

Water Impacts of Business Operations 2018 – Tyson Foods, Inc.

The UN Human Right to Water calls for the right to sufficient, safe, acceptable and physically accessible and affordable water for personal and domestic uses. Meat production is recognized as the leading source of water pollution in the United States, exposing 7 million Americans to nitrates in drinking water.¹ Contamination of water sources from Tyson Foods operations and supply chain may interfere with the Right to Water, be inconsistent with Tyson's commitment to sustainable food, and pose a risk to shareholder value.

The cultivation of feed ingredients for the 39,621,000 livestock produced weekly by Tyson is a primary source of water pollution due to chemicals, especially nitrates, and fertilizer inputs washing off fields if improperly managed. Animal waste from direct operations and over 11,000 independent or contract farmers may contain nutrients, antibiotic-resistant bacteria and pathogens. These contaminants and poor manure disposal practices pollute local waterways, endangering public health, workers, and the environment.

There are also pollution risks from Tyson's 79 processing plants, which may release huge volumes of toxic substances into waterways. In 2016, Tyson reported 68 wastewater permit exceedances, 19 notices of violation, 5 chemical releases, and paid a \$65,000 fine for a wastewater leak at a Mississippi facility. In July 2017, Tyson paid a \$26,000 fine and completed a corrective action plan after wastewater discharges at a Virginia facility exceeded permitted pollutant limits; the State Water Control Board recently called for greater action.²

Walmart, Tyson's largest customer with 17.5% of 2016 sales, has strict supplier expectations on management of water, manure, nutrients, and fertilizer use.³ Tyson's competitors are taking action: Smithfield set a target to purchase 75% of its grain from farms managed to reduce water pollution; Perdue launched a large-scale poultry litter recycling operation to prevent nutrient pollution; and Hormel adopted a Sustainable Agriculture Policy with commitments on water quality and supply chain management.

As America's largest meat company and a top contributor to water pollution,⁴ proponents remain concerned that in spite of its recent partnership with World Resources Institute, Tyson has failed to adopt a water stewardship policy with goals for reducing pollution. Tyson faces risks to its social license to operate, as well as reputational, competitive, and financial risks as consumer attention to the environmental impacts of meat production is increasing.

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 feed suppliers.

Supporting Statement: Proponents believe the water policy should include:

- Requirements for leading practices for nutrient management and pollutant limits throughout direct operations, contract farms, and feed suppliers, with a focus on verifiably reducing nitrate contamination;
- Reporting on time-bound goals, key performance indicators and metrics demonstrating conformance to the policy;
- Financial and technical support to help implement the policy; and

- A transparent mechanism to regularly disclose progress on adoption and implementation.

1 <https://www.ewg.org/tapwater/state-of-american-drinking-water.php#.WYnoplgrKM9>

2

<http://www.deq.virginia.gov/Portals/0/DEQ/Enforcement/SignedConsentPN/TysonFarms17.pdf?ver=2017-03-16-075658-940>;

<http://www.delmarvanow.com/story/news/2017/07/27/state-board-rejects-tyson-foods-pollution-order/499639001/>

3 http://www.walmartsustainabilityhub.com/app/answers/detail/a_id/242

4 <http://www.environmentamerica.org/news/ame/report-tyson-1-water-polluter-among-agribusinesses>