company-owned farms globally. In Poland and Romania, provide pigs and poultry, including laying hens, with housing, floor and surface area required by the European Union (EU).

• Assess barn enrichment and adopt recommendations on company-owned farms by 2030.

• Obtain one or more external certification(s) from globally recognized animal care organization(s) for company-owned farms by 2025.

• Maintain principles for judicious use of antibiotics as defined by the U.S. Food and Drug Administration (FDA) and American Veterinary Medical Association (AVMA) and continue transparent reporting of antibiotic usage.

Across Our Processing Operations

• Maintain a written program for animal welfare at processing facilities globally.

• Maintain a systematic program for animal care based on the North American Meat Institute (NAMI) recommended Animal Handling Guidelines and Audit Guide at each applicable facility in the United States.

• Maintain USDA PVP certification in the United States.

• Receive certification for all live animal suppliers in the United States to the National Pork Board’s (NPB’s) Pork Quality Assurance® Plus (PQA® Plus).

• Maintain Transport Quality Assurance® (TQA®) certification for all live animal transporters in the United States.

• Achieve an annual audit score of excellent (97%–100%) at each processing facility globally.

Learn about our progress in 2020 against our completed five-year targets [here](#).
Our Guiding Principles for Animal Welfare

Smithfield takes pride in the responsible stewardship of our animals. Animal well-being is a top company priority and deeply engrained in our commitment to producing food responsibly. As part of that commitment, we recognize the importance of the UK Animal Welfare Committee’s (AWC’s) “Five Freedoms,” which outline ideal physical and mental states to promote animal well-being: freedom from hunger and thirst; from discomfort; from pain, injury or disease; from fear and distress; and to express normal behavior. Our company remains committed to continuous improvement in these areas and urges every member of our Smithfield Family and farmers in our supply chain to uphold these values. Every employee is responsible for ensuring Smithfield’s animal care standards and comprehensive Animal Care Policy are upheld.

In addition to our Animal Care Policy, our support of the Five Freedoms is underpinned by our wide-ranging management systems, policies, practices and culture of accountability.

Our Animal Care Management System provides a comprehensive approach to animal welfare across our supply chain and throughout the animals’ lives. It specifies requirements for employee training, compliance checks and audits on our company-owned farms, at the family farms we contract with, during transport and in our processing facilities, and it ensures that any issues of noncompliance are swiftly corrected.

We regularly review and enhance our approach to align with scientific research, technological innovation and opportunities for operational efficiencies.

Our Commitment to Animal Welfare

A systematic approach to animal welfare promotes consistent, day-to-day humane care of our animals. In a year of unmatched disruptions, we implemented our newly harmonized manual of standard operating procedures and training on our farms across the United States. New standardized monthly animal care training topics were delivered online in multiple languages, along with ongoing mandatory animal care training.

Our animal welfare systems, policies and procedures meet industrywide assurance requirements, which help provide stakeholders with reliable and verifiable systems to ensure animal well-being as well as pre-harvest food safety.

On our company farms in the United States, we adhere to the NPB’s PQA® Plus program guidelines, which guide the proper care of animals for optimal health and well-being. All drivers who transport and handle our animals, including external suppliers, are certified to the NPB’s TQA® requirements.

In 2020, we extended PVP certification to all our U.S. suppliers. PVP certification, a program of the USDA, helps ensure animals that come to our facilities have been raised where management systems address the welfare of animals. Together with our internal Animal Handling and Welfare Quality Management Plans, PVP certification provides our customers and consumers farm-to-table assurance in the animal welfare and safety of their food supply.

In Poland, 86 of our contract finishing farms and six of our feed mills are certified to the Global Standard for Good Agricultural Practice (GLOBALG.A.P.) that regulate animal welfare, production hygiene, biosecurity and other processes. Our farms and feed mills in Romania are certified to the International Organization for Standardization (ISO) 22000, ISO 9001, ISO 14001 and Occupational Health and Safety Assessment Series (OHSAS) 18001.
Audits provide an additional level of assurance. We undertake regular internal animal welfare audits across our supply chain in the United States and at our company-owned and contract sow farms in Poland. Our farms and facilities also are subject to annual third-party audits, which include:

- Common Swine Industry Audit (CSIA) at our U.S. company, contract and supplier farms
- Scored process-facility and transportations performance audits in line with the NAMI Recommended Animal Handling Guidelines at our U.S. processing facilities
- International Featured Standard (IFS) and the British Retail Consortium (BRC) Global Standard, global standards for food safety recognized by the Global Food Safety Initiative (GFSI), for the suppliers in Poland and Romania from whom we purchase hogs as well as our processing facilities in Poland

While we delayed or pivoted to electronic filing for some of our internal inspections in 2020 to adapt to COVID-19 restrictions, all third-party audits were completed. Sixty-five company-owned and contract farms underwent a CSIA audit, receiving an average score of 99% for company-owned farms and 98% for contract farms. External suppliers received an average score of 95%. Our U.S. processing facilities received an average third-party animal welfare performance audit score of virtually 100% (99.8%). Our Animex facilities in Poland received BRC scores of B, A, A+ and AA.

### Animal Nutrition

Ensuring the quality, consistency and safety of our feed supply is critically important. Our animals consume more than 13 billion pounds of feed each year, and we continue to enhance how and what we use for feed ingredients and how we produce, store and deliver feed to the pigs.

Our companywide feed and food safety programs follow the requirements of the FDA Food Safety Modernization Act (FSMA). Our FSMA-based safety plan is customized for each feed mill and bakery meal operation and maintained with ongoing employee training.

We began implementation of our Safe Feed/Safe Food program at our feed mills and bakery meal operations in 2020. It provides an accountability framework for how we manufacture and deliver safe and nutritious animal feed, including feed-production oversight and quality assessments from ingredient origins to the final delivery of the feed to our pigs. Our aim is to complete the rollout, including internal and external audits, in 2021.

About one-third of the water we use in our operations supports our farms, providing water for our pigs to drink and for sanitation, cooling and biosecurity to maintain their health. We cooperate with local communities to proactively address water quality and use.

Precise formulas of corn, soybean meal, wheat and minerals and vitamins, when fed in the proper amount at the right time, allow our animals to grow and gain lean muscle. Our animal nutrition experts routinely study ways to improve the efficient use of our animal feed, analyzing raw ingredients and finished feeds for nutritional content and quality. They also work with our research and technology group to evaluate the impact of novel feed concepts and additives on animal performance. With our procurement team and our feed mill and bakery meal operations, they ensure they are producing feed that consistently meets the nutritional needs of the animals in a safe and economical way.

### Antibiotics Use

Smithfield’s long-standing Antibiotics Use Policy describes our approach to the judicious use of antibiotics to produce healthy animals and ensure a safe food supply. To further emphasize the importance of our antibiotics guidance, in 2020, we expressly stated our approach as a 2025 target for our farm operations.

Our collaboration with industry partners to develop a framework for antibiotic stewardship in animal production is ongoing. In addition, our research teams continue to work to understand how we can better use antibiotics when we do need to employ them to treat, control or prevent disease.

After more than a decade of transparency, we continue to be the only U.S. hog producer to publicly report antibiotic use on our farms. The amount of antibiotics we use varies from year to year based on a variety of factors, including weather conditions, inventory decisions, type of antibiotic used (feed, water or...
injection), the prevalence of diseases and active ingredient concentration. Notwithstanding these annual variations, our antibiotics usage has shown a downward trend over the last several years, which has been accomplished through innovative efforts on our farms, including improvements in our production processes and our use of vaccines.

### Antibiotics Used

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<td>144</td>
<td>124</td>
<td>137</td>
<td>117</td>
</tr>
</tbody>
</table>

*Annual milligrams per pound represents the total amount of active ingredients of antibiotics administered to the animals divided by the total weight of live hogs produced.*

Biosecurity, or procedures to prevent the spread of disease on our farms, is another vital element to safeguard the health of our animals.

Our biosecurity policy and procedures are designed to prevent contaminants from being brought onto farms or transferred between farms by animals, personnel, vehicles and other equipment. We enhanced our practices across our supply chain in 2020 by launching our manual of standardized procedures as well as mandatory monthly training.

In the United States, we continued to collaborate with regulators, veterinarians and industry experts to protect against outbreaks of disease, such as African Swine Fever (ASF), a highly contagious swine disease that is nearly always fatal to pigs and for which there is currently no treatment or vaccine.

ASF does not infect people and, fortunately, it has never been found in the United States.* Romania, however, experienced an uptick in the number of cases of ASF concentrated in small, domestic backyard populations and wild boars. To mitigate the risk of infection on our farms, we invested more than $2 million in biosecurity measures in 2020, with another $2 million earmarked for 2021. We also maintained staff training modified to accommodate COVID-19 constraints, and we collaborated on a public information campaign with the country’s Pork Producers Association. As pork exports were restricted in Romania, we adapted our product lines to cater to the domestic market.

In Poland, we continued to focus on training across our supply chain, moving it online as we adapted to pandemic restrictions. We enhanced training for our truck drivers and independent farm suppliers beyond regulatory requirements to include animal welfare and biosecurity. We also launched a mobile application to facilitate remote biosecurity audits for the farms we contract with. A 2019 analysis revealed that wild boars represent a significant risk to the spread of ASF in Poland, so in 2020, we partnered with the Polish Hunting Association to promote increased wild boar hunting, particularly in areas near our commercial operations.

In addition, we undertake biosecurity audits at our international company-owned and contract farms, feed mills and across our transportation systems in Poland and Romania.

### Animal Well-Being

Pigs are social beings: They like to be around other pigs and their caretakers. Our open housing systems allow for social interaction between animals and room for exercise. We provide group housing for pregnant sows during their 16-week gestation period on our company-owned farms globally. We use individual stalls for breeding to help ensure a sow’s successful conception, a practice supported by multiple scientific studies. We also use individual stalls during farrowing and weaning to protect a sow’s growing litter.

We encourage our contract sow growers in the United States to transition to group housing systems and collaborate with them to provide guidance and expertise when requested. Despite the increased cost of supplies during the COVID-19 pandemic, approximately one-third of our contract farmers completed the transition to group housing systems by 2020 year-end.

Our poultry growing farms and hatcheries in Poland, which provide chicks to 300 independent growers, use cage-free housing according to EU animal welfare and Polish animal welfare requirements.

* Source: African Swine Fever, FDA.gov
Our new 2030 target commits us to exploring the growing scientific understanding of barn enrichment and to adopting the recommendations from our assessment on company-owned farms by 2030. Effective environmental enrichment with bedding, toys and other objects that encourage normal pig behaviors like rooting and chewing has been shown to improve the welfare of pigs and help manage undesirable behaviors. For example, Smithfield researchers have investigated and recently implemented enrichment tactics to help manage tail biting. We provide enrichment for pigs on our company-owned farms in Poland and Romania where it is a legal requirement of the EU.

Smithfield’s hog-production research team aims to advance practices to improve the welfare of our animals at all stages of their lives. In addition to our research on tail biting, in 2020 we continued to participate alongside international partners in the industrywide Pain Mitigation Task Force. The task force is exploring test methodologies to assess pain associated with routine procedures, such as tail docking for piglets. Following the completion of a pilot pain assessment project in August 2020, we anticipate FDA approval to launch a field validation study in early 2021.

We took tremendous efforts to protect the health and safety of our workers during the COVID-19 pandemic. For Smithfield, this resulted in the temporary shuttering of six of our processing facilities. A regrettable outcome of the closures was insufficient processing capacity within our supply chain, which necessitated transporting some of our animals to new homes and humanely euthanizing others.

To learn more, visit our report Appendix.
## Tracking Our Performance in 2020

In 2020, we completed work on our most recent set of five-year goals and report our progress against them here. Learn about our new and refreshed goals, which extend through 2030, [here](#).

### Animal Care

**Goal: Keep animals safe, comfortable and healthy.**

<table>
<thead>
<tr>
<th>2020 Targets</th>
<th>2020 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain a written program for animal welfare at facilities globally.</td>
<td>✔ Achieved; 100%</td>
</tr>
<tr>
<td>Report antibiotic usage on a global basis.</td>
<td>✔ Achieved; since 2007</td>
</tr>
<tr>
<td>Maintain a systematic program for animal care based on the NAMI’s</td>
<td>✔ Achieved; 100%</td>
</tr>
<tr>
<td>Recommended Animal Handling Guidelines and Audit Guide at each applicable</td>
<td></td>
</tr>
<tr>
<td>facility in the United States.</td>
<td></td>
</tr>
<tr>
<td>Maintain USDA PVP certification for locations in the United States.</td>
<td>✔ Achieved; 100%</td>
</tr>
<tr>
<td>Ensure all live animal suppliers in the United States are certified to the</td>
<td>✔ Achieved; 100%</td>
</tr>
<tr>
<td>NPB’s PQA® Plus.</td>
<td></td>
</tr>
<tr>
<td>Ensure all live animal transporters in the United States are certified to</td>
<td>✔ Achieved; 100%</td>
</tr>
<tr>
<td>NPB’s TQA®.</td>
<td></td>
</tr>
<tr>
<td>Maintain and implement updates to the company’s Animal Care Management</td>
<td>✔ Achieved; company-owned farms with an average CSIA score of 99%</td>
</tr>
<tr>
<td>System and achieve an annual audit score of excellent (97%–100%) at each</td>
<td></td>
</tr>
<tr>
<td>farm region globally.</td>
<td></td>
</tr>
<tr>
<td>Maintain group housing for all pregnant sows on company-owned farms</td>
<td>✔ On Track; 100% company-owned farms globally; increased conversion of U.S.</td>
</tr>
<tr>
<td>globally and encourage U.S. contract growers to convert to group housing</td>
<td>contract grower farms; 100% poultry farms and hatcheries in Poland aligned</td>
</tr>
<tr>
<td>systems for pregnant sows by 2022; provide pigs and poultry, including</td>
<td>with EU animal welfare requirements</td>
</tr>
<tr>
<td>laying hens, with housing, floor and surface area required by the EU.</td>
<td></td>
</tr>
</tbody>
</table>

### More on Animal Care:

- [Animal Care Management](#)
- [Antibiotics](#)
- [Biosecurity](#)
- [Humane Euthanasia and Slaughter](#)
- [Industry Certifications and Verifications](#)
- [Industry Definitions](#)
- [Ractopamine](#)
Smithfield employees — our 59,000-strong essential service workforce — were put to the task in 2020. We are proud to say they not only met but exceeded the demands of the moment. As the widespread health and economic impacts of COVID-19 became increasingly apparent in the early part of the year, our employees emerged as heroes who, together with thousands of family farmers and supply chain partners, successfully sustained the U.S. food supply during extremely trying times. Alongside the challenges of the pandemic, 2020 also highlighted difficult truths about race, justice and opportunity in the United States.

We are committed to providing opportunities for every one of our heroes across every aspect of our business. Our new Diversity, Equity and Inclusion pillar, with its ambitious goals and targets, reflects our intent. We are investing in a learning culture that creates career paths for our employees. Our comprehensive Unity and Action strategy, announced internally in June, details our commitment to foster a diverse and inclusive Smithfield business through investments in educational and supply chain initiatives, which are now well underway.
2020 Highlights and Achievements

★ We celebrated the graduation of the inaugural cohort of our Operations Leadership Program (OLP), a key component of our Unity and Action strategy designed to create a robust pipeline of diverse candidates to fill management positions within our company.

★ We launched our two-year $5 million commitment to build access to and foster diversity in food education; agriculture; and science, technology, engineering and mathematics (STEM) careers.

★ We pledged $10 million over three years to remove barriers to funding for minority farmers and suppliers to help build a stronger, more inclusive agricultural future.

Goals and Targets

In this report, we are publishing our new Diversity, Equity and Inclusion pillar goals and targets. By reporting our progress against them, we hold ourselves accountable for our performance.

Our Diversity, Equity and Inclusion Goal
Ensure a diverse and inclusive workplace and culture that respects every employee and supports a more equal and just society in our communities.

Our Diversity, Equity and Inclusion Targets

- Over the next year, formalize a dedicated training and career development program to identify, train and mentor our people to create a robust pipeline of diverse candidates to fill management positions.

- Improve education programs by investing $5 million over the next two years to provide access to quality education and bridge divides in communities.

- Over the next two years, further diversify our Smithfield Foods Scholarship Program for the dependent children and grandchildren of full-time and retired employees to include additional historically Black colleges and universities (HBCUs).

- Dedicate at least $10 million over the next three years in targeted funding to build a stronger, more inclusive agricultural future by financially and technically supporting America’s minority farmers.

- Increase production facility spend with minority-owned businesses by 14% to achieve a more inclusive supply chain by 2025.

- Over the next year, implement a minority contract grower program to increase the number of diverse hog suppliers within our agricultural supply chain.
Building a Diverse, Equitable and Inclusive Business

The year 2020 gave us pause to reflect on the importance of unity and the need for action in light of the ongoing conversation calling for a more inclusive, equal and just society. Our journey toward creating a more diverse, equitable and inclusive workplace started many years ago, and our Unity and Action strategy extends this long-standing commitment to ensure our employees can feel comfortable bringing their whole selves to work. While we recognize that the fabric of our workforce is already very diverse, we know there is more we can do to promote equity and inclusion. Whether on farms, in our facilities, through our supply chains or in the communities we serve, we are intent on developing dedicated programs to make a meaningful impact by strengthening diversity in our management ranks, creating educational opportunities to attract diverse employees and broadening diversity across the agricultural supply chain.

Our Commitment to Our Employees

ADVANCE: Learning and Development Opportunities

Smithfield’s learning and development programs provide a range of educational resources to help our employees excel. Pivoting exclusively online in 2020, Smithfield University engaged thousands of employees in more than 7,200 hours of leadership across close to 55,000 courses. Our four-year maintenance apprenticeship program, launched in 2019, expanded at the end of 2020, to include 30 apprentices. Offered in partnership with nine Smithfield facilities and schools in North Carolina, Nebraska and Missouri, apprentices received college tuition, salary and benefits as they work toward their associate degree, a journeyman’s certificate and full-time technician status.

Our Unity and Action strategy, announced internally in June 2020, acknowledges that our management ranks need to more fully reflect the fabric of our workforce, and we have committed to identify, train and mentor employees of color and women to create a robust pipeline of diverse candidates to fill management positions in our company.

Our OLP is designed to get us started. Over the course of the three-month program, eligible employees participate in one-on-one coaching and mentorship, on-the-job training and weekly full-day virtual classroom sessions to build cultural awareness, communications skills and a deep understanding of the Smithfield business across operations, finance, quality assurance and other facets of our organization. We celebrated the graduation of our inaugural cohort in December 2020 and are on track to enroll 175 participants over the program’s first year.

“Participating in the Operations Leadership Program has given me the knowledge and skills to advance in my career. It has allowed me to recognize and further develop my strengths and identify and strengthen my weaknesses. It also helped me create valuable relationships with leaders at all levels. Through this opportunity to further my leadership skills, I’ll be able tp pass them on to future leaders.”

—Keesha W., Production Supervisor, North Carolina
ENGAGE: Networks of Like-Minded Colleagues

Smithfield’s Employee Business Resource Groups (EBRGs) continue to help us foster supportive communities that create a sense of equity and empowerment among like-minded colleagues while strengthening professional and personal connections across all organizational levels and operating areas.

Our Women’s Connect, Smithfield Salutes, Black Professional Network (BPN) and Smithfield NEXT groups worked through pandemic limitations to continue to build powerful connections among their members and positively impact our business. Their activities included professional development opportunities for women at the annual Women in Agribusiness Summit in September, new mentorship opportunities for veterans created through its affiliation with Smithfield’s ACHIEVE mentorship program and vital insights from our BPN to support the development of our Unity and Action strategy.

Strengthening Employee Development and Engagement at Our International Sites

Despite COVID-19 restrictions in 2020, we continued to advance our employee development and engagement efforts at our international operations. In Romania, we implemented a certification program in our fresh-meat division, focusing on technical skills across four levels of excellence. In Poland, we began to implement employee recommendations gathered through our first employee engagement survey, executed in November 2019. In 2020, we implemented approximately 50% of the more than 250 recommended initiatives. We expect to complete our follow-up survey in 2021.

Spotlight: Schwanzetta Williams, vice president of talent acquisition and diversity, equity and inclusion, is driving Smithfield’s new diversity, equity and inclusion initiatives, including programs like the OLP, into each dimension of the business and creating career pathways from within the business as well as externally. A key part of that work includes partnering across the business to develop a shared understanding of what diversity, equity and inclusion really mean to Smithfield.

“Our focus at Smithfield is to build a strategy for diversity, equity and inclusion that encompasses more than just a single program — a strategy where everyone has a role to play in building a more equitable and inclusive culture in the workplace.”
RECOGNIZE: Employee Contributions to Our Collective Success

Each year, Smithfield celebrates employees who exemplify our guiding principles of Responsibility, Operational Excellence and Innovation (ROI) through our ROI Awards program. We received a record-breaking 481 nominations and reached 100% participation from across our global operations in 2020. ROI Award winners received a $5,000 prize, with a $10,000 Grand Prize Award to the best nominee in each category.

As we confronted and overcame unprecedented challenges in 2020, every single one of our employees deserved recognition for their relentless commitment to excellence.

—Dennis Organ, President and CEO

<table>
<thead>
<tr>
<th>Responsibility</th>
<th>Operational Excellence</th>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Grand-Prize Winner:</strong></td>
<td><strong>Grand-Prize Winner:</strong></td>
<td><strong>Grand-Prize Winner:</strong></td>
</tr>
<tr>
<td><strong>Jeff Covington</strong>, Supply Chain Manager, Suffolk, Virginia</td>
<td><strong>Dave Crocker</strong>, Finance Data Analytics Senior Director, Lisle, Illinois</td>
<td><strong>Nicolai Wolterstorf</strong>, Project Engineer, Sioux Falls, South Dakota</td>
</tr>
<tr>
<td>Leading, motivating and building efficiency through an “extreme ownership” approach</td>
<td>Lowering transportation and warehousing costs by about $2.7 million annually with a refreshed tracking dashboard</td>
<td>Introducing a tracking system to verify casing shipments versus payments, with potential annual revenue accruegment of $3 million</td>
</tr>
<tr>
<td><strong>Winners:</strong></td>
<td><strong>Winners:</strong></td>
<td><strong>Winners:</strong></td>
</tr>
<tr>
<td>Inspiring learning and leadership in her first year at Smithfield</td>
<td>Demonstrating operational excellence with successful trials of a new automation, promising $1.2 million in savings</td>
<td>Inventing an ultrasound arm, a safer, easier and more ergonomic way to check animals in open pens</td>
</tr>
<tr>
<td>Going above and beyond typical HR hours to focus on what makes everyone else’s job easier — whatever that takes</td>
<td>Improving facility yield by initiating accountability through a required root cause analysis for daily yield losses over $500</td>
<td>Collaborating between innovation and purchasing departments to implement a simple ingredient change for $1.6 million in annual savings</td>
</tr>
</tbody>
</table>
## Our Workforce by the Numbers

### 2020 U.S. Workforce Diversity

(Percentage of total workforce)

<table>
<thead>
<tr>
<th></th>
<th>Executive/Senior Level Officials</th>
<th>Hourly Employees</th>
<th>Salaried Employees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Indian or Alaskan Native</td>
<td>0%</td>
<td>1.5%</td>
<td>1.0%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Asian</td>
<td>2.0%</td>
<td>8.5%</td>
<td>3.2%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Black or African American</td>
<td>2.0%</td>
<td>34.2%</td>
<td>13.1%</td>
<td>30.9%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>1.0%</td>
<td>32.2%</td>
<td>12.6%</td>
<td>29.1%</td>
</tr>
<tr>
<td>Native Hawaiian or Other Pacific Islander</td>
<td>0%</td>
<td>0.4%</td>
<td>0.2%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Two or More Ethnicities</td>
<td>0%</td>
<td>1.4%</td>
<td>0.9%</td>
<td>1.3%</td>
</tr>
<tr>
<td>White</td>
<td>95.1%</td>
<td>21.2%</td>
<td>68.8%</td>
<td>28.7%</td>
</tr>
<tr>
<td>Not Specified</td>
<td>0%</td>
<td>0.6%</td>
<td>0.3%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

### 2020 U.S. Workforce by Gender and Age

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Under 30</th>
<th>30–50</th>
<th>50+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Leadership*</td>
<td>17</td>
<td>89</td>
<td>0</td>
<td>43</td>
<td>63</td>
<td>106</td>
</tr>
<tr>
<td>Number of Full-Time Employees</td>
<td>16,432</td>
<td>26,368</td>
<td>8,824</td>
<td>21,545</td>
<td>12,431</td>
<td>42,800</td>
</tr>
<tr>
<td>Percentage of Employees</td>
<td>38%</td>
<td>62%</td>
<td>21%</td>
<td>48%</td>
<td>31%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Executive leadership category consists of individuals at the vice president level and above.

### 2020 International Workforce by Gender and Age

<table>
<thead>
<tr>
<th></th>
<th>Female</th>
<th>Male</th>
<th>Under 30</th>
<th>30–50</th>
<th>50+</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Full-Time Employees</td>
<td>7,657</td>
<td>8,531</td>
<td>3,076</td>
<td>8,669</td>
<td>4,443</td>
<td>16,188</td>
</tr>
<tr>
<td>Percentage of Employees</td>
<td>47%</td>
<td>53%</td>
<td>19%</td>
<td>54%</td>
<td>27%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Our Commitment to Future Leaders in Food and Agriculture

We believe that education opens doors to opportunities, and we are committed to helping students in communities everywhere achieve their dreams.

Among the many ways we recruit great employees is through our long-standing partnerships with HBCUs and the Hispanic Association of Colleges and Universities (HACU). We expanded our recruitment efforts of diverse talent through these partners in 2020, adding the University of Maryland at Eastern Shore, an HBCU, and the University of Puerto Rico, an HACU member, to the campuses where we seek out exceptional talent. Partnerships like these help Smithfield in its efforts to recruit high-caliber, diverse graduates who specialize in agriculture, business and engineering — academic areas of study that are exceptional fits for our organization.

Through our Unity and Action strategy, we are building on initiatives like these to advance access to quality education and bridge divides in communities. Our $5 million two-year commitment, announced in November, offers the foundations for long-term science education through scholarships for minority students; investment in a diverse K-12 student pipeline focused on food, agriculture and natural resources careers; STEM learning opportunities; and access to the internet for students living in underserved rural areas.

Hometown Strong, Governor Roy Cooper’s initiative to create equitable opportunity in rural areas, is grateful for Smithfield Food’s partnership and support to connect North Carolina students to the internet during the pandemic. Recognizing the urgent need for students to be able to participate in remote learning, Smithfield immediately invested in four counties near its facilities — Bladen, Duplin, Robeson, Sampson — to help students get online so they could keep learning. This partnership helps us better meet the needs of our communities during these unprecedented times.

— Mary Penny Kelley, Executive Director of Hometown Strong
Ongoing initiatives include:

- Smithfield Foods Future Leaders Program, a $2 million investment in minority students whose course work aligns with our business. Diverse rising seniors who have successfully completed Smithfield’s summer internship program have the opportunity to receive an early offer of employment to start a career with Smithfield following graduation. As part of the offer, they receive a scholarship to cover the cost of their senior-year tuition. This program is fundamental in securing diverse future leaders for our company.

- Support for the North Carolina Business Committee for Education, a nonprofit that offers classroom and real-world learning to prepare North Carolinians for jobs. We committed $2 million over two years to provide wireless hotspots to better connect students in rural areas as well as address long-term internet solutions for underserved communities.

- Minorities in Agriculture, Natural Resources and Related Sciences (MANRRS), with a two-year commitment to train future agricultural workers. Our $500,000 grant will support students interested in food, agriculture and natural resource careers through scholarships to HBCUs, summer stipends for research and immersion programs as well as STEM grants to teachers and advisors to support local chapters.

- Heritage STEM Camps Foundation (HSCF) support, valued at $300,000 through 2021, to fund the not-for-profit’s mid-Atlantic efforts. Our grant provides funding for a STEM Summer Camp aimed at encouraging female students ages 12 to 18 in North Carolina and Virginia to leverage learned skills to gain confidence, drive meaningful change in subsequent careers and grow financially.

We also renewed our partnership with An Achievable Dream Academy (AAD), a K–12 program committed to racial equity in education. Our $200,000 grant will fund core components of AAD programs, provide career-readiness training and develop a cultural competency task force. We have partnered with AAD since 2004. Nearly 50 Smithfield employees have children currently at AAD or are alumni of the program themselves.

**Spotlight: Smithfield Foods Scholarship Program**

Through our Unity and Action platform, we have also committed to diversifying our Smithfield Foods Scholarship Program for dependent children and grandchildren of full-time and retired employees to include additional HBCUs. To learn more about this and the ways we are supporting our military veterans through our new Helping Our Heroes program, see our Helping Communities pillar.
Our Commitment to Diversity in Agriculture

We know that diversity within our employee and leadership ranks promotes innovation. We believe the same is true across the agricultural supply chain. Yet, just 5% of farmers in the United States identify as Black, Indigenous or people of color. Through our Unity and Action strategy, we aim to change that.

We have pledged $10 million over the next three years to build a stronger, more inclusive agricultural future by financially and technically supporting America’s minority farmers. This includes a commitment to implement a minority contract grower program to increase the number of diverse hog suppliers within our agricultural supply chain.

We have also targeted to increase spending across our processing operations to minority-owned businesses. Our aim is to grow our annual spend by 14%, to over $105 million by 2025, to better reflect the communities where we live and work across our supply chain.

Spotlight: Voice of a Smithfield Farmer

I’m here with my wife, Inez, at my side. I’ve been raising hogs all my life — I started when I was in high school! Being a contract farmer to [legacy] Smithfield operations since 1991 has worked out well because I’ve been able to concentrate my attention on the animals.

Now my oldest and middle sons are continuing to work the farm. They’re aware of the importance of producing food and the responsibility that goes along with it, and they’re going through the training certifications that Smithfield offers in animal care, biosecurity and other areas.

Like all of us who work on farms, we are workers, consumers and environmentalists. That’s why education and training through Smithfield and its certification programs is important. Animal care is important. We take it personally.

—Charles Locklear
As the world grapples with the environmental challenges affecting our planet, consumers are looking to companies to take bold action to address their impacts. Smithfield has pioneered long-term solutions to decrease our environmental footprint for more than two decades. In 2020, we extended our leadership and became the first major protein company to commit to becoming carbon negative across our U.S. company-owned operations by 2030, going beyond carbon neutrality to effectively remove more carbon from the atmosphere than we emit. We have committed also to new, forward-looking targets aimed at critical issues such as climate, water and waste. For example, we expanded our 2016 commitment to reduce absolute greenhouse gas (GHG) emissions across our entire supply chain 25% by 2025 and are now targeting a 30% reduction by 2030.

To achieve our goals, we are applying our guiding principles of Responsibility, Operational Excellence and Innovation (ROI) to implement projects through our game-changing Smithfield Renewables platform, which unifies our GHG-reduction efforts. Our projects focus on emissions reduction and efficiency efforts on our farms, at our facilities and within our transportation and logistics network.
2020 Highlights and Achievements

★ In addition to our bold “carbon negative by 2030” goal, we set ambitious targets to obtain 50% of our electricity from renewable resources, assess and manage our impact on watersheds where we operate and reduce consumer packaging waste and plastic use by 2030.

★ Through our Align Renewable Natural Gas joint venture with Dominion Energy, we delivered renewable natural gas (RNG) to the grid in Utah, the first large-scale effort in the state to capture methane from hog-farming operations and convert it into clean energy. In Missouri, our Monarch Bioenergy joint venture with Roeslein Alternative Energy, delivered RNG from two additional farm complexes, bringing our total to six complexes producing RNG. In addition, construction began on the final two complexes in 2020 and will be completed in 2021.

★ In Oklahoma, our investment in ALLETE Clean Energy’s Diamond Spring wind site began to show returns as commercial operations got underway in December. Our investment at the site will deliver energy to power approximately 15% of our U.S. operations.

Goals and Targets

In this report, we are publishing our new and refreshed sustainability goals and targets. By reporting our progress against them, we hold ourselves accountable for our performance.

Our Environmental Goal
We’re committed to shrinking our environmental impact and eliminating waste.

Our Environmental Targets

Climate Targets
- Become carbon negative in all company-owned operations by 2030.
- Reduce GHG emissions across our value chain 30% compared to a 2010 baseline by 2030.
- Obtain 50% of electricity needs from renewable resources by 2030.
- Proactively identify and prepare strategies to address and adapt to climate-related risks and opportunities.
- In the United States, source at least 75% of grain grown with efficient fertilizer and soil health practices.

Water Targets
- Reappraise our entire U.S. water supply footprint and adopt internationally recognized water stewardship standards by 2025.

Waste and Plastic Targets
- Solid Waste: Achieve a 75% reduction compared to a 2010 baseline and zero-waste-to-landfill certification at 75% of our U.S. facilities by 2025.
  » Achieve 90% recyclable, reusable or industrially compostable consumer packaging by 2030.
  » Halve virgin petroleum-based plastic use compared to a 2019 baseline by 2030.

Other Metrics
- Reduce notices of violation (NOVs) to zero.

Learn about our progress in 2020 against our completed five-year targets here.
Innovating for a Clean Energy Future

The world’s food supply relies on secure and resilient food systems, requisites that were starkly underscored in 2020 during the COVID-19 pandemic. Smithfield recognizes that our ability to provide protein to a growing world population rests on responsible stewardship of the planet’s finite resources.

In early 2021, we updated our life-cycle analysis (LCA) developed in collaboration with the University of Minnesota’s NorthStar Initiative for Sustainable Enterprise. We expanded the scope of our assessment to fully account for the GHG footprint of our entire supply chain, from seed production to disposal by consumer. Data from the 2016 assessment was supplemented with regional emissions, including weather and temperature, soil impacts, manure management and even grain elevator information at the county level.

Early findings from this new LCA affirm our engagement approach and the critical importance of our bold Smithfield Renewables platform, the cornerstone of our GHG-reduction initiatives. Through this platform among other activities, we capture methane from hog manure treatment and transform it into RNG and electricity. The process displaces at least 25 times more GHG emissions from the atmosphere than are released from RNG’s end use in power plants, homes, vehicles and businesses.

We continue to leverage the resources and expertise of a wide range of partners to accelerate projects within our platform. Through these and other efforts, we are on course to eliminate the carbon footprint of our company-owned operations across the United States and aggressively reduce our Scopes 1, 2 and 3 GHG emissions.

We are also positioned to explore climate-related risks and opportunities across operations to better understand and prioritize actions to mitigate and adapt to drought, flooding or other potential severe weather-related events.
With these projects, we’re making progress toward our goal to become carbon negative in all company-owned operations and reduce our GHG emissions by 30% by 2030.

**Manure Management**

**Manure-to-energy projects**
Through partnerships, we’re converting manure into energy at our hog farms in NC, MO, UT and VA, displacing methane emissions and powering the local energy grid.

**Farming responsibly**
We’re working with partners to recycle the nutrients in manure as fertilizer to cropland on our farms.

**Grain Farms and Feed Milling**

**Feed efficiency**
Through advancements in genetics, nutrition and management, we’ve reduced the amount of feed needed to raise our animals.

**Responsible grain production**
We provide farm management software and tools to help farmers produce the same amount of grain using less fertilizer. We purchase grain from farmers who implement efficient fertilizer and soil health practices as well as diversified crop rotations.

**Processing, Transportation, Nongrain Feed and Other Projects**

**Processing**

**Reducing waste**
Today, 34% of our U.S. facilities are certified zero waste to landfill. By 2025, we aim to reduce our solid waste to landfill by 75% and certify 75% of our U.S. facilities.

**Improving energy efficiency**
We’re continuously looking to optimize energy efficiency in our operations, including lighting retrofits at our farms and facilities and continuous improvements in equipment efficiency as well as control technologies for compressed air, refrigeration and boiler systems.

**Sustainable packaging**
We joined the Sustainable Packaging Coalition in 2020 and aim to apply tools and learnings to achieve 90% recyclable, reusable or industrially compostable consumer packaging by 2030, including halving virgin petroleum-based plastic use compared to a 2019 baseline.

**Producing energy from wastewater**
At our Tar Heel, NC facility, we’re turning wastewater into renewable natural gas, powering more than 2,000 local homes and businesses.

**Transportation**

**Optimizing logistics**
We launched our first-ever hybrid trailer program, consisting of 34 electric hybrid trailers and 30 charging stations, at our Vernon, California, facility in 2020. Between program launch in August and year-end, we used approximately 18,000 hours of electric power, saving more than 9,000 gallons of diesel.

**Other Projects**

**Wind energy**
In Oklahoma, our investment in ALLETE Clean Energy’s Diamond Spring wind site began to show returns as commercial operations got underway in December. Our investment at the site will deliver energy to power approximately 15% of our U.S. operations.

**Consumers**
Since we have limited control over how consumers prepare our products, we are focusing our GHG-reduction efforts in this area on producing more on-trend, shelf-stable precooked foods with smaller portion sizes, which tend to reduce consumer energy use and minimize food waste.
Smithfield Renewables Projects

Through our innovative partnerships with Dominion Energy and Roeslein Alternative Energy, we are pioneering the business of capturing methane on our hog farms, converting it into RNG and delivering it to power homes, businesses and transportation vehicles. We aim to implement RNG projects across 90% of our hog-finishing spaces in Utah, North Carolina and Virginia and nearly all in Missouri by 2028. To complement the renewable energy efforts on our farms, we have implemented methane capture and reuse systems at four of our facilities in Grayson, Kentucky; Milan, Missouri; Sioux Falls, South Dakota; and Tar Heel, North Carolina. At Tar Heel, we launched a wastewater-to-RNG project in 2020, one of our largest renewable energy projects involving wastewater to date and our first in North Carolina. Developed in partnership with Duke Energy and OptimaBio, LLC, it is producing RNG to power more than 2,000 homes in the surrounding area each year.

Smithfield is an industry leader on GHG emissions reductions — and also influencing the broader pork industry on this topic.

—Maggie Monast, Director of Working Lands, Environmental Defense Fund

Turning Manure Into Energy

Capturing Manure From Barns

Hogs are raised in climate-controlled barns with easy access to food and water. The manure they generate, which falls through slatted barn floors to keep animal pens clean, is temporarily stored in concrete pits below. Underground pipes transfer the manure — including nitrogen, phosphorus and other nutrients — to specifically designed structures on the property for storage and treatment.

Anaerobic Treatment at Work

The naturally occurring bacteria in anaerobic treatment systems break down the solids and associate nutrients in manure over a period of six to 12 months. What remains is a low-solids effluent product that is highly suitable for use as an organic fertilizer. By covering the lagoons/digesters, we can also capture the biogas they emit as part of the anaerobic digestion process.

From Biomass to RNG

RNG, sometimes called biomethane, is a pipeline-quality gas derived from biomass — organic matter that can be used as fuel. RNG combines the environmental benefits of renewables with the reliability of natural gas to provide energy 24/7, 365 days a year, and can be used on demand to fuel vehicles and meet the real-time needs of homes, businesses, utilities and manufacturers. Learn more about Turning Manure Into Energy.
Manure-to-Energy Projects and Partnerships

Align Renewable Natural Gas, Smithfield’s joint venture with Dominion Energy, is the largest venture of its kind in the United States and a key component of our GHG-reduction strategy. Our planned joint $500 million investment with Dominion will build projects across the country capable of producing enough RNG to heat more than 70,000 homes and businesses and reducing annual GHG emissions from our U.S. hog farms by 2.5 million metric tons.

Our inaugural Align RNG project, located in Milford, Utah, launched in November 2020 and is producing RNG from a network of 26 family farms that raise hogs under contract with Smithfield. More than 3,000 homes and businesses can be powered by the project annually, and emissions at participating farms will be cut by more than 100,000 metric tons — equivalent to planting 1.8 million trees. To build on this success, we are spearheading similar projects in North Carolina and Virginia, with more planned for Arizona and California. Our Milford project was featured in a recent episode of “Earth,” hosted by six-time Emmy Award winner and former NBC news correspondent John Holden.

In Missouri, we have invested more than $45 million in Monarch Bioenergy, our joint venture with long-term collaborator Roeslein Alternative Energy, to introduce infrastructure for renewable natural gas across 100% of company-owned finishing farms in the state. With the completion of two additional farms in 2020 and our completion of the final two in 2021, we are on track to achieve this conversion goal, which will collectively remove the equivalent of 130,000 gasoline vehicles from the road each year.

We also continued to explore restorative prairie grass planting in partnership with Roeslein, Iowa State University and others. Agriculture and forests are essential to addressing climate change. Our efforts foster and enhance programs to sequester more carbon in agricultural lands and natural ecosystems. For example, our partnership in the Monarch Butterfly Habitat Exchange helps reintroduce native species to restore 1.5 million acres of high-quality breeding and nectar habitat along the butterflies’ migration route. Through our contributions, we completed reconstruction of 770 acres of prairie among five of our northern Missouri farms.

“...It’s not only about the climate and GHG reduction, it’s also about making our communities more sustainable by providing economic development opportunities through the power of innovation. If we’re serious about addressing GHGs, sustainability can’t be about one way of doing things. We have to look at a broad spectrum of solutions. We have to focus on carbon reduction, on economic viability of our communities and taking action to innovate. These projects do that: They are actionable; they’re buildable; and they are creating solutions.

—Ryan Childress, Director of Business Development, Dominion Energy
Wind Energy Projects and Partnerships

Wind and solar energy are key components of our comprehensive approach to eliminating carbon from our operations and achieving our new target to obtain 50% of our electricity needs from renewable resources by 2030.

Our 2019 investment in ALLETE Clean Energy’s Diamond Spring project came to fruition in December 2020, with the wind-power-generating station delivering its first clean energy to the grid. Over the course of our 12-year power purchase agreement, we expect this wind-generated energy will provide as much as 15% of our total energy use across the United States. We will begin receiving renewable energy certificates (RECs) in 2021.

Spotlight: Diamond Spring Wind Farm

Smithfield’s investment in Diamond Spring’s 112-turbine wind site in south central Oklahoma will deliver up to 15% of our U.S. energy needs through a 12-year power purchase agreement. Along with Walmart and Starbucks, our purchase supports the delivery of about 300 megawatts of renewable energy annually, enough to power 114,000 homes and offset about 884,400 tons of GHGs each year.
Enhancing Operational Efficiency Across Our Business

Our innovative environmental initiatives are underpinned by our global environmental and water policies as well as environmental management, measurement and compliance systems to monitor and report our activities. Our decisions are guided by the principles of pollution prevention and continuous improvement, and we provide consistent guidelines and training across operations. All our facilities (except new acquisitions and those where certification is not applicable) and all company-owned farms are International Organization for Standardization (ISO) 14001: 2015 certified, which is considered the gold standard of environmental management. We also maintain robust, standardized internal auditing systems that ensure consistent environmental compliance across operations.

Efficiency on Our Farms

At Smithfield, we are committed to protecting the environment on and around our hog farms through pollution prevention and continuous improvement. Increasingly, we are exploring emerging technologies that will, for example, let us count and weigh animals remotely or automate the measurement of lagoon levels.

Waste and Manure Management

We have long viewed manure and the nutrients it contains as valuable resources, and so we continue to seek innovative approaches to reduce GHG emissions in our manure management practices. Our partnership with Anuvia™ Plant Nutrients, for example, will supply dried hog waste sludge from our North Carolina farms to enrich SymTRX™, the company’s commercial-grade fertilizer.

We also recycle the nutrients in manure as fertilizer to cropland on our farms. Our trained environmental technicians recycle manure as fertilizer to meet the individual nutrient needs of each of our farms in strict adherence to regulatory requirements.

Water Stewardship

The fragility of the globe’s water resources is increasingly evident, and the need for a coordinated response is increasingly urgent. Our Water Policy underlines our approach to protecting watersheds through quality management, conservation and cooperation with communities where we operate.

On our farms, water is used for pigs to drink and for sanitation, cooling and biosecurity. At our facilities, we use it for cooking and sanitation. As responsible water stewards, we are determined to substantially increase water-use efficiency and ensure sustainable use of this vital resource. Our efforts build on the work we undertook over a decade ago to understand water supplies across our entire footprint and develop stewardship plans through 2025 using the World Business Council for Sustainable Development’s Global Water Tool and the Global Environmental Management Initiative (GEMI) Local Water Tool. To reach our new 2030 targets, we are evaluating water quality and supply availability in the watersheds where operations are located across our U.S. supply chain, including our company-owned and contract farms, our independent hog-farm supply and the corn crops we use for feed at our facilities. In parallel, we are consulting internationally recognized water stewardship collaborations to provide guidance on our long-term approach to water management.

Where We Use Water

67% – Facilities for cooking and sanitation
33% – Farms for consumption, cooling, biosecurity and sanitation
**Efficiency at Our Facilities**

Smithfield’s focus on efficiency extends to our more than 40 processing facilities across the United States and in Poland and Romania.

**Reducing Energy Consumption**

Protein production demands significant amounts of energy. Commensurate with our increased production volume, we have seen a 12% increase since 2015 of energy use at our U.S. farms and facilities. To support our carbon-negative target, we continuously look to optimize energy use in our operations. These include lighting retrofits at our farms and facilities and continuous improvements in equipment efficiency as well as control technologies for compressed air, refrigeration and boiler systems. In 2020, our Animex Starachowice location in Poland introduced a steam-energy reclamation process that repurposes thermal energy from the processing unit’s steam cycle to heat process water used for sanitation. The innovation reduces power production from coal, eliminating related carbon emissions and saving approximately $100,000 annually.

We also celebrated our first Leadership in Energy and Environmental Design (LEED) Silver facility rating at our distribution center in North East, Maryland, which we anticipate will serve as a source of replicable environmental efficiency practices.

**Spotlight: Conserving Water on Our Farms Through Reuse**

Two-thirds of water used on our farms — about 20% of our company’s total operational use — support essential sanitation procedures in and around our barns. For example, to help ensure the health of our animals, wean-to-finish barns are cleaned and sanitized between groups in four steps. In 2020, sanitation teams on our farms in eastern Virginia substituted clean, recycled, gray water for fresh in the two initial cleaning stages, an innovation that conserves more than 27 million gallons of ground water per year without compromising process outcomes. With a return on investment of less than one year, it is also expected to garner annual savings of more than $140,000.

**Reducing Water Use**

As part of our commitment to being responsible water stewards, we proactively seek input from our employees, who continually drive innovation through practical adjustments to equipment and modifications to daily procedures at our facilities, where 67% of our water use occurs.

We installed a new tank, pumps and controls at our Godwin, North Carolina, facility to capture the condensate from our rendering cookers, efficiency improvements that resulted in annual wastewater reductions of more than 3 million gallons and natural gas use savings valued at more than $150,000.

At our Sioux Falls, South Dakota, facility, a new hot water storage tank is cutting water draw and disposal by hundreds of millions of gallons each year resulting in annual savings of nearly $1.5 million. And in Iowa, at our Denison facility, we reduced water use on our tray line, one of the larger users on the harvest floor, by more than 4 million gallons per year while continuing to meet U.S. Department of Agriculture (USDA) inspection requirements.

In 2020, our water use in the United States per 100 pounds of product increased 5% compared to our 2014 normalized baseline. Our absolute water use at our farms and facilities increased 12%, commensurate with our increased production volume.

**Reducing Waste**

In 2019, Smithfield committed to reduce overall solid waste to landfill by 75% and to certify three-quarters of our U.S. facilities as zero-waste-to-landfill by 2025. Two additional Smithfield facilities achieved certification in 2020, and another five began the certification process. Our U.S. operations sent 63% less material to landfill in 2020 compared to our 2010 production-weighted baseline. Year over year, we cut our waste to landfill by 14%.

In support of the United Nations’ Sustainable Development Goal 12: Responsible Consumption and Production, we also began to explore opportunities to close the gap between food waste and food security in our own operations, and systemically, in collaboration with global food retailers and foodservice providers.

In Romania, we minimized waste on our farms by repurposing materials to create heating pads to warm newborn piglets. Our Romanian team also adjusted foodservice in our employee lunchrooms to minimize the food waste we send to landfill by eliminating plastic foodservice containers.
**Innovating in Sustainable Packaging**

Increasingly, Smithfield’s customers and consumers want their food to come in packaging that is responsibly sourced and can be responsibly disposed of. Our 2030 goals acknowledge our responsibility to drive innovation to achieve 90% recyclable, reusable or industrially compostable consumer packaging and to cut our virgin petroleum-based plastic use in half.

Transforming food packaging while optimizing food quality and ensuring food safety is a complex undertaking. We plan to engage stakeholders across the packaging supply chain — including manufacturers; our internal food safety, quality and production teams; customers and consumers; technology teams; and recyclers — to find effective and cost-efficient solutions. We’ve also aligned with customer initiatives, such as Walmart’s project Gigaton, which aims to avoid 1 billion metric tons of GHGs from the global value chain by encouraging suppliers to set emissions reduction targets in six key areas including packaging. We are engaged in sustainable packaging initiatives through organizations such as the GEMI, where we are exploring industry-specific issues like how to recycle soiled plastics. In 2020, we also expanded our collaborations and joined the Sustainable Packaging Coalition, a leading voice on sustainable packaging in the United States.

We joined the Sustainable Packaging Coalition, the leading voice on sustainable packaging with members across the entire supply chain. We aim to apply its tools, applications and learning opportunities to advance meaningful action in our sustainable packaging programs.

**Celebrating Sustainability Achievements**

In everything we do, we rely on employee insights to derive innovative solutions that increase efficiencies and lessen our impacts as we pursue our bold long-term targets.

Each year, our sustainability awards recognize the sizable achievements by Smithfield individuals or teams in six areas: community outreach, energy, packaging, training/education/ISO 14001, waste and water.

For example, in 2020, we recognized achievements in packaging and shipping that cut costs, carbon and waste replacing interfacility single-use cardboard cartons with reusable, folding plastic baskets (at Sioux City); consolidating and right-sizing product shipping cartons (at Burgaw); and increasing efficiency in refrigerated rack loads (Omaha).

We also annually present our Zero Hero Award to honor a colleague who made a significant contribution to our goal of 100% compliance through collaboration across our supply chain and stakeholders. In 2020, we recognized co-Zero Heroes: Charlie Prentice, environmental coordinator at our Kinston facility in North Carolina, who has maintained a zero NOV record for five years, and Dave Brennecke, senior environmental systems manager at our Missouri hog-production operation, who has achieved 100% compliance in each of his 10 years supervising land application operations over a 600 square-mile territory.

Our 2020 Sustainability Awards program celebrated substantial annual cost savings of approximately $7.3 million per year and annual environmental savings impacts tallied at:

- Water use by 56.5 million gallons
- Natural gas by 370,500 dekatherms (dth)
- Electricity by 7.3 million kilo-watt hours (kWh)
- Material to landfill by more than 83 million pounds
Sustainability Awards

Our Sustainability Awards annually recognize achievements by individuals or teams in six areas: community outreach, energy, packaging, training/education/ISO 14001, waste and water.

2020 Chief Sustainability Officer’s Excellence Award
Recognizes a facility for achieving significant water and cost savings through utilization of teamwork including management, engineering, maintenance, production, quality and sanitation.

Sioux City, Iowa
Replaced cardboard boxes with reusable, folding plastic baskets for intrafacility product shipments eliminating waste equating to an estimated 3,358 trees per year, reducing GHG emissions during transportation and providing annual savings of $279,000

2020 Zero Hero Award
Recognizing a colleague who has demonstrated excellence in sustainable practices and made a significant contribution to our goal of 100% compliance. In 2020, we recognized co-Zero Heroes.

Charlie Prentice, Environmental Coordinator, Kinston, North Carolina
Maintained a zero NOV record for the past five years

Dave Brennecke, Senior Environmental Systems Manager, Hog Production Missouri Region
Achieved 100% compliance in his 10 years supervising land application operations

2020 Sustainability Award – Energy
Omaha, Nebraska
Increased row-stacking heights on shipping pallets, increasing efficiency at distribution centers and reducing refrigeration and fuel consumption for annual savings of more than $225,000

Carroll, Iowa
Replaced air compressors with new high-efficiency models, with a return on investment of approximately 16 months, annual savings of more than $30,000 and energy savings of close to 400,000 kWh

Starachowice, Poland
Utilized steam energy from processing to heat water, reducing coal consumption and related carbon emissions and saving more than $100,000 annually

2020 Sustainability Award – Packaging
Burgaw, North Carolina
Redesigned and consolidated packaging box size, decreasing cardboard use by 12% and saving close to $23,000 annually

2020 Sustainability Award – Training
Tar Heel, North Carolina (Distribution Center)
Introduced training for personnel involved with ammonia refrigeration systems and release response, providing drills and Q&As related to real-life scenarios to ensure safety and regulatory compliance

Smithfield Premium Genetics
Biosecurity situational training using a weekly series of experience-generated “what if” scenarios to develop analytical and decision-making capabilities

2020 Sustainability Award – Waste
Sioux City, Iowa
Also the winner of our Chief Sustainability Officer’s Excellence Award

Hermosillo, Mexico*
Utilized magnetic and nanotechnology properties of advance lubricants to improve equipment performance while reducing downtime and related lost product, resulting in water-use reduction of 5,200 gallons and electricity reductions of 10.1 kWh per year

2020 Sustainability Award – Water
Cudahy, Wisconsin
Modified pickle content-determination methodology, reducing about approximately 1% of pickles — more than 540,000 pounds per year — as well as waste use and related wastewater treatment chemicals

Denison, Iowa
Introduced process efficiencies to the tray line, a large water user, saving more than 4 million gallons and $32,000 per year

Hog Production North Region
Implemented gray water use for early stages of wean-to-finish barn cleaning and sanitizing, saving 27.7 million gallons of ground water and about $141,000 per year

*Data from our joint venture in Hermosilla, Mexico, is not included in this report.
Responsible Management of Our Supply Chain

Smithfield’s supply chain partners — from the farmers who grow our grain to the distribution and transportation systems that deliver our products to customers — are key to ensuring we provide consumers with high-quality foods produced responsibly. They also are integral to our efforts to reduce our GHG emissions 30% by 2030.

Responsible Grain Production

With more than 15 billion pounds of feed consumed by Smithfield’s animals each year, maximizing grain-production efficiencies is an important way we can reduce our Scope 3 GHG emissions. We work alongside grain farmers in our supply chain, providing information and advice to improve fertilizer usage and soil health practices that boost farm sustainability and improve crop yields. Our seed programs have been successful in diversifying the grain supply we need to feed our animals and in providing our suppliers with stable and sustainable incomes. Grain farmers who partner with us purchase seed through Smithfield at discounted prices in exchange for a contracted portion of their crop. In 2020, more than 600 grain growers participated in our seed and agronomic cost-share programs, providing us with a source of 4.5 million bushels of corn, 3.3 million bushels of wheat and 700,000 bushels of non-genetically modified organism (GMO) soybeans. At the end of 2020, we engaged approximately 530,000 acres on efficient fertilizer and soil health practices. This surpasses our target of 75%, initially set for and achieved in 2018.

We also expanded the impact of our partnership with the North Carolina Agricultural Consultants Association (NCACA), which in its second year reached enrollment of approximately 6,300 acres. NCACA member consultants, whom we subsidize through the program, act as an extension of our in-house agronomic services to provide affordable, independent hands-on advice to farmers in exchange for contracting a portion of their crop to us.

We further augmented our support to grain farmers through a partnership with Granular Insights, a leading farm management software platform. The platform, Granular Insights with Directed Scouting, uses satellite imagery to monitor fields, allowing farmers to promptly identify and resolve problems that can reduce crop yields. Eight farmers managing 3,000 acres in North Carolina, Ohio, South Carolina and Virginia participated in the inaugural year of our partnership.

Eliminating Food Waste Through Our Bakery Byproduct Program

Recycled feed stuffs, such as wheat midds left over from flour milling or spent grains from beer and whiskey production, have long been staples in the nutrient-dense feed we blend for our animals. We continued to expand our formulations to include byproducts from breads, snack foods and baked goods facilities. In 2020, we invested in specialized equipment in our feed mills that facilitate the efficient processing of difficult-to-recycle packaged bakery products, which otherwise would end up in landfill. The project has allowed us to transform byproducts that don’t meet the quality specifications for human consumption into high-value animal feed ingredients, diverting 23,000 tons of waste from landfill.
Transportation and Logistics

Smithfield’s logistics network of nearly 6,500 company-owned and third-party trucks logs more than 3 million miles each week — transporting animals from farms and moving products to customers. Reducing the miles we drive throughout our operations is critical to cutting our carbon emissions.

We launched our first-ever hybrid trailer program, consisting of 34 electric hybrid trailers and 30 charging stations, at our Vernon, California, facility in 2020. Between program launch in August and year-end, we used approximately 18,000 hours of electric power, saving more than 9,000 gallons of diesel and nearly $33,000.

Through our logistics optimization initiative, we are reducing the number of regional distribution centers and enhancing transportation routes to be shorter and more efficient. Our efforts reduce distance traveled each year by approximately 11.2 million miles and reduce diesel consumption by 1.6 gallons, equating to an annual GHG emission reduction of nearly 13,000 metric tons of carbon dioxide equivalent (CO2e).

Our shift to lighter, more fuel-efficient trucks has also resulted in savings among our third-party haulers. In 2020, this program eliminated approximately 6,200 loads to reduce miles driven by 1.5 million and fuel use by 225,000 gallons, which cut GHG emissions by approximately 1,800 metric tons of CO2e and returned savings of more than $675,000.

Since 2004, we have partnered with the U.S. Environment Protection Agency’s (EPA’s) SmartWay program, applying its systematic measure and benchmark tools to continuously improve transportation efficiency across our supply chain.
Tracking Our Performance in 2020

In 2020, we completed work on our most recent set of five-year goals and report our progress against them here. Learn about our new and refreshed goals, which extend through 2030, [here](#).

<table>
<thead>
<tr>
<th>Environment</th>
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<tbody>
<tr>
<td><strong>Goal:</strong> Reduce natural resource demand; 100% compliance, 100% of the time.</td>
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<thead>
<tr>
<th>2020 Targets</th>
<th>2015–2020 Results</th>
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</thead>
<tbody>
<tr>
<td>GHG Emissions: 25% reduction by 2025 in the United States across our entire supply chain</td>
<td>✔ On Track; will measure and report our annual progress in alignment with our new 30 by ’30 goal in 2021</td>
</tr>
<tr>
<td>Solid Waste: 75% reduction in waste and zero-waste-to-landfill certification of 75% of our U.S. facilities by 2025; 10% reduction by 2020 in Poland and Romania</td>
<td>✐ On Track; 43% reduction in U.S. company-owned farms and facilities’ normalized solid waste to landfill (pounds/cwt) ✔ On Track; 16 U.S. facilities certified zero waste to landfill ✔ Achieved; 38% reduction in international farms and facilities’ normalized solid waste to landfill (pounds/cwt)</td>
</tr>
<tr>
<td>Compliance: Reduction of NOVs to zero</td>
<td>✐ Needs Improvement; 13 NOVs at company-owned farms and facilities in 2020; 85 NOVs on contract farms in 2020 ✔ Achieved; zero NOVs at international farms and facilities</td>
</tr>
<tr>
<td>Water: 10% reduction by 2020 globally at our farms and facilities</td>
<td>✔ Did Not Achieve; 5% increase in U.S. normalized water use (gallons/cwt) ✔ Achieved; 18% reduction in international normalized water use (gallons/cwt)</td>
</tr>
<tr>
<td>Energy: 5% reduction by 2020 globally at our farms and facilities</td>
<td>✔ Did Not Achieve; 12% increase in U.S. normalized energy use (gigajoules/cwt) ✔ Achieved; 9% reduction in international normalized energy use (gigajoules/cwt)</td>
</tr>
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More on Environment:
- Environmental Management
- Industry Certifications and Verifications
- Manure Management
- Supplier Code of Conduct
- Water Policy
- Zero Waste to Landfill
Food Safety and Quality

Smithfield’s success depends on satisfied customers and consumers. Food safety and quality are nonnegotiable ingredients in our contract with them.

We pride ourselves on our comprehensive food safety and quality policies and procedures and outstanding performance, which underpin our responsibility and commitment to deliver high-quality products to families in the markets we serve.

Despite pandemic constraints in 2020, we once again reached our target of Global Food Safety Initiative (GFSI) certification at 100% of applicable facilities internationally and achieved zero product recalls in the United States. Our new 2025 targets continue to demand excellence in these immutable measures of food safety and quality.
2020 Highlights and Achievements

★ We continued to achieve GFSI certification at 100% of our applicable facilities.

★ In the United States, we reached our annual food safety and quality target to have zero product recalls for the second consecutive year.

★ We implemented a food safety and quality assurance (FSQA) scorecard on facility-level compliance and improvements on key quality metrics at our fresh and packaged meat operations.

Goals and Targets

In this report, we are publishing our new and refreshed sustainability goals and targets. By reporting our progress against them, we hold ourselves accountable for our performance.

Our Food Safety and Quality Goal
Deliver safe, affordable, high-quality protein to meet the growing global demand.

Our Food Safety and Quality Targets
- No incidents requiring a recall.
- Maintain GFSI certification at all applicable facilities.
- Maintain a robust food safety employee training program.

Learn about our performance in 2020 against our five-year targets here.
Ensuring Food Safety and Quality

Operating under time-tested policies and procedures, team members — from leadership to our frontline workers on our farms and in our facilities — own, and deliver on, their responsibility for food safety and quality.

We continued to strengthen our organization in 2020, unifying across our facilities to amplify strategic alignment, efficiencies and communications. We developed and implemented an FSQA scorecard for our fresh and packaged meat operations to track and deliver monthly reports on facility-level compliance and improvements on key quality metrics, such as customer complaints, recalls and shelf life. Line speeds did not increase in 2020. We have continued to cooperate with and participate in projects with the U.S. Department of Agriculture (USDA) Food Safety and Inspection Service (FSIS) that are aimed at improving food safety and increasing consumer protection.

At our operations in Poland, we continued to strengthen our food safety and quality systems across each process stage and through enhanced employee engagement and education.

Our food safety and quality systems help ensure that we can respond quickly to address product recalls should they occur. Our international facilities coordinate with multiple agencies in Poland and Romania, which oversee food safety requirements and recall procedures. Amid a multicity outbreak of Salmonella Enteritidis, we had three recalls of raw chicken product in Poland in 2020 and two recalls in pork trimmings in Romania after a customer’s internal testing program detected Salmonella.

Food Safety and Quality Assurance

We measure our performance against the industry-leading GFSI standard, which was developed to drive continuous improvement in food safety management systems around the world. GFSI certification requires annual third-party audits by organizations such as Safe Quality Food (SQF), the Brand Reputation Compliance Global Standard (BRCGS), the IFS Food Standard and the International Organization for Standardization (ISO) 22000. GFSI certification requires facilities to have scientifically valid food safety and quality plans that monitor on an ongoing basis compliance with product and ingredient specifications, facility maintenance, manufacturing procedures and Hazard Analysis and Critical Control Point (HACCP)-based critical quality points across product development, customer specifications and product quality review.

In 2020, 100% of our applicable facilities in the United States, Poland and Romania — 51 in total — were recertified to GFSI standards. In Romania, our farms, as well as warehouses and a rendering plant, are ISO 22000 certified.

Our U.S. processing facilities are subject to audits from our customers, daily safety and quality procedure reviews by USDA inspectors and inspections by our internal subject matter experts.

Our suppliers, whom we rely on to provide high-quality ingredients that meet or exceed our customer and consumer expectations, are required to undergo annual GFSI certification or equivalent and a third-party animal handling audit, including a transportation audit. In 2020, we extended Process Verified Program (PVP) certification, a USDA farm-to-table assurance initiative, to 100% of our suppliers.
Tracking Our Performance in 2020

In 2020, we completed work on our most recent set of five-year goals and report our progress against them here. Learn about our new and refreshed goals, which extend through 2030, here.

Food Safety and Quality
Goal: Deliver safe, high-quality protein products.

<table>
<thead>
<tr>
<th>2020 Targets</th>
<th>2020 Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure no incidents that require a product recall.</td>
<td>✔ Achieved; zero recalls in U.S. operations</td>
</tr>
<tr>
<td>Maintain GFSI certification at all applicable facilities.</td>
<td>✔ Achieved; 100%</td>
</tr>
<tr>
<td>Maintain a robust food safety employee training program.</td>
<td>✔ Achieved; 100%</td>
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More on Food Safety and Quality:
- Food Safety and Quality Management
- Regulations and Audits
- Industry Certifications and Verifications
Health and Wellness

Now more than ever, consumers of all generations are drawn to the benefits of healthy lifestyles and diets. At Smithfield, we are too. From reducing sodium and sugar in our products to our adoption of cleaner labels and our introduction of plant-based protein products, our team of chefs, food scientists and product development specialists are innovating to deliver great choices for today’s changing food preferences.

Smithfield is also focused on wellness innovation of a different sort. As part of a new focus area for our sustainability strategy, Smithfield BioScience is leveraging parts of the animal that are not typically eaten to develop pharmaceuticals; nutraceuticals; medical-device solutions; and other cutting-edge, potentially life-saving health care solutions. We are immensely proud of our role in the production of heparin, which is among the therapeutics used to successfully speed recovery from COVID-19-related symptoms in some patients.*

*Sources: Common Blood Thinner Blocks COVID-19 Better Than Remdesivir, Study Shows, VeryWellHealth.com; Additional data on blood thinner efficacy for COVID-19 and insight on best possible regimens, ScienceDaily
2020 Highlights and Achievements

★ We streamlined our production processes and product formulations to help deliver on our new 2025 targets, which include reducing added sugars and sodium by 10% across our product lines.

★ We helped our customers pivot to e-commerce and food-to-go platforms as the pandemic shifted consumer grocery shopping and eating habits.

★ Smithfield BioScience’s heparin operations continued to grow, doubling sales in 2020 with equal growth anticipated for 2021.

Goals and Targets

In this report, we are publishing our new sustainability pillar, Health and Wellness, and refreshed goals and targets. By reporting our progress against them, we hold ourselves accountable for our performance.

Our Health and Wellness Goal
Promote wellness through improved nutrition and innovations in pharmaceuticals, nutraceuticals and other human applications.

Our Health and Wellness Targets

• Increase transparency of food nutrition through cleaner labels across 100% of our product line by 2025.

• Reduce added sugars by 10% across our entire product line by 2025.

• Reduce sodium by 10% across our entire product line by 2025.

• Maximize our vertically integrated supply chain to produce products critical to human health, including pharmaceuticals and nutraceuticals.

• Ensure a variety of products for different diets and needs.

• In our international operations, include products designed to address health and wellness in accordance with European Union (EU) nutrition and labeling standards.
Delivering Healthy and Nutritious Food

For more than 80 years, Smithfield has been feeding families with trusted pork and protein products that help them meet their daily dietary needs. We continue to reduce and simplify the ingredients we use and develop plant-based protein options to satisfy growing flexitarian appetites. As COVID-19 abruptly shifted food shopping, preparation and eating habits, we ramped up our e-commerce and home-delivery support for customers and consumers alike.

Consumer Health and Wellness

Smithfield has made significant, continuous investments in product and process improvements over the years. We accelerated these efforts in 2020, working across our product portfolios to align and simplify ingredient choices, refine our brand offerings and harmonize manufacturing at our facilities.

As part of our reformulation road map, we announced 2025 targets to reduce both added sugars and sodium by 10% in all product lines. With efforts already underway, our aim is to review all formulations in production from 2020 and forward. Our commitments reflect our ongoing efforts to include ingredients in our recipes that are familiar to consumers — such as using cultured celery juice and cherry powder as alternatives to sodium nitrate and sodium erythorbate in our all-natural and uncured products. Cleaner labels are an important component of our communications with consumers. They provide shorter, easier-to-understand ingredient lists for the foods we put on their tables. Our online Glossary of Ingredients provides definitions of ingredients found in our foods.

Our international operations offer a wide assortment of food products that meet all EU nutrition and labeling standards. Consumers in Romania continue to look for local brands that are sustainably sourced and prepared with more identifiable ingredients and fewer overall. In Poland, several of our recent offerings are free from preservatives, MSG and phosphates.

Our Pure Farmland™ plant-based protein portfolio is yet another way we are innovating to meet consumer demand. Following the successful launch of our meatless product line in 2019 aimed at consumers seeking a flexitarian lifestyle, we listened to feedback to update our recipes to include non-genetically modified organism (GMO) soy, reduced saturated fat and sodium and increased protein in each serving. Our refreshed product line landed in grocery stores in spring 2020.

Spotlight: Meeting Consumer Needs During the Pandemic

The pandemic also prompted a dramatic increase in online grocery shopping and takeout food-delivery services. In response, we accelerated our plans to roll out our e-commerce service support for our retail customers, including reformatting portion sizes to meet new market demands. We also tapped into online-delivery platforms to help our foodservice customers pivot to new consumer purchasing trends.
Innovating in Health and Wellness

We have a responsibility and commitment to maximize the use of nonfood byproducts from our meat-production operations. With our vertically integrated supply chain providing an unparalleled level of traceability and product safety, our Smithfield BioScience operation enables us to use parts of the animal that are not typically eaten for human health and wellness purposes.

Smithfield BioScience

Our U.S. Food and Drug Administration (FDA)-approved Smithfield BioScience unit in Cincinnati, Ohio, is one of the only U.S. manufacturers of heparin, our core BioScience product. We have increased our production capacity through capital investment, making Smithfield BioScience a trusted manufacturer in the heparin industry. Heparin is an anticoagulant medication used to slow the formation of blood clots, typically used following surgery or during dialysis procedures, blood transfusions, medical-device implantation and other applications. We are immensely proud that heparin is among the therapeutics used to successfully speed recovery from COVID-19-related symptoms in some patients.

With the full integration of our 10 harvest facilities into our porcine byproduct supply chain underway, we continue to expand our production, doubling sales in 2020, with equal growth anticipated in 2021.

In addition, we are tirelessly pursuing innovations in other areas of therapeutics. For example, we are exploring customer partnerships as we develop new thyroid and heparinoid pharmaceutical ingredients.

Regenerative Medicine

We also continued to explore ways to diversify in the biomedical field in 2020. While the pandemic slowed some of our work, we made headway in our partnership with the University of Virginia’s Center for Advanced Biomanufacturing, where we are exploring a range of regenerative medicine technologies. Our collaborative efforts to accelerate regenerative tissue research through the Advanced Regenerative Manufacturing Institute (ARMI) also are ongoing. These include innovations in state-of-the-art biomaterial and cell processing for critical U.S. Department of Defense (DOD) and civilian needs, including the Wounded Warrior Project.

In 2020, we brought certain processes that we have typically outsourced in-house such as our collagen extraction and sausage casings operations, where we primarily extract and source heparin. Our aim is to support BioScience and regenerative medicine efforts while enhancing quality control throughout our supply chain.

More on Health and Wellness:

- Glossary of Ingredients
- Smithfield BioScience
- Sodium Policy
Helping Communities

For more than eight decades, Smithfield has committed to helping communities where our employees live and work. Never has the need been so great as in 2020. We contributed tens of millions of dollars in cash and in-kind donations to our three signature causes: food insecurity, education and support for veterans. To expand our impact, we encourage employees to volunteer and donate to these and other local causes in support of neighbors in need.

As supply chain disruptions and the economic impact of the pandemic put an increased number of families at risk of hunger, we accelerated our contributions to food banks across the United States, quickly mobilizing record donations of protein. Through our Unity and Action strategy, we strengthened and diversified our scholarship program for Smithfield families. We were also proud to launch Helping Our Heroes, a new initiative that expands our long-standing commitment to honoring the service and sacrifice of American veterans and their families.
2020 Highlights and Achievements

★ We delivered 17 million pounds of protein, the equivalent of 69 million servings, to Feeding America, our long-time hunger relief partner, marking our largest annual donation of protein to date.

★ In November, Military Family Appreciation Month, we launched Helping Our Heroes, a new initiative strengthening our support for U.S. military veterans and their families and reaffirming our commitment to hiring 4,000 military veterans by 2025.

★ We provided more than $1 million worth of educational scholarships to children and grandchildren of U.S.-based employees.

Goals and Targets

In this report, we are publishing our new and refreshed sustainability goals and targets. By reporting our progress against them, we hold ourselves accountable for our performance.

Our Community Goal

Serve our communities through targeted philanthropy and employee volunteerism to make a meaningful impact that addresses food insecurity, advances education and supports our country’s military veterans and their families.

Our Community Targets

- Give back to local communities through philanthropic and volunteer support at every Smithfield operation globally on an annual basis.
- Fight food insecurity across the country by donating 100 million servings of protein through our Helping Hungry Homes initiative by 2025.
- Develop the next generation of leaders through scholarship assistance for students and donations to schools and educational programs.
- Honor the service and sacrifice of American veterans and their families through our Helping Our Heroes program, which focuses on hiring initiatives, career development and strengthening the community and family support systems veterans rely on every day.

Learn about our progress in 2020 against our completed five-year targets [here](#).

Our 2020 Community Support

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<thead>
<tr>
<th></th>
<th>U.S.</th>
<th>International</th>
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<tbody>
<tr>
<td>Cash donations</td>
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<td>$1.5 million</td>
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<tr>
<td>Food donations (cash value)</td>
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<td>$126,857</td>
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<tr>
<td>Total value of donations</td>
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<td>$1.6 million</td>
</tr>
<tr>
<td>Food donations (servings)</td>
<td>68.6 million</td>
<td>41,096</td>
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</table>

HELPING COMMUNITIES

2020 SUSTAINABILITY IMPACT REPORT

U.S.  International
Cash donations $6.8 million $1.5 million
Food donations (cash value) $62.1 million $126,857
Total value of donations $69.1 million $1.6 million
Food donations (servings) 68.6 million 41,096
Spotlight: Helping Health Care Workers

As part of Smithfield’s global response to the pandemic, our operations in the United States, Poland and Romania stepped up to provide much needed personal protective equipment (PPE) to hospitals and health facilities.

• In June 2020, we donated face shields to health care workers at nursing homes and local hospitals in the United States. In the first weeks of the pandemic, our employees used temporary, disposable face shields in addition to masks. As we became able to replace the temporary face shields with permanent models affixed to employees’ helmets, we distributed the surplus face shields to health care facilities across the nation, in total donating more than 115,000 face shields valued at nearly $700,000.

• We donated hand sanitizer, sanitizing wipes and face shields to more than 10,000 students at 13 schools in Duplin County, North Carolina.

• In Poland, we provided more than $275,000 to more than a dozen hospitals in communities where we operate for the purchase of PPE as well as medical equipment valued at more than $200,000. Our feather facility in Kraków temporarily shifted its efforts from its usual production of feather bedding products to the creation of 75,000 face masks for our employees and local hospitals.

• In Romania, we announced 21 inaugural beneficiaries of our new Solidarity With the Medical System initiative, a $330,000 new funding program launched in October 2020 to support the country’s medical institutions. Earlier in the year, the team provided more than $56,000 in financial support and $54,000 in medical equipment and PPE to hospitals and health centers in Timis County.

Showing Up in Our Communities

We are proud of Smithfield’s philanthropic contributions and relief efforts to make a challenging year a little better in the communities where we live and work. Our Helping Hungry Homes initiative provided hunger relief to tens of millions of people impacted by the economic fallout of COVID-19. Our Helping Our Heroes platform strengthened our commitment to honor the service and sacrifices of military veterans and their families. We salute our employees, heroes themselves in many ways, who jumped in to volunteer and contribute to communities in need.

Addressing Food Security Challenges in 2020

As a global protein company, hunger relief is the cornerstone of our social purpose and a significant focus of our community efforts. We have a responsibility to help our neighbors navigate challenging times by alleviating hunger. In 2020, we quantified our commitment in our new goal: to fight food insecurity in the United States by donating 100 million servings of protein through our Helping Hungry Homes initiative by 2025.
Feeding America

The year 2020 presented our communities with unprecedented health and economic challenges. Our Helping Hungry Homes initiative, founded in 2008, was at the heart of our efforts to help them stay afloat.

Amid business closures and sharply rising unemployment at the onset and throughout the pandemic, America’s food banks, which provide essential meals to millions of people even in prosperous times, were in urgent need. In coordination with Feeding America, our long-time hunger relief partner in the United States, we mobilized Smithfield team members from across the company to deliver 17 million pounds of protein, the equivalent of 69 million servings, to food banks across the United States. The donations, valued at more than $62 million, marked our company’s largest annual donation of protein to date, delivered in record time.

Helping Hungry Homes, our signature hunger relief program, has now provided more than 212 million servings of protein to food banks, disaster relief efforts and community outreach programs in all 50 U.S. states since 2008.

Supporting Hunger Relief Internationally

Hunger relief is also a core philanthropic initiative at our operations in Poland and Romania. Through our hunger relief program in Romania, we donated more than 20,000 pounds of protein products to 11 charities that prepared and delivered nearly 40,000 servings to local families. For example, in March, approximately 100 children and adults received lunches prepared with pork and other ingredients donated by Smithfield Romania. In Poland, we work directly with local food banks and community representatives to direct our time, money and products to various community meal programs. This year, ahead of the holiday season, our team in Kraków participated in the Szlachetna Paczka (the Noble Gift) initiative to support a local family with much-needed nonperishable foods as well as school supplies, clothing and toys for the children.

Employee Giving

Our U.S. employees joined our efforts to fight hunger in their local communities in September during National Hunger Action Month™, Smithfield’s annual companywide food drive, and collected more than 57,000 pounds of nonperishable food. Thanks to our employees’ generosity, nearly 48,000 meals were distributed to 30 food banks across the country through this initiative.

“The Mayflower Marathon food drive was the first event hosted by Smithfield’s Black Professional Network* after its creation. The annual event occurs the week before Thanksgiving, and BPN has participated over the past two years. In 2020, more homes were impacted by food insecurity, and local food banks received fewer donations. We must use our platform to bring awareness and assistance to local communities’ needs.”

—Sheila H., Loss Prevention Manager, Virginia

Smithfield also donated more than **80,000 pounds** of protein, the equivalent of more than **320,000 servings**, to support relief efforts in Tennessee and Louisiana communities devastated by tornadoes and hurricanes in 2020.

*Smithfield’s Black Professional Network (BPN) was established in 2019.*
**Expanding Educational Opportunity**

Our philanthropic initiatives provide educational opportunities to employees, their families and communities. In 2020, our long-standing commitment to scholarships and educational grants totaled nearly $4 million in the United States and nearly $500,000 in Poland and Romania.

Through our Unity and Action strategy, we made a two-year $5 million commitment to help increase access to quality education and bridge divides in communities. We also provided educational scholarships valued at more than $1 million to 177 children and grandchildren of our U.S. full-time and retired employees. To help ensure a broad range of educational opportunities for deserving students, we have committed to further diversify our partnerships with historically Black colleges and universities (HCBUs).

In 2020, we awarded 447 scholarships to children of employees and local farmers in Poland through our Zygmunt Piwonski Smithfield Polska Foundation, which has granted more than 3,400 scholarships valued at more than $2 million since 2007.

With the pandemic curtailing volunteerism, our Smithfield Romania’s Back to School program pivoted in 2020 to invest in technology to support online classes, IT labs and other distance-learning infrastructure in schools in its local communities. In total, we provided more than $228,000 in educational funding to 34 schools.

**Supporting Our Military Veterans**

Smithfield owes the men and women who have served the United States a debt of gratitude, and it is our responsibility to do what we can to help them.

We launched Helping Our Heroes in November 2020 to underscore our long-standing commitment to honor the service and sacrifice of American veterans and their families. This new initiative expands on our three veteran-related focus areas:

- Prioritizing veteran employment and career development
- Helping power veteran-owned businesses
- Strengthening the community and family support systems that veterans rely on every day

Our efforts include comprehensive support for their transitions back to civilian life, including dedicated veteran hiring, training, retention and employment initiatives. For example, our Military Fellowship Program provides an 18-month rotational development curriculum to prepare veterans for leadership opportunities, while our Military Supervisor-in-Training Program identifies and trains veterans in skills necessary to become production supervisors at manufacturing facilities. Smithfield Salutes, an employee business resource group, provides support and helps ensure veterans succeed in their careers with us.

In 2020, we extended the target of our commitment to hire 4,000 veterans to the end of 2025. Building on lessons learned during the first phase of our commitment, we are working with veteran employment offices, partnering with national veteran career organizations and advisory councils, engaging our veteran employees in community outreach and increasing our recognition of veteran employees. Through our new partnership with the Hampton Roads Workforce Council in Southeastern Virginia, for example, current and former members of the military receive hiring support, professional career consultation and direct access to regional employment opportunities, including at Smithfield facilities.

**Spotlight: FUSE Studios**

With a two-year, $350,000 grant from Smithfield, FUSE Studio launched STEAM (science, technology, engineering and mathematics [STEM] plus arts) — focused, hands-on, learning-studio education in 20 partner schools in our communities in North Carolina, North Dakota and Nebraska. Beginning in fall 2020, elementary, middle and high school students and their peers tackled STEAM-focused learning challenges designed to foster the development of problem-solving skills, persistence and teamwork. Since the pandemic affected each school community differently, FUSE adapted and added to programming so that students could fully participate no matter what instructional mode their school adopted, whether fully remote, hybrid and dual mode — with some students remote and others in person.

Planning is underway for year two programming, including support for producing local FUSE Fairs and using a science-fair model to create engaging STEAM events.
We continue to advance career opportunities for veterans through ongoing partnerships such as RedWhiteandCool, our collaboration with the Refrigerating Engineers & Technicians Association (RETA), which introduces transitioning military veterans to opportunities in the growing industrial refrigeration industry. We also provided hands-on agriculture training to 77 transitioning military members through North Carolina State University’s Soldier to Agriculture Program.

Helping Our Heroes also underscores our commitment to championing veteran-owned businesses. We continued to support The Global Good Fund, a leadership development program to help veteran entrepreneurs accelerate and scale their businesses. In 2020, our third year of support, our $400,000 grant helped 10 Veteran Fellows raise $3.2 million in capital and report an increase in revenue to a combined $1.4 million despite the challenges of the pandemic. The veteran-owned businesses also created 19 new full-time jobs and indirectly created 29 additional positions. Smithfield’s procurement team also prioritizes working with veteran-owned, minority-owned and women-owned businesses across our supply chain.

We remain dedicated to strengthening community and family support systems for American veterans. This effort includes investments in internal employee resources to help with military-to-civilian life transitions and giving back to veteran communities.

Smithfield was ranked among the Best For Vets: Employers 2020 by the Military Times for the second consecutive year. The ranking acknowledges our efforts to recruit and support service members, veterans and military families.

**Spotlight: Employee Volunteerism**

Despite the challenges posed to our volunteer activities in 2020, Smithfield employees stepped up to support local community organizations and efforts, volunteering nearly 1,600 hours to education, health, hunger relief and other causes they are passionate about. Through our U.S. matching gift program, we match employee donations of a least $100 to recognized charities one-on-one. Through this program, we donated more than $200,000 in 2020.

**Partnering Locally**

The year 2020 underscored how critical Smithfield’s charitable contributions are to the communities and households that purchase our products. Throughout the year, we partnered with local causes that resonate with our brands and with consumers, contributing nearly $300,000 in cash and in-kind donations through cause-giving campaigns in support of essential workers, healthy communities, hunger relief, education and veteran support.

Among our most successful:

- Pure Farmland™ Pure Growth Project awarded $100,000 in grants to 50 not-for-profits committed to increasing the availability of fresh, locally grown fruits and vegetables by nurturing neighborhood green spaces and community gardeners.

- The Farmer John® Thank You Tour provided grab-and-go meals to essential workers on the front lines of the pandemic, donating more than 1 million hotdogs and innumerable “thank-you’s” over a 14-week campaign.

- Smithfield Culinary, our foodservice unit, donated $25,000 to the Ferdinand Metz American Culinary Federation Relief Fund to support foodservice industry professionals impacted by COVID-19. With approximately 14 million people in the United States employed in the foodservice industry, a staggering number of individuals were laid off, furloughed or had their hours reduced.
In 2020, we completed work on our most recent set of five-year goals and report our progress against them here. Learn about our new and refreshed goals, which extend through 2030, here.

### Helping Communities

**Goal:** Support our communities through targeted philanthropy, employee volunteerism and other engagement opportunities.

<table>
<thead>
<tr>
<th>2020 Targets</th>
<th>2020 Results</th>
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<tbody>
<tr>
<td>Maintain hunger relief programs to help those in need.</td>
<td>✔ Achieved</td>
</tr>
<tr>
<td>Interact with schools and students by providing school supplies, scholarship assistance and facility support.</td>
<td>✔ Achieved</td>
</tr>
<tr>
<td>Have each facility/farm region participate in annual community events (four events in the United States and two events internationally).</td>
<td>Unachievable due to COVID-19 restrictions</td>
</tr>
<tr>
<td>Include a stakeholder presentation during at least one event per year.</td>
<td>Unachievable due to COVID-19 restrictions</td>
</tr>
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Worker Health and Safety

The health and safety of our Smithfield employees has always been paramount in our ability to feed people across the United States and around the world, to support the farmers and partners in the agricultural supply chain and to be a successful business.

We pivoted quickly in the early months of 2020 to address the new challenges of the COVID-19 pandemic. Our response focused on two things: keeping our employees healthy and safe while fulfilling our obligation as an Essential Critical Infrastructure Workforce to secure and maintain the food supply.
2020 Highlights and Achievements

★ We invested more than $800 million in COVID-19 response measures at our facilities and employee benefits in 2020 to keep workers safe and healthy while maintaining the food supply chain.

★ Fifteen Smithfield locations received the Worker Safety Award of Honor from the North America Meat Institute (NAMI), the highest award bestowed by the organization. An additional 21 facilities received Worker Safety Awards for outstanding achievements in workplace safety, both achievements surpassing 2019 recognition.

★ We achieved our health and safety targets, as the U.S. Occupational Safety and Health Administration (OSHA) Total Incident Frequency Rate (TIFR); Days Away, Restricted, Transferred (DART) Rate; and Days Away From Work Injury and Illness (DAFWII) Rate for 2020 were all on par with or below 2019.

Goals and Targets

In this report, we are publishing our new and refreshed sustainability goals and targets. By reporting our progress against them, we hold ourselves accountable for our performance.

Our Worker Health and Safety Goal
Keep our employees healthy and safe.

Our Worker Health and Safety Targets

- Obtain International Organization for Standardization (ISO) 45001 Health and Safety Certification at all facilities globally by 2025.

- Continue to reduce health and safety rates and levels below the relevant industry averages globally.

- Increase safety engagement level to 50% or more of employees globally by 2025.

- Score at least 90% on Smithfield Injury Prevention (SIPS) audits at all locations globally by 2025.

Learn about our progress in 2020 against our completed five-year targets here.
Our Approach to Worker Health and Safety

Our global health and safety program, SIPS, is designed to drive health and safety improvements across our company with the new goal of achieving companywide ISO 45001 certification by 2025. We implemented SIPS in 2018 and completed audits of all Smithfield facilities in 2019 to ensure the effective and consistent operation of our safety management system. In 2021, we aim to fine-tune facility operations to increase the system’s effectiveness, continue to embed a safety culture and continue to drive down safety incident rates.

The success of our health and safety programs is underpinned by our safety engagement culture. We measure safety engagement based on employees who voluntarily go above and beyond job-related safety requirements and training, for example, by serving on a health and safety team or completing training that is not part of normal job responsibility, such as First Aid/CPR training. In 2020, we engaged more than 47% of employees in safety activities, surpassing our target of 40%, and were on par with 2019 in the United States and Poland and ahead in Romania where employee engagement in safety training topped 53%. We are confident we can continuously improve employee safety engagement to reach our new 2025 target of 50% engagement across all our operations.

We also provide comprehensive employee training through Smithfield University’s safety-related online courses. In 2020, more than 7,800 safety-training modules were completed by U.S. employees on worker safety-related topics, fewer than in 2019 — a consequence, we believe, of our collective focus on pandemic safety.

In 2020, OSHA metrics were on par or down compared to 2019. In addition, OSHA inspections doubled compared to 2019. While citations were down year over year, penalties increased by 50%.

### U.S. Safety Data 2020

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Our Workforce on the Front Lines

Smithfield responded swiftly, comprehensively and responsibly to COVID-19, an unprecedented global crisis. We spared no expense to protect our employees and maintain the food supply chain. Our more than $800 million COVID-19 response ensured that not one of our 42,000 U.S. employees was laid off while we temporarily shuttered six facilities in the spring, including thousands of production workers who continued to be paid during that time.

Our health and safety policies and procedures, recently enhanced and codified in our SIPS, provided the structure to quickly adapt to COVID-19 health and safety requirements. Our hard-wired discipline for compliance kept us on track in a rapidly shifting and evolving regulatory environment. And our essential employees, through recognition of the importance of their roles as critical workforce, demonstrated sheer determination and adherence to our company’s values and guiding principles and reported to the front lines every day. They are heroes.

Our COVID-19 Response

PHASE I: Our Early Response

The COVID-19 outbreak was declared a worldwide pandemic by the World Health Organization (WHO) on March 11, 2020.

In the United States, a national emergency was declared on March 13. The federal government issued its Coronavirus Guidance for America on March 16, executing responsibilities under the Homeland Security Act of 2002 to provide strategic guidance, promote a national unity of effort and ensure the security and resilience of the nation’s critical infrastructure. Critical and essential functions, such as health care, food production, law enforcement, public works and defense systems, were identified in the guidance.

The federal guidance was clear: “If you work in a critical infrastructure industry, as defined by the Department of Homeland Security, such as health care services and pharmaceutical and food supply, you have a special responsibility to maintain your normal work schedule.”

On March 19, the director of the Department of Homeland Security’s Cybersecurity and Infrastructure Security Agency (CISA), underscored the importance of listing critical and essential designations and responsibilities: “Many of the men and women who work across our nation’s critical infrastructure industries are hard at work keeping the lights on, water flowing from the tap, groceries on the shelves, among other countless essential services. As the nation’s risk advisor, this list is meant to provide additional guidance to state and local partners, as well as industry, building on the President’s statement that critical infrastructure industries have a special responsibility to keep normal operations. We’re providing recommendations for these partners as they carry out their mission to keep their communities safe, healthy and resilient. And on behalf of CISA, we thank the brave men and women who continue these essential jobs in challenging times.”

On Thursday, March 20, Smithfield learned of the first case of COVID-19 among our employees.

By then, our COVID-19 response was well underway. We had established detailed processes and protocols to meet or exceed the guidance of the Centers for Disease Control and Prevention (CDC), including travel and on-site visitor restrictions, contact tracing, enhanced cleaning and disinfecting at all facilities and an abundance of hand-sanitizer stations. And we were diligently seeking out viable suppliers for materials to use in implementing sweeping safety measures.

We also adjusted our attendance policies and leave benefits to help ensure sick workers did not enter our plants and to support employees in a rapidly changing and uncertain time. These included full pay for employees who missed work due to COVID-19, paid leave for employees at higher risk for serious complications from COVID-19 and the removal of all barriers in our health plan to accessing medical care for COVID-19, including the elimination of co-pays.

We communicated details about these policies, along with information about COVID-19 symptoms and how to prevent the spread of the virus in multiple languages our employees could understand, on our dedicated COVID-19 intranet page and abundant signage throughout our facilities. Employees who did not have access to email also received electronic messages through a special mobile texting app. These communications were reiterated, improved and expanded throughout the year. We explicitly and repeatedly instructed employees not to report to work if they were sick or exhibiting COVID-19 symptoms and emphasized that they would not be penalized for missing work.
In the last week of March, we announced that our Cumming, Georgia, facility would close. Two weeks later, we closed our Sioux Falls, South Dakota, facility. Within another week, our facilities in Cudahy, Wisconsin; Martin City, Missouri; and Monmouth, Illinois, were also closed. All employees at these facilities continued to be paid.

While we were shuttering facilities, we were continuing to expand safety measures. Because physical distancing is not possible in all areas of a meat-processing facility, we purchased plexiglass and other physical barriers to protect our workers. We purchased and installed thermal temperature scanners to screen every person before they entered our facilities. In the first week of April, the CDC updated its guidance to recommend face coverings be worn at workplaces. Smithfield immediately prioritized the procurement of millions of masks. We transformed our production areas, break rooms and common areas. Air purification measures were deployed, and we expeditiously installed extensive engineering controls as supplies arrived.

During this period, we also announced that our hourly production and distribution employees would receive Responsibility Bonuses as a recognition of their dedication to continue to produce food during the pandemic. We initially spent $20 million on the bonus but later increased the initiative by $100 million, for a total of $120 million. Employees who missed work due to COVID-19 exposure or diagnosis continued to be eligible for the bonus, along with their regular pay.

At the end of April, President Trump issued an executive order that reaffirmed our obligation to continue providing food for the American people. The CDC and OSHA issued joint Interim Guidance for Meat and Poultry Processing Workers and Employers. We invited health and safety leaders and the CDC to see our facilities firsthand, where the vast majority of the recommended measures had already been implemented. The remaining recommendations were swiftly implemented. Since then, we have operated in full compliance with this guidance, along with applicable state and local guidance, which, in many instances, exceeds the CDC/OSHA recommendations.

In early May, operations resumed at our Cudahy, Martin City, Monmouth, St. Charles and Sioux Falls facilities in full compliance with CDC/OSHA guidance. Smithfield rolled out free, on-site, on-demand testing and launched a compliance program that monitored and tracked COVID-19 safety measures at all Smithfield facilities in the United States to ensure the timely and effective implementation of our health and safety protocols. This process was continually improved and adjusted as health experts learned more about the virus and issued new guidance.

In May, we visited Smithfield’s Tar Heel facility. The Centers for Disease Control and Prevention (CDC) was with us. The CDC was training their staff as part of a nationwide effort. We had our team learning at the same time. With Smithfield, we were all basically teaching each other. We were impressed with Smithfield’s efforts.

“In May, we visited Smithfield’s Tar Heel facility. The Centers for Disease Control and Prevention (CDC) was with us. The CDC was training their staff as part of a nationwide effort. We had our team learning at the same time. With Smithfield, we were all basically teaching each other. We were impressed with Smithfield’s efforts.”

—Pierre Lauffer, Industrial Hygiene Supervisor of North Carolina Department of Health and Human Services
PHASE II: Implementing New Health and Safety Measures

Throughout the pandemic, we continued on-site COVID-19 testing. We hired health care professionals to administer the tests on-site, assist with ongoing health screenings and support employees through return-to-work assessments. We also partnered with local and state health departments to help ensure COVID-19 cases among our employees were completely and accurately reflected at all levels of reporting. This collaborative approach ensured that the data was correctly and transparently disclosed. COVID-19 data — including active case count — is also available to our employees.

Over the past nine months, we have seen steady engagement and consistent messaging led by Smithfield Food’s human resources and management teams to encourage positive health and safety behaviors across all levels of employment. This type of behavioral change is hard to maintain without fostering a work environment with clear and consistent messaging and easy access to health and safety information.

— Chantal Haughn, Director of Account Management at Matrix Medical Network

LULAC’s focus has always been the worker. In this regard, Smithfield’s leadership during COVID-19 set the pace for meat-processing facilities. When we asked, they opened their doors to us. I personally went to plants in North Carolina and Kentucky, where we were relieved to find that they were testing every worker for COVID-19 on-site on demand and installing barriers to separate workers and providing PPE and other safety measures. Smithfield is demonstrating that keeping their workforce safe is feasible, practical and the right thing to do.

— Domingo Garcia, President of League of United Latin American Citizens (LULAC)
## Facility Enhancements for Workforce Health and Safety

<table>
<thead>
<tr>
<th>Our Actions</th>
<th>Carla’s Workday</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Mandates for face masks when entering work sites</td>
<td>7:00 a.m.</td>
</tr>
<tr>
<td>• Thermal scans and health screenings for all individuals entering facilities</td>
<td>7:15 a.m.</td>
</tr>
<tr>
<td>• Distribution of prevention guidelines and benefits information in five languages</td>
<td>7:30 a.m.</td>
</tr>
<tr>
<td>• Marked-out passageways to ensure proper physical distancing</td>
<td>8:00 a.m.</td>
</tr>
<tr>
<td>• Free, on-site COVID-19 testing, medical support for employees and return-to-work protocols</td>
<td>12:00 p.m.</td>
</tr>
<tr>
<td>• Hand-sanitizing stations throughout facilities</td>
<td>4:00 p.m.</td>
</tr>
</tbody>
</table>

**Carla’s Workday**

- 7:00 a.m. Carla checks her text messages for any new safety-related updates on her way to her shift at the Tar Heel, North Carolina, facility. Before entering the facility, she makes sure her mask is secure and has her temperature checked.

- 7:15 a.m. As Carla walks to the employee changing rooms to suit up for work, she passes hand-sanitizer stations and the free on-site testing center. Following the designated pathways marked in the hallways to ensure physical distancing, she scans the informational posters — looking for new updates in her native language, Spanish. Among the English, French, Burmese and Vietnamese language posters, she finds a new update — reminder instructions: “How to Protect Yourself From COVID-19.”

- 7:30 a.m. Before she arrives to her workstation, Carla suits up, putting on additional PPE covering her head, face, hands and body. Carla’s full PPE includes rubber boots, an apron, gloves, earplugs, a face mask, a face shield, a hair/beard net and a hard hat with a face shield.

- 8:00 a.m. Carla finds her place on the facility floor between her two colleagues, Scott and Amir. Her colleagues are separated by plexiglass dividers helping to keep them safe while they work together.

- 12:00 p.m. As part of the physical distancing campaign, Carla and her colleagues social distance over lunch in the new cafeteria space set up outdoors.

- 4:00 p.m. On her way out of the facility to head home, Carla waves to her friend Susan as she heads in for her shift. Susan is part of the team assigned to manage facility cleaning. The facility cleaning teams clean on regular, timed schedules, sanitizing the facility to meet top of the hygienic and sanitary environments maintained in normal conditions for food safety and quality purposes.
PHASE III: Administering the Vaccine and Long-Term Worker Care

As 2020 came to a close, two COVID-19 vaccines were granted Emergency Use Authorization by the U.S. Food and Drug Administration (FDA) — a bright spot amid the persisting pandemic. We immediately began putting procedures in place to offer vaccines to our essential workers on-site and free of charge as soon as they were available, following state-by-state protocols and guidelines. We deployed more than 3,000 medical providers to our facilities; communicated frequently with employees about the safety, efficacy and availability of vaccines; and ensured distribution availability as quickly as practicable. Providing access to the COVID-19 vaccine was another critical measure in Smithfield’s response to the pandemic.

Broadly, the pandemic prompted a review of the way we look at worker health and safety beyond the immediate crisis. We are partnering with health care professionals to think holistically about employee health to determine the ways in which we can enhance our workplace programs with long-term worker care in mind.

Additionally, we have advocated at the federal level for the establishment of an Inter-Agency Commission for the Continuity of America’s Food Supply. This critical commission should be comprised of representatives from the Department of Homeland Security (DHS), the U.S. Food and Drug Administration (USDA), the CDC, OSHA, the White House, state governments and industry participants. The formation of a bipartisan congressional coalition to examine potential threats to our nation’s food supply and stop the politicization of food is also central to this requested effort.

Spotlight: Our International COVID Response

COVID-19 presented equally difficult and disruptive health and safety challenges to our frontline workers in Poland and Romania.

Rapidly rising infections among citizens in March and April precipitated countrywide lockdowns and quarantines in Poland and border closures amid a state of emergency in Romania.

Across our operations, and in line with government requirements, we implemented strict and comprehensive safety plans and measures to help protect the health and safety of our employees and to maintain the food supply. These included:

- Adjusted shift and break start times to accommodate social distancing and in Romania, suspension of internships and extension of new-hire onboarding over several days
- Thermal scanning, mandatory masks and face shields and hand-sanitizer stations
- Disinfection of entrance zones; enhanced cleaning and disinfection for production machinery, transport vehicles and common rooms; physical distancing requirements; and workstation barriers
- Emergency preparedness and response to COVID-19 exposures and cases, including contact tracing and quarantine requirements
- Ongoing training and communications through posters, information leaflets and emails
- Paid leave for employees at higher risk for serious complications from COVID-19
Recognizing Our Safety Heroes

Each year, our company’s significant safety accomplishments are recognized by industry associations.

The NAMI recognized 36 of our locations with Worker Safety Awards. Fifteen of our locations received the Worker Safety Award of Honor, the highest award bestowed by the organization. The award recognizes facilities’ safety performance and the implementation of various key components of an effective safety and health program.

In addition, 21 facilities received Worker Safety Awards for outstanding achievements in workplace safety.

Health and Safety Awards

Our Health and Safety Awards and Workers’ Compensation Awards annually recognize facility and individual accomplishments in safety excellence.

### Health and Safety Awards

**Worker Safety Excellence Award**
Recognizes a facility for the highest level of safety performance
- Greenfield, Indiana

**Worker Safety Excellence Circle**
Recognizes facilities that excelled in safety performance
- Arnold, Pennsylvania
- Bolingbrook, Illinois
- Charlotte, North Carolina
- Clinton, North Carolina
- Cudahy, Wisconsin
- Cumming, Georgia
- Denison, Iowa
- Des Moines, Iowa
- Edwardsville, Kansas
- Godwin, North Carolina
- Greenfield, Indiana
- Lincoln, Nebraska
- Milan, Missouri
- Omaha, Nebraska
- Orange City, Iowa
- Peru, Indiana
- Salt Lake City, Utah
- Smithfield Premium Genetics
- Sioux Center, Iowa
- Sioux City, Iowa
- Smithfield, Virginia
- Tarheel Distribution Center, North Carolina
- Toano, Virginia
- Wilson, North Carolina

**2020 Safety Professional of the Year**
For outstanding achievement and commitment to improve worker safety within our facilities and communities

**Eric Senn (Co-Winner)**
Plant Safety Manager, Junction City, Kansas

**Patrick Anderson (Co-Winner)**
Plant Safety Manager, Monmouth, Illinois

**2020 Innovation Award Winner**
For an innovative concept that provides a solid impact on reducing worker injuries

**Smithfield Hog Production, Central Region**
Adapting the power take-off (PTO) driveshaft guard to enhance safety during operation

**Milan, Missouri**
Creating a workspace divider that provided worker protection during COVID-19 while meeting egress regulatory requirements
**Workers’ Compensation Claims Management Awards**

**Claims Professional of the Year Award**
Recognizes the unequalled commitment and measurable impact of an individual

**Lucretia Spearman**
Clinton, North Carolina
Bringing passion to her role, commitment to results and continuous improvement in a positive impact

**Organizational Excellence Award**
Recognizes a facility for ongoing excellence and sustained positive results

**Tar Heel, North Carolina**
Delivering sustained results with cost per employee claims down 31% over the prior year and a 100% timely return to work

**Workers’ Compensation Innovation Award**
Recognizes creativity and innovation, resulting in financial savings or process improvement

**Smithfield, Virginia**
New on-site occupational medical clinic that benefits employees, is closer to the production floor and is easier to access

**Voices of Our Essential Workforce**

Food is an essential part of our lives, and Smithfield employees have been on the front lines working to keep families fed. As COVID-19 took hold of our lives, stories about our company and industry grossly mischaracterized our response to the pandemic. Some of the stories pitted our company against our employees. There was no such division. In fact, thousands of Smithfield employees joined our reply to congressional leaders to clarify the facts of our response. Many more sent notes of thanks directly to our leadership.

“Thank you for all you are to all the many of us; thank you for all you do for us; thank you for the great leadership, for the great enthusiasm, for communicating so often so direct; and thank you for leading us so relentlessly in this fight. We will come through with our heads held high and prouder than ever for what we have done, for how we have done it, for how we have fought to get it done.”

—Alfredo F., Research and Development Manager, Iowa

“I am sitting in the hospital as I send this email, after my second round of testing. Our company, my supervisors, the human resource department and fellow staff members have been extremely supportive in this. I was not forced to work sick; I was not forced to put myself at risk. I am being paid to get better, to be safe and protected to make sure I can work again. I am a high-risk employee due to underlying health issues, and I have continued to stand tall, get up every morning and go to my farm to raise our pigs to feed our country. Thank you for reminding us that we are American Heroes.”

—Andrea B., Herdsperson, Missouri

“I have been employed here at Smithfield for over seven years; I am a 60-year-old, 17-year Marine veteran. I have never been associated with a company that cared as much as Smithfield. During this pandemic, this company really stepped up, above and beyond what they needed to. Smithfield is a family. It is a good company. It is My Company.”

—Giulio P., Maintenance Lead, Nebraska
Tracking Our Performance in 2020

In 2020, we completed work on our most recent set of five-year goals and report our progress against them here. Learn about our new and refreshed goals, which extend through 2030, [here](#).

<table>
<thead>
<tr>
<th>Worker Health and Safety</th>
<th>Goal: Maintain low employee injury rates.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020 Targets</strong></td>
<td><strong>2020 Results</strong></td>
</tr>
<tr>
<td>Continue to reduce the TIFR and maintain levels below the relevant industry average in the United States.</td>
<td>✔ Achieved; on par with 2019</td>
</tr>
<tr>
<td>Achieve annual DART and DAFWII results better than relevant industry averages in the United States.</td>
<td>✔ Achieved; reduced DART compared to 2019 and DAFWII on par with 2019</td>
</tr>
<tr>
<td>Maintain safety engagement levels at 40% or more of employees globally.</td>
<td>✔ Achieved; 47% engagement</td>
</tr>
<tr>
<td>Ensure all safety leadership complete at least 10 hours of health- and safety-focused training globally.</td>
<td>Unachievable due to COVID-19 restrictions</td>
</tr>
<tr>
<td>Meet or beat location-specific injury rate targets in Poland and Romania.</td>
<td>✔ Achieved; Romania production exceeded targets</td>
</tr>
<tr>
<td></td>
<td>• Did Not Achieve; Poland operations and Romania farms did not meet or exceed targets</td>
</tr>
</tbody>
</table>

**More on Worker Health and Safety:**

• [Worker Health and Safety Policy](#)
## General Disclosures

<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>2020 Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-1</td>
<td>Name of organization</td>
<td>Fully</td>
<td>Smithfield Foods Inc.</td>
</tr>
<tr>
<td>102-2</td>
<td>Activities, brands, products, and services</td>
<td>Fully</td>
<td>About Smithfield</td>
</tr>
<tr>
<td>102-3</td>
<td>Location of headquarters</td>
<td>Fully</td>
<td>About Smithfield</td>
</tr>
<tr>
<td>102-4</td>
<td>Location of operations</td>
<td>Fully</td>
<td>Our Corporate Purpose, p. 5</td>
</tr>
<tr>
<td>102-5</td>
<td>Ownership and legal form</td>
<td>Fully</td>
<td>Smithfield is a wholly owned subsidiary of Hong Kong-based WH Group Limited, a publicly traded company with shareholders around the world. For more information on WH Group and its operations, visit <a href="http://www.wh-group.com">www.wh-group.com</a>.</td>
</tr>
<tr>
<td>102-6</td>
<td>Markets served</td>
<td>Fully</td>
<td>Our products are sold to more than 4,925 customers in more than 39 countries on every continent (except Antarctica). Customers include supermarket and hotel chains, wholesale distributors, restaurants, hospitals and other institutions. We also sell to companies that further process our meats into consumer food products. Our Stakeholders, p. 6</td>
</tr>
<tr>
<td>102-7</td>
<td>Scale of the organization</td>
<td>Fully</td>
<td>Smithfield Foods employed 59,000+ individuals worldwide and recorded $16.1 billion in sales in 2020. Our Corporate Purpose, p. 5</td>
</tr>
<tr>
<td>102-8</td>
<td>Information on employees and other workers</td>
<td>Fully</td>
<td>Our Workforce by the Numbers, p. 25</td>
</tr>
<tr>
<td>102-9</td>
<td>Supply chain</td>
<td>Fully</td>
<td>Our Corporate Purpose, p. 5</td>
</tr>
<tr>
<td>102-10</td>
<td>Significant changes to the organization and its supply chain</td>
<td>Fully</td>
<td>Smithfield had no significant changes to size, structure or ownership during the reporting period.</td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
<td>2020 Disclosure</td>
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<tr>
<td>102-11</td>
<td>Precautionary Principle or approach</td>
<td>Fully</td>
<td>The precautionary principle (or approach) was introduced in the Rio Declaration on Environment and Development from the United Nations Environment Programme. It states: “… Where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.” As discussed in the respective sections of this report, we evaluate and address risks as part of our management systems for key sustainability issues, including animal welfare, environmental stewardship, food safety and quality, local communities and our employees. These issues are periodically evaluated by Smithfield’s sustainability team and company leadership. The company may take certain precautionary actions from time to time on a case-by-case basis; however, we do not apply the precautionary principle as a matter of policy.</td>
</tr>
<tr>
<td>102-12</td>
<td>External initiatives</td>
<td>Fully</td>
<td>Our Stakeholders, p. 6</td>
</tr>
<tr>
<td>102-13</td>
<td>Membership of associations</td>
<td>Fully</td>
<td>Key Collaborators, p. 105</td>
</tr>
<tr>
<td></td>
<td>Strategy</td>
<td></td>
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<tr>
<td>102-14</td>
<td>Statement from senior decision-maker</td>
<td>Fully</td>
<td>A Message to Our Stakeholders, p. 3</td>
</tr>
<tr>
<td>102-15</td>
<td>Key impacts, risks, and opportunities</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td></td>
<td>Ethics and Integrity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-16</td>
<td>Values, principles, standards, and norms of behavior</td>
<td>Fully</td>
<td>In our quest to maintain our leadership position in our industry, we are guided by the following principles: Responsibility, Operational Excellence and Innovation. We believe that adhering to these principles creates value for our business as well as for a broad range of stakeholder groups, including customers, consumers, employees and local communities. Our Corporate Purpose, p. 5</td>
</tr>
<tr>
<td>102-17</td>
<td>Mechanisms for advice and concerns about ethics</td>
<td>Fully</td>
<td>Ethics and Integrity, p. 10</td>
</tr>
<tr>
<td></td>
<td>Governance</td>
<td></td>
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</tr>
<tr>
<td>102-18</td>
<td>Governance structure</td>
<td>Fully</td>
<td>Sustainability Governance, p. 10</td>
</tr>
<tr>
<td>102-19</td>
<td>Delegating authority</td>
<td>Fully</td>
<td>Our Reporting Structure, p. 10</td>
</tr>
<tr>
<td>102-20</td>
<td>Executive-level responsibility for economic, environmental, and social topics</td>
<td>Fully</td>
<td>Our Reporting Structure, p. 10</td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
<td>2020 Disclosure</td>
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</tr>
<tr>
<td>102-21</td>
<td>Consulting stakeholders on economic, environmental, and social topics</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td>102-22</td>
<td>Composition of the highest governance body and its committees</td>
<td>Fully</td>
<td>Smithfield is governed by a five-member Board of Directors, which includes the chairman of the WH Group and Smithfield’s president and chief executive officer (CEO). Our Board of Directors elects executive officers to hold office until the next annual meeting of the board, until their successors are elected or until their resignation or removal.</td>
</tr>
<tr>
<td>102-23</td>
<td>Chair of the highest governance body</td>
<td>Fully</td>
<td>The chairman of Smithfield’s Board of Directors also serves as chairman and CEO of the WH Group. Although the listing standards of the New York Stock Exchange (NYSE) no longer apply to us, the Board of Directors has nevertheless used those standards to evaluate the independence of our directors. Under the NYSE’s standards, none of our directors are independent.</td>
</tr>
<tr>
<td>102-24</td>
<td>Nominating and selecting the highest governance body</td>
<td>Fully</td>
<td>Smithfield’s current president and CEO, Dennis Organ, was appointed by the WH Group. Smithfield’s Board of Directors does not have an audit committee, and the full Board of Directors performs the functions typically performed by a selection committee. Directors are chosen, in part, based upon their qualifications, skills and experience in our industry.</td>
</tr>
<tr>
<td>102-25</td>
<td>Conflicts of interest</td>
<td>Fully</td>
<td>Smithfield’s Conflicts of Interest Policy can be found in the company’s Code of Business Conduct and Ethics (Code). The purpose of the Conflicts of Interest Policy is to ensure that our decisions are based on business needs, not on personal interests or relationships. Code of Business Conduct and Ethics</td>
</tr>
<tr>
<td>102-26</td>
<td>Role of highest governance body in setting purpose, values, and strategy</td>
<td>Fully</td>
<td>Smithfield’s Board of Directors tasks the president and CEO, along with senior executives, with setting the purpose, values and strategy for the company. A Message to Our Stakeholders, p. 3</td>
</tr>
<tr>
<td>102-27</td>
<td>Collective knowledge of highest governance body</td>
<td>Fully</td>
<td>Smithfield’s chief sustainability officer regularly meets with our president and CEO and other senior management to discuss economic, environmental, social and other sustainability-related topics pertaining to Smithfield and the industry.</td>
</tr>
<tr>
<td>102-28</td>
<td>Evaluating the highest governance body’s performance</td>
<td>Fully</td>
<td>Sustainability Governance, p. 10</td>
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<tr>
<td>102-29</td>
<td>Identifying and managing economic, environmental, and social impacts</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
<td>2020 Disclosure</td>
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<tr>
<td>102-30</td>
<td>Effectiveness of risk management processes</td>
<td>Fully</td>
<td><strong>Sustainability Governance</strong></td>
</tr>
</tbody>
</table>
| 102-31           | Review of economic, environmental, and social topics                 | Fully  | Smithfield’s Board of Directors periodically monitors and reports on economic, environmental and social topics and their potential material impacts, risks and opportunities for our operations.  
|                  |                                                                       |        | **Identifying Our Sustainability Priorities**, p. 7 | Materiality, p. 107 | **Sustainability Governance** |
| 102-32           | Highest governance body’s role in sustainability reporting          | Fully  | Smithfield’s Chief Administrative Officer and Chief Sustainability Officer formally review and approve our annual sustainability report, including the coverage of all material aspects, with the support of the WH Board of Directors.  
<p>|                  |                                                                       |        | <strong>Identifying Our Sustainability Priorities</strong>, p. 7 | <strong>Sustainability Governance</strong> |
| 102-33           | Communicating critical concerns                                      | Fully  | Smithfield’s Chief Sustainability Officer regularly meets with our president and CEO to discuss economic, environmental, social and other sustainability-related topics. |
| 102-35           | Renumeration policies                                               | Fully  | Smithfield does not currently tie executive pay to sustainability performance. Our executive compensation philosophy is to motivate our executive officers to continually improve operating performance. To achieve this goal, our executive compensation program is designed to reward for individual and company performance. |
| 102-36           | Process for determining renumeration                                 | Fully  | Smithfield does not use remuneration consultants. Our Board of Directors is responsible for developing and administering the compensation program for executive officers and other key employees. The Board of Directors may delegate some or all its responsibilities to one or more committees whenever necessary to comply with any statutory or regulatory requirements or otherwise deemed appropriate by the Board of Directors. |
| 102-37           | Stakeholders’ involvement in renumeration                            | Fully  | Smithfield’s Board of Directors is responsible for developing and administering the compensation program for executive officers and other key employees. The Board of Directors may delegate some or all its responsibilities to one or more committees whenever necessary to comply with any statutory or regulatory requirements or otherwise deemed appropriate by the Board of Directors. The Board of Directors has the authority to retain consultants and other advisors to assist the Board of Directors with its duties and has sole authority to approve the fees and other retention terms of such consultants and advisors. |</p>
<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>2020 Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stakeholder Engagement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>102-40</td>
<td>List of stakeholder groups</td>
<td>Fully</td>
<td>Materiality, p. 107</td>
</tr>
</tbody>
</table>
| 102-41            | Collective bargaining agreements                                                  | Fully      | We have both unionized and nonunionized facilities in the United States. In this reporting period, approximately 52% of our workforce* in the United States was covered by collective bargaining agreements. If a facility has union representation, we honor and comply with the terms and conditions of the collective bargaining agreement. We have not identified any Smithfield operations in which the right to exercise freedom of association and collective bargaining may be at risk.  
*Figure includes U.S. distribution centers, facilities and DSD branches |
| 102-42            | Identifying and selecting stakeholders                                           | Fully      | Identifying Our Sustainability Priorities, p. 7 | Our Stakeholders, p. 6 | Materiality, p. 107 | Sustainability Governance |
| 102-43            | Approach to stakeholder engagement                                               | Fully      | Identifying Our Sustainability Priorities, p. 7 | Sustainability Governance |
| 102-44            | Key topics and concerns raised                                                    | Fully      | Identifying Our Sustainability Priorities, p. 7 | Materiality, p. 107 | Sustainability Governance |
| Reporting Practice |                                                                                   |            |                                                                                                                                                                                                                |
| 102-45            | Entities included in the consolidated financial statements                        | Fully      | Identifying Our Sustainability Priorities, p. 7 | About Smithfield | Our Operations |
| 102-46            | Defining report content and topic Boundaries                                      | Fully      | We expect a variety of stakeholders to use this report, including the following: employees, customers and suppliers with whom we do business, consumers of our products, governments and regulatory agencies, nongovernmental organizations and members of the communities where we operate.  
Identifying Our Sustainability Priorities, p. 7 | Materiality, p. 107 |
<p>| 102-47            | List of material topics                                                           | Fully      | Identifying Our Sustainability Priorities, p. 7 | Materiality, p. 107 |
| 102-48            | Restatements of information                                                       | Fully      | No restatements for 2020 reporting.                                                                                                                                                                           |
| 102-49            | Changes in reporting                                                              | Fully      | The scope and aspects of this report had no significant changes from the previous reporting period.                                                                                                                                 |
| 102-50            | Reporting period                                                                  | Fully      | January 1, 2020–December 31, 2020                                                                                                                                                                           |
| 102-51            | Date of most recent report                                                        | Fully      | Our 2019 Sustainability Report launched in May 2020. Past Reports                                                                                                                                              |
| 102-52            | Reporting cycle                                                                   | Fully      | We report on our sustainability process annually.                                                                                                                                                           |</p>
<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>2020 Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>102-53</td>
<td>Contact point for questions regarding the report</td>
<td>Fully</td>
<td>Contact Us</td>
</tr>
<tr>
<td>102-54</td>
<td>Claims of reporting in accordance with GRI Standards</td>
<td>Fully</td>
<td>This report has been prepared in accordance with the GRI Standard: Core Option. For GRI Standards 303, 306 and 403, we have reported against the 2016 standard for this 2020 Sustainability Impact Report.</td>
</tr>
<tr>
<td>102-55</td>
<td>GRI content index</td>
<td>Fully</td>
<td>This GRI Index is in accordance with GRI Standards.</td>
</tr>
<tr>
<td>102-56</td>
<td>External assurance</td>
<td>Fully</td>
<td>Smithfield did not seek external assurance for this report.</td>
</tr>
</tbody>
</table>
## Economic Disclosures

<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>2020 Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>201: Economic Performance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>A Message to Our Stakeholders, p. 3</td>
</tr>
<tr>
<td>201-1</td>
<td>Direct economic value generated and distributed</td>
<td>Partially</td>
<td>Smithfield is a wholly-owned subsidiary and does not make specific financial information publicly available. In 2020, Smithfield’s revenue totaled $16.1 billion, with nearly $70 million being returned as community investments through our cash charitable donation programs. About Smithfield</td>
</tr>
<tr>
<td>201-2</td>
<td>Financial implications and other risks and opportunities due to climate change</td>
<td>Fully</td>
<td>As an agriculture-based company, changes to the climate and weather patterns could affect key inputs to our business as the result of shifts in temperatures, water availability, precipitation and other factors. Both the cost and availability of corn and other feed crops, for example, could be affected. The regulation or taxation of carbon emissions could also affect the prices of commodities, energy and other inputs to our business. We believe there could also be opportunities for us as a result of heightened interest in alternative energy sources, including those derived from manure, and participation in carbon markets. However, it is not possible at this time to predict the complete structure or outcome of any future legislative or regulatory efforts to address greenhouse gas (GHG) emissions and climate change. There can be no assurance that GHG regulation will not have a material adverse effect on our financial position or results of operations. Early in 2021, we updated our life-cycle analysis to measure our GHG footprint across our supply chain. We are positioned to explore climate-related risks and opportunities across operations to better understand and prioritize actions to mitigate and adapt to drought, flooding or other potential severe weather-related events. Innovating for a Clean Energy Future, p. 31</td>
</tr>
<tr>
<td>201-3</td>
<td>Defined benefit plan obligations and other retirement plans</td>
<td>Fully</td>
<td>Benefits are available to all Smithfield’s full-time employees. Smithfield Careers</td>
</tr>
<tr>
<td>201-4</td>
<td>Financial assistance received from government</td>
<td>Fully</td>
<td>Smithfield did not receive any significant financial assistance from the federal or state governments during this reporting period.</td>
</tr>
</tbody>
</table>

## Market Presence

<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>2020 Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
<td>2020 Disclosure</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------</td>
<td>--------</td>
<td>-----------------</td>
</tr>
<tr>
<td>202-1</td>
<td>Ratios of standard entry level wage by gender compared to local minimum wage</td>
<td>Fully</td>
<td>Across its facilities, Smithfield provides its hourly and salaried employees with competitive compensation packages relative to local market. While average hourly wages are not tracked by gender, the company pays significantly above the current federal minimum wage of $7.25 per hour.</td>
</tr>
<tr>
<td>202-2</td>
<td>Proportion of senior management hired from the local community</td>
<td>Fully</td>
<td>Smithfield works to hire locally wherever possible; when hiring for senior management, we seek qualified candidates from across the country. Our Workforce by the Numbers, p. 25</td>
</tr>
<tr>
<td><strong>203: Indirect Economic Impacts</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>A Message to Our Stakeholders, p. 3</td>
</tr>
<tr>
<td>203-1</td>
<td>Infrastructure investments and services supported</td>
<td>Fully</td>
<td>Helping Communities, p. 51</td>
</tr>
<tr>
<td>203-2</td>
<td>Significant indirect economic impacts</td>
<td>Fully</td>
<td>Helping Communities, p. 51</td>
</tr>
<tr>
<td><strong>204: Procurement Practices</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>204-1</td>
<td>Proportion of spending on local suppliers</td>
<td>Partially</td>
<td>We do not currently track spending based on proximity to the end destination of given products, resources or services. Responsible Grain Production, p. 40</td>
</tr>
<tr>
<td>G4 204: FP1</td>
<td>Percentage of purchased volume from suppliers compliant with company’s sourcing policy</td>
<td>Fully</td>
<td>In 2020, we extended Process Verified Program (PVP) certification to all our U.S. suppliers. All our suppliers must be certified under the National Pork Board’s (NPB) Pork Quality Assurance® Plus (PQA® Plus) program, and all hogs must be delivered to our facilities by live animal truck drivers certified by the NPB’s Transport Quality Assurance® (TQA®) program. In this reporting period, 100% of live animals were delivered by PQA® Plus-certified suppliers; 100% of supplier locations were site assessed; and 100% of drivers delivering animals to our facilities were TQA® certified. Europe has established animal welfare standards through legislation that are implemented by the veterinary authorities in member countries. The requirements focus on employee training and certification, physical alterations, antibiotic use and housing. Animal transport drivers are certified by either transport or veterinary authorities. We require our suppliers to meet the applicable European standards. In Europe, 100% of our pig supply met the sow housing requirements. In Poland, 12% of our contract finishing farms are certified to the Global Good Agricultural Practices that regulate animal welfare, production hygiene, transportation and other processes.</td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
<td>2020 Disclosure</td>
</tr>
<tr>
<td>-------------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>---------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>G4 204: FP2</td>
<td>Percentage of purchased volume, which is verified as being in accordance with credible, internationally recognized responsible production standards, broken down by standard</td>
<td>Fully</td>
<td>Smithfield has been standardizing vendor requirements for our ingredient and packing suppliers. Virtually all of them are compliant with our food safety sourcing policy. Animal Care, p. 13</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>100% of our facilities participate in the U.S. Department of Agriculture’s Process Verified Program (PVP), which validates our programs including our company’s requirement that all pigs are traceable to farm of origin and are raised in the United States. Our PVP programs monitor aspects of traceability, Pork Quality Assurance® Plus (PQA® Plus) adherence on farms, and Transport Quality Assurance® (TQA®) status of drivers. All hog farms that send animals to fresh pork facilities must participate in the TQA program. Additionally, many external suppliers participate in and meet all the requirements of the PVP. 100% of company-owned farms, feed mills, and processing facilities in Poland and Romania are certified to International Organization for Standardization (ISO) 14001 standards. In Europe, our hog farms follow all European Union farming regulations. 100% of our facilities in Poland and Romania maintain all applicable certifications to international and federal food safety standards (e.g., ISO 22000, British Retail Consortium, and International Featured Standards). Our Polish and Romanian fresh pork processing facilities receive approximately 45% of their hogs from contract growers, for which we confirm compliance with applicable European Animal Welfare laws. Our fresh meat facilities, company-owned farms, and contract growers in Poland and Romania are subject to many European animal welfare standards. The Veterinary Authority in each country routinely conducts animal welfare inspections of fresh meat facilities and pig and poultry farming operations to assure compliance with the animal welfare legislation. Overall, for international operations, we did not receive any penalties for animal welfare noncompliance in this reporting period.</td>
</tr>
</tbody>
</table>

**205: Anti-corruption**

<table>
<thead>
<tr>
<th></th>
<th>Management approach</th>
<th>Fully</th>
<th>Identifying Our Sustainability Priorities, p. 7</th>
<th>Materiality, p. 107</th>
<th>Our Sustainability Strategy, p. 8</th>
<th>Sustainability Governance</th>
<th>Code of Business Conduct and Ethics</th>
</tr>
</thead>
<tbody>
<tr>
<td>103</td>
<td>Operations assessed for risks related to corruption</td>
<td>Fully</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>205-1</td>
<td>Confirmed incidents of corruption and actions taken</td>
<td>Fully</td>
<td>We perform an annual risk assessment of our operations for risks related to corruption. No significant risks of corruption have been identified to date.</td>
<td>Sustainability Governance</td>
<td>Code of Business Conduct and Ethics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>205-3</td>
<td></td>
<td>Fully</td>
<td></td>
<td>Smithfield had no incidents of corruption in this reporting period.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
<td>2020 Disclosure</td>
<td></td>
<td></td>
<td></td>
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<td>-------------------</td>
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<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>206</td>
<td>Anti-competitive Behavior</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
<td>Sustainability Governance</td>
<td>Code of Business Conduct and Ethics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>206-1</td>
<td>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</td>
<td>Fully</td>
<td>Smithfield is involved in several industry-based antitrust lawsuits that assert the same allegations. Smithfield disputes the allegations and intends to vigorously defend the suits. No decisions or judgments on the merits of these cases had been issued at the time of this report.</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
Environmental Disclosures

<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>2020 Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>301: Materials</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td>301-1</td>
<td>Materials used by weight or volume</td>
<td>Fully</td>
<td>U.S. Facilities and Farms</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total Waste Disposition (tons)</td>
</tr>
<tr>
<td>Cardboard recycled</td>
<td>27,828,655</td>
<td>26,724</td>
<td>27,288</td>
</tr>
<tr>
<td>Metals recycled</td>
<td>2,016</td>
<td>2,153</td>
<td>3,973</td>
</tr>
<tr>
<td>Plastics recycled</td>
<td>884</td>
<td>1,259</td>
<td>2,395</td>
</tr>
<tr>
<td>Wastewater sludge land applied</td>
<td>12,120</td>
<td>52,775</td>
<td>47,573</td>
</tr>
<tr>
<td>Material composted</td>
<td>28,358</td>
<td>20,512</td>
<td>20,819</td>
</tr>
<tr>
<td>Material anaerobically digested</td>
<td>16,673</td>
<td>29,285</td>
<td>9,851</td>
</tr>
<tr>
<td>Waste to energy</td>
<td>14,506</td>
<td>25,916</td>
<td>39,261</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td>13</td>
<td>9.3</td>
<td>9.4</td>
</tr>
<tr>
<td>Universal waste</td>
<td>37</td>
<td>62.4</td>
<td>28.7</td>
</tr>
<tr>
<td>Solid waste to landfill</td>
<td>65,400</td>
<td>70,946</td>
<td>71,373</td>
</tr>
<tr>
<td>Total</td>
<td>167,840</td>
<td>229,642</td>
<td>222,571</td>
</tr>
</tbody>
</table>

*Does not include manure management*

International Facilities and Farms

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid waste to landfill</td>
<td>14.4</td>
<td>12.8</td>
<td>13.4</td>
<td>11</td>
<td>9.9</td>
<td>11.31</td>
<td>8.8</td>
</tr>
</tbody>
</table>

*Does not include manure management*

| 301-2 | Recycled input materials used | Partially | We aim to incorporate recycled materials into packaging for final products and in some instances, recycled content is included in our corrugated packaging; however, options are limited to materials that ensure products stay fresh during transportation, refrigeration and handling. In addition, any packaging that directly touches food must meet federal regulatory requirements, and packages must meet certain specifications to allow for temperature fluctuations and high humidity. Moreover, for fresh meats, packaging must be able to accommodate variations in the size, shape and weight of each cut of meat. As a result, most packaging comes from virgin materials until more suitable recycled options are developed. In 2020, we expanded our collaborations and joined the Sustainable Packaging Coalition. Innovating in Sustainable Packaging, p. 38 |
### Disclosure 302: Energy

#### 103 Management approach
- **Status**: Fully
- **Disclosure Title**: Identifying Our Sustainability Priorities, p. 7 | Sustainability Governance | Materiality, p. 107 | Our Sustainability Strategy, p. 8 | Our Environmental Targets, p. 30 | UN Sustainable Development Goals (UNSDGs), p. 9 | Innovating for a Clean Energy Future, p. 31 | Enhancing Operational Efficiency Across Our Business, p. 36 | Environmental Policy

#### 302-1 Energy consumption within the organization
- **Status**: Partially
- **Disclosure Title**: U.S. Facilities and Farms

<table>
<thead>
<tr>
<th>Direct and Indirect Energy Use by Fuel Type (gigajoules in millions)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural gas</td>
<td>8.27</td>
<td>8.85</td>
<td>6.99</td>
<td>9.40</td>
<td>10.54</td>
<td>10.7</td>
<td>10.89</td>
</tr>
<tr>
<td>Propane</td>
<td>1.40</td>
<td>1.31</td>
<td>1.55</td>
<td>1.35</td>
<td>1.66</td>
<td>1.53</td>
<td>1.25</td>
</tr>
<tr>
<td>No. 2 oil (includes transportation diesel)</td>
<td>0.74</td>
<td>0.75</td>
<td>0.90</td>
<td>0.86</td>
<td>0.96</td>
<td>0.94</td>
<td>0.16</td>
</tr>
<tr>
<td>No. 6 oil</td>
<td>0.13</td>
<td>0.00</td>
<td>0.0000</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Biogas</td>
<td>0.30</td>
<td>0.44</td>
<td>0.24</td>
<td>0.27</td>
<td>0.18</td>
<td>0.98</td>
<td>0.07</td>
</tr>
<tr>
<td><strong>Total Direct Energy Use</strong></td>
<td>10.84</td>
<td>11.35</td>
<td>9.68</td>
<td>11.88</td>
<td>13.34</td>
<td>13.28</td>
<td>12.37</td>
</tr>
<tr>
<td>Electricity</td>
<td>5.78</td>
<td>5.96</td>
<td>6.06</td>
<td>5.94</td>
<td>6.56</td>
<td>6.41</td>
<td>6.56</td>
</tr>
<tr>
<td><strong>Total Indirect Energy Use</strong></td>
<td>5.78</td>
<td>5.96</td>
<td>6.06</td>
<td>5.94</td>
<td>6.56</td>
<td>6.41</td>
<td>6.56</td>
</tr>
<tr>
<td><strong>Total Energy Use</strong></td>
<td>16.62</td>
<td>17.31</td>
<td>15.74</td>
<td>17.82</td>
<td>19.90</td>
<td>19.68</td>
<td>18.93</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Direct and Indirect Energy Use by Fuel Type (gigajoules in millions)</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural gas</td>
<td>0.87</td>
<td>0.91</td>
<td>0.99</td>
<td>1.07</td>
<td>1.09</td>
<td>1.07</td>
<td>1.00</td>
</tr>
<tr>
<td>Propane</td>
<td>0.23</td>
<td>0.25</td>
<td>0.29</td>
<td>0.31</td>
<td>0.33</td>
<td>0.32</td>
<td>0.32</td>
</tr>
<tr>
<td>No. 2 oil (includes transportation diesel)</td>
<td>0.09</td>
<td>0.1</td>
<td>0.11</td>
<td>0.1</td>
<td>0.08</td>
<td>0.08</td>
<td>0.04</td>
</tr>
<tr>
<td>Coal</td>
<td>0.58</td>
<td>0.55</td>
<td>0.55</td>
<td>0.56</td>
<td>0.57</td>
<td>0.53</td>
<td>0.51</td>
</tr>
<tr>
<td><strong>Total Direct Energy Use</strong></td>
<td>1.77</td>
<td>1.81</td>
<td>1.94</td>
<td>2.04</td>
<td>2.07</td>
<td>2.00</td>
<td>1.87</td>
</tr>
<tr>
<td>Electricity</td>
<td>0.85</td>
<td>0.9</td>
<td>0.98</td>
<td>1.02</td>
<td>1.03</td>
<td>1.01</td>
<td>1.06</td>
</tr>
<tr>
<td>Steam</td>
<td>0.01</td>
<td>0.01</td>
<td>0.02</td>
<td>0.02</td>
<td>0.003</td>
<td>0.00</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Indirect Energy Use</strong></td>
<td>0.86</td>
<td>0.91</td>
<td>0.99</td>
<td>1.04</td>
<td>1.03</td>
<td>1.01</td>
<td>1.06</td>
</tr>
<tr>
<td><strong>Total Energy Use</strong></td>
<td>2.63</td>
<td>2.72</td>
<td>2.94</td>
<td>3.08</td>
<td>3.10</td>
<td>3.01</td>
<td>2.93</td>
</tr>
</tbody>
</table>

#### 302-3 Energy intensity
- **Status**: Partially
- **Disclosure Title**: In 2020, Smithfield U.S. operations had an energy intensity ratio of 0.111 gigajoules/cwt (calculated by using our absolute energy consumption 18.93 million gigajoules and 170,243,224 cwt).
- **Disclosure Title**: In 2020, Smithfield international operations had an energy intensity ratio of 0.106 gigajoules/cwt (calculated by using our absolute energy consumption 2.93 million gigajoules and 310,645 cwt).

#### 302-4 Reduction of energy consumption
- **Status**: Fully
- **Disclosure Title**: Since 2014, Smithfield U.S. operations have seen a 19% increase in normalized energy consumption.

The increase in U.S. energy from our baseline year is due in large part to an increase in transportation diesel consumption resulting from a move toward hiring more in-house haulers. In addition to transportation, recently acquired facilities accounted for higher energy consumption than our average buildings prior to retrofitting to meet our facility efficiency standards.
Disclosure Number | Disclosure Title | Status | 2020 Disclosure
--- | --- | --- | ---

Since 2014, Smithfield international operations have seen a 10% decrease in normalized energy due to decreased usage of fuels such as coal, steam and diesel oil.

Innovating for a Clean Energy Future, p. 31 | Efficiency on Our Farms, p. 36 | Efficiency at Our Facilities, p. 37 | Responsible Management of Our Supply Chain, p. 40

| 303: Water |  |  |  |

103 | Management approach | Fully | In 2018, the GRI launched a new Water and Effluent Standard. Water use is an important and material issue for Smithfield. In 2020, we continued to assess water quality and supply across our global footprint and enhance water efficiency. We have established new clear targets documented in this report under our sustainability pillars. For this 2020 Sustainability Impact Report, we have elected to report against the 2016 G4 Standard for water. Identifying Our Sustainability Priorities, p. 7 | Sustainability Governance | Materiality, p. 107 | UNSDGs, p. 9 | Our Environmental Targets, p. 30 | Water Stewardship, p. 36 | Reducing Water Use, p. 37 | Water Policy

| 303-1 | Water withdrawal by source | Partially | U.S. Facilities and Farms

--- | --- | --- | --- | --- | --- | --- | --- |
Groundwater | 4.552 | 4.694 | 4.666 | 4.58 | 5.40 | 5.19 | 5.20 |
Third party (Municipal) | 3.843 | 4.171 | 4.176 | 4.34 | 4.82 | 4.95 | 4.73 |
Surface water | 0.794 | 0.94 | 0.94 | 0.97 | 1.02 | 1.00 | 1.08 |
Reused and recycled | 0.467 | 0.501 | 0.295 | 0.32 | 0.16 | 0.26 | 0.05 |

--- | --- | --- | --- | --- | --- | --- | --- |
Direct | 2.444 | 2.771 | 2.625 | 2.79 | 2.73 | 2.8 | 2.76 |
Land irrigation | 2.506 | 2.451 | 3.159 | 2.35 | 2.23 | 3.29 | 2.87 |

International Facilities and Farms

--- | --- | --- | --- | --- | --- | --- | --- |
Groundwater | 1.09 | 1.26 | 1.27 | 1.37 | 1.41 | 1.45 | 1.41 |
Third party (Municipal) | 0.6 | 0.65 | 0.65 | 0.65 | 0.64 | 0.56 | 0.49 |

| 303-2 | Water sources significantly affected by withdrawal of water | Partially | To ensure our operations have a sustainable water supply, we used the World Resources Institute (WRI) Global Water Tool and the Global Environmental Management Initiative (GEMI) Local Water Tool in 2016 to assess risk associated with local water supplies where we operate. The results, which are applicable for several years, indicate our operations face little to no risk, do not significantly impact local water supplies, and do not get our water from protected sources. For the few operations facing limited risk, we monitor water availability and potential changes closely.

We have proposals to start a new assessment process in 2021.
### Disclosure

#### 303-3

**Disclosure Number**: 303-3  
**Disclosure Title**: Water recycled and reused  
**Status**: Fully  
**2020 Disclosure**: In 2020, Smithfield recycled and reused 50 million gallons of water, which represents ~0.45% of the total water usage in U.S. facilities and farms.  
Conserving Water on Our Farms Through Reuse, p. 37 | Reducing Water Use, p. 37

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#### 305: Emissions

**103**  
**Management approach**: Fully  
**Identifying Our Sustainability Priorities, p. 7 | Sustainability Governance | Materiality, p. 107 | Our Sustainability Strategy, p. 8 | Our Environmental Targets, p. 30 | UNSDGs, p. 9 | Innovating for a Clean Energy Future, p. 31 | Enhancing Operational Efficiency Across Our Business, p. 36 | Environmental Policy

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#### 305-1

**Disclosure Number**: 305-1  
**Disclosure Title**: Direct (Scope 1) GHG emissions  
**Status**: Partially  
**U.S. Facilities**:  
**2020 Disclosure**: In 2020, Smithfield’s U.S. facilities Scope 1 emissions were 503,111 metric tons of CO2e.  
Innovating for a Clean Energy Future, p. 31

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Carbon dioxide (CO₂) emissions (metric tons)</td>
<td>1,057,299</td>
<td>1,089,596</td>
<td>1,120,687</td>
<td>1,113,098</td>
<td>1,236,369</td>
<td>1,209,545</td>
</tr>
<tr>
<td>Methane (CH₄) emissions (metric tons)</td>
<td>2,290</td>
<td>2,330</td>
<td>2,397</td>
<td>1,839</td>
<td>2,554</td>
<td>2,511</td>
</tr>
</tbody>
</table>

**International Facilities**:  
**2020 Disclosure**: In 2020, Smithfield’s International facilities Scope 1 emissions were 111,739 metric tons of CO2e.  
Innovating for a Clean Energy Future, p. 31

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Carbon dioxide (CO₂) emissions (metric tons)</td>
<td>227,067</td>
<td>235,131</td>
<td>247,860</td>
<td>257,515</td>
<td>244,186</td>
<td>254,436</td>
</tr>
<tr>
<td>Methane (CH₄) emissions (metric tons)</td>
<td>196</td>
<td>211</td>
<td>212</td>
<td>213</td>
<td>194</td>
<td>180</td>
</tr>
</tbody>
</table>

---

#### 305-2

**Disclosure Number**: 305-2  
**Disclosure Title**: Energy indirect (Scope 2) GHG emissions  
**Status**: Partially  
**2020 Disclosure**: In 2020, Smithfield’s global facilities Scope 2 emissions were 708,377 metric tons of CO2e.  
Innovating for a Clean Energy Future, p. 31

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#### 305-4

**Disclosure Number**: 305-4  
**Disclosure Title**: GHG emissions intensity  
**Status**: Partially  
**U.S. Facilities**:  
**2020 Disclosure**:  
Innovating for a Clean Energy Future, p. 31
### Disclosure Title: Reduction of GHG emissions

**Status:** Partially

**2020 Disclosure:**

We expanded our 2016 commitment to reduce absolute GHG emissions across our entire supply chain 25% by 2025 and are now targeting a 30% reduction by 2030. With this new goal, we are utilizing additional strategies to reduce and fully account for our GHG emissions.

Innovating for a Clean Energy Future, p. 31 | Enhancing Operational Efficiency Across Our Business, p. 36 | Responsible Grain Production, p. 40

### Disclosure Title: Emissions of ozone-depleting substances (ODS)

**Status:** Fully

**2020 Disclosure:**

The only significant use of ODS identified in Smithfield production relates to refrigerants. Three of the remaining facilities identified in 2019 as using Class II refrigerants as their primary means of refrigeration have been phased out. Smithfield conducts safety training for applicable employees on the proper management and disposal of refrigerants.

Enhancing Operational Efficiency Across Our Business, p. 36

### Disclosure Title: Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions

**Status:** Partially

**U.S. Facilities**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Nitrous oxide (N2O) emissions (metric tons)</td>
<td>3,207</td>
<td>3,233</td>
<td>3,200</td>
<td>2,985</td>
<td>4,212</td>
<td>3,639</td>
<td>3,600</td>
</tr>
</tbody>
</table>

**International Facilities**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Nitrous oxide (N2O) emissions (metric tons)</td>
<td>337</td>
<td>276</td>
<td>289</td>
<td>292</td>
<td>320</td>
<td>309</td>
<td>298</td>
</tr>
</tbody>
</table>

Enhancing Operational Efficiency Across Our Business, p. 36

### Disclosure Title: Effluents and Waste (2016)

**Status:** Fully

**2020 Disclosure:**

Identifying environmental impact and eliminating waste is an environmental priority for Smithfield. Our goal is to reduce overall solid waste to landfill by 75% and to certify three-quarters of our U.S. facilities as zero waste to landfill by 2025. We made significant progress in our efforts to address waste arising from our operations, establishing short- and long-term targets for waste reduction. We recognize that there is a new GRI 306 (2020) Standard pertaining to waste. However, we have elected to report against the 306 (2016) standard for the 2020 year. It is our intent to report against the updated standard for 2021.

Identifying Our Sustainability Priorities, p. 7 | Sustainability Governance | Materiality, p. 107 | Our Sustainability Strategy, p. 8 | Our Environmental Targets, p. 30 | UNSDGs, p. 9 | Innovating for a Clean Energy Future, p. 31 | Enhancing Operational Efficiency Across Our Business, p. 36 | Environmental Policy

Eliminating environmental impact and eliminating waste is an environmental priority for Smithfield. Our goal is to reduce overall solid waste to landfill by 75% and to certify three-quarters of our U.S. facilities as zero waste to landfill by 2025. We made significant progress in our efforts to address waste arising from our operations, establishing short- and long-term targets for waste reduction. We recognize that there is a new GRI 306 (2020) Standard pertaining to waste. However, we have elected to report against the 306 (2016) standard for the 2020 year. It is our intent to report against the updated standard for 2021.
### Disclosure Title: Waste by type and disposal method

<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>U.S. Facilities and Farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>306-2</td>
<td>Waste by type and disposal method</td>
<td>Fully</td>
<td></td>
</tr>
</tbody>
</table>

#### Total Waste Disposition (tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Cardboard recycled</th>
<th>Metals recycled</th>
<th>Plastics recycled</th>
<th>Wastewater sludge land applied</th>
<th>Material composted</th>
<th>Material anaerobically digested</th>
<th>Waste to energy</th>
<th>Hazardous waste</th>
<th>Universal waste</th>
<th>Solid waste to landfill</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>27,833</td>
<td>2,016</td>
<td>884</td>
<td>12,120</td>
<td>28,358</td>
<td>16,673</td>
<td>14,506</td>
<td>13</td>
<td>37</td>
<td>65,400</td>
<td>167,840</td>
</tr>
<tr>
<td>2015</td>
<td>26,724</td>
<td>2,153</td>
<td>1,259</td>
<td>52,775</td>
<td>20,512</td>
<td>29,285</td>
<td>25,916</td>
<td>9.3</td>
<td>62.4</td>
<td>70,946</td>
<td>229,642</td>
</tr>
<tr>
<td>2016</td>
<td>27,288</td>
<td>3,973</td>
<td>2,395</td>
<td>47,573</td>
<td>20,819</td>
<td>9,851</td>
<td>39,261</td>
<td>9.4</td>
<td>28.7</td>
<td>71,373</td>
<td>222,571</td>
</tr>
<tr>
<td>2017</td>
<td>27,173</td>
<td>3,318</td>
<td>1,655</td>
<td>38,531</td>
<td>24,374</td>
<td>17,654</td>
<td>41,660</td>
<td>7.5</td>
<td>28.7</td>
<td>68,590</td>
<td>222,990</td>
</tr>
<tr>
<td>2018</td>
<td>28,702</td>
<td>3,367</td>
<td>1,579</td>
<td>37,149</td>
<td>21,594</td>
<td>16,949</td>
<td>50,038</td>
<td>7.5</td>
<td>18.8</td>
<td>74,674</td>
<td>234,108</td>
</tr>
<tr>
<td>2019</td>
<td>29,552</td>
<td>5,981</td>
<td>2,259</td>
<td>42,743</td>
<td>19,384</td>
<td>28,765</td>
<td>53,383</td>
<td>13.5</td>
<td>19.4</td>
<td>52,806</td>
<td>234,904</td>
</tr>
<tr>
<td>2020</td>
<td>20,623</td>
<td>6,338</td>
<td>1,347</td>
<td>34,726</td>
<td>12,678</td>
<td>15,297</td>
<td>55,025</td>
<td>15.34</td>
<td>17.35</td>
<td>44,079</td>
<td>190,146</td>
</tr>
</tbody>
</table>

*Does not include manure management

### Disclosure Title: Water bodies affected by water discharges and/or runoff

<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>International Facilities and Farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>306-5</td>
<td>Water bodies affected by water discharges and/or runoff</td>
<td>Partially</td>
<td>As part of Smithfield’s evolving management approach to water and wastewater management, we are currently reassessing the risks and potential impacts of our farms and facilities on adjacent water bodies. Water Stewardship, p. 36</td>
</tr>
</tbody>
</table>

### Disclosure Title: Environmental Compliance

<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>Environmental Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
</tbody>
</table>
### Disclosure 307-1

**Non-compliance with environmental laws and regulations**

**Status:** Fully

<table>
<thead>
<tr>
<th></th>
<th>U.S. Facilities and Farms</th>
<th>Compliance at Company-Owned Farms and Facilities</th>
<th>Compliance on Contract Farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notices of violation (NOVs)</td>
<td></td>
<td>18</td>
<td>11</td>
</tr>
<tr>
<td>Fines ($U.S.)</td>
<td></td>
<td>$400</td>
<td>$400</td>
</tr>
</tbody>
</table>

**International Facilities and Farms**

<table>
<thead>
<tr>
<th></th>
<th>Compliance at Company-Owned Farms and Facilities</th>
<th>Compliance on Contract Farms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notices of violation (NOVs)</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Fines ($U.S.)</td>
<td>$6,155</td>
<td>$750</td>
</tr>
</tbody>
</table>

Sustainability Governance | Tracking Our Performance in 2020, p. 19

### Disclosure 308: Supplier Environmental Assessment

**308-1**

**Management approach**

**Status:** Fully

Identification of Sustainability Priorities, p. 7 | Sustainability Governance | Materiality, p. 107 | Our Sustainability Strategy, p. 8 | Responsible Management of Our Supply Chain, p. 40 | Environmental Policy | Supplier Code of Conduct

**308-1**

**New suppliers that were screened using environmental criteria**

**Status:** Fully

We require that all suppliers comply with our Supplier Code of Conduct outlining our expectations regarding environmental performance, compliance, labor and human rights, product safety, animal well-being, health and safety, legal requirements and business integrity.

Suppliers are obliged to report any regulatory noncompliance and any events that may have a negative impact on their business. We reserve the right to audit suppliers’ facilities. We also have surveyed our largest suppliers to understand how they address areas such as energy reduction, natural resource use, employee safety and community giving. In 2020, 100% of our new suppliers were screened using environmental criteria.

Responsible Management of Our Supply Chain, p. 40 | Supplier Code of Conduct

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**2020 SUSTAINABILITY IMPACT REPORT**

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## Social Disclosures

<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>2020 Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>401: Employment</td>
<td></td>
<td></td>
<td><strong>401-1</strong> New employee hires and employee turnover</td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>We do not currently track employee turnover by age group or gender. Overall turnover in this reporting period for corporate offices and domestic plants was 41.2% and 28% for the Hog Production Division.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>401-2</strong> Benefits provided to full-time employees that are not provided to temporary or part-time employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fully</td>
<td>Benefits are available to all Smithfield’s full-time employees. Additionally, medical benefits are available for part-time employees averaging more than 30 working hours a week.</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td>402: Labor/Management Relations</td>
<td></td>
<td></td>
<td><strong>402-1</strong> Minimum notice periods regarding operational changes</td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>In the event of a facility closure, we fully comply with the federal Worker Adjustment and Retraining Notification (WARN) Act, which requires 60-day notifications of plant shutdowns to employees. Under the WARN Act, we also notify state-level dislocated worker units so they can offer prompt assistance.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Our Workforce on the Front Lines, p. 61</td>
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<tr>
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<tr>
<td></td>
<td></td>
<td></td>
<td><strong>402-FP3</strong> Percentage of working time lost due to industrial disputes, strikes and/or lock-outs, by country</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fully</td>
<td>We did not have any working lost time in the United States or in European operations due to industrial disputes, strikes and/or lockouts in this reporting period.</td>
</tr>
<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td>403: Occupational Health and Safety (2016)</td>
<td></td>
<td></td>
<td><strong>403-2</strong> Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and work-related fatalities</td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Smithfield reaffirmed its unwavering commitment to employee health and safety in 2020 with a new pillar and new goals: Worker Health and Safety, Our Goal: Keep our employees healthy and safe. It is our intent to begin reporting against the updated GRI 403 Occupational Health and Safety Standard (2018) in our next report for fiscal year 2021.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
<td>2020 Disclosure</td>
</tr>
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<td>----------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>403-3</td>
<td>Workers with high incidence or high risk of disease related to their occupation</td>
<td>Fully</td>
<td>Our Approach to Worker Health and Safety, p. 60</td>
</tr>
<tr>
<td>404: Training and Education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td>404-1</td>
<td>Average hours of training per year per employee</td>
<td>Fully</td>
<td>We do not consistently track employee training by gender or employee category. However, in 2020, we recorded 54,562 employees completed self-paced education modules using Smithfield University, our online learning platform. Diversity, Equity and Inclusion, p. 20</td>
</tr>
<tr>
<td>404-2</td>
<td>Programs for upgrading employee skills and transition assistance programs</td>
<td>Fully</td>
<td>Diversity, Equity and Inclusion, p. 20, Building a Diverse, Equitable and Inclusive Business, p. 22</td>
</tr>
<tr>
<td>405: Diversity and Equal Opportunity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td>405-1</td>
<td>Diversity of governance bodies and employees</td>
<td>Fully</td>
<td>Our Workforce by the Numbers, p. 25</td>
</tr>
<tr>
<td>406: Non-discrimination</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>406-1</td>
<td>Incidents of discrimination or corrective actions taken</td>
<td>Fully</td>
<td>In 2020, Smithfield was not involved in any incidents of discrimination.</td>
</tr>
<tr>
<td>407: Freedom of Association and Collective Bargaining</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td>407-1</td>
<td>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</td>
<td>Fully</td>
<td>All our employees have the right to exercise freedom of association and collective bargaining.</td>
</tr>
</tbody>
</table>

**Disclosure**

**Number Disclosure Title**

**Status**

**2020 Disclosure**
<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>2020 Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>408: Child Labor</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td></td>
<td>Operations and suppliers at significant risk for incidents of child labor</td>
<td>Fully</td>
<td>We have not identified any operations as having significant risk or incidents of child labor. Our business overall is not at high risk because we do not source high-risk agricultural commodities, conflict minerals or finished consumer products or components containing such material.</td>
</tr>
<tr>
<td><strong>409: Forced or Compulsory Labor</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td></td>
<td>Operations and suppliers at significant risk for incidents of forced or compulsory labor</td>
<td>Fully</td>
<td>We have not identified any operations as having significant risk for incidents of forced or compulsory labor. Our business overall is not at high risk because we do not source high-risk agricultural commodities, conflict minerals or finished consumer products or components containing such material.</td>
</tr>
<tr>
<td><strong>410: Security Practices</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td></td>
<td>Security personnel trained in human rights policies or procedures</td>
<td>Fully</td>
<td>Smithfield’s chief security officer is responsible for ensuring all security personnel at Smithfield locations have been trained according to their own organization’s policies, which include equal employment nondiscriminatory work practices and prohibitions against harassment and violence as well as employee health and safety policies, etc. Smithfield’s Human Rights Policy is reviewed annually with all security personnel and contractors at each location.</td>
</tr>
<tr>
<td><strong>411: Rights of Indigenous Peoples</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td></td>
<td>Incidents of violations involving rights of indigenous peoples</td>
<td>Fully</td>
<td>Smithfield did not have any incidents of violations involving rights of indigenous people in this reporting period.</td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
<td>2020 Disclosure</td>
</tr>
<tr>
<td>-------------------</td>
<td>------------------</td>
<td>--------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>412: Human Rights Assessment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td></td>
<td>Operations that have been subject to human rights reviews or impact assessments</td>
<td>Fully</td>
<td>Smithfield monitors our suppliers’ compliance through supplier surveys. We maintain the right, though not currently exercised, to conduct formal audits of suppliers to confirm compliance with company standards against trafficking and slavery in supply chains.</td>
</tr>
<tr>
<td></td>
<td>Employee training on human rights policies or procedures</td>
<td>Fully</td>
<td>Smithfield has a robust Human Rights Policy and Code of Business Conduct and Ethics (Code of Conduct). These policies support fundamental human rights. Every Smithfield employee, including board members, are required to review and adhere to these policies, including compliance with all applicable laws and regulations.</td>
</tr>
<tr>
<td></td>
<td>Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</td>
<td>Fully</td>
<td>We are not aware of any significant investment agreements that include human rights clauses or human rights screening.</td>
</tr>
<tr>
<td><strong>413: Local Communities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td></td>
<td>Operations with local community engagement, impact assessments, and development programs</td>
<td>Fully</td>
<td>Helping Communities, p. 51</td>
</tr>
<tr>
<td><strong>414: Supplier Social Assessment</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td></td>
<td>New suppliers that were screened using social criteria</td>
<td>Fully</td>
<td>Smithfield monitors our suppliers’ compliance through supplier surveys, including questions focused specifically on social impacts. We maintain the right, though not currently exercised, to conduct formal audits of suppliers to confirm compliance with company standards.</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Code of Business Conduct and Ethics</td>
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<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
<td>2020 Disclosure</td>
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<tr>
<td>415: Public Policy</td>
<td></td>
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<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td>415-1</td>
<td>Political contributions</td>
<td>Partially</td>
<td>Since 2000, the Smithfield Political Action Committee (HAMPAC) has assisted numerous state and federal candidates in both major political parties in their bids for elected office. Contributions by HAMPAC are made objectively and on a bipartisan basis that includes consideration of the candidate’s voting record, leadership committee assignments, and interest and commitment to issues of importance to our company and industry. The candidates that HAMPAC and its donors have supported understand the issues of importance to our industry and have stood with us as policy and regulatory champions. This report has been prepared to inform contributors how their funds are being used by HAMPAC. In 2020, HAMPAC made a total of $71,500 in financial contributions to U.S. federal candidates seeking office or re-election. Also, in 2020, HAMPAC made a total of $36,800 financial contributions to state-level candidates seeking office or re-election. In states where corporate contributions are permissible, Smithfield made a total of $676,500 financial contributions to state and local-level candidates seeking office or re-election. Neither HAMPAC nor Smithfield made any in-kind contributions to U.S. federal, state or local candidates in 2020. Neither HAMPAC nor Smithfield made a financial or in-kind contribution to any international (non-U.S.) candidate. Additionally, neither HAMPAC nor Smithfield made any indirect political contributions in 2020. Public Policy</td>
</tr>
<tr>
<td>416: Customer Health and Safety</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>103</td>
<td>Management approach</td>
<td>Fully</td>
<td>There are senior-level food safety managers at each of our segments, and all managers undergo specialized training in food safety issues. Across our operations, we have dozens of food safety and food science professionals (including a team of leading industry microbiologists) who are responsible for ensuring food safety management and product quality. Our Corporate Affairs and Sustainability team regularly evaluates our management of sustainability issues and other key business issues as part of its role in determining our strategy. We adjust management approaches, as needed, based on these evaluations. We follow a comprehensive approach that addresses each phase of production, from farms to processing facilities. Our food safety management system applies to facility, equipment and process design; operating and sanitation procedures; employee training; and auditing of our facilities. We work to anticipate points in the production process where challenges might exist and then develop programs to solve potential problems. We maintain Global Food Safety Initiative (GFSI) certification at all applicable facilities.</td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
<td>2020 Disclosure</td>
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</tr>
<tr>
<td>416-1</td>
<td>Assessment of the health and safety impacts of product and service categories</td>
<td>Fully</td>
<td>In 2020, we implemented a food safety and quality assurance (FSQA) scorecard on facility-level compliance and improvements on key quality metrics at our fresh meat and packaging meat operations. Testing Product Quality: Our plant management teams regularly review samples of the many products we produce at each of our facilities. Before a product is sent to a customer for the first time, a detailed review — called a First Production Report — is conducted to ensure that packaging, labeling, product appearance and flavor are exactly what have been specified. These procedures are in addition to the continuous product monitoring conducted by our operations and quality assurance personnel. We provide food safety and pork handling tips on Smithfield.com to educate consumers on proper food handling, storage and preparation. In 2020, we achieved recertification to the Global Food Safety Certification at all applicable facilities. Food Safety and Quality, p. 43</td>
</tr>
<tr>
<td>416-2</td>
<td>Incidents of non-compliance concerning the health and safety impacts of products and services</td>
<td>Fully</td>
<td>There were no product recalls in the Smithfield U.S. operations. Smithfield international operations required three recalls of raw chicken product in Poland and two recalls in pork trimmings in Romania. Food Safety and Quality, p. 43</td>
</tr>
<tr>
<td>416-FP4</td>
<td>Nature, scope and effectiveness of any programs and practices (in-kind contributions, volunteer initiatives, knowledge transfer, partnerships and product development) that promote healthy lifestyles; the prevention of chronic disease; access to healthy, nutritious and affordable food; and improved welfare for communities in need</td>
<td>Fully</td>
<td>Helping Communities, p. 51</td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
<td>2020 Disclosure</td>
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</tr>
<tr>
<td>416-FP5</td>
<td>Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards</td>
<td>Fully</td>
<td>In 2020, 100% of our applicable facilities in the United States, Poland and Romania — 51 in total — were certified to GFSI standards through audits conducted by Safe Quality Food (SQF), the BRC Global Standard, ISF and the ISO 22000 Standard. Most of our customers rely on the GFSI auditing process, although some of our larger customers send their own food safety officials to perform audits at our facilities, ensuring an additional degree of transparency that we welcome and from which we also benefit. In 2020, 100% of our facilities in Europe maintain all applicable certifications to international and federal food safety standards (e.g., ISO 22000, BRC, and ISF).</td>
</tr>
<tr>
<td>416-FP6</td>
<td>Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fats, sodium and added sugars</td>
<td>Partially</td>
<td>We have set a goal to reduce added sugars and sodium by 10% across our entire product line by 2025.</td>
</tr>
<tr>
<td>416-FP7</td>
<td>Percentage of total sales volume of consumer products, by product category sold, that contain increased fiber, vitamins, minerals, phytochemicals or functional food additives</td>
<td>Fully</td>
<td>Smithfield does not fortify our meat products with fiber, vitamins, minerals, phytochemicals or functional food additives.</td>
</tr>
</tbody>
</table>

### 417: Marketing and Labeling

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Status</th>
<th>2020 Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>103 Management approach</td>
<td>Fully</td>
<td>Identifying Our Sustainability Priorities, p. 7</td>
</tr>
<tr>
<td>417-1 Requirements for product and service information and labeling</td>
<td>Fully</td>
<td>Smithfield makes every effort to ensure that our consumers receive the most current information about the ingredients and nutritional value of our products. Our labeling and any product-related claims are clear and accurate, in accordance with the labeling requirements unique to each country in which we operate. Smithfield did not have any penalties or fines associated with product labeling regulations during 2020. We are working on ways to improve our product labeling and our ingredient listings in an effort to help consumers better understand exactly what goes into our foods.</td>
</tr>
<tr>
<td>417-2 Incidents of non-compliance concerning product and service information and labeling</td>
<td>Fully</td>
<td>In 2020, there were no incidents of noncompliance.</td>
</tr>
<tr>
<td>Disclosure Number</td>
<td>Disclosure Title</td>
<td>Status</td>
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<td>-------------------</td>
<td>----------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>417-3</td>
<td>Incidents of non-compliance concerning marketing communications</td>
<td>Fully</td>
</tr>
<tr>
<td>417-FP8</td>
<td>Policies and practices on communication to consumers about ingredients and nutritional information beyond legal requirements</td>
<td>Fully</td>
</tr>
</tbody>
</table>

**419: Socioeconomic Compliance**

<table>
<thead>
<tr>
<th>103</th>
<th>Management approach</th>
<th>Fully</th>
<th>Identifying Our Sustainability Priorities, p. 7</th>
<th>Sustainability Governance</th>
<th>Materiality, p. 107</th>
<th>Our Sustainability Strategy, p. 8</th>
<th>Food Safety and Quality, p. 43</th>
</tr>
</thead>
<tbody>
<tr>
<td>419-1</td>
<td>Non-compliance with laws and regulations in the social and economic area</td>
<td>Fully</td>
<td>Animal Care, p. 13</td>
<td>Food Safety and Quality, p. 43</td>
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</tr>
</tbody>
</table>

**Food Processing Sector Supplements: Breeding and Genetics**

| FP9               | Percentage and total of animals raised and/or processed, by species and breed type | Fully   | Our operations raised more than 21 million hogs in 2020 in the United States and Europe. We have genetically selected hybrids to meet various customer demands and expectations. Our genetic combinations are typically a crossbreed comprised of large White x Landrace (dams) and Durocs (sires). Our Polish operations processed nearly 108 million chickens, 2.9 million turkeys and more than 1.3 million geese in 2020. A total of 11% of our poultry supply is raised by our company. In Romania, hogs are the only animals that our operations raise and harvest. By the Numbers, p. 6 | Animal Care Policy |

**Food Processing Sector Supplements: Animal Husbandry**

| FP10              | Policies and practices, by species and breed type, related to physical alterations and the use of anesthetic | Fully   | In 2020, we introduced a newly harmonized manual of standard operating procedures, and training was implemented across our U.S.-based farms. Our animal welfare policies and procedures meet industrywide assurance requirements. Our operations follow procedures, including tail docking and castration, that are consistent with our Animal Care Policy. We do not clip teeth of any piglets. Tail docking is important for pig welfare to prevent tail biting behavior (and any resulting infections) later in the animals’ lives. The docking procedures occur when piglets are between 3 and 5 days old. For identification and traceability purposes, our operations tag the ears of all (and notch the ears of a small percentage) of breeding stock. We do not use anesthesia, which is consistent with standards that are approved by the American Association of Swine Veterinarians (AASV) and the American Veterinary Medical Association (AVMA). |

By the Numbers, p. 6 | Animal Care, p. 13 | Animal Care Policy
We are active members of the Pain Mitigation Task Force, an industrywide effort that is chaired by a member of the AASV and includes experts in human and swine medicine from around the world. The group is tasked to develop scientific methodologies to assess pain associated with routine procedures, such as castration for very young male pigs. Currently various strategies of assessing pain are being tested in universities across the United States. Once these methods are verified, we will undertake a larger scale trial and report the results back to the task force.

In Europe, tail docking and reduction of corner teeth in pigs is performed only where necessary and only by veterinarian or trained personnel. Poultry operations do not use beak clipping procedures. These practices are addressed by European rules specific to species type and reviewed by Polish and Romanian veterinarian authorities.

Our Guiding Principles for Animal Welfare, p. 15 | Animal Care Policy

<table>
<thead>
<tr>
<th>Disclosure Number</th>
<th>Disclosure Title</th>
<th>Status</th>
<th>2020 Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>FP11</td>
<td>Percentage and total of animals raised and/or processed, by species and breed type, per housing type</td>
<td>Fully</td>
<td>A total of 100% of the pigs raised and processed globally, regardless of breed type, live indoors in climate-controlled environments, according to generally accepted industry practices. All pregnant sows on company-owned farms globally, including those in Poland, Romania and our joint ventures in Mexico, are housed in groups. Our poultry-growing farms use cage-free housing.</td>
</tr>
<tr>
<td>FP12</td>
<td>Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type</td>
<td>Fully</td>
<td>Our policies and practices on these issues apply to all animals raised in the United States and Europe, regardless of species or breed type. Our operations use a limited quantity of anti-inflammatories, including aspirin, for sick and injured animals. The EU bans the feeding of all antibiotics and related drugs to livestock for growth promotion purposes.</td>
</tr>
<tr>
<td>FP13</td>
<td>Total number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals</td>
<td>Fully</td>
<td>The U.S. Department of Agriculture Food Safety and Inspection Service (USDA FSIS) has established several different layers of regulatory notifications relative to animal handling and related issues at federally inspected meat facilities. In 2020, we were issued three Notices of Intended Enforcement (NOIEs) and one Notices of Suspension (NOS). These issues, which did not include fines, were resolved. Our operations in Europe are routinely audited by veterinary authorities. Overall, European operations did not receive any penalties for animal welfare noncompliance in this reporting period.</td>
</tr>
</tbody>
</table>
## UN Sustainable Development Goals

<table>
<thead>
<tr>
<th>Aligned UNSDG Goals and Targets</th>
<th>Our Impact: How We Are Contributing</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal 2: Zero Hunger</strong></td>
<td>• Our Commitment to Diversity in Agriculture, Diversity, Equity and Inclusion, p. 28</td>
</tr>
<tr>
<td>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</td>
<td>• Enhancing Operational Efficiency Across Our Business, Environment, p. 36</td>
</tr>
<tr>
<td>• Target 2.1</td>
<td>• Responsible Management of Our Supply Chain, Environment, p. 40</td>
</tr>
<tr>
<td>• Target 2.3</td>
<td>• Addressing Food Insecurity in 2020, Helping Communities, p. 53</td>
</tr>
<tr>
<td>• Target 2.4</td>
<td>• Partnering Locally, Helping Communities, p. 56</td>
</tr>
<tr>
<td>• Our Commitment to Diversity in Agriculture, Diversity, Equity and Inclusion, p. 28</td>
<td>• Delivering Healthy and Nutritious Food, Health and Wellness, p. 49</td>
</tr>
<tr>
<td><strong>Goal 3: Good Health and Well-Being</strong></td>
<td>• Our Approach to Worker Health and Safety, Worker Health and Safety, p. 60</td>
</tr>
<tr>
<td>Ensure healthy lives and promote well-being for all at all ages</td>
<td></td>
</tr>
<tr>
<td>• Target 3.8</td>
<td></td>
</tr>
<tr>
<td><strong>Goal 4: Quality Education</strong></td>
<td>• Building a Diverse, Equitable and Inclusive Business, Diversity, Equity and Inclusion, p. 22</td>
</tr>
<tr>
<td>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</td>
<td>• Our Commitment to Our Employees, Diversity, Equity and Inclusion, p. 22</td>
</tr>
<tr>
<td>• Target 4.1</td>
<td>• Smithfield Foods Scholarship Program, Diversity Equity and Inclusion, p. 27</td>
</tr>
<tr>
<td>• Target 4.3</td>
<td>• Expanding Educational Opportunity, Helping Communities, p. 55</td>
</tr>
<tr>
<td>• Target 4.4</td>
<td>• FUSE Studios, Helping Communities, p. 55</td>
</tr>
<tr>
<td>• Target 4.a</td>
<td>• Supporting Our Military Veterans, Helping Communities, p. 55</td>
</tr>
<tr>
<td><strong>Goal 6: Clean Water and Sanitation</strong></td>
<td>• Water Targets, Environment, p. 30</td>
</tr>
<tr>
<td>Ensure availability and sustainable management of water and sanitation for all</td>
<td>• Enhancing Operational Efficiency Across Our Business, Environment, p. 36</td>
</tr>
<tr>
<td>• Target 6.3</td>
<td>• Innovating for a Clean Energy Future, Environment, p. 31</td>
</tr>
<tr>
<td>• Target 6.4</td>
<td></td>
</tr>
<tr>
<td>• Target 6.6</td>
<td></td>
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<tr>
<td><strong>Goal 7: Affordable and Clean Energy</strong></td>
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<tr>
<td>Ensure access to affordable, reliable, sustainable and modern energy for all</td>
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<tr>
<td>• Target 7.1</td>
<td></td>
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<tr>
<td>• Target 7.2</td>
<td></td>
</tr>
<tr>
<td>Unsdg Goal</td>
<td>Description</td>
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</tbody>
</table>
| Goal 8: Decent Work and Economic Growth | Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all | • Our Commitment to Our Employees, Diversity, Equity and Inclusion p. 22  
• Innovating for a Clean Energy Future, Environment p. 31  
• Celebrating Sustainability Achievements, Environment p. 38  
• Supporting Our Military Veterans, Helping Communities p. 55  
• Worker Health and Safety Goal and Targets, Worker Health and Safety p. 68  
• Our Approach to Worker Health and Safety, Worker Health and Safety p. 60  
• Corporate Governance and Policies, Appendix p. 98 |
| Goal 9: Industry, Innovation and Infrastructure | Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation | • Innovating for a Clean Energy Future, Environment p. 31  
• Celebrating Sustainability Achievements, Environment p. 38 |
| Goal 10: Reduced Inequalities | Reduce inequality within and among countries | • Building a Diverse, Equitable and Inclusive Business, Diversity, Equity and Inclusion p. 22  
• Our Commitment to Our Employees, Diversity, Equity and Inclusion p. 22  
• Our Commitment to Diversity in Agriculture, Diversity, Equity and Inclusion p. 28 |
| Goal 12: Responsible Consumption and Production | Ensure sustainable consumption and production patterns | • Waste and Plastic Targets, Environment p. 30  
• Enhancing Operational Efficiency Across Our Business, Environment p. 36  
• Responsible Management of Our Supply Chain, Environment p. 40  
• Innovating in Health and Wellness, Health and Wellness p. 50 |
| Goal 13: Climate Action | Take urgent action to combat climate change and its impacts | • Climate Targets, Environment p. 30  
• Innovating for a Clean Energy Future, Environment p. 31 |
| Goal 15: Life on Land | Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt reverse land degradation and halt biodiversity loss | • Monarch Butterfly Habitat Exchange, Environment p. 34  
• Responsible Management of Our Supply Chain, Environment p. 40  
• Animal Genetics, Appendix p. 111 |
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Corporate Governance and Policies

Diversity Statement

Good Food, Responsibly, Means a Commitment to Diversity

Smithfield understands that its customers, employees and suppliers are critical to its success as a global food company. Smithfield is committed to partnering with customers, employees and suppliers of diverse backgrounds and geographic locations and to conduct our business in an ethical and inclusive way. Our global perspective and commitment to inclusion are central to our mission to produce good food, responsibly, and ultimately maximize shareholder value.

Customers

Smithfield is always seeking new markets for its products. We continually strive to reach out to a diverse customer base and produce good food that will be enjoyed by families across the globe. Our new initiatives include product development, marketing and advertising with diverse media outlets, sponsorships and forming successful partnerships with key influencers.

Employees

Smithfield is committed to attracting, training and maintaining a diverse workforce that is reflective of the marketplace. We strive to implement a company culture that is inclusive, positive and performance oriented.

Having a diverse workforce allows us to benefit from a variety of perspectives and strengthens our global competitiveness.

Explore the many opportunities available across our family of companies. Visit our Career Opportunities page for our most recent employment information. Apply today!

Community

We believe that being an active and sustaining partner in the communities in which we operate is not only good business, but also our role as a responsible corporate citizen. Some examples of our activities include:

- College scholarships for the children and grandchildren of our employees, in partnership with numerous colleges and universities in the United States, including several historically Black colleges and universities (HBCUs)
- Our Helping Hungry Homes® initiative, through which we partner with Feeding America and local food banks to feed families in need
- Partnerships with organizations to support young students in the educational quest for careers in the agriculture industry
Human Rights Policy

Smithfield is committed to the protection and advancement of human rights, as enshrined in the Universal Declaration of Human Rights (UDHR) issued by the General Assembly of the United Nations on December 10, 1948. The Smithfield Human Rights Policy is grounded in the Smithfield Code of Business Conduct and Ethics (PDF) (the “Code”) and operates in conjunction with the Code. The Code, in conjunction with the Human Rights Policy, sets forth Smithfield’s policies and practices relating to conducting our business in an ethical and responsible manner that supports and respects the protection of human rights. It reflects the company’s core values and high ethical standards.

As used in this Policy and the Code, the term “Smithfield” means Smithfield Foods, Inc., and all foreign or domestic operations and joint ventures in which Smithfield has a majority interest and/or management responsibility, the terms “employees” or “representatives” mean and include all Smithfield employees, officers and directors, and the term “supervisor” refers to the person to whom an employee reports. Smithfield will communicate this policy to its direct supply chain partners.

The Compliance Committee is responsible for the oversight and implementation of this policy and shall define the company’s implementation and monitoring efforts to conform to this policy and advance our commitment to continuous improvement.

1. Equal Opportunity

Smithfield does not discriminate against any employee or applicant for employment because of race, color, national origin, sex, sexual orientation, religion, age, status as a protected veteran, status as an individual with disability, gender identity or any other protected group status or non-job-related characteristic, as directed by law. This applies to recruitment, hiring, training, promotion, disciplinary practices and other terms and conditions of employment. Discrimination against any employee or applicant for employment is a serious violation of equal employment opportunity law and of Smithfield’s corporate policies. It is the responsibility of every supervisory employee to ensure that discrimination does not occur and for every employee to report violations to our policy or the law.

Smithfield will take action to ensure that qualified applicants are given equal opportunity to be employed and promoted. All personnel actions and company-sponsored programs shall continue to be administered on a nondiscriminatory basis. Violations of policy will be reviewed and investigated, and appropriate action will be taken based on the facts.

2. Health, Environment and Safety

Smithfield is committed to ensuring the health, safety and well-being of our employees, the people living and working in communities near our facilities and the environment and will provide the human, physical and financial resources necessary to meet this commitment. These resources will be used to enable employees and contractors to work safely and comply with company policies and the law, to prevent pollution and to protect the environment. Our employees are expected to comply fully with company policies and to adhere, at a minimum, to the applicable health, environmental and safety legal requirements of their host country. Training will be provided to our employees on these company policies and legal requirements.

3. Harassment and Violence

Smithfield is committed to providing our employees with a nondiscriminatory work environment free of any type of harassment per company policy and the law. Supervisory employees must investigate all complaints of harassment, and employees are advised on their responsibility to report violations. The company will take appropriate disciplinary actions for violation of policy or law.

All verbal and physical threats of violent behavior are unacceptable and should be reported, as outlined in the Smithfield Code of Conduct. Every report of violence or threats of violence will be investigated. Employees who engage in violence or threats of violence will be subject to disciplinary action, up to and including termination of employment as well as criminal prosecution.

4. Rights of Employees

Smithfield does not use forced or compulsory labor. Workers are recruited and receive competitive wages and benefit packages. Smithfield will not use child labor and respects the rights of children to be protected from economic exploitation. Smithfield recognizes and respects employees’ rights and freedom to choose whether to join or not join third-party organizations or to associate freely and bargain collectively. Where applicable, Smithfield supports the rights of its employees to make these choices through fairly conducted secret ballot elections. Smithfield recognizes that in some countries, workers are not free to organize and join unions, and in such circumstances, the company is open to other forms of worker representation.

5. Implementation

This Human Rights Policy will be implemented by Smithfield through communication and training programs for staff on human rights issues generally, and on the requirements of Smithfield’s Human Rights Policy specifically.
Supplier Code of Conduct

Smithfield continues to focus on its vision of being the most trusted, respected and ethical food industry leader. This vision supports our promise to customers that we will produce “Good food. Responsibly.” Our suppliers are integral to maintaining and improving on these goals by providing sustainable products and services. This Supplier Code of Conduct has been implemented to help ensure that our suppliers continue to meet and exceed these high standards. It sets forth the business conduct requirements for all suppliers (suppliers, vendors, contractors and consultants) who do business with Smithfield as well as strategies to support a sustainable future. These requirements are in addition to other contract terms and conditions that apply. The degree to which suppliers comply with these applicable requirements and the extent of their sustainability efforts will be considerations for future business with Smithfield.

Legal Compliance

Suppliers must comply with all applicable laws, regulations and rules for the products and services they manufacture, distribute or otherwise provide. This includes compliance with federal, state, local and international requirements. Examples include, but are not limited to, the following areas:

- Environmental
- Health and Safety
- Labor/Employment
- Labeling/Packaging
- Transportation
- Recordkeeping and Accounting
- Securities/Insider Trading
- Import/Export
- Antitrust/Fair Competition
- Foreign Corrupt Practices
- Data/Copyright
- Immigration

Forced Labor

All labor used by suppliers must be voluntary. The use of forced labor of any kind is prohibited, including indentured service, involuntary prison labor, bonded labor, and labor performed due to physical threat.

Child Labor

Suppliers and their subcontractors shall not use child labor, as defined by federal and state regulations and international standards. Smithfield prefers suppliers do not employ anyone under the age of 16.

Working Hours

Suppliers shall not schedule employees to work more hours or days than allowed by applicable laws. Voluntary alternative schedules and overtime are acceptable if conducted in compliance with legal requirements and collective bargaining agreements.

Compensation

Employees shall be fairly compensated for their work, which must meet minimum wage requirements, where applicable. Wages should be comparable to those of similar companies in the local area. Overtime shall be paid, as required by law or at least the same as the hourly wage.

Freedom of Association/Collective Bargaining

Suppliers must respect the rights of employees to freely associate, organize and bargain collectively.

Harassment and Abuse

Suppliers must ensure that their facilities are free from employee harassment, threats, punishment or other forms of abuse.

Product Safety and Quality

Smithfield is dedicated to providing the highest-quality meats and packaged foods to our customers. Suppliers of meat products and ingredients have a direct impact on our ability to meet this commitment and, therefore, must have in place policies and procedures to manage the safety and quality of products delivered to us. Smithfield reserves the right to inspect supplier facilities and request documentation to verify that these systems are in place and are being fully implemented.

Human Rights Policy
Animal Well-Being
Smithfield is committed to being the industry leader in animal care practices to ensure respectful and humane treatment of animals that we own or process, to produce wholesome food products for our customers and to analyze our operations and practices, including internal and third-party audits, to ensure continual improvement. Suppliers that provide animal products to our facilities are expected to have similar operating policies and procedures in place to ensure the humane treatment of their animals during all stages of production, transportation and processing.

We invite our suppliers to review our Animal Care Policy and Antibiotics Policy for further guidance.

Environment and Sustainability
At Smithfield, we are constantly striving to improve our environmental performance, and we aim for leadership in our industry. Our suppliers must be an extension of these environmental stewardship efforts by adhering to applicable environmental regulations as a minimum. In addition, Smithfield expects its suppliers to pursue environmentally responsible leadership roles by proactively reducing its environmental impact and assisting our facilities in meeting their environmental objectives and targets whenever possible. Suppliers should consider the following environmental management best practices and sustainability goals:

• Adopt an Environmental Policy and implement an environmental management system (EMS).

• Obtain all permits and develop all applicable environmental plans required for your facilities and fully comply with their monitoring, reporting and renewal requirements.

• Minimize waste generation and manage all wastes, as required by law and in a responsible manner. Source minimization practices are preferred followed by direct reuse and recycling of wastes where feasible.

• Minimize water use and wastewater generation through conservation practices and reuse options.

• Minimize air emissions that affect human health and the environment and effectively operate installed air emission control processes.

• Reduce energy consumption and the generation of greenhouse gases.

• Reduce packaging materials for supplied products and assist Smithfield in reducing the environmental impact of the packaging used for our food products. A life-cycle approach to packaging design is preferred.

• Reduce the use of hazardous materials in manufacturing operations and inform Smithfield of any formulation changes that could adversely impact our environmental performance or food quality.

Environmental Policy

Health and Safety
At Smithfield, the safety, health and well-being of our employees is more important than our most valued customer. Our suppliers must also give the health and safety of their employees the same priority. Again, compliance with health and safety legal requirements is mandatory. The minimum program requirements include:

• Provide employees with clean, safe and healthy working conditions.

• Provide potable drinking water, adequate sanitation facilities, resources to respond to fire and medical emergencies and personal protective equipment.

• Implement policies and procedures that help ensure equipment is maintained in a safe condition, identify and correct workplace hazards, monitor and report on workplace illness and injury, require health and safety education and training for employees and encourage employee participation.

• Minimize employee exposure to health hazards including hazardous chemicals, biological agents and air pollutants.

Worker Health and Safety Policy
Business Integrity
Smithfield expects its suppliers to always conduct business with high ethical, legal and socially responsible standards. The Smithfield Code of Business Conduct and Ethics may be referenced for a more detailed discussion of our expectations.

Code of Business Conduct and Ethics

Ethical Behavior
Suppliers must not tolerate any form of corruption within their company or from their subcontractors such as fraud, bribery, extortion or embezzlement. The improper use of insider information and price fixing are prohibited.

Conflicts of Interest
Suppliers shall notify Smithfield of any potential conflict of interest relating to financial interests or other arrangements with our employees that may be considered inappropriate. Gifts and entertainment offered to employees must not be excessive or construed as an attempt to influence business decisions.

Protecting Company Assets
Suppliers often have access to Company assets and sensitive information that must be safeguarded. This includes trade secrets, intellectual property, production methods and equipment and financial information.

Disclosure of confidential information or use of trademarks and copyrighted information requires written approval. Smithfield reserves the right to have executed nondisclosure agreements on file with distributors and manufacturers, although this shall not prevent Smithfield from conducting general business transactions.

Verification of Supplier Compliance
Smithfield will verify compliance with this Code of Conduct through the following:

• Smithfield reserves the right to audit supplier facilities following a reasonable request, with the expectation that suppliers will correct identified deficiencies.

• Suppliers shall inform Smithfield of any significant regulatory noncompliances or significant news events that may negatively impact public or governmental views of our company or jeopardize our legal compliance.

Suppliers shall complete an annual sustainability assessment survey, if requested, to develop a baseline of sustainability performance and identify improvement trends.
Industry Certifications and Verifications

<table>
<thead>
<tr>
<th>Certification</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Brand Reputation Compliance Global Standards (BRGCS)</strong></td>
<td>The BRGCS standard is an international food safety management system and a recognized scheme of Global Food Safety Initiative (GFSI). It lists requirements for food processors, including Hazard Analysis and Critical Control Point (HACCP), internal audits, supplier approval, traceability and more.</td>
</tr>
<tr>
<td><strong>Common Swine Industry Audit (CSIA)</strong></td>
<td>The CSIA was created in 2014 as a common audit platform for pork producers, packers and processors in the United States. Audit tools build on the existing Pork Quality Assurance® Plus (PQA Plus®) program.</td>
</tr>
<tr>
<td><strong>Food Safety System Certification (FSSC) 22000</strong></td>
<td>The FSSC 22000 standard is a recognized GFSI scheme used to control safety risks. Certification provides confidence to customers and consumers that a rigorous food safety system is in place.</td>
</tr>
<tr>
<td><strong>GLOBALG.A.P.</strong></td>
<td>The GlobalG.A.P. certification is highly regarded as a reliable standard for demonstrating on-farm food safety and sustainability.</td>
</tr>
<tr>
<td><strong>GSFI</strong></td>
<td>The GFSI was established to ensure confidence in the delivery of safer food to consumers while continuing to improve food safety throughout the supply chain. These global standards address food, packaging, packaging materials, storage and distribution for primary producers, manufacturers and distributors.</td>
</tr>
<tr>
<td><strong>HACCP</strong></td>
<td>The HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical and physical hazards from raw material production, procurement and handling to manufacturing, distribution and consumption of the finished product.</td>
</tr>
<tr>
<td><strong>International Featured Standard (IFS) Food Standard</strong></td>
<td>The IFS Food Standard is a standard used to audit retailer- and wholesaler-branded food products and applies at all stages of food processing.</td>
</tr>
<tr>
<td><strong>International Organization for Standardization (ISO) 14001</strong></td>
<td>ISO 14001 is the international standard that specifies requirements for an effective environmental management system (EMS). It provides a framework that an organization can follow, rather than establishing environmental performance requirements.</td>
</tr>
<tr>
<td><strong>ISO 22000</strong></td>
<td>The ISO 22000 standard demonstrates a company has a food safety management system in place and is tailored to apply to food safety.</td>
</tr>
<tr>
<td><strong>National Pork Board’s (NPB) PQA® Plus Program</strong></td>
<td>PQA® Plus is an educational program representing the U.S. industry’s commitment to continuous improvement of production practices. It addresses food safety, animal well-being, environmental stewardship, worker safety, public health and community. Farms are assessed every three years to ensure they meet PQA® Plus Site Status criteria.</td>
</tr>
<tr>
<td>NPB Transport Quality Assurance® (TQA®) Plus Program</td>
<td>TQA® is a framework that helps transporters, producers and handlers in the United States understand how to handle, move and transport pigs and the potential impacts of those actions on pig well-being and pork quality.</td>
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<tr>
<td>North American Meat Institute’s (NAMI’s) Recommended Animal Handling Guidelines and Audit Guide</td>
<td>The NAMI guidelines, which were revised in early 2017, were first developed by Colorado State University’s Dr. Temple Grandin, who has provided Smithfield with her animal welfare expertise for many years. All slaughter facilities are audited, at minimum, once per shift using these guidelines by auditors who have been trained according to the standards of the Professional Animal Auditor Certification Association (PAACO).</td>
</tr>
<tr>
<td>PAACO</td>
<td>PAACO’s mission is to promote animal welfare in the United States through auditor training and audit certification.</td>
</tr>
<tr>
<td>Safe Quality Food (SQF)</td>
<td>SQF is a recognized GFSI food safety management certification scheme with a focus on control of food safety risks.</td>
</tr>
<tr>
<td>U.S. Department of Agriculture’s (USDA’s) Process Verified Program (PVP)</td>
<td>The PVP is a third-party verification service designed to provide agricultural suppliers with labeling and marketing tools that assure customers of the consistent quality of the products they purchase.</td>
</tr>
</tbody>
</table>
Key Collaborators

We are also members of a number of industry organizations and associations at the national, state and local levels:

National

American Association of Swine Veterinarians
American Conference of Governmental Industrial Hygienists
American Feed Industry Association
American Meat Institute
American Meat Science Association
American Romania Business Council
American Society for Microbiology
American Society of Quality
American Trucking Associations
Americas’ SAP Users’ Group
Animal Agriculture Alliance
Association for Supply Chain Management
Corporate Environmental Enforcement Council
Environmental Law Institute
Food Marketing Institute
Global Environmental Management Initiative
Institute of Food Technologists
International Association for Food Protection
National Association of Manufacturers
National Conference on Weights and Measurers
National Pork Board
National Pork Producers Council
National Renderers Association
North American Meat Institute
Organization for International Investment
Pet Food Institute
Sustainable Packaging Coalition
US-China Agriculture and Food Partnership
US-China Business Council
U.S. Meat Export Federation
US-Poland Business Council
Women in Agribusiness
Women in Manufacturing
State/Local
Alliance for the Chesapeake Bay
Arizona Envirothon
Arizona Pork Council
Bladen County 100 Committee (North Carolina)
Bladen County Livestock Association (North Carolina)
California Chamber of Commerce
California Grain and Feed Association
California Pork Producers Association
Cape Fear River Assembly (North Carolina)
City of Clinton 100 Committee (North Carolina)
Colorado Agriculture Council
Colorado Livestock Association
Colorado Pork Producers Council
Duplin County Agribusiness Council (North Carolina)
Iowa Occupational Safety and Health Advisory Council
Isle of Wight-Smithfield-Windsor Chamber of Commerce (Virginia)
James River Association (Virginia)
Middle Cape Fear Basin Association (North Carolina)
Missouri-Kansas Forum
Nebraska Chamber of Commerce
North Carolina A&T
North Carolina Association for Soil and Water Conservation
North Carolina Chamber of Commerce
North Carolina Forever
North Carolina Meat Processors Association
North Carolina Pork Council
North Carolina Pork Producers
North Carolina Trucking Association
North Carolina Trucking Association Technology and Maintenance Council
Palmetto Agribusiness Council (South Carolina)
Sampson County Friends of Agriculture (North Carolina)
Snowflake/Taylor Chamber of Commerce (Arizona)
South Dakota Safety Council
South Dakota Trucking Association
Story County Pork Producers (Iowa)
Tulare County Farm Bureau (California)
Utah Farm Bureau
Utah Pork Producers Association
Virginia Agribusiness Council
Virginia Chamber of Commerce
Virginia Department of Health Water Advisory Board
VIRGINIA Forever
Virginia Grain Producers Association
Virginia Pork Council
Wisconsin Manufacturers & Commerce
## Materiality

Smithfield’s significant economic, environmental and social impacts

### Material Topic Definitions

<table>
<thead>
<tr>
<th>Material Topic</th>
<th>Issue Definition</th>
<th>Related GRI Aspects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Animal Welfare and Management</td>
<td>Our policies and performance as they relate to the health, safety and comfort of our animals</td>
<td>Animal welfare</td>
</tr>
<tr>
<td>2. Food Safety and Quality</td>
<td>Producing safe, high-quality meat products for our consumers</td>
<td>Customer health and safety, product and service labeling, compliance</td>
</tr>
<tr>
<td>3. Waste and Manure Management</td>
<td>Optimizing logistics and reducing waste at the plant and farm level through innovative policies and programs, including traditional operational waste and our systems for treating and utilizing manure as well as our programs to turn manure into a renewable energy source</td>
<td>Compliance, waste and effluents, energy, water, animal welfare</td>
</tr>
<tr>
<td>4. Climate Action</td>
<td>Addressing global climate change by reducing our carbon footprint and promoting resiliency through renewable energy alternatives</td>
<td>Energy, emissions</td>
</tr>
<tr>
<td>5. Occupational Health and Safety</td>
<td>Policies, practices, and performance related to keeping our people healthy and safe</td>
<td>Occupational health and safety</td>
</tr>
<tr>
<td>6. Diversity and Inclusion</td>
<td>Employing individuals with diverse perspectives and backgrounds and providing training and career development opportunities to strive to create an inclusive environment for all</td>
<td>Diversity and equal opportunity</td>
</tr>
<tr>
<td>Material Topic</td>
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<tr>
<td>7. Environmental Management</td>
<td>Producing more while using less water, energy and materials as well as generating fewer emissions and solid waste</td>
<td>Compliance, environment overall, emissions, effluents and waste, water, energy, materials</td>
</tr>
<tr>
<td>8. Renewable Energy</td>
<td>Advancing the use of renewable technology through investments in outside renewable sources and operational efficiencies, including finding innovative ways to turn manure into an energy source</td>
<td>Energy, effluents and waste</td>
</tr>
<tr>
<td>9. Antibiotics</td>
<td>Ensuring the health and safety of the animal by implementing policies and practices that are aligned with industry standards and address the concerns of stakeholders</td>
<td>Animal welfare, healthy and affordable food</td>
</tr>
<tr>
<td>10. Supply Chain Management</td>
<td>Working across all aspects of the supply chain, from ingredient sourcing to reaching the consumer ESG, to optimize performance on environmental, social and governance (ESG) issues</td>
<td>Procurement/sourcing practices, indirect economic impacts</td>
</tr>
<tr>
<td>11. Health, Wellness and Nutrition</td>
<td>Contributing to the availability of, and affordable access to safe, nutritious food while leveraging vertical integration across the enterprise to create safe nutraceuticals options through the Smithfield BioScience platform</td>
<td>Healthy and affordable food, customer health and safety</td>
</tr>
<tr>
<td>12. Transparency</td>
<td>Ensuring proactive and clear communications across all aspects of our business operations</td>
<td>Compliance, anti-corruption, procurement/sourcing practices, anti-competitive behavior, economic performance, labor/management relations, product and service labeling, marketing communications</td>
</tr>
<tr>
<td>13. Employee Engagement and Development</td>
<td>Creating jobs, providing professional development opportunities and fostering a work environment that allows our employees to stay and grow with us throughout their careers</td>
<td>Employment, training and education, labor/management relations, market presence</td>
</tr>
<tr>
<td>14. Water Stewardship</td>
<td>Responsible management of water usage and impacts on local communities</td>
<td>Compliance, water, effluents and waste</td>
</tr>
<tr>
<td>15. Community Outreach</td>
<td>How we support local communities through social outreach and engagement, including philanthropic efforts and local environmental justice concerns</td>
<td>Indirect economic impacts, local communities</td>
</tr>
<tr>
<td>16. Consumer Expectations</td>
<td>Predicting and responding to our consumers’ evolving dietary needs and preferences</td>
<td>Healthy and affordable food, market presence</td>
</tr>
<tr>
<td>17. Human Rights</td>
<td>Respecting human rights in our business activities, operations and supply chain</td>
<td>Occupational health and safety, emissions, water, effluents and waste, local communities</td>
</tr>
<tr>
<td>18. Economic Impacts and Value Creation</td>
<td>Expanding our business value proposition for our customers, employees, investors and society</td>
<td>Economic performance, local communities, market presence, indirect economic impacts</td>
</tr>
<tr>
<td>19. Food Insecurity</td>
<td>Ensuring food is healthy, nutritious and affordable to all</td>
<td>Indirect economic impacts, local communities</td>
</tr>
<tr>
<td>20. Operating Globally</td>
<td>Addressing challenges related to diverse export markets, free trade and risk management</td>
<td>Procurement/sourcing practices, market presence, anti-corruption, anti-competitive behavior</td>
</tr>
</tbody>
</table>
Sustainability Pillars

Animal Care

Animal Care Management
At Smithfield Foods, our Animal Care Management System provides a comprehensive approach to animal care on all our farms. It includes employee training and audits to make certain that our animal care policies are followed at all times and that any issues of noncompliance are swiftly corrected. We created this system for our farms nearly two decades ago in consultation with two of the world’s foremost experts in animal behavior and handling.

We established a corporate-level Animal Care Committee in 2002 to ensure our animal policies are properly implemented. The committee, which consists of Smithfield employees with animal care responsibilities at our farms and processing facilities, reviews our policies at least once annually and communicates the importance of our program throughout the organization.

To ensure the safety and well-being of all our animals, we created an Animal Handling and Welfare Quality Management Plan. Used at all Smithfield processing facilities in the United States, this plan reinforces our Animal Care Policy; includes our animal handling program and supplier expectations; and identifies required personnel, training, auditing and adherence to regulations.

Our Animal Care Management System provides a comprehensive approach to animal care on all our farms. It includes employee training and audits to make certain that our animal care policies are followed at all times and that any issues of noncompliance are swiftly corrected.

All hog farms must adhere to the guidelines of the National Pork Board (NPB) Pork Quality Assurance® Plus (PQA® Plus) program. PQA® Plus provides guidelines for proper care of animals to ensure optimal health and well-being. It includes on-farm assessments and third-party verification that proper care is being implemented. In addition, the Common Swine Industry Audit (CSIA) verifies that we are following industry standards and that our farms are compliant with our Animal Care Policy.

All drivers who transport our animals, including contract and independent supplier drivers, must be trained and certified under the NPB’s Transport Quality Assurance® (TQA®) program. TQA® provides education and guidelines for transporters, producers and animal handlers on all aspects of hog handling and transportation.

Animals are treated with respect at processing facilities, just as they are when growing at farms. Each facility uses a systemic approach to animal care that includes the Smithfield Animal Handling and Welfare Quality Management Plan, a comprehensive training program, internal audits and third-party audits.

Animal Care Requirements
To implement our Animal Care Policy and make sure that animals are properly cared for, we rely on a comprehensive system of policies and procedures as well as internal and third-party auditing platforms.

Some of the requirements are specific to our hog farms; others are expressly for processing plants. We constantly assess these tools to be sure we are following current science that promotes the most humane treatment of animals.

On U.S. Farms
All our farms in the United States are 100% compliant with the NPB PQA® Plus program, which serves as the basis for the CSIA. To learn more about third-party certifications and audits, please visit the Industry Certifications and Verifications section.

Each farm’s compliance with the PQA® Plus standard is reviewed every three years. To ensure we remain compliant between reviews, our trained internal auditors conduct annual animal care audits, aligned with the CSIA, on company-owned farms.

We consistently strive for an audit score of “excellent” (97% or above) across all our farm regions, including our genetics research facilities. All farms are audited annually; in some cases, farms may be audited as groups, resulting in a lower number.
External auditors, who are retained by Smithfield Foods, conduct random, unannounced visits at company-owned farms to perform the CSIA. External auditors evaluate “big-picture” issues, including whether our internal auditors assess performance consistently across locations. Any audit findings are reviewed by management. Sites that fail an external audit are reaudited within 30 days, must show that any nonconformance has been corrected and will also undergo an audit in the subsequent year.

At U.S. Facilities
Our facility management system follows the standards set in the U.S. Department of Agriculture’s (USDA’s) Process Verified Program (PVP) and monitors several key aspects of production, including traceability to farm of origin, PQA® Plus program adherence on farms and TQA® status of livestock haulers.

Our programs help ensure the animals that come to the facilities were raised where management systems address health, animal well-being and proper use of antibiotics.

A third-party company performs annual audits at all our fresh meat-processing facilities based on North American Meat Institute (NAMI) guidelines.

In addition to regulatory oversight and enforcement by the USDA Food Safety Inspection Services, which has representatives stationed inside each of our locations every day of operations, all facilities are audited on a pass-fail basis by Smithfield employees at least once during each shift.

Our International Operations
Animal handling protocols at our locations in Poland and Romania include comprehensive document controls to ensure traceability, rigorous biosecurity protocols that meet all national and European Union (EU) regulations, proper hygiene measures and humane euthanasia.

Our international operations are regularly audited to ensure compliance with local and EU regulations. Government veterinarians regularly inspect our farms and facilities in both Poland and Romania. These external audits verify compliance with national animal care laws and biosecurity measures to reduce the risk of diseases. Additional random inspections take place throughout the year.

Trained internal auditors conduct audits of farming operations to verify compliance with animal care procedures, biosecurity and traceability, employee training programs and transportation systems. Nonconformance is addressed with swift corrective action, and we provide support and technical assistance to help each facility remain compliant.

Animal Care Policy Statement
Smithfield is committed to being an industry leader in animal care practices to ensure respectful and humane treatment of animals; to produce wholesome food products; and to analyze our operations and practices, including internal and independent third-party audits, to ensure continual improvement.

All operations involved with the production or processing of live animals are required to provide:

- Comprehensive written animal care programs to ensure animal well-being
- Shelter that is designed, maintained and operated to provide a physical environment that meets the animals’ needs
- Access to adequate water and high-quality feed to meet animal nutrition requirements (production facilities) and in accordance with the Humane Methods of Slaughter Act 1978 (processing facilities)
- Humane treatment of animals that ensures their well-being and meets or exceeds all applicable legal and regulatory requirements, including the Humane Methods of Slaughter Act of 1978 and all applicable NAMI Animal Handling Guidelines (processing facilities)
- Identification and appropriate treatment of animals in need of care
- Timely use of humane methods to euthanize sick or injured animals not responding to care and treatment

Adherence to the principles of this policy is a responsibility and requirement of those who interact with animals that are owned or processed by Smithfield. Willful neglect or abuse of animals will not be tolerated and will result in immediate termination. Offenders may also be subject to criminal prosecution under applicable laws.
Animal Genetics

Smithfield Foods’ genetics research center has one primary aim: making a better pig.

This is done through the genetics equivalent of matchmaking. Researchers select animals from generation to generation, pairing them up to create the ideal descendants for that perfect rack of ribs or the tastiest ham. We determine which animals will make the best parents to produce the best offspring that will result in the tastiest meat. The meat we produce today isn’t something that happened by accident. It’s the result of years of genetics research and effort.

In facilities in North Carolina and Texas, more than 200 technicians, genetic researchers and veterinarians look for new ways to improve the genetic traits of the animals, focusing on everything from a sow’s nursing skills to a piglet’s feeding abilities to the characteristics that result in the greatest flavor with the perfect amount of fat and marbling.

We also select for specific genetic traits that will keep our animals comfortable and healthy. Our teams collaborate with other researchers across the United States and internationally, focusing on a host of features, including a pig’s ability to efficiently gain weight.

Using a variety of statistical tools, we collect hundreds of animal traits and analyze them to determine which are the best ones for the next generation going forward. We manage a range of objectives, from growth performance to tenderness to yield. And, of course, flavor. This type of work takes time—once genetic improvements are identified, it can take as many as five years for those changes to be represented in our food products.

We firmly believe that Smithfield hogs offer a superior taste and eating experience. Our hogs raised today are a combination of three heritage breeds: 100% Durocs on the male side and a 50–50 cross between Landrace and Large White hogs on the female side. Although the three lines are common worldwide, the hogs we have bred are unique within our industry. Our genetics program itself is also unique. Other meat companies in the United States use third parties to develop their breeding programs. Thanks to our vertically integrated research, we can literally trace the genetic lines across our entire pork chain, from breeding to farms to the final product.

In addition, our hogs today require fewer resources to raise, thanks to a targeted effort by our geneticists to identify characteristics that enable us to raise animals more efficiently. For example, some humans gain weight more easily than others, the result of the genes they inherited. We want to produce hogs that gain weight more easily. That’s because hogs that convert calories more efficiently require fewer resources (and fewer days) to grow from infancy to market weight.

The swine genome became available in 2009 and is the primary tool we use in our work today. From that data, we were able to refine our abilities to capture DNA information and use it to screen animals that will parent the next generation. It typically takes three to four years before we see the selections we have made show up in the animals on our farms.

We also keep in mind biodiversity, so we can ensure a diverse population of hogs. In other words, we breed across familial lines.

Outside of their labs, our geneticists spend quite a bit of time educating Smithfield employees about what they do. The program that describes their work, “The Smithfield Experience,” has trained thousands of Smithfield employees over the years, giving them insight into our breeding program and why it is so successful.

Gene Editing

At Smithfield Foods, it’s important to note that our robust genetic program does not currently include gene editing. We do not add or manipulate genes.

Rather, we employ the science of genomics, which includes calculating thousands of genetic data points to accurately predict characteristics for the next generations of hogs. The science involved in gene editing is still evolving. The company’s focus remains on the development and improvement of its products through careful selective breeding and genetic research. Smithfield will continue to monitor and study scientific research on gene-editing technology for potential future opportunities.
Genetically Modified Organisms (GMOs)

Meat and poultry livestock are not GMOs. However, most of our animals are fed grains (including corn and soybeans) that may have used GMO technologies.

All GMO crops have been evaluated by a host of regulatory agencies, including the U.S. Food and Drug Administration (FDA) and the U.S. Environmental Protection Agency (EPA), as well as many scientific organizations, and have been found to be safe for people and animals to eat. There is no evidence that animals are affected by eating grain from plants with genetically modified characteristics.

At Smithfield, we monitor the dialogue about GMOs and stay current with scientific research. We do not require any of our suppliers to be non-GMO.

Cloning

We do not produce protein products from cloned animals and have no plans to do so in the future. Although the FDA has concluded that protein products from cloned animals are safe for human consumption, the science involved in cloning animals is evolving. We will continue to monitor further scientific research on this technology.

We maintain our focus on the development and improvement of our protein products through careful selective breeding and genetic research.
Smithfield Foods is committed to being an industry leader in animal care practices that ensure respectful and humane treatment of animals. Housing systems for all animals are designed, maintained and operated to provide a physical environment that meets the animals’ needs and complies with all applicable legal and regulatory requirements.

**Group Housing for Female Pigs**

Our leadership in animal care is reflected in our successful transition to group housing systems globally. All pregnant female pigs on company-owned farms, including those in Poland, Romania and our joint ventures in Mexico, are housed in groups. Individual stalls are used for breeding to help ensure a sow’s successful conception, a practice supported by multiple scientific studies. We also use individual stalls during farrowing to protect a sow’s growing litter.

In addition to the efforts at company-owned farms, we recommend that all our contract sow growers in the United States complete a transition to group housing systems. While the conversion of contract sow growers’ facilities to group housing systems is being encouraged, it is not mandatory. We are supporting contract growers through the conversion process by providing guidance and expertise when requested and have seen an increase in the number of farms that have converted or that have expressed interest in converting. We believe a collaborative approach with contract growers provides the best likelihood of a successful transition to group housing for pregnant sows in these locations.

All our company-owned and contract farms in Poland and Romania follow strict EU guidelines that prohibit individual stalls except for a short period of the gestation period. Our international processing facilities only source pigs from farms that meet these sow housing requirements. We communicate this to suppliers and regularly monitor their performance.

**Poultry Housing**

We operate three poultry-growing farms and four hatcheries in Poland that provide chicks to approximately 300 independent growers. These poultry-growing farms use cage-free housing according to EU animal welfare and Polish animal welfare requirements.

**Types of Group Housing Systems**

At Smithfield Foods, our U.S. operations use three types of housing arrangements for pregnant pigs: individual stalls, free-access group pens and small group pens.

**Individual stalls:** Historically used by most of the pork industry, this system puts pregnant females in individual stalls for the duration of their pregnancies. This system allows for individual care, minimizes fighting between bred pigs and allows personnel to monitor each pregnancy more accurately. At Smithfield, individual stalls are used as part of our group housing system for breeding to help ensure a sow’s successful conception, a practice supported by multiple scientific studies. We also use individual stalls during farrowing to protect a sow’s growing litter.

**Free-access group pens:** In this system, a large group of pregnant females (between 30 and 40), once confirmed pregnant, has access to a common area for lounging and exercise as well as access to individual stalls for feeding.

**Small group pens:** This form of housing allows small numbers of gilts and sows (between six and 12) to be in a common open pen area once they are confirmed to be pregnant. These systems typically include individual feeding stations, which help to minimize aggression during feeding.

Take a virtual tour of a Smithfield Foods Sow Farm [here](#).
Antibiotics
At Smithfield Foods, we carefully control use of antibiotics to care for our animals and strive to provide consumers with safe, high-quality food.

Our Commitment
Our robust animal health management program, overseen by staff veterinarians, unifies our commitment systemwide. It maintains judicious use of antibiotics to produce healthy animals and make our food supply safe. The independent animal suppliers we work with are encouraged to judiciously administer all medications as well. Our veterinarians ensure sound animal care practices and good nutrition, perform preventive health examinations, authorize or prescribe vaccines and antibiotics and are proactive in assessing potential health threats.

We understand that antibiotic resistance is a public health concern. That’s one of the reasons why we led the U.S. industry by voluntarily aligning our antibiotics policy with the FDA’s guidelines in 2015 — about 18 months before the federal requirement to cease using medically important antibiotics for growth promotion took effect.

Smithfield’s Antibiotics Task Force, a cross-functional group composed of employees from hog production, corporate affairs, food safety and quality, sales and marketing, discusses antibiotics issues from a U.S. perspective to find ways to maintain Smithfield’s responsible leadership position on antibiotics.

Antibiotics Use Policy
Antibiotics have improved the lives of millions of people and animals. The prudent use of antibiotics makes our food supply safer and enhances animal well-being by treating, controlling and preventing diseases, which can cause suffering and premature death in food animals. Misuse of antibiotics in all forms — whether in human or animal medicine or plant agriculture — may contribute to the emergence of resistant microorganisms. Therefore, Smithfield Foods is committed to the responsible and judicious use of antibiotics through the following practices:

- Preventive Management: Maintain a robust animal health management program overseen by veterinarians, which includes sound animal husbandry practices, preventive herd health examinations, vaccinations and proactive assessments of potential health threats.
- Veterinary Oversight: Provide veterinary oversight and consultation prior to selection and use of any antibiotics governed by prior written authorized or prescriptions, guided by extensive and regular diagnostic testing and analysis and targeted and appropriately timed for the specific disease of concern.
- Limited Use: Provide veterinary administration of antibiotics classified as important for treating human disease by the FDA only when necessary for animal health and food safety. There is no use of antibiotics classified as important for treating human disease by the FDA for feed efficiency and growth promotion purposes.
- Strict Compliance With U.S. Law: Meet or exceed all antimicrobial withdrawal times established by the FDA and the Food Animal Residue Avoidance Databank (FARAD). Antibiotics use is limited to those approved and labeled for animal use by the FDA and adhered to all applicable laws governing antibiotics.
- Recordkeeping and Reporting: Track and publicly report antibiotic use.
- Continuous Improvement and Research: Provide an ongoing commitment to research to identify new technologies that improve animal health and minimize antibiotic use.

Adherence to the principles of this policy is the responsibility and requirement of all individuals who interact with the animals owned or managed by Smithfield’s hog-production business. Failure to abide by the policy will be grounds for disciplinary action up to and including possible termination.

This policy is based on Smithfield’s commitment to producing safe and wholesome meat products for its customers as well as the company’s continuing commitment to animal care. The policy will be reviewed on an annual basis.

Responsible Use
Using antibiotics responsibly is an extremely complicated issue, and we want to help our stakeholders understand the nuances without oversimplifying the facts.
In the context of our industry, there are two kinds of antibiotics: those used both in human and animal health (medically important antibiotics), such as penicillin, for example, and those that are only used in animal health (nonmedically important antibiotics). We use both types of antibiotics, as authorized or prescribed by company veterinarians, to control, treat and prevent disease. We do not, however, use medically important antibiotics to promote growth or feed efficiency on farms.

In the United States, we use antibiotics to do the following:

- **Control disease.** We administer antibiotics to our animals for a limited period of time to reduce the chance of spreading a specific disease following exposure.
- **Treat disease.** We administer antibiotics to treat sick animals.
- **Prevent disease.** We administer antibiotics to healthy animals when they may be exposed to a particular disease that exists on our premises or is likely to occur.
- **Promote growth.** While we do not use medically important antibiotics to promote growth, we do use animal-only antibiotics for growth promotion and feed efficiency.

In our international operations, we only use water-based and injected antibiotics when animals are sick, injured, vulnerable or exposed to illnesses, and we do not use antibiotics for growth promotion, consistent with EU regulations. Authorized veterinarians supervise antibiotics usage on company-owned and contract farms, monitoring them weekly.

Our robust animal care health management program, overseen by staff veterinarians, unifies our commitment systemwide. It maintains judicious use of antibiotics to produce healthy animals and make our food supply safe. The independent animal suppliers we work with are encouraged to judiciously administer all medications as well. Our veterinarians ensure sound animal care practices and good nutrition, perform preventive health examinations, authorize or prescribe vaccines and antibiotics and are proactive in assessing potential health threats.

**Administering Antibiotics**

Employees who are responsible for administering antibiotics are thoroughly trained to follow all applicable laws, including regulations related to antibiotic usage policies and antibiotic withdrawal timelines, which specify the number of days that must pass after the last antibiotic treatment before the animal can enter the food supply.

Verifying the implementation of our policies on farms is paramount. We keep records to track use of antibiotics on farms and began voluntarily publicly reporting antibiotics usage in 2007. Updated information can be found in our latest sustainability report.

To ensure we’re always improving animal care and providing high-quality, safe food, we conduct research to identify new technologies and procedures that improve animal health while minimizing antibiotic use.

**Hogs Raised Without Antibiotics**

We raise a limited number of hogs without antibiotics at our farms in Poland in response to increased consumer demand. We conduct regular audits to certify our supply chain (feed mills, sow farms, nursery farms, finishing farms and production plants) is operating without the use of antibiotics.

**Supporting Antibiotics Research**

Researchers at Virginia Tech College of Agriculture and Life Sciences and the Virginia-Maryland College of Veterinary Medicine have been using a $1.4 million Smithfield grant to investigate alternatives to antibiotics that enhance animal well-being and production efficiency in swine-rearing operations.

**Antibiotic Regulations**

Every antibiotic we use in the United States is regulated by the FDA. We comply strictly with all antibiotic withdrawal timelines, as established by the USDA and FARAD.

Some countries, such as Japan, Russia and several nations in the EU, require farms and suppliers to make specific adjustments to those requirements. We always adhere to the guidelines of those countries with which we do business.
Domestically, the USDA monitors to ensure meat and poultry contain no antibiotic residues that exceed the safety levels established by federal agencies. The National Residue Program (NRP) tests animal tissues to monitor antibiotic residue. Research from the National Antimicrobial Resistance Monitoring System — a collaboration among the Centers for Disease Control and Prevention (CDC), the FDA and the USDA — shows that antibiotic resistance in animal products and foodborne diseases has been steady or declining in recent years.

The EU banned feeding antibiotics and related drugs to livestock for growth promotion purposes more than 10 years ago. All our company-owned and contract farms in Poland and Romania follow these strict guidelines and comply with all antibiotic withdrawal timelines. The antibiotics administration process is overseen and controlled by each country’s respective regulatory agencies.

**Use and Preventive Management FAQs**

All antibiotics used on our farms are preapproved by a licensed veterinarian, and a written authorization or prescription is also required before they are administered to any animal.

Antibiotics are administered under veterinary supervision after careful evaluation of groups of pigs, herd history and diagnostic testing to determine the amount and type of medication necessary for the protection of pig health and welfare.

This topic is complicated, so we have provided a few commonly asked questions about prevention and antibiotics:

**What does prevention mean?**

The FDA defines disease “prevention” as the “administration of an antimicrobial drug to animals, none of which are exhibiting clinical signs of disease, in a situation where disease is likely to occur if the drug is not administered.” The FDA regards “prevention” as a therapeutic and judicious application of antibiotics. We follow all regulations regarding the use of antibiotics to prevent disease in our international operations.

**Why is prevention important?**

Swine medicine is population and herd based, meaning veterinarians focus on diagnosing and addressing illnesses that threaten a herd rather than treatment of solitary animals. Treatment, control and prevention of disease operate on a range of therapies rather than distinct types of therapeutic use.

Many common bacteria are present in all swine herds. These can emerge to sicken animals when they are more vulnerable — such as when pigs are relocated to new barns and when viral infections such as Porcine Reproductive and Respiratory Syndrome (PRRS) and influenza are present in a herd. At these vulnerable points, bacterial infections can quickly emerge and spread to other animals.

Preventing disease in pigs and in swine herds, rather than relying solely on disease treatment, stops unnecessary illness, suffering and mortality in pigs on farms. Forcing veterinarians to allow animals to become ill prior to instituting effective treatments will lead to poorer health outcomes and increase the total antibiotic use. This also increases the risk that the animal could enter the food supply while it is not completely healthy, which may increase the risk to public health.

**What prevention is and is not at Smithfield?**

Smithfield adheres to the FDA definition of prevention for our operations in the United States and to relevant regulations in Poland and Romania for our international operations. Our aim is to reduce disease carriers in our herd and to prevent our animals from contracting a disease, which would then require additional treatment and potentially more use of antibiotics. Prevention is not a “catchall” term disguising subtherapeutic uses of medically important antibiotics for production purposes.

**What are some examples of preventive antibiotic use within Smithfield?**

Antibiotic use is just one of the many illness-prevention strategies we employ to protect our herds. Vaccinations, strict biosecurity protocols and animal husbandry practices are among the first lines of defense in our herd health management plans. When antibiotics are used, we continually evaluate such usage based on diagnostics and testing. Examples of preventive use include the following:

- Administering antibiotics to most newborn pigs to reduce the incidence of umbilical abscesses and hernia development
- Administering antibiotics to pigs when they enter a site already diagnosed with a disease challenge such as swine dysentery
Antibiotics in Animal Agriculture FAQs

There is a lot of discussion surrounding the use of antibiotics in animal agriculture. Here are the answers to a few of the most frequently asked questions on this topic.

Is the use of antibiotics in animal agriculture regulated?

Yes. The use of antibiotics in animal agriculture helps keep our food supply safe, since safe food comes from healthy animals. Also, by law, any person who administers antibiotics to animals used for food must adhere to the specific antibiotic’s withdrawal time. Withdrawal periods, which are established by the FDA and Polish and Romanian law, specify the number of days that must pass after the last antibiotic treatment before the animal can enter the food supply. Moreover, the FDA, the EU and the USDA have a coordinated surveillance program to help ensure compliance.

What are the main uses of antibiotics in animal agriculture?

Antibiotics are used in animal agriculture for four main reasons: to treat sick animals, to control disease, to prevent animals from becoming sick and to promote growth. There are also two main kinds of antibiotics: those used both in human and animal health (which some have termed “shared-use” or “medically important” antibiotics) and those only used in animal health. It is important to note that many of the antibiotics used in both human and animal health also happen to be the most effective in treating sick animals, which is why the ability to continue the use of these “shared-use” medicines in animal agriculture is so important.

Without these medicines, veterinarians would be unable to effectively prevent or control animal diseases. This increases the risk that the animal could enter our food supply while it is not completely healthy, which may increase the risk to public health. It also would undermine our veterinarians’ ability to protect animal health and prevent animals from suffering from preventable diseases.

Many chicken producers are going to stop using antibiotics altogether in poultry production. Why can’t you do the same in pork?

There are biological differences between birds and pigs with regard to the immune system and production process. For example, chickens have a very short production cycle (up to nine weeks) compared with pigs (five-and-a-half months), so they don’t have as long a time to be exposed to various disease agents. Even with this difference, it should be noted that only a part of the poultry supply is produced without antibiotics because it is more expensive, and when a flock requires antibiotic treatment, the chickens will be treated and sold as a conventionally raised product.

How are antibiotics used on farms?

We use several different categories of antibiotics, as authorized or prescribed by veterinarians, to control, treat and prevent disease. We do not, however, use medically important antibiotics, as defined in the United States, to promote growth or for feed efficiency with our animals. We led the industry in aligning our antibiotics policy with the FDA’s 2015 guidelines to cease using medically important antibiotics for animal growth promotion. We also continue to maintain compliance with local laws in Poland and Romania for our international operations.

All use of antibiotics is preapproved by a licensed veterinarian, and a written authorization or prescription also is required before antibiotics are administered to any animal. Our production management team is thoroughly trained to follow all applicable laws, including antibiotic usage policies and antibiotic withdrawal timelines.

Verifying diligence on farms is paramount. We keep records to track use of antibiotics and began voluntarily reporting antibiotics usage in 2007, the first U.S. hog producer to report this information.
**Biosecurity**

As one of the world’s largest pork producers, biosecurity, or procedures to prevent the spread of disease to our farms, is a critical element of our program to safeguard the health of our animals.

Strong biosecurity on our farms, and throughout the industry, is not only vital to our business, it also supports our efforts to help feed a growing world population, provide jobs in our communities and sustain other businesses in our supply chain such as corn and soybean farming.

Smithfield Foods’ standard operating procedure covers the animal-production process at individual farms as well as the movement of vehicles, animals, personnel and equipment between farms. This policy is strictly enforced at all our company-owned and contract grower farms. To stay up to date and ensure our program remains strong and informed by current science, we monitor emerging and ongoing animal disease threats around the world and collaborate with relevant regulatory agencies and other industry experts.

Our biosecurity procedures focus on preventing contaminants from being brought onto farms; for example, employees and visitors must “shower in” and change into clean clothing before entering all sow farms and must also “shower out” prior to leaving. In addition, equipment and supplies delivered to sow farms, as well as vehicles, must be disinfected prior to being allowed inside the farm complex.

**Humane Euthanasia and Slaughter**

There are times on farms when employees must humanely euthanize pigs following injuries or illnesses. Employees are trained by our veterinarians in accordance with the recommendations of experts, including the American Association of Swine Veterinarians (AASV) and the NPB.

In recent years, we have been reviewing our operating procedures around euthanasia to ensure that we are using the most appropriate methods, based on the size and weight of the animals involved.

We have invested in research to understand which techniques cause the least pain and stress to the animals and to their handlers. For pigs weighing less than 65 pounds, we use either carbon dioxide (CO2), which causes painless loss of consciousness and death, or a device called a nonpenetrating captive bolt gun, which administers a controlled blow to the head without breaking the skin, instantaneously rendering the animal insensible and causing a quick death. For pigs larger than 65 pounds, we use a penetrating captive bolt gun that fires a retractable metal bolt into the brain, resulting in insensibility and death.

According to the AASV, humane methods will achieve the following:

- Minimize pain and distress to the pig during administration.
- Cause rapid loss of consciousness.
- Result in death quickly and consistently.

**Humane Slaughter Methods**

Smithfield Foods has led the U.S. pork industry in installing equipment to anesthetize pigs using CO2. Our facilities use the Butina® CO2 Backloader anesthetizer system, which allows pigs to move slowly, in small groups, minimizing stress for the animals and their handlers. CO2 anesthetizing is very effective and produces higher-quality meat than the older, single-file electrical stunning systems.

Our international pork operations also utilize CO2 anesthetizing, while poultry operations use both CO2 and electrical water-stunning methods. While we primarily use CO2 anesthetizing, we do use electrical stunning at one recently acquired sow harvest facility in Iowa. This method is recommended and published by the NAMI as an effective method to comply with federal humane slaughter regulations as well as promoting animal welfare and meat quality.
### Industry Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td><strong>African Swine Fever (ASF)</strong></td>
<td>A highly contagious viral disease that is nearly always fatal to pigs and for which there is currently no treatment or vaccine</td>
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<tr>
<td><strong>Barrow</strong></td>
<td>A male pig that has been castrated</td>
</tr>
<tr>
<td><strong>Boar</strong></td>
<td>An intact male that has not been castrated</td>
</tr>
<tr>
<td><strong>Boar Taint</strong></td>
<td>An offensive odor or taste that can be evident during the cooking or eating of pork and comes from noncastrated male pigs once they reach puberty</td>
</tr>
<tr>
<td><strong>Clean Labels</strong></td>
<td>An effort to make product labeling shorter and easier to understand for the consumer; the Ingredient Glossary provides more information about our ingredients</td>
</tr>
<tr>
<td><strong>Contract Grower</strong></td>
<td>Private landowners and independent farmers who are paid under agreements that typically run for multiple years; Smithfield Hog Production assumes the market risks and owns the hogs, while the growers are protected from market fluctuations and receive a predictable income stream</td>
</tr>
<tr>
<td><strong>Independent Supplier</strong></td>
<td>A significant source of hogs for us and are important to our business, as they sell their animals directly to our processing facilities in the United States</td>
</tr>
<tr>
<td><strong>Gilt</strong></td>
<td>A female pig that has not had a litter of piglets</td>
</tr>
<tr>
<td><strong>Market Pig</strong></td>
<td>A pig that has reached the target market weight (about 285 pounds) and is ready to be harvested</td>
</tr>
<tr>
<td><strong>Ractopamine</strong></td>
<td>A feed supplement to help produce leaner meat more efficiently and is a safe and effective FDA-approved supplement</td>
</tr>
<tr>
<td><strong>Sows</strong></td>
<td>A female pig that has had a litter of piglets; also known as a mother pig</td>
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<tr>
<td><strong>Sow Farms</strong></td>
<td>Where gilts and sows are bred, gestate and farrow litters; piglets grow to 15 pounds on this farm</td>
</tr>
<tr>
<td><strong>Traceability</strong></td>
<td>The ability to trace our hogs back to the farm of origin</td>
</tr>
<tr>
<td><strong>Wean-to-Finish Farms</strong></td>
<td>Where piglets are moved to grow to market weight after sow farms</td>
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Ractopamine

Ractopamine is a safe and effective FDA-approved feed supplement that has been used by hog and beef producers for many years to produce leaner meat more efficiently. The supplement, which is widely used in the United States, can be part of a healthy, balanced diet for growing hogs.

However, a number of nations ban the use of ractopamine. China, Russia and the EU countries, for example, require third-party verification that pigs are not fed ractopamine. To meet this demand, we have leveraged our vertically integrated platform to produce pigs without using this supplement. We have removed ractopamine from feed for all company-owned animals supplied to our processing facilities. Several Smithfield plants now produce meat from pigs that have never received ractopamine. We still have facilities that receive pigs from other suppliers that use this product. We also have initiatives with our producers to let them participate in our “never fed ractopamine” program if that fits with their production capabilities.
Environmental Management

At Smithfield, effective environmental management is critical to the success of our business and to the achievement of our long-term sustainability goals. Our Environmental Policy and Water Policy serve as the foundation for our efforts to minimize our impact on natural resources throughout our value chain.

Our environmental management system (EMS) helps us manage our environmental actions in a comprehensive, systematic, planned and documented manner and is aligned with the International Organization for Standardization (ISO) 14001 Standard. Smithfield was the first in our industry to have all farms and facilities certified to ISO 14001 (recent acquisitions will be certified in a timely manner).

ISO 14001 is considered the international gold standard for environmental management. To obtain certification, an organization must meet a rigorous and comprehensive set of requirements and criteria developed by more than 2,000 experts from around the world. It also requires independent audits by third parties.

Environmental Policy Statement

It is the corporate policy of Smithfield Foods, Inc. and its subsidiaries to conduct business in a manner consistent with continual improvement in regard to protecting the environment.

• Smithfield Foods, Inc. is committed to protecting the environment through pollution prevention and continual improvement of our environmental practices, with recognition of process-related risk and opportunities associated with the needs and expectations of interested parties. We consider our activities, products and services, which may have significant environmental aspects in the scope of the EMS.

• Smithfield Foods, Inc. seeks to demonstrate its responsible corporate citizenship by complying with relevant environmental legislation and regulations and with other requirements to which we subscribe. We will create, implement and periodically review appropriate environmental objectives and targets to improve sustainable development.

• Under our leadership, protection of the environment is the responsibility of all Smithfield Foods, Inc. employees within the scope of the EMS.

• Smithfield Foods, Inc. communicates this policy to persons within the scope of the EMS and makes it available to the public through its website and provides printed copies upon request.
Manure Management

At Smithfield, we are committed to protecting the environment on and around hog farms through pollution prevention and the continuous improvement of our practices and policies. We have long viewed manure and the nutrients it contains as valuable resources, not as a waste stream.

On company farms, we recycle nutrients in manure by applying manure as fertilizer on cropland. We have continued to explore ways to create value from manure through innovative technologies while reducing potential environmental impacts and maintaining our commitment to manage manure responsibly. For example, we are partnering with other companies to turn manure into energy and sustainable fertilizer. These projects are important parts of our plan to achieve our 30% greenhouse gas emissions (GHG) reduction target.

Learn more:
- Turning Manure into Energy
- Turning Manure into Fertilizer

Manure Management FAQs

We get lots of questions about manure management. So, we answered the most common ones below.

Where does the hog manure go?
The manure goes into several types of treatment systems that vary depending on several factors, including the location and type of the farm. The majority of our hog-production operations use anaerobic treatment lagoons, which have been designed and certified by qualified professionals to treat and store the manure. Although the surfaces of the lagoons are exposed to the air, they are predominately anaerobic below the liquid surface. Lagoon sizes vary depending on the animal production on the farm. These lagoons allow the solids and the associated nutrients in the manure to break down naturally over a period of six to 12 months. Think of the lagoons as a “stomach” for a farm, where naturally occurring anaerobic organisms digest the materials. This treatment system can achieve up to 95% reductions in volatile solids and 85% reductions in biochemical oxygen demand (a common measure of the amount of oxygen necessary for bacteria to break down organic material in water). What remains is an anaerobically digested, low-solids effluent product that is highly suitable for use as an organic fertilizer and is land-applied for that purpose.

How are these treatment facilities managed?
Our EMS requires daily checks on the status of all lagoons, weekly inspections and regular internal audits. The results of all these efforts are recorded and reported to relevant agencies. We make sure that each company-owned farm has enough land available to utilize the manure to grow a variety of crops. Technical specialist staff prepare detailed and comprehensive nutrient management plans that specify the land area needed and types of crops to be grown. Land application systems are designed to ensure proper and precise application of these nutrients and are calibrated at regular intervals to maintain performance.

Are the treatment systems regulated?
The Federal Clean Water Act prohibits hog farms and other livestock operations from discharging manure or any wastewater to “waters of the state” at any time. All treatment systems require signoff from state regulators, based on compliance with federally established standards, when they are built. In addition, hog-production operations are regulated by state and/or federal water quality permits. These permits not only make comprehensive nutrient management plans enforceable under law, but they also require that we keep extensive records demonstrating compliance. Government inspectors visit hog-production operations regularly (up to four times per year) to ensure compliance. Our internal requirements go well beyond regulatory compliance and recordkeeping; our EMS is certified to the ISO 14001 Standard, which is considered the international gold standard for environmental management.

Are there other location-specific regulations?
Yes. Local, state and federal setback requirements ensure that hog farms are located in areas that minimize impacts to neighbors as well as risks to local water sources. Setbacks vary, but examples include requiring farms to locate lagoons 500 feet from any public water-supply well and no less than 2,500 feet from schools, hospitals, parks and other public spaces.

Are the anaerobic lagoons the best system available?
We utilize a variety of manure management technologies, depending on regulatory requirements and regional climatic conditions. Anaerobic lagoons are the most prudent for use in certain geographic and climate conditions. We have invested millions of dollars over the past 15 years to evaluate different manure
management technologies and will continue to monitor emerging technologies. In 2001, we sponsored research at North Carolina State University that analyzed 18 different treatment technologies; the researchers concluded that anaerobic lagoons are acceptable technology for existing North Carolina farms.

**What other types of systems does Smithfield use?**

Lagoons aren’t feasible in colder climates, so in these locations, farms use specialized storage systems to maximize the nutrient content of the liquid manure, which is known as slurry. The manure is stored in tanks or in-ground concrete pits for eventual application to crops as slurry.

**How does Smithfield ensure that manure applied to fields won’t wash away with the rain?**

Our farms apply the fertilizer at controlled application rates and only at times when ponding and/or runoff will not occur; detailed records of all applications are kept and inspected by state regulators. Employees must inspect the fields before, during and after manure application to make sure that no runoff occurs. In North Carolina, for example, operators carry pagers that alert them to developing weather events and are required to shut down land application when developing weather systems are within 30 minutes of the farm. This precipitation alert system has been used in North Carolina for several years.

**Is it better for the environment to raise hogs outdoors?**

While some outdoor systems disperse manure across large areas, many outdoor animal producers have little or no containment to control manure runoff during rainstorms. In addition, untreated manure is deposited on the ground all yearlong. Modern production systems have storage systems so that manure does not need to be applied during rainstorms or in seasons when crops are not growing. Additionally, hogs grown outdoors generally do not grow as efficiently as animals raised in more controlled environments. Any reduction in feed efficiency can increase overall GHG emissions.

**How do you manage manure at your farms in Poland and Romania?**

Our international farms follow manure management practices that are similar to those at our farms in the United States. Each farm uses a comprehensive nutrient management plan when applying manure as organic fertilizer to local farmland. These plans must identify available land, include agrochemical and pedological studies, inform regulators of the nutrient content of the fertilizer and evaluate the potential impacts that land application may have on local water bodies.

In Poland and Romania, each plan is approved by local authorities. Both plans include crop descriptions and projected yields, soil and manure test information and rates of application to balance with the crops’ fertilization needs. In addition, local and EU environmental regulations require our international hog-production operations to maintain Integrated Pollution Prevention and Control permits, which require strict application practices, groundwater monitoring and soil quality analyses throughout the year.
Water Policy Statement

Water is an essential natural resource for our business and our communities. Consistent with Smithfield’s commitment to environmental stewardship, we place high priority on the conservation and protection of this critical resource.

Throughout all aspects of our business worldwide, Smithfield will strive to reduce the impacts of our operations on water resources and to protect and sustain the water supply for our communities and our business.

Smithfield will take a leadership role in managing water supplies cooperatively with our communities. The 2010 United Nations General Assembly Resolution recognizes the right to a safe and sufficient water supply, and wherever we operate, Smithfield will help ensure the sustainability of this essential resource.

As part of this commitment, Smithfield will implement proactive management systems that direct this effort throughout the Company, adhering to the following principles:

1. **Quality.** As Smithfield manages and utilizes our water resources, we aim to preserve and enhance the quality of these resources for our communities and our operations. Sustaining water quality is an ongoing management priority and is incorporated into our planning and day-to-day operations.

2. **Conservation and Efficiency.** Smithfield will manage our water supply, mindful that it is a finite resource, and will preserve its quantity and availability to the community and our operations. Smithfield will strive to constantly improve the efficient use of its water supply. We will maintain targets for decreased consumption and cost, pursue best practices and track progress to evaluate performance over time.

3. **Cooperation.** We will work with our local communities and regulatory agencies to manage water resources. As a company, Smithfield is committed to complying with all regulatory mandates as we utilize water supplies. The Company will maintain transparency and open communication with the community.

Smithfield is committed to protect and enhance the environment. Likewise, as a company, we will be responsible stewards of water supplies and partners with our communities to ensure the sustainability of the resource.
**Zero Waste to Landfill**

At Smithfield, we pride ourselves on our ability to produce more food with fewer resources and less waste. Simply put, any materials sent to landfill represent lost opportunities for optimizing resources and reducing waste. Being more efficient saves money, gives us a competitive edge and enables us to meet our commitment to responsible operations.

Currently, Smithfield has nearly a quarter of its U.S. facilities certified as “zero waste to landfill” and has plans to certify many more facilities within the next few years. For more than five years, the company has worked to meet a rigorous set of criteria for its domestic facilities to be classified as zero waste to landfill, including:

- Not sending any waste to landfill for 12 months
- Cutting normalized waste by at least 10% from the facility baseline
- Reusing or recycling at least 50% of generated waste
- Limiting incineration without energy recovery to hazardous and medical wastes
- Reducing stabilized and landfilled hazardous waste to 0.1% of waste generated
- Ensuring waste management costs do not exceed 105% of baseline costs
- Maintaining records to be reviewed by staff and/or a third-party auditor
Food Safety and Quality

Management

Few industries in the United States are inspected as carefully or continuously as the food industry. In fact, at Smithfield, we recognize that 100% of the products we make will be “inspected” by our most discerning judges — our customers and consumers. That’s why the safety and quality of our foods is fundamental to our success as a company, underscoring our mission to provide Good food. Responsibly.®

Product safety and quality is one of the biggest areas of risk for food producers and manufacturers. All food products are susceptible to contamination by disease-producing organisms or pathogens, which are found naturally in the environment. Product contamination can subject food companies to product liability claims, adverse publicity, government intervention and decreased sales as customers lose confidence in the safety and quality of the food. But most importantly, product contamination threatens to affect the health and well-being of our consumers and their families, which remain paramount to everything we do at Smithfield.

Given the potential negative impacts from food safety failures, our company has numerous systems in place that are designed to monitor and mitigate food safety risks. Nearly all our processing facilities in the United States include an in-house lab. Most are microbiology labs that allow us to monitor our equipment and other surfaces — as well as the air — at the facilities where they are based. These labs help us quickly identify the presence of microorganisms before they can become a problem.

Five of our labs are accredited by the American Association for Laboratory Accreditation (A2LA), which verifies their technical competence to perform specific types of testing and provides an unbiased and objective evaluation of their quality management system. Having this accreditation allows for more advanced capabilities. For example, these locations conduct pathogen product sampling and Listeria species environmental monitoring for all our processing facilities.

Smithfield invests millions of dollars each year in capital improvements to facilities and equipment, focusing on the safety of our products and protection of our employees while simultaneously enhancing production. We also emphasize product innovation, which we see as one of the keys to unlocking value and driving growth for Smithfield and for our retail and foodservice partners.
Regulations and Audits

Food safety and quality are among the biggest areas of risk for food producers, with serious potential consequences to the health and well-being of customers and their families.

We take pride in implementing robust food safety policies, procedures and performance that are designed to monitor and mitigate these risks.

Our industry performance is supported by our utilization of the industry gold standard Global Food Safety Initiative (GFSI), of which 100% of our applicable facilities are compliant. In addition, we are subject to audits by Safe Quality Food (SQF), the British Retail Consortium (BRC) Global Standard, the International Food Standard (ISF) and the International Organization for Standardization (ISO) 22000. The U.S. Department of Agriculture (USDA) reviews safety and quality procedures at our processing facilities daily, as do our internal audit teams.

All our daily food safety and quality practices are prescribed by more than 40 internal policies. Our programs are built on the Hazard Analysis and Critical Control Point (HACCP) management framework. Our quality assurance plan utilizes the HACCP model as a baseline to manage key quality control points. Each plan is a living document that we update regularly in response to our understanding of best practices, industry innovations and our commitment to relentless improvement. In addition, we continuously monitor USDA safety and quality regulations, and our in-house labs lead in the implementation of any new test requirements.

We rely on our suppliers to provide high-quality ingredients that meet or exceed our customer and consumer expectations and that comply with GFSI and HACCP requirements. Our Supplier Code of Conduct applies to vendors that supply raw meat materials, nonmeat ingredients or any product packaging or casing. Suppliers must undergo annual GFSI certification or an appropriate third-party food safety and quality audit as well as a third-party animal handling audit, including a transportation audit.

The aim of our food safety and quality program is zero incidents requiring a product recall.
Worker Health and Safety Policy Statement

Smithfield recognizes our workers as our greatest asset, and we firmly believe the health and safety of every individual working or visiting one of our locations is our responsibility.

Just as we strive to be an industry leader in producing wholesome food products, following industry animal welfare practices and protecting the environment, we also strive to lead the industry in occupational safety and health. To that end, we have implemented the Smithfield Injury Prevention System (SIPS).

SIPS is how we deliver on our commitment to provide safe and healthy working conditions and to prevent injury and illnesses to workers and visitors by:

- Maintaining a corporate and local-level leadership team to steer the overall process
- Providing professional safety resources across all organizational levels
- Maintaining compliance with Smithfield Internal Safety requirements as well as applicable federal, state and local laws
- Defining roles and responsibilities for all workers affecting safety performance and measuring adherence to those responsibilities through performance reviews
- Conducting ongoing risk assessments that not only identify and quantify risks, but identify effective control measures
- Developing management plans, objectives, processes and procedures that utilize the hierarchy of controls for the timely abatement of hazards
- Promoting active participation of all workers through the delivery of SIPS, training, awareness of potential hazards, auditing, continuous improvement processes and evaluations
- Developing measurements and auditing systems to ensure standards of performance are being achieved and opportunities for improvement are identified
- Involving senior- and local-level management in the ongoing development of the SIPS system
- Continuously improving SIPS using information gathered through the implementation of our safety systems and programs and through performance reviews

To maintain a safe and healthy working environment, every worker and visitor must comply with the requirements specified in SIPS. This policy shall be reviewed at least annually and will be communicated to every worker as well as to other interested parties.