

WHEREAS, Tyson Foods is exposed to environmental, reputational, and financial risk associated with water pollution from animal feed and byproducts through its direct operations, contract farms, and suppliers. Water is a critical resource for Tyson's direct operations, the production of feed inputs, the safety of food produced, and safeguarding the communities in which Tyson operates.

Tyson produces feed for the production of 41,516,000 livestock per week. The cultivation of feed ingredients by suppliers requires fertilizer inputs and presents risks of nutrient runoff that may contain nitrogen and phosphorus.

Animal waste from direct operations and over 5,000 contract farmers may contain nutrients, bacteria, including antibiotic resistant bacteria and pathogens, and pharmaceutical residue. These can leach into local waterways, potentially endangering the environment, public health and Tyson's own water supply.

A recent lawsuit in Washington State about local groundwater pollution from factory farms found that manure from livestock facilities should be regulated as solid waste.

Tyson's seventy nine processing plants produce wastewater high in toxins, and while within permitted amounts, these toxins are released into waterways. Tyson faces ongoing federal criminal investigation related to the discharge of wastewater from a Missouri treatment plant into a local stream that caused fish kills and pollution. Tyson paid a \$540,000 judgment in response to the civil suit and the U.S. Environmental Protection Agency's criminal investigation linked to this incident could cost the company up to \$500 million annually if government contracts are suspended.

Tyson, its contract farmers and suppliers should be prepared to adjust their operations to keep pace with emerging best practices. Yet, existing company policies, contracts, and codes, including the Supplier Code of Conduct, Core Values, and Environmental, Health, and Safety (EHS) Management Systems do not adequately address water quality concerns. Further, the EHS Systems only apply to company facilities.

Tyson's current disclosure on water quality does not extend beyond its own facilities and does not enable shareholders to assess performance due to lack of metrics, goals, or information about processes to manage risk of contamination. A recent benchmarking study by Ceres on water management gave Tyson a score of 8/100, demonstrating that its management, policies and disclosure lags behind peers. For example, Smithfield Foods discloses total water discharge and water discharge quality data by effluent parameters.

RESOLVED: Shareholders request the Board of Directors adopt and implement a water stewardship policy designed to reduce risks of water contamination at: Tyson-owned facilities; facilities under contract to Tyson; and Tyson's suppliers.

Supporting Statement: Proponents believe Tyson can add a water stewardship policy to the existing Environmental, Health, and Safety Management Systems. The policy should:

- Encourage leading practices for nutrient management and pollutant limits in its direct operations, suppliers, and contract farms, including by providing financial and technical support to help implement the policy;
- Outline robust and transparent measures to prevent water pollution incidents;
- Outline specific time-bound goals; and
- Include a mechanism to regularly disclose progress on implementation.