



# FY2020

## COMPANY STEWARDSHIP REPORT







## TABLE OF CONTENTS

**03** Chairman and CEO's Message

**04** Executive Summary

**06** Compliance and Ethics

**08** Food

**20** Environment

**32** Animal Care

### People and Partners

**44** - Our Associates

**58** - Our Communities

**70** - Our Agricultural  
Customers / Grain Farmers

**76** - Our Business Partners  
and Company

**93** Governance and Accountability

**94** United Nations Sustainable  
Development Goals



# CHAIRMAN AND CEO'S MESSAGE

## *Progress through Partnerships*

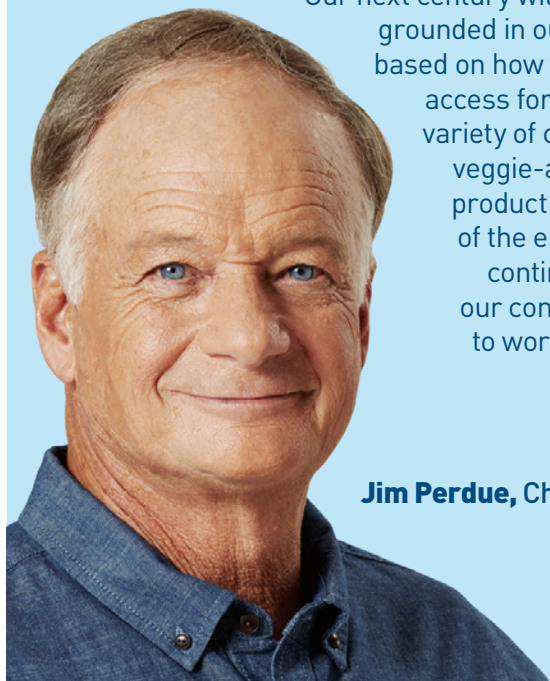
Our values were established a century ago on Arthur and Pearl Perdue's family farm, and they continue to guide our actions today as we work toward our Vision: "To be the most trusted name in food and agricultural products.®" In our 100th year in business, we are able to draw on a solid foundation, our core values of quality, integrity, teamwork and stewardship, to guide us through these turbulent times and into the next 100 years. These values are the basis by which we work with our associates, farmers, customers and consumers as we find new ways to deliver on the most basic of needs - safe, nutritious food.

Over the past year, we have continued to make advances in animal care, product innovation and environmental stewardship. Much of that progress would not have been possible without the support and involvement of others. Indeed, a theme of teamwork and partnership is woven through this, our fourth Company Stewardship Report.

From one of our newest acquisitions, Panorama Meats' support of rangeland conservationists, to bioenergy partnerships, joint research with an animal welfare advocacy group, and volunteer and financial contributions to the many non-profits serving our communities, this has been a year that illustrates we are truly all in this together.

As this report was being compiled, our company, the country and the world was faced with the unprecedented challenges brought by the COVID-19 pandemic. Suddenly things we may have taken for granted – our health, our relationships, our work – were at risk. We as a company and as individuals were asked to take measures to collectively counter the threat and protect the larger community. Through partnering with the government, communities, our associates, farmers and customers, we faced these challenges and developed solutions together.

Our next century will be driven by consumer-focused innovation grounded in our time-tested values. Product innovation based on how we raise animals, which includes outdoor access for more chickens, options for meeting a variety of consumer and customer needs such as veggie-and-chicken blended items or online product offerings and being good stewards of the environment through ingenuity and continuous improvement will propel our company forward. And by continuing to work together, we will be successful for generations to come.



**Jim Perdue, Chairman**



**Randy Day, CEO**



# EXECUTIVE SUMMARY

## ***FY2020 Highlights***

As we look back at our Fiscal Year 2020 (April 2019-March 2020), it was a year of new product innovation. Offering consumers greater access to our products through e-commerce. Providing chickens greater outdoor access and advancing our industry-leading animal care commitments. Making progress in the key areas of environment, diversity and inclusion, communities and people and reinforcing our stewardship platform: “We believe in responsible food and agriculture.” The promise of a new year in 2020 also marked the launch of our Company’s 100th anniversary and a celebration of our heritage and hope for our next century. Our strong values that helped shape our first 100 years, helped guide us through the unprecedented challenges brought on by the global COVID-19 pandemic.



## ***FOOD***

We believe in responsibly producing safe, high-quality, trusted and affordable food.

- Diversified our offerings by introducing plant-based chicken product line.
- Continued to introduce new products across our portfolio that met demand for both convenience and sustainability.

## ***ENVIRONMENT***

We believe in being responsible stewards of our natural resources.

- Made progress on our five-year goal for solid waste reduction, while we lagged on our goals for reduction in greenhouse gas and water use.
- Struck a 20-year partnership to improve the health of the Chesapeake Bay and coastal watersheds.



## ***ANIMAL CARE***

We believe in responsibly raising animals for food.

- Hosted our fourth Animal Care Summit, reporting our progress toward goals outlined in 2017 and committing to next steps.
- Achieved Tier Two ranking – the second best – in the global 2019 Business Benchmark on Farm Animal Welfare for the third straight year.
- Worked with farmers to create better poultry house enrichments.
- Continued to bring higher welfare levels to live bird handling, beginning at the farm.



## PEOPLE AND PARTNERS

We believe in being a responsible employer, investing in our associates' growth, safety and well-being.

- Received 19 safety awards from the Joint Industry Safety and Health Council.
- Hosted first Day of Understanding to foster diversity and inclusion conversations.
- Named a "Best Employer for Diversity" by Forbes for second straight year.
- Invested in our associates' growth and education.



We believe in being responsible members of the communities where we do business.

- Provided food and financial support to natural disaster relief efforts.
- Elevated our commitment to reduce food insecurity with the launch of "Delivering Hope To Our Neighbors" hunger relief platform.
- Recognized as Feeding America "Mission Partner" for fourth straight year.
- Provided more than \$1.3 million in Franklin P. and Arthur W. Perdue Foundation grants.
- Partnered veterans with service dogs through the Pups4Patriots™ program.



We believe in helping agricultural customers prosper with flexible, forward-thinking solutions.

- Expanded Perdue AgriBusiness specialty crops and oils capabilities.
- Supported the next generations of farmers.

We believe in responsibly contributing to the economic stability of our company and business partners.

- Marked our company's Centennial in 2020.
- Faced unprecedented challenges of global COVID-19 pandemic.
- Launched new advertising to promote PERDUE® alternative protein product line.
- Expanded premium proteins availability through new e-commerce website.
- Expanded premium meats offerings with Panorama Meats acquisition.







*The Perdue farmhouse is a constant reminder of our 100-year heritage. Located across the street from our Corporate Office in Salisbury, MD. it serves as a reminder that we are a family owned company built upon the values of Quality, Integrity, Teamwork and Stewardship.*



# COMPLIANCE AND ETHICS ARE PREREQUISITES TO TRUST

## **We operate all our facilities in compliance with:**

- All local, state and federal laws and applicable international agreements
- The rules and regulations of private and public agencies having jurisdiction over Perdue

## **We are committed to:**

- Managing our business ethically and with a sense of responsibility and stewardship
- Respecting human rights and dignity
- Upholding and protecting the legal rights of our associates

We expect the same from our suppliers and business partners.

---

## CODE OF ETHICS

Perdue's Code of Ethics governs our business behavior and conduct. To this end, all salaried associates are required to sign a Code of Ethics Statement that they will abide by our expected code of conduct. All associates are required to follow our policies and are expected to base their actions and decisions upon our values.

This includes acting with honesty and integrity at all times.

---

## OUR VALUES SHAPE OUR FUTURE

Our values were established nearly a century ago on Arthur and Pearl Perdue's family farm, and they continue to guide our actions today as we work toward our Vision: "To be the most trusted name in food and agricultural products.®"

### **Quality**

*We live up to the standards and expectations of Our Quality Policy.*

### **Integrity**

*We do the right thing for the right reason and always keep our promises.*

### **Teamwork**

*We work together to accomplish something greater than one could alone.*

### **Stewardship**

*We protect our environment, ensure the well-being of our associates, provide for the welfare of the animals in our care, live up to our civic responsibilities and generate earnings for the future of the company.*



# FOOD

We believe in responsibly producing safe, high-quality, trusted and affordable food.





## CHICKEN PLUS™ WITH VEGETABLE NUTRITION MEETS DEMAND FROM FLEXITARIAN FAMILIES

To help flexitarian families who are hungry for new ways to fill the vegetable void without sacrificing flavor or nutrition, Perdue introduced first-of-its-kind nationally distributed PERDUE® CHICKEN PLUS™ Nuggets, Tenders and Patties blended with vegetables.

PERDUE® CHICKEN PLUS™ blends easy-to-pronounce ingredients like cauliflower, chickpeas and plant protein to create the next generation of frozen chicken nuggets, tenders and patties, and each serving is complete with one-quarter cup of vegetables (half a serving), and is made with 100 percent all-natural ingredients and no antibiotics-ever white meat chicken.

Blending plants and vegetables with the Perdue chicken that families love appeals to the growing number of flexitarian families who have an increased commitment to getting more plants and vegetables in their families' diets. Boosting meat with high-quality plant protein is a great way to give the consumer more choices while enhancing both sustainability and nutrition. The playful, dinosaur-shaped panko nuggets, as well as crispy rice tenders and panko patties, help parents with picky eaters – and were named the best-tasting frozen chicken nuggets by Food Network!

“We are very pleased that Perdue is offering a blended product, and we welcome this important step forward. By integrating plants into their core products, Perdue has started on the journey to diversify their offerings and meet the growing consumer demand for plant-based proteins.”

— Alison Rabschnuk,  
Director of Corporate  
Engagement at  
The Good Food Institute



## PERDUE FARMS OUTPACES INDUSTRY IN RAISING CHICKENS WITH OUTDOOR ACCESS, EXPANDS FREE-RANGE OFFERINGS

Perdue Farms is leading the industry in raising chickens with outdoor access and expanded its free-range product offerings under its PERDUE® HARVESTLAND® label.

Perdue family farmers converted nearly 700 chicken houses from conventional growing operations to meet free-range standards, including adding windows, environmental enrichments and safe outdoor access – the vast majority of which the company subsidized. Perdue reached its goal to provide outdoor access in 25 percent of its chicken houses by January 2020, securing Perdue's position as the leader in raising chickens with outdoor access.

This allowed the company to significantly expand its free-range offerings under the popular PERDUE® HARVESTLAND® brand – the first coast-to-coast offering of its kind – and available nationally in grocery stores, supercenters and online.

As part of Perdue Farms' commitment to transparency, the company is adding a QR code to all PERDUE® HARVESTLAND® products that, when scanned, will tell the story of the family farm(s) and farmers who contributed to growing the food in each package.



## PEOPLE MAGAZINE'S BEST NEW FROZEN SUPERMARKET PRODUCTS INCLUDE PERDUE

PERDUE® SIMPLY SMART® ORGANICS Lightly Breaded Chicken Breast Strips was named a PEOPLE Food Awards 2019 Best New Supermarket Product of the Year. The strips took gold as best frozen chicken product among PEOPLE staffers who selected the "most delicious new supermarket foods" from among more than 1,200 new products.

The product is part of the PERDUE® SIMPLY SMART® ORGANICS product lineup that includes whole grain, certified gluten-free and lightly breaded varieties of nuggets, strips and tenders in the frozen and refrigerated foods sections. All products are made with simple ingredients consumers can pronounce, recognize and easily find in their home pantry or grocery store.





## BUDWEISER® BBQ COLLECTION BRINGS MORE FOR YOUR (TASTE) BUDS

Coleman Natural Foods introduces new bratwurst and pulled pork flavors to the lager-inspired heat-and-eat BBQ line of pork products.

Coleman Natural Foods expanded Budweiser® BBQ collection with the introduction of a Spicy BBQ Pulled Pork and Beer and Cheese Bratwurst flavor this spring. The two new items join the heat and eat roster of fully cooked pulled pork and bratwurst infused with real Budweiser® lager beer taste that was introduced in spring 2019.

The new package design for the pulled pork allows for better placement and easier shelf stocking, so retailers can effectively merchandise the well-known Budweiser® brand on the shelf. The full Budweiser® BBQ Collection features refreshed packaging and visuals that more quickly draw the shopper's eye.







## NIMAN RANCH PARTNERS WITH NEW BELGIUM BREWING ON CRAFT BEER BBQ COLLECTION

In 2019, the Niman Ranch and New Belgium Brewing partnership “came together over beers and brats in Colorado, our shared home state, and always felt like a great match,” said Chris Oliviero, General Manager of Niman Ranch. Together, the two brands launched the Craft Beer BBQ Collection, combining Niman Ranch’s Certified Humane pork and beef raised by independent U.S. family farmers and ranchers with New Belgium’s award-winning Fat Tire Amber Ale and Voodoo Ranger IPA.

New Belgium and Niman Ranch are both innovators that have reshaped their industries, seeing an unmet need for craft products to cater to a new generation of consumers who are concerned with sustainability and quality flavors. Both companies have humble beginnings - with the New Belgium founders brewing beer in their home basement and Niman Ranch plotting business plans in a barn - but today have found themselves at the top of their respective sectors thanks to their unwavering commitment to their values and high-quality products. It was only natural that the two companies partnered on the new Niman Ranch Craft Beer BBQ Collection to create a delicious new line of meats.

The entire collection has no artificial ingredients and is fully cooked, making any meal, BBQ, special occasion, tailgate, camping trip – or you name it! – easy to prepare without sacrificing quality or taste.







## AFTER YEARS OF DEMAND, NIMAN RANCH DEBUTS CERTIFIED HUMANE® SLICED DELI HAM IN THREE FLAVORS

This year, Niman Ranch debuted a convenient 6-ounce package of sliced deli ham - a longtime customer favorite. This new sliced ham, available in Black Forest, Applewood Smoked and Honey flavors, is a perfect choice for discerning consumers looking to elevate their sandwich, step up brunch or pack the perfect picnic. Niman Ranch's new deli ham, made from pork raised with no antibiotics ever, brings a wholesome new option that families can feel good about.

The new deli ham will join the trusted brand's other pre-sliced deli items, which include Corned Beef, Pastrami, Roast Beef and a charcuterie line, creating a complete suite of deli meat options. Niman Ranch stands out in the industry for its commitment to producing the Finest Tasting Meat in the World™ by partnering with U.S. farmers who raise their animals with the utmost care and respect for the land. Many of the country's most celebrated chefs choose Niman Ranch to showcase on their menus because of this promise and home chefs can access this same quality product to enjoy with their family.







## DELIVERING TRUST ACROSS MULTIPLE BRANDS AND PROTEINS

Through our PERDUE®, PERDUE® CHICKEN PLUS™, PERDUE® HARVESTLAND®, COLEMAN NATURAL® and COLEMAN ORGANIC®, NIMAN RANCH® and local brands, we're bringing innovation to market while raising animals to higher standards. That's made us a leader in raising animals with a diet free from animal by-products and no-antibiotics-ever chicken, turkey, pork, beef and lamb and USDA certified organic chicken. We also have a full range of foodservice products, from conventional to organic and Perdue International reaches customers around the globe.

## STILL THE LEADER IN RAISING HEALTHY CHICKENS WITH NO ANTIBIOTICS EVER

When it comes to antibiotics, we continue to say no, providing a full roster of raised-without-antibiotics brands, including PERDUE®, COLEMAN NATURAL®\* and NIMAN RANCH®. (Of course, our organic products are no-antibiotics-ever.)

After 100 years in business, we proudly lead the industry in animal welfare. Our 2016 announcement that we converted all of our chicken production to a no-antibiotics-ever program remains the tipping point that moved no-antibiotics-ever into the mainstream.

\*Minimally Processed. No Artificial Ingredients.





## LEADERSHIP IN RAISING CHICKENS WITH OUTDOOR ACCESS

As we progress on our animal care journey, we are continuously evolving our practices and making improvements to the way we raise our animals. Building on our leadership as the number-one producer of organic chicken in the country, we achieved our goal of providing outdoor access in 25 percent of our chicken houses by January 2020. Perdue family farmers converted nearly 700 chicken houses from conventional growing operations to meet free-range standards, including adding windows, environmental enrichments and safe outdoor access.

Reaching this latest milestone in our animal care journey secured Perdue Farms as the leader in raising chickens with outdoor access.

---

## GROWING ORGANIC, THE RIGHT WAY

As the number-one producer of USDA organic chicken, organic to us is much more than a product claim; it's a commitment to how we raise and produce food. Our organic certification covers not only the end product, but every step in the process – including free-range farms with pastures – all the way to market.

Through Perdue AgriBusiness, we have direct access to organic grains and soy. We verify integrity – from the organic farm raising the grain, to the feed, on to the farm raising the chickens. This includes third-party testing at origination and destination and documentation requirements that exceed those of the USDA.



## FOOD SAFETY AND QUALITY: FOUNDATIONS OF TRUST

### ***We're Committed to Quality.***

Quality is a commitment we live up to with annual goals, audits and measurements at every step in the supply chain. Our quality improvement process engages all associates in problem-solving because we believe in making things better together.

At our Perdue Foods Innovation Center, we check our products against the competition. We share the results of our consumer hotline calls and consumer and customer concerns with operations and management, including Chairman Jim Perdue, to zero in on any issues.





## FOOD SAFETY ORIGINATES ON THE FARM AND NEVER STOPS

Our comprehensive farm-to-fork food safety program begins with healthy animals, and includes our all-vegetarian diet free of animal by-products. It continues through processing, packaging and distribution, and it includes consumer education and awareness. We put an emphasis on early interventions and never let up on any of our efforts. Food safety teams at our plants share ideas and technologies across the company to drive continuous improvement. We back up those efforts with in-house microbiology labs to test products for safety.

- Our products, including those sold at retail, for foodservice and for export, meet the requirements of the Global Food Safety Initiative (GFSI).
- We were one of the first companies to use High Pressure Pasteurization for enhanced food safety, adding an extra layer of assurance for our ready- to-eat products, such as PERDUE® SHORT CUTS® sliced, fully cooked chicken breast strips.
- We have longstanding practices to protect the safety and integrity of our products, including full traceability, and as always, we continue to meet the standards prescribed by federal, state and local authorities to ensure the safety of our products.





## A DEDICATION TO HEALTH AND NUTRITION

We have options for a variety of consumer and customer needs, from our new PERDUE® CHICKEN PLUS™ veggie-and-chicken blended items, to products made with simple ingredients under our PERDUE® SIMPLY SMART® label, to our expanded free-range offerings under our PERDUE® HARVESTLAND® line, to gluten-free products that meet the standards of the Gluten-Free Certification Organization, and continue to lead as the number-one producer of USDA organic chicken.

We continue to make our PERDUE® branded products even healthier:

- Our new CHICKEN PLUS™ nuggets, tenders and patties have reduced fat, reduced cholesterol and increased positive nutrient content (fiber, protein, Vitamins A and C) compared to their traditional counterparts, and can help parents of picky eaters get more vegetables into their kids' diets.
- Our low-fat refrigerated products have less fat than comparable breaded, fried boneless chicken products, according to USDA data.
- Our whole grain breaded line meets USDA Dietary Guidelines for whole grains.
- We have retail and foodservice products that carry a "Child Nutrition" label, which indicates its contribution toward the USDA's daily Child Nutrition Meal Pattern Requirements.
- We use only white-meat chicken and no fillers.
- We continue to strive to lower sodium levels and to meet consumer taste preferences and functional processing requirements.

Our COLEMAN NATURAL®, COLEMAN ORGANIC® and NIMAN RANCH® processed products, including sausage and bacon, contain no added nitrites, nitrates or artificial preservatives.

Most of our PERDUE® HARVESTLAND® foodservice items contain no artificial additives, nitrates or nitrites.



# 100%

of our branded U.S. consumer products are from animals raised with **No Antibiotics Ever**, fed an all-vegetarian diet and **never administered drugs** for growth promotion

# 100%

of U.S.-sold products are from animals **raised and processed in the U.S.**

# 100%

of products meet the requirements of the **Global Food Safety Initiative**

## 8

Category 1

## 4

Category 2

## 0

Category 3

Whole Birds (including turkey) ranking for the USDA Salmonella Performance Standards as of March 28, 2020

## 6

Category 1

## 6

Category 2

## 0

Category 3

Parts Rankings for the USDA Salmonella Performance Standards as of March 28, 2020

## 1

Category 1

## 1

Category 2

## 2

Category 3

Ground Rankings for the USDA Salmonella Performance Standards as of March 28, 2020



## 35.9k

Consumer  
Inquiries Handled  
in 2019



## 4.5%

Reduction in  
Consumer Complaints  
from 2018 to 2019



## 2

Recalls\*  
in 2019

\*31,703 pounds of PERDUE® SIMPLY SMART® Organics refrigerated, fully cooked gluten free breaded chicken tenders, whole grain chicken breast strips and whole grain breaded chicken breast nuggets and 495 pounds (or approximately 330 packages) of frozen PERDUE® SIMPLY SMART® Organics gluten free breaded chicken breast tenders.



# ENVIRONMENT

We believe in being responsible stewards  
of our natural resources.



# PROGRESS TOWARD ACHIEVING OUR 2020 ENVIRONMENTAL GOALS AND COLLABORATION WITH LIKE-MIND STAKEHOLDERS

At Perdue Farms, our Vision is “to be the most trusted name in food and agricultural products.®” Our value of Stewardship guides our commitment to be good stewards of the environment. It’s the right thing to do, and it is what all our associates strive to do every day.

Collectively, our values fueled the creation of the aggressive five-year environmental sustainability goals we announced in 2018 to reduce greenhouse gases, water use and solid waste sent to landfill by 2022, which included having five facilities zero waste certified.

When we announced these big, audacious goals it was with the intention to be public and transparent about our successes and report on opportunities for improvement and to also hold ourselves accountable where needed. We also know that transparency is the best way to build trust, a central tenant of our vision.

In 2019, we had some achievements that kept us moving forward toward reaching our 2022 sustainability goals, but we also took a few steps back in some areas.

We became the first poultry company in the United States to achieve GreenCircle Zero Waste to Landfill certification, which helped us improve our waste to landfill efforts and increased our waste diversion from landfill numbers by half a percent. Achieving this certification at our Lewiston, N.C. harvest operation, one of our largest operations, is a tribute to our associates at that plant and their execution of our stewardship value. We’ll use this success as a model for expanding our Zero Waste efforts across other operations.

Our setbacks include our carbon footprint intensity going up 2.9 percent compared to our baseline year, as well as our water usage intensity going up 2.5 percent from our baseline year.

Continuing our legacy of innovation and developing partnerships to create transformative change in food and agriculture, we announced our founding membership in the Penn State Smeal Center for the Business of Sustainability. The partnership allows us to tap into the strengths of a renowned business school, utilize their world-class research and draw on the university’s legacy as an agriculture-based land grant institution to help inform some of our environmental innovations to create a more sustainable future.

As we ended our fiscal year in March, the COVID-19 pandemic was beginning to have a dramatic impact on life and business as we knew it. America’s food suppliers and food industry workers were deemed critical to keeping the country fed. And the poultry industry, along with other agriculture-based industries, were just beginning to see disruptions in the supply chain. It’s far too soon to know what the impacts will be in the long-term as it relates to sustainability, but in the short-term we will adapt and keep moving forward as best we can.

I am comforted by the fact that Perdue Farms has nearly a century-long track record of stewardship and responsible management of our resources. Guided by our legacy and values, we will continue working hard in our pursuit to protect the environment.

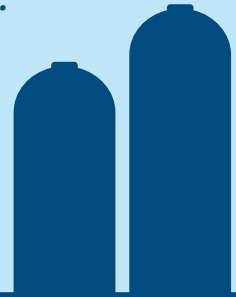
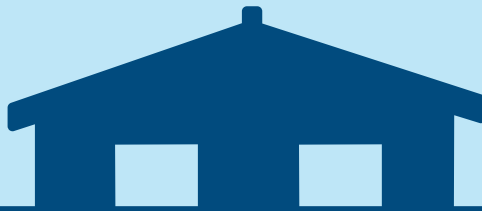
**Steve Levitsky**

Vice President of Sustainability



## TRACKING OUR AGGRESSIVE FIVE-YEAR ENVIRONMENTAL SUSTAINABILITY GOALS

*In 2018, we established aggressive five-year goals for reductions in greenhouse gases, water use and solid waste by 2022.*



REDUCE OUR  
GREENHOUSE  
**GAS**  
**INTENSITY**

**30%**



REDUCE OUR  
**WATER**  
**USAGE**  
INTENSITY

**25%**



DECREASE OUR  
**SOLID**  
**WASTE**  
SENT TO LANDFILLS

**90%**





## OUR 2019 PROGRESS TOWARD THESE GOALS



INCREASED OUR  
GREENHOUSE  
**GAS INTENSITY**

**3.9%**



INCREASED OUR  
**WATER USAGE**  
INTENSITY

**4.3%**



IMPROVED OUR  
**SOLID WASTE**  
DIVERSION FROM LANDFILLS

**.5%**

## OUR LONG-STANDING ENVIRONMENTAL SUSTAINABILITY EFFORTS INCLUDE GOALS FOR REDUCING OUR ENVIRONMENTAL FOOTPRINT.

*Compared with our 2015 baseline, we have:*



INCREASED OUR  
GREENHOUSE  
**GAS INTENSITY**

**2.9%**



INCREASED OUR  
**WATER USAGE**  
INTENSITY

**2.5%**



IMPROVED OUR  
**SOLID WASTE**  
DIVERSION FROM LANDFILLS

**3.4%**



&



**BIOENERGY  
DEVCO**

## **PERDUE AND BIOENERGY DEVCO ENTER 20-YEAR PARTNERSHIP TO CREATE RENEWABLE NATURAL GAS AND NATURAL SOIL HEALTH SOLUTIONS FROM POULTRY ORGANICS**

Two decades ago, Perdue Farms created the first and only nutrient recycling operation on Mid-Atlantic Delmarva Peninsula that protects the Chesapeake Bay and coastal watersheds by turning material from poultry production and processing into soil amendments that improve soil quality, increase water retention and reduce runoff. As a continuation of that commitment, we have partnered with Bioenergy DevCo, a leading global developer of anaerobic digestion facilities that create renewable energy and healthy soil products from organic materials, to supply organic material from our processing facilities for their anaerobic digester.

The 20-year partnership will help us produce renewable energy while continuing to address soil health and nutrient management in the environmentally sensitive Chesapeake Bay watershed.

The use of anaerobic digestion, combined with enhanced composting of organic material, reinforces Perdue's ongoing commitment to driving economic development in the region and adopting innovative solutions that are good for the environment.

The relationship also offers a large-scale opportunity to create a truly consistent source of clean, renewable natural gas in a sustainable way that will be beneficial for years to come.

Having both anaerobic digestion and compost options for managing organic materials has many benefits for the poultry industry and the communities on Delmarva.

Anaerobic digestion offers an alternative to traditional methods of waste management that release harmful greenhouse gas emissions or pollute natural environments.

Anaerobic digesters use a natural process driven by microorganisms to biodegrade organic materials in a closed system, which naturally transforms organics to create truly renewable natural gas, as well as an organic soil amendment digestate, which is high in organic matter that improves soil health.





## PERDUE FIRST U.S. POULTRY COMPANY TO ACHIEVE GREENCIRCLE ZERO WASTE TO LANDFILL CERTIFICATION

To become our first operation to receive the GreenCircle Zero Waste to Landfill certification, Wastewater Manager Ashton Weller and the Lewiston, N.C. recycle team successfully diverted 8.4 million pounds of waste in 2019.

This means that 100 percent of their waste was reused, recycled or incinerated for energy, also known as waste to energy, instead of being sent to a landfill. As a company Perdue is focused on continuous improvement, so our goal is to have five additional facilities go through the certification process in 2022.

To receive the certification, Lewiston underwent a rigorous seven-step audit and assessment certification process that included auditing all waste streams, inspecting all waste receptacles and assessing all of their 21 third-party, waste-removal vendors to ensure the waste was being disposed of in accordance with GreenCircle's exacting standards.

More than three million pounds of waste was converted to energy, which made up 39 percent of the operation's waste. Another 35 percent, or 2.9 million pounds, was recycled, and 13 percent, or more than one million pounds, was reused in the form of biosolids. The team was recognized for repairing dollies that were used to house trays of packed chicken, as opposed to throwing them away.

Lewiston was our first operation to undergo GreenCircle certification because they had a track record of increasing the amount of the waste they diverted over the past two years.





## **CONCORD, N.C. AND BRIDGEWATER, VA. OPERATIONS CREATE NEW WATER SOURCE TO REDUCE OUTSIDE WATER USAGE AND SAVE 926K GALLONS OF WATER**

In 2019, our Concord and Bridgewater operations installed 55-gallon collection sumps similar to rain barrels used in residential settings to collect rainwater and capture condensation from the roof-mounted air units at each facility. Essentially, this took water that collects on the roof air conditioners and re-purposed it for use in another part of the facility.

Many of our facilities have evaporative condensers on the roof that are essential to the refrigeration process. As part of that process, hot gas is pumped to condensers on the roof to be cooled. The captured water is sprayed on tubes containing the gas, cooling them down. This also allows the gas to be reused.

By creating this new free source of water, we reduced the amount of water purchased from the cities where the facilities are located. In just seven months, Concord captured more than 560,000 gallons of water. Within four months, Bridgewater collected in excess of 366,000 gallons. Collectively, they saved more than \$9,000 in water purchased. There were a few unexpected benefits from this as well. This new system also allowed us to reuse wastewater, as opposed to sending it to our pretreatment wastewater plant, thereby reducing the zinc levels in our plant discharge. Additionally, the life of our condensers, used for cooling purposes, was extended because zinc is a natural corrosion inhibitor.





## **NIMAN RANCH FARMER NETWORK TO RESURFACE MONARCH HIGHWAY WITH \$200,000 COMMITMENT TO HELP STEM 80 PERCENT LOSS OF ICONIC POLLINATOR**

In 2019, Niman Ranch set the ambitious goal of building the largest network of independent farmers supporting pollinators over the next decade. The brand, known for its commitment to environmental sustainability and humane animal care, committed \$200,000 for farmers to help build pollinator habitat on their land.

Pollinators are increasingly in jeopardy due to habitat loss and other stressors. The iconic eastern monarch butterfly population, which migrates through Iowa and other midwestern states where Niman Ranch farmers are clustered, has experienced an 80 percent decline over the past two decades.

“The decrease in pollinator populations has been dramatic and something I have noticed over the years in Iowa,” said Paul Willis, Niman Ranch founding hog farmer. “As a young man, I remember fields of monarchs during their annual migration, but today that is not the case. This change inspired me to set aside 136 acres of my farmland to grow a prairie of native plants and flowers that provides safe habitat for birds, bees, butterflies and other pollinators. Today, this piece of land is abuzz with pollinators and is a legacy I am truly proud of.”



Based on recent survey results, 25 percent of Niman Ranch farmers today have pollinator habitat on their property. Over the next five years, Niman Ranch aims to grow that number. The Niman Ranch network is uniquely positioned to provide a safe corridor for pollinators, including monarchs, to migrate and thrive due to their large number of farms committed to sustainability in key migration routes.

## POULTRY LITTER A VALUABLE RESOURCE FOR FARMERS WHO RAISE OUR POULTRY

The farmers who raise our poultry retain ownership of their litter because it is a resource that has value to them. For farmers whose crops need the nutrients in poultry litter, it can offset the costs of chemical fertilizers while improving soil quality. For those who cannot or do not want to use their litter, it is an agricultural commodity that can be sold to generate additional farm income or bartered.

Since poultry houses are enclosed and there is no liquid waste, there is no manure discharge from poultry houses. The small amount of manure deposited outside the house on free-range farms helps to support the vegetation in the pasture area.

We require all of our poultry farmers to have a nutrient management plan for the poultry operation. In addition, state regulations, such as the Phosphorus Management Tool (PMT) in Maryland, further regulate the movement and placement of poultry litter and fertilizers. Litter, like any other fertilizer, is used by farmers in accordance with nutrient management plans that match fertilizer application to the needs of each crop, minimizing the potential for nutrient runoff.

While poultry farmers are responsible for making sure litter from their farms goes to an approved use, crop farming and poultry production are two separate activities.

- The amount of nutrients applied to crops is regulated by nutrient management plans and other applicable state regulations, and crop farmers apply fertilizer accordingly. Therefore, the presence of poultry operations does not change the amount of nutrients applied to land, but the source of those nutrients may differ.
- Litter stored on the farm is kept in covered storage buildings to prevent runoff.

## GEORGETOWN, DE. FACILITY REDUCES GREENHOUSE GAS EMISSIONS BY 56%

By installing a Dissolved Air Flotation unit, also known as a DAF, our Georgetown, DE. harvest plant greatly reduced the amount of methane produced in its anaerobic lagoon by decreasing the amount of organic materials sent to the lagoon to be broken down by bacteria.

Instead of going straight to the lagoon, untreated wastewater was injected with air to create micro bubbles that help the organic materials in it, including fat, oil and grease, float to the top. The materials then solidify into a sludge, making them easy to remove.

In 2019, the facility again reduced the amount of methane produced by 50 percent, which was the equivalent of more than 6,000 tons of organic materials not going to the lagoon. Additionally, the life of the lagoon was extended for the foreseeable future. Since being installed in 2018, the DAF has kept more than 8,000 tons of organic material from creating methane emissions as part of the break down process.

Our 20-year agreement with BioEnergy Devco will allow us to take this material to their anaerobic digester, once constructed, where it will be used to create renewable gas.





## **PANORAMA MEATS PARTNERS WITH CALIFORNIA RANGELAND TRUST, MAKING RANCHING VIABLE IN THE GOLDEN STATE**

Panorama Meats has been a proud supporter of the California Rangeland Trust since its founding in 2002. Panorama began contributing a percentage of sales to the trust in 2009, which has accumulated to \$125,000 in the last decade.

California Rangeland Trust works to preserve California ranching families as well as preserve the environmental integrity of the land they work through conservation easements and monitoring. Ranching is under the constant threat of being slowly phased out of our economy for land development and imported cattle. The trust has been able to conserve more than 300,000 acres across California with another 204,796 acres on a waiting list.

The environmental impact of the Rangeland Trust protects not only livestock but also local wildlife as well as providing a carbon sink for emissions, while maintaining the state's ground water supply which is depleted more each year.

Panorama's support of this trust is an extension of its commitment to improving the standard of living for ranchers, as well as the cultural legacy of California ranching and across the U.S. This partnership brings Panorama closer to our goals of being better for the land, better for the cattle, better for the U.S. rancher and better for customers.



## CONSERVING AND RECYCLING

### ***Our renewable energy efforts include:***

- Two solar panel installations that reduce carbon emissions by 3,000 tons per year
- A biomass boiler that burns soybean stalks, pods and woodchips, providing steam for soybean processing while generating electricity back to the grid, reducing CO2 output by 18,000 tons each year
- An innovative system that captures methane from a wastewater pond to fuel a generator that provides hot water, cutting CO2 output by 52,000 tons annually

### ***Water reuse:***

- Downstream reuse in our harvest plants recycles water for non-food-contact use and reduces the volume going to wastewater treatment
- Recirculating cooling towers in Perdue AgriBusiness significantly reduce the amount of water used for soy processing

## PERDUE FARMS AND PENN STATE UNIVERSITY PARTNER TO CREATE CHANGE

The United Nations predicts that the world's population will increase by 2 billion people in the next 30 years, which will greatly impact the UN Sustainability Development goals (SDGs) for improving economic prosperity and social well-being while protecting the environment. Additionally, consumer demand for healthy protein is expected to remain strong. To help meet these two significant challenges, Perdue Farms has joined the Penn State University Smeal Center for the Business of Sustainability as a Founding Member.

This partnership brings together two agriculture powerhouses. Perdue Farms brings 100 years of business acumen in the poultry, premium meat and agriculture oil and grain industries, while Penn State is a university with agriculture steeped into its DNA.

Working with the university furthers our commitment to environmental stewardship and will allow us to have access to their world-class research that can help to inform some of our environmental innovations to create a more sustainable future.





## CLEANING UP THE CHESAPEAKE'S RIVERS AND STREAMS

Since 2008, more than 7,000 Perdue associates across eight states have collected more than 506,000 pounds of trash and debris from streams and planted more than 4,100 trees as part of Project Clean Stream, a company-wide effort to protect the environment across our communities.

## OYSTER RECOVERY PARTNERSHIP

2019 marked the 10th year of our associates volunteering with the Oyster Recovery Partnership and their Maryland Grow Oysters program by filling oyster shell bags destined for Eastern Shore waterways. Since the inception of this community-based conservation effort a decade ago, more than 500 Perdue associates have bagged enough shells to support the planting of 25 million young oysters to rebuild local oyster populations.







# ANIMAL CARE

We believe in responsibly  
raising animals for food.





## OUR FOURTH ANIMAL CARE SUMMIT HIGHLIGHTS CONTINUED PROGRESS IN CHICKEN WELFARE

In July, we released the 2019 Perdue Commitment to Animal Care Report at our fourth annual Animal Care Summit held in Salisbury, MD. The summit brought together animal care thought leaders, representatives of animal welfare advocacy groups such as the Humane Society of the United States, Compassion in World Farming and Business Benchmark for Farm Animal Welfare, leading retail and foodservice customers and Perdue farmers to share updates on our advancements in animal care and garner feedback from the participants.

The summit provided the opportunity to share progress in learning about alternative breeds, chicken activity and chicken house enrichments, and to learn from participants on ways to impact chicken welfare in measurable ways.

We reported on progress made against our 2018 goals and new initiatives being undertaken as part of Perdue's industry-leading focus on chicken welfare, including:

- Expanding the number of farms with free-range, outdoor access.
- Continuing to make substantial improvement in paw (foot) health over the winter months, indicating a better environment for the chickens.
- Actively studying alternative breeds.
- Better understanding the contributions of windows, enrichments and space in encouraging more bird movement as Perdue works toward its goal of doubling chicken activity.
- Increasing the number of chicken houses with windows.

For 2019, Perdue announced new initiatives to further enhance chicken health and comfort at all life stages. Parent breeder issues, including weight management approaches for pullets, early chick care and challenges special to chickens raised to heavier weights, are focuses.



## CARPENTER FAMILY WINS CHICKEN WELFARE ENRICHMENT DESIGN CONTEST

We challenged family farmers in our network to invent and build innovative ways to improve animal care in the first-ever Chicken Welfare Enrichment Design Contest. We received more than 30 submissions for creative new enrichment designs that allow chickens to roost, perch, play and exercise in different ways.

The Carpenter Bench, designed and built by the Carpenter family from Wadesboro, N.C. bested the competition by creating a design that was both beneficial for the chickens and easy to build, store and integrate into chicken houses for the farmers. While the chickens enjoying the enrichments was a given priority for judging, the ease of use for farmers was also a primary factor.

A second, two-part contest is underway, focused on the farmers who have been raising birds with outdoor access. We want to know who gets the most birds outside and why. We are hoping to learn from our farmers with experience with outdoor access why birds in some houses go outside and utilize the free-range areas more than those in other houses or on other farms. Farmers raising the organic and free-range flocks that now comprise 25 percent of our overall production will submit videos of chickens using outside enrichments, food and water sources and describe the steps they take to stimulate their use. In the first year of the contest, we will reward farmers who are successful in getting the most birds outside.

In the second year we will challenge farmers to develop new ideas and “hacks” to go beyond simply providing outside access and identify management changes that will encourage more chickens to utilize outdoor areas. Key learnings will be shared among existing farmers and to new free-range growers as more farms convert to growing programs with outdoor access.







## **BUSINESS BENCHMARK ON FARM ANIMAL WELFARE TIER TWO RANKING FOR THIRD YEAR**

For the third consecutive year, we ranked Tier Two in the Business Benchmark on Farm Animal Welfare report, the leading global measure of policy commitment, performance and disclosure on animal welfare in food companies. A Tier Two ranking recognizes that we have made farm animal welfare an integral part of our business strategy, and places us among the top 15 percent of more than 150 global food companies ranked in the report, in the top 7 percent of U.S. food companies ranked, and one of only two U.S. poultry or meat companies to achieve Tier Two or higher.

The report cites Perdue's Research Farm, our latest Animal Care Report, our annual Animal Care Summit and financial incentives we introduced to ensure that broiler farmer income is not negatively impacted by the implementation of higher welfare measures, as proof points in support of our high ranking.

## **EXPANDING RESEARCH CAPABILITIES TO FACILITATE CONTINUOUS IMPROVEMENT**

Getting chicks off to a strong start, optimal feeding and continuing to learn about alternative breeds are the drivers behind new research farm investments. We are testing on-farm hatching - taking eggs from the hatchery to the farm at 18 days embryonation and hatching in a system that accommodates chicks hatching at different times. It is also designed to provide access to feed upon hatching to help chicks get off to a strong start.

A new research house at our Westover Research Farm in Maryland is dedicated to testing various feed formulations to determine the optimal nutrition for different breeds and life stages.

And, we are moving our work with alternative breeds from research-size pens to small production-scale flocks to begin developing new products and solicit consumer feedback.

Perdue is partnering with advocacy group Mercy for Animals on research into unique challenges in raising chickens to heavier weights. The collaboration on study design and protocols is the first such research partnership for Perdue.



**COOLEY  
FARMS**



**RAISED WITH CARE BY A FAMILY THAT CARES™**



## **NEW POULTRY LEARNING CENTER SHOWCASES COMMITMENT TO TRANSPARENCY AND ANIMAL CARE**

A new Poultry Learning Center has debuted at Cooley Farms near Roberta, GA. At this new educational facility, the family hosts guests of all ages for a transparent, interactive experience to learn about various aspects of poultry farming and proper animal care.

Built seamlessly into the side of a working chicken house, the learning center includes a large viewing room that allows guests to observe the birds undisturbed in their environment. Educational videos explain what visitors see inside the chicken house, as well as the timeline from when farmers receive the birds to how they raise and care for them while they're on the farm. Additionally, guests have the opportunity for hands-on learning using actual poultry equipment that replicates what they see through the window including mechanized feeders and waterers and automated temperature-control technology.

The Cooleys, a multi-generation farm family, have been raising poultry for Perdue Farms since 2004 and are the second Perdue farm family to install a viewing room at their farm. A third viewing farm in North Carolina will open for visitors in mid-2020.





## PERDUE FARMER USES SOCIAL MEDIA TO OPEN THE CHICKEN HOUSE DOORS

Perdue farmer Bobbi Jo Webber was profiled in *Delmarva Farmer*, a regional farm publication, for her use of social media to show people how her family raises organic chicken for Perdue Farms' Coleman Natural Foods. Along with managing eight chicken houses, Webber, her husband



Matt and Matt's father, Bill, farm 1,500 acres near Clayton, DE. According to the story, during the long hours on the tractor and growing chickens, she soon realized there was a lot she could show people who don't know how farms operate. The following is excerpted from the article.

"So many people are removed from the ag world," Bobbi Jo said. "So I thought, 'Why don't I use the platform to show people what we do.'"

Bobbi Jo started the Facebook page, Webber Family Farm, in 2017 with a string of posts titled "Follow the Field" that ran the length of a season growing timothy hay. With positive feedback from that effort, she launched "Follow the Flock," taking followers inside the chicken house from Day 0 when chicks arrive to the day they leave.

Since starting the page, she's been invited to speak on two discussion panels, one directed toward animal care groups at Perdue's Animal Care Summit and another for employees at Butcher Box, a subscription meat delivery service. The increased attention to the farm has also brought a few school groups to the farm for field trips. The Webbers showed the students the chicken houses and took them to wetland areas on the farm that illustrates how water from the farm is filtered naturally as it moves. She said that while it's been great to open the doors of the farm to a few local groups, using social media helps her reach people farther away and keep the farm open, in a sense, when heightened biosecurity or other reasons aren't conducive to visitors.



## **COLEMAN NATURAL FOODS JOINS AMERICAN HUMANE, FARMERS AND LEADING FOOD ORGANIZATIONS ON CAPITOL HILL TO URGE AMERICANS TO SET A HUMANE TABLE FOR THE HOLIDAYS AND SUPPORT HUMANE FARM PRACTICES**

As families across the country prepared for their Thanksgiving feasts, American Humane went to Capitol Hill with farmers and leaders in the food industry who have committed to humane practices to take part in a congressional briefing on “The Humane Table.” Hosted by the Congressional Humane Bond Caucus, the briefing outlined advances in humane agriculture, called on the American public to support humane farming practices and celebrated the farmers and ranchers who work to feed the world and raise their animals right. This year, Mel Coleman, Jr., Vice President of Coleman Natural Foods and fifth generation of the founding Coleman family, spoke at the event:

“We’ve been committed to excellence in animal welfare standards since my family started ranching in 1875,” said Coleman. “Sometimes it takes looking back to our roots, and doing things the way nature intended, to really get it right. We owe it to ourselves to leave the land and livestock in better condition than we inherited it.”

As one of only two pork producers to be American Humane Certified, Coleman Natural Foods served as a thought leader among other top protein producers.





## A COMMITMENT TO CUSTOMERS COMMITTED TO HIGHER WELFARE

We're committed to meeting the demand from current and future customers for poultry raised to higher welfare standards, including the "2024" criteria outlined in the "Joint Animal Protection Organization Statement on Broiler Chicken Welfare Issues" and by the Global Animal Partnership (GAP).

- We're moving to Controlled Atmosphere Stunning, with one chicken system in place
- We conducted research into slower-growing higher welfare breeds, and identified commercially viable options
- We're enhancing housing environments, including natural light, outdoor access and enrichments.

## WE'RE RAISING ANIMALS FOR HIGHER STANDARDS

The Perdue Poultry Care Program encompasses all phases of our supply chain, including breeder and hatchery operations, appropriate comfort and shelter on the farms, comprehensive healthcare and monitoring, nutrition, catching, transporting and harvesting.

Our USDA Process Verified Program for Poultry Care provides the added assurance of an audited program with more than 50 documented points from hatchery to harvest, and it covers all our growing areas and harvest operations.

Our Poultry Care Program combines principles from the National Chicken Council, our own best practices and the Perdue Commitments to Animal Care initiatives to create a baseline of care that helps ensure the health, comfort and safety of every chicken we raise.

For poultry raised indoors, we use temperature-controlled housing with fresh-air ventilation. In the house, chickens are protected from the elements, disease and predators, and they are given constant access to food and water, sufficient room to move and exhibit natural behaviors, and periods of light and darkness.



## OUR POSITION ON ANIMAL CARE AND WELFARE

Our animal care and welfare programs encompass all phases, including breeder operations, hatchery, appropriate comfort and shelter on the farms, comprehensive veterinary care and health monitoring, nutrition, catching, transportation and harvesting. All of the animals for our products are raised:

- Without the use of crates or cages, including gestation and farrowing crates for sows
- Without drugs for growth promotion (Federal law prohibits the use of hormones and steroids in poultry and pork, and we also don't use any growth promoting drugs, including beta antagonists or ractopamine.)
- With an emphasis on the freedom to express natural behaviors
- On an all-vegetarian-diet with no animal by-products
- In audited and verified animal care programs.

Our approach to animal care is a process of continuous improvement involving a wide range of stakeholders, with a commitment to transparency. We believe that welfare goes beyond meeting the physical needs of animals and that success is measured by more than efficiency and productivity. This includes our **Perdue Commitments to Animal Care** program, an ongoing effort that is changing the way we raise chickens.

Mistreatment or abuse of animals is never tolerated. All associates handling live animals are provided training, including their responsibility to report any violations of our animal welfare policies. The farmers who raise animals for us share equal responsibility to provide care according to our best practices and standards, and to alert us to any issues involving animal health or welfare.

As part of our commitment to meeting the demand for chickens raised to higher welfare standards, we continue to study alternative and slower-growing chicken breeds.



## ***Organic and Free-Range Chickens***

All our organic and other free-range chickens are raised on farms that provide:

- Natural sunlight
- Open, fresh-air ventilation
- Enrichments, such as bales of hay or straw, that add complexity to the chickens' environment
- Access to outdoor areas that are typically at least half the size of the chicken house
- Multiple doors - situated approximately every 50 feet - running the length of the chicken house to encourage birds to go outdoors
- Sunshades or awnings over each doorway
- Outdoor water access
- Pastures with a mixture of grass and earthen areas, allowing the birds to forage and take dust baths



## ***Global Animal Partnership (GAP) Certified Farms***

In addition, our organic chickens are raised on farms rated GAP 2 or higher by the Global Animal Partnership (GAP). On GAP 2-4 farms, to protect birds from the elements, they are allowed outside during the daytime once their feathers are fully developed, which is typically around 4 weeks of age. Birds may come indoors at night and when temperatures are too cold for their comfort. For GAP 5 farms, birds have outdoor perches and are allowed 24-hour access to the pasture area. This program uses a breed that is better suited to the outdoors.



## ***Coleman Natural Hogs***

Our Coleman hog operations are free of gestation and farrowing crates and are American Humane Certified™.

We work directly with family farmers who share our commitment to raising hogs without antibiotics or ractopamine and in a low-stress environment. Our hogs are raised in a combination of pastures, hoop barns, outdoor lots and controlled-atmosphere barns with fresh-air ventilation.

American Humane Association certification provides third-party verification for every step of live production, transport and harvesting. Furthermore, some of our hogs are raised in accordance with the Global Animal Partnership (GAP) standards.



## ***Niman Ranch***

Niman Ranch is a community of more than 750 independent family farmers and ranchers who raise pork, beef and lamb traditionally, humanely and sustainably to deliver the Finest Tasting Meat in the World™.

NIMAN RANCH® products are all third-party certified under the Certified Humane® program and from animals raised by small, independent U.S. family farmers and ranchers who adhere to some of the strictest animal welfare protocols in the industry, including:

- No antibiotics - EVER
- No added hormones - EVER
- No beta antagonists or other growth-promoting drugs
- Never fed animal by-products
- No gestation or farrowing crates
- Hogs, sheep and cattle raised outside or in deep bedding
- Sheep finished in a lot that meets Niman Ranch's requirements
- Cattle raised on pasture and finished on a lot on the ranch or a Niman Ranch partner's lot.

Many of our products are raised in accordance with the Global Animal Partnership (GAP) standards.

## ***Panorama Meats***

Panorama Organic Grass-Fed Beef™ is produced by family ranchers in the United States who raise English cattle breeds on Certified Organic grasses and range forage. Ranchers who raise Panorama cattle treat the animals humanely in low-stress environments and employ pasture rotation and land-management practices that promote animal health and protect delicate rangeland ecosystems.

All Panorama Organic Grass-Fed Beef comes from animals raised entirely on grass and Born and Raised in the USA®. Panorama Meats follows a ranch-to-retail trace-back system that verifies that each animal spent its entire life on a ranch in the United States. We also follow the USDA's strict organic grass-fed feeding practices and protocols.



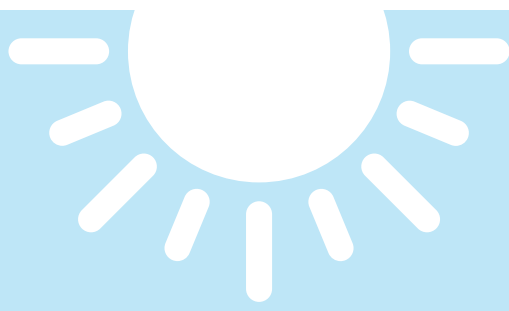
Panorama cattle are never administered hormones or antibiotics and never fed animal by-products. Our ranchers participate in the Global Animal Partnership (GAP) program and are audited every 15 months through independent third parties.

## ***Class of 2024 Commitments***

We're committed to meeting demand from current and future customers who desire a sustainable supply of chicken that meets all the "2024" animal welfare criteria outlined in the "Joint Animal Protection Agency Statement on Broiler Chicken Welfare Issues" and by the Global Animal Partnership (GAP). Our commitment includes:

- Offering slower-growing breeds with measurably higher welfare outcomes and reduced stocking density
- Providing enhanced housing environments, including brighter light, improved litter conditions and enrichments that encourage normal behaviors
- Converting from electrical to controlled atmosphere stunning and demonstrating compliance via third-party verification.





**0**

gestation or farrowing  
crates for hogs

**52%**

of poultry houses  
have windows

**25%**

of poultry houses have  
outdoor access

**Toll-Free #**

hotline to report welfare  
violations

**26%**

of poultry houses  
have enrichments

**0**

growth-promoting drugs

 **100%** 

**100%**

of chickens raised under  
no-antibiotics-ever protocols

**100%**

of hogs raised under  
no-antibiotics-ever protocols

**USDA  
Process  
Verified**

Programs for all poultry

**100%**

of hog production  
third-party verified

**100%**

of animals raised under  
documented responsible  
care protocols

**100%**

of farmers and associates  
handling live animals receive  
welfare training



# PEOPLE AND PARTNERS

Our Associates



## PERDUE NAMED “AMERICA’S BEST-IN-STATE EMPLOYERS 2019”

Forbes named Perdue Farms one of “America’s Best-in State Employers 2019” in North Carolina and Delaware. The list is determined by more than 80,000 employees working for companies employing at least 500 people within the United States.

Providing a safe, secure and inclusive work culture where associates have the ability to succeed, both personally and professionally, is a core part of our company strategy. Diverse and engaged associates are at the heart of fulfilling our vision to be the most trusted name in food and agricultural products. We’re honored that Forbes recognized Perdue among America’s best employers.



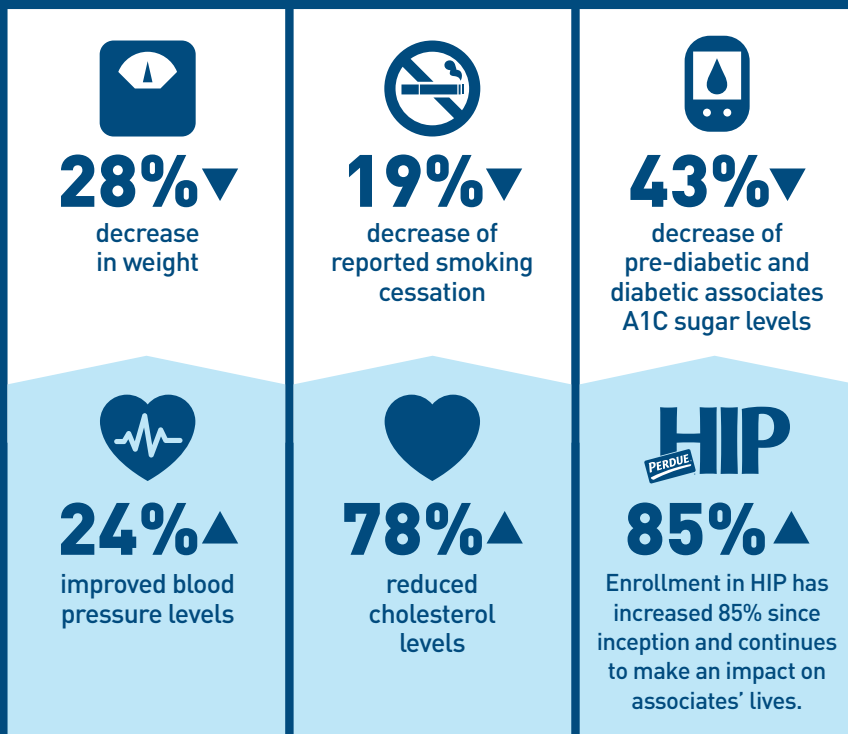
## MARYLAND RECOGNIZES PERDUE FOR WORKSITE HEALTH AND WELLNESS

Perdue Farms was presented a Gold “Wellness at Work” Award from the Maryland Department of Health’s Healthiest Maryland Businesses initiative. The award recognizes achievements in improving associates’ health through the company’s innovative Health Improvement Program (HIP). It’s the fourth year in a row Perdue has received the award.

HIP is about helping associates get, and stay, healthy. Established in 2008, Perdue’s HIP encourages associates to participate in a voluntary health screening and healthy activities by working with the company’s on-site health care professionals. HIP is a preventative program designed to improve associates’ health and wellness by focusing on manageable health risks, including smoking, weight, diabetes and blood pressure.

Perdue accepted the award after presenting data from at least two years of demonstrated improvement in three specific health areas: physical activity/weight, hypertension and diabetes.

### *HIP data from March 2019 to March 2020:*





## PERDUE FARMS EARNS 19 INDUSTRY SAFETY AWARDS

Ten of Perdue's food-processing food-producing operations received the "Award of Distinction" from the Joint Industry Safety and Health Council, its highest honor for consistently implementing innovative and effective workplace safety health processes and systems. The 10 locations are among 19 Perdue facilities, including feed mills and hatcheries, in 10 states that received workplace safety awards at the 2019 National Safety Conference for the Poultry Industry in Destin, FL.

Workplace safety is an imperative at Perdue that includes an uncompromising commitment from our company and an ongoing safety culture that engages all of our associates. These awards reflect company goals that put people first and our associates' dedication to workplace safety. We're proud of our teams' accomplishments and focus on continuous improvement.

The Award of Distinction criteria required these facilities to maintain their key Occupational Safety and Health Administration (OSHA) safety metrics - Total Recordable Incident Rate (TRIR), Days Away, Restricted or Transferred (DART) and Lost Work Day Incident Rate (LWDIR) - at levels at least 50 percent better than the industry average for three consecutive years. Each facility's written explanation of its safety programs and processes was also considered in the award selection process.

Three Perdue facilities were recognized with the "Award of Honor," the Council's second highest award. These facilities maintained their OSHA safety metrics at least 25 percent better than the industry for at least three straight years.





## PERDUE FARMS RECOGNIZED AS BEST EMPLOYER FOR DIVERSITY BY FORBES FOR SECOND YEAR IN A ROW

Our steadfast commitment to our associates and creating a workplace that is diverse and inclusive is one of the factors that has contributed to our success and longevity. Receiving this honor once again is a true testament to our incredibly diverse workforce that reflects the values and commitments of our company.

**Forbes**

## PERDUE HOSTS ITS FIRST DAY OF UNDERSTANDING

As part of our commitment to creating a more diverse and inclusive workforce, we hosted our first Day of Understanding designed to provide a forum to have tough conversations, foster dialogue and increase understanding around diversity and inclusion.

Associates throughout the entire company took part in interactive activities that helped them embrace differences and increase understanding, so they could gain a greater awareness of each other's experiences and perspectives.

Organized by CEO Action for Diversity and Inclusion, which includes more than 900 CEOs in 85 industries, including Perdue CEO Randy Day, who recognize the need to create a more diverse and inclusive workplace, Day of Understanding is a national effort that included 175 companies across the U.S.



## ENGAGING OUR ASSOCIATES

We have a number of Associate Resource Groups (ARGs) designed to help us build a diverse, inclusive and engaged workforce and workplace. Our associates are the backbone of our company and our success, so it's important that we attract, develop and retain a workforce that reflects the diversity of our stakeholders and our communities.



### PERDUE ORGANIZATION FOR WOMEN

Women have been the backbone of Perdue Farms since our inception, and our Perdue Organization for Women (POW) Associate Resource Group continues that tradition. POW advocates for women, encourages their voices in business decisions and supports Perdue's value of teamwork by promoting a diverse and inclusive workplace that is reflective of our stakeholders. They host a variety of events throughout the year, including book shares on timely topics and webinars to help both men and women empower themselves and others to grow professionally and personally.



### VETERANS RECOGNIZED FOR THEIR SERVICE

Perdue is proud to count military veterans and their families amongst our associates. Our Veterans Associate Resource Group (VARG) fosters an esprit de corps and supports the veterans and active duty community, as well their friends and family, via numerous activities and events. All year long, associates are invited to donate care package items to be sent to those currently serving our country. Each Memorial Day and Veterans Day, VARG hosts a special gathering to honor and celebrate those who have died while serving in the military and all those who have or are currently serving.



### DISABILITIES ASSOCIATE RESOURCE GROUP

The Perdue Farms Disabilities Associate Resource Group is dedicated to providing support to associates with physical and/or mental disabilities, as well as those with family members with disabilities. It also promotes awareness and acceptance of individuals with disabilities. They provide information to associates about disabilities, and the help that is available, such as transportation, counseling, employment support and educational and advocacy resources. Our newest ARG, Disabilities sponsored Perdue's first Autism Awareness Month that included the corporate office being lit up in blue lights as part of nationwide efforts to encourage acceptance and appreciation of individuals living with autism.



# 15 DRIVERS ACHIEVE SAFE DRIVING MILESTONES

Perdue Transportation Inc. drivers are some of the ***safest on the road*** and are among our company's most visible ambassadors. In 2019, 15 drivers joined an elite fraternity of drivers who achieved one, two or three million safe driving miles without a Department of Transportation recordable accident.



## HERE ARE THE NEWEST MEMBERS OF THE CLUB:

### 1 MILLION MILES

**Keith Clark**  
Georgetown, DE.

**Wilfred Gray**  
Accomac, VA.

**Birdell Bishop**  
Accomac, VA.

**Harvie Locklear**  
Rockingham, N.C.

**Michael Lebo**  
Salisbury, MD.

**King Taylor**  
Prince George, VA.

**Lemonte Robinson**  
Salisbury, MD.

**Gary James**  
Dillon, S.C.

**Rodney Leonard**  
Georgetown, DE.

**Chris McQueen**  
Dillon, S.C.

### 2 MILLION MILES

**Issac Gattis**  
Salisbury, MD.

**Melvin Trader**  
Accomac, VA.

**Seamon Jones**  
Perry, GA.

### 3 MILLION MILES

**James Davis**  
Perry, GA.

**Gralyn Hinmon**  
Accomac, VA.



## WAGES, WORKING CONDITIONS, COMPLIANCE AND OUR RESPONSIBILITY TO OUR ASSOCIATES AND COMMUNITIES

We are committed to involving our associates in creating a safe, secure, inclusive, productive and healthy work environment with competitive wages and benefits and to complying with all applicable laws and regulations.



### ***This includes:***

- Continuously working to improve associate safety, health and wellness
- Treating all associates with dignity and respect, promoting diversity and inclusion and ensuring equal opportunity
- Protecting associate rights, encouraging engagement and providing mechanisms for work grievances without retribution
- Measuring and fostering associate satisfaction
- Setting annual “People” goals to move forward toward improving associate safety, retention, health and engagement





## PROVIDING COMPETITIVE WAGES AND BENEFITS AND COMPLYING WITH ALL APPLICABLE LAWS

We offer competitive wages and a comprehensive benefits package, including options for medical, dental and vision coverage, a 401(k) savings plan with dollar-for-dollar match up to 5 percent of pay and profit-sharing bonuses. Annual compensation surveys confirm we remain competitive in each employment market.

- The combination of pay rate and company-paid benefits puts the total compensation for our production associates above \$18 per hour at all locations.
- Our average hourly production rate is 183% of the Federal minimum wage, which is also above the 2019 Federal Poverty Guidelines for a family of four.
- Our health care coverage design is in accordance with the requirements of the Affordable Care Act. Perdue pays 70% of the cost of insurance and the associate pays 30%.
- “Sick time” or short-term disability coverage is available all to associates at a cost of \$3.05 per week.
- Perdue associates accrue Paid Time Off (PTO) hours after 90 days of employment that can be used for vacation, sick leave or any personal need for time off. Time is not lost and associates can accrue a bank of up to 125% of their PTO allotments.
- We provide all required Personal Protective Equipment (PPE) to all associates, free of charge.

We continue to comply with all applicable wage and hour laws and regulations, including those related to minimum wage, overtime compensation, piece rates and any/all legally mandated benefits.

- We ensure all associates work within the limits of regular and overtime hours. Where overtime is required, those associates are normally granted at least one day off in every seven-day period.
- We pay “punch-to-punch” to ensure our associates are paid for all donning and doffing time. We conduct monthly First and Last Principal Activity audits in all plants to ensure we remain in full compliance. Two recent

Department of Labor Wage and Hour audits (2013 and 2014) found our practices to be fully in line with all applicable laws, including the Fair Labor Standards Act.

- We provide associates a full accounting of all time worked, with direct deposit to a debit card or bank account. We have kiosks at all our plants where associates can view or print pay stubs, or they can view them online.

In most of our production facilities, we provide two 30-minute breaks per day, and in others, we provide one 30-minute lunch break and two other shorter breaks.

We maintain adequate staff to accommodate associate requests for bathroom breaks within a reasonable time, and we pride ourselves on the cleanliness and appearance of our restroom facilities.

We publish all associate policies and procedures for our associates to view via kiosks in our plants or from their HR departments.

We also require that our associates and anyone working on our behalf - including business partners, vendors, service providers, independent contractors and each of their subcontractors - comply with all the laws and regulations in the countries in which they and Perdue operate, as well as with our company's procedures and policies.

In particular, Perdue Farms requires that everyone in our supply chains adhere to an absolute prohibition on the use of human trafficking, slavery or involuntary labor of any kind, including child labor and indentured labor.







## CONTINUOUSLY IMPROVING ASSOCIATE SAFETY, HEALTH AND WELLNESS

Our safety programs create a culture of safety at our operations and position our workplaces as among the safest in the manufacturing sector, with key OSHA metrics better than the manufacturing sector as a whole, and among the best of poultry companies.

- We employ a full Corporate Safety and Security Staff, have safety and security managers in each facility and safety teams – consisting of both hourly and management associates – that constantly monitor safety procedures. We continuously review and make improvements to our safety policies and procedures to ensure ongoing improvement.
- We provide new associate and ongoing safety training, including training for new procedures and equipment to ensure ongoing safety.
- Our sites have and continue to maintain safe line speeds.
- We continue to evaluate new technology to reduce risk exposures on our production lines. This includes adjustable workstations where our safety teams, including hourly associates, provide input on ergonomics. As evidence of our program's success, Perdue was recognized in 2016 by OSHA as a leader in ergonomic improvements.
- Job rotation is required and monitored.
- Proper recording and reporting of all safety incidents, including “near misses,” is addressed during orientation and team meetings throughout the year.

Most of Perdue's on-site Wellness Centers include fully equipped “doctor's offices” staffed by healthcare providers from the community, providing associates and their dependents convenient access to primary care. As of January 1, 2018, we eliminated the co-pay for associates participating in our health plan to use the Wellness Center, including doctor and other health care provider appointments. Associates can make appointments during work hours and “stay on the clock” during their appointments.

Our voluntary Health Improvement Program (HIP) helps associates adopt healthy lifestyles and targets major preventable diseases such as diabetes and hypertension, resulting in measurable improvements in associate health and wellness.



## **TREATING ALL ASSOCIATES WITH DIGNITY AND RESPECT, PROMOTING DIVERSITY AND INCLUSION AND ENSURING EQUAL OPPORTUNITY**

Perdue is committed to treating all associates with dignity and respect and has a strong policy against any form of discrimination, harassment or abuse. This includes discrimination or harassment based on race, national origin, gender, gender identity, sexual orientation or religious beliefs. Any individual found guilty of this type of conduct would be dealt with severely, up to and including termination of employment.

We take pride in the diversity of our workforce and the manner in which our facilities attract and bring together people from different racial, ethnic, religious and cultural backgrounds.

In 2014, we committed to move beyond diversity by taking a more active role in creating an inclusionary workplace. We now have our Inclusion Council, composed of diverse associates representing different areas of the company, providing direct input to the senior management team. In 2017, Perdue's vice president of human resource services assumed additional responsibility as Chief Diversity and Inclusion Officer, and Perdue Farms is signatory to CEO Action for Diversity and Inclusion.

As part of our Equal Employment Opportunity Policy, we reaffirm our commitment to recruit, hire, train, promote and administer all personnel actions without regard to color, religion, age, sex, gender identity, national origin, marital status, sexual orientation, veteran status, status as a qualified individual with a disability and any other characteristic protected by law.

Further, as a government contractor/subcontractor, we annually write Affirmative Action Plans for each unit within the company and as part of that exercise we thoroughly analyze all company practices to ensure discrimination does not exist. Perdue encourages diversity through targeted recruiting strategies.





## EMPLOYEE RIGHTS, VOICE AND ENGAGEMENT

We prefer to take a team approach to management, and the Perdue Continuous Improvement Process encourages associate involvement and engagement by seeking their input, experience and insights to help us improve our processes, increase efficiencies and reduce waste. Committees such as Safety Teams, Diversity and Inclusion Teams, Green Teams and teams focused on food safety and quality include both hourly and salaried associates working together.

We hold associate roundtables on a regular basis in which associates can bring up any topic they wish to discuss. A rotating schedule ensures we include almost all of our hourly associates during the year.

We provide all associates with several mechanisms to air their grievances or concerns.

- Our Open-Door Policy allows any associate to speak to any member of management at any time.
- Our “Speak Up, We’re Listening” confidential hotline allows associates to call a third-party, toll-free hotline to anonymously report suspected illegal or unethical activity.
- Our Peer Review Program allows associates who have been disciplined or terminated to appeal their cases in front of a panel of their peers, selected by them, from a group of trained panelists. If the panel’s decision is to remove the discipline or reinstate the associate, that decision is final.



We strive for an environment in which a union would have nothing to offer our associates. We believe that when and if problems arise, they are best worked out with honest and frank discussions in an atmosphere of mutual trust, respect and cooperation directly between management and associates.



## INVESTING IN OUR ASSOCIATES' GROWTH AND EDUCATION

We are committed to creating opportunities for our associates to grow, personally and professionally. In 2019, we expanded our companywide program to enable associates to earn an accredited high school diploma through an online partnership with the Penn Foster Online High School Diploma program. Five students have completed and graduated the program while 88 students were enrolled at the end of the year.

## MEASURING AND INCREASING ASSOCIATE SATISFACTION

Perdue conducts 100 percent of associate surveys every two years, with "pulse" surveys of 25 percent of the workforce on the in-between years. These surveys are conducted by an outside third party specializing in employee surveys.



## IN A "PULSE" SURVEY CONDUCTED IN 2019:



**90%**

Clearly understand  
how their job  
contributes to  
achieving  
company goals.



**88%**

Have a clear idea  
of the results  
expected of  
them in their job.



**82%**

Agree Perdue Farms  
has created an  
environment  
where people of  
diverse backgrounds  
can succeed.



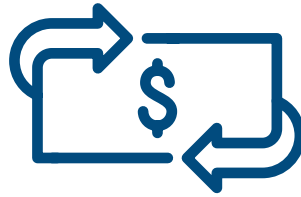
# 100%

Associates are **eligible** for company health benefits



# 100%

Full-time associates are **eligible** for company 401(k) match and bonus plans



# 95%

Associates who work full-time



## 82%

**Participation** rate in Perdue Health Improvement Program



## \$0

**Co-pay** for doctor visits at on-site wellness centers



## 56%

**Turnover** rate versus 47.40% goal



## 1.90 ▲

OSHA Total Recordable Incident Rate  
4.8% Increase



# PEOPLE AND PARTNERS

Our Communities





## **DELIVERING HOPE TO OUR NEIGHBORS™**

*Perdue Elevates Commitment to Reduce Food Insecurity  
with Launch of New Hunger Relief Initiative*

According to the U.S. Department of Agriculture, more than 41 million people in the United States struggle with food insecurity or hunger, including more than 11 million children. With one in nine Americans struggling with food insecurity, hunger knows no boundaries. As a food company, we're committed to fighting hunger in the communities we call home and beyond.

Since 2000, Perdue Farms has partnered with Feeding America® and its network of food banks to help neighbors in our communities who are struggling with food insecurity. Through our Fiscal Year 2020, we've delivered more than 80 million pounds of protein to regional food banks serving our communities.

In January 2020, we elevated our commitment to alleviate food insecurity with the launch of our "Delivering Hope To Our Neighbors™" hunger initiative and announced a Franklin P. and Arthur W. Perdue Foundation - funded \$1 million donation to support 10 Feeding America-affiliated food bank partners in honor of the company's 100th anniversary.

"Delivering Hope To Our Neighbors™" is a companywide initiative focused on providing access to nutritious protein for people struggling with hunger and making meaningful progress toward ending hunger. We're using this initiative to elevate awareness of hunger, continue our decades-long support through donations of nutritious protein, associate volunteerism and financial support, and work with stakeholders to make meaningful change.

As a first step, the Perdue Foundation, the charitable giving arm of Perdue Farms, donated a total of \$1 million to 10 of its Feeding America-affiliated food bank partners in communities Perdue calls home. Each food bank received a \$100,000 grant to help advance their hunger relief initiatives. Perdue Farms launched a 10-stop tour to celebrate the donations and partnerships with the following food banks:

- Maryland Food Bank
- Second Harvest Food Bank of Metrolina (N.C.)
- Food Bank of the Albermarle (N.C.)
- Blue Ridge Area Food Bank (VA.)
- Food Bank of Delaware
- Food Bank of Central and Eastern North Carolina
- Feed More (VA.)
- Foodbank of Southeastern Virginia and the Eastern Shore
- Redwood Empire Food Bank (CA.)
- Middle Georgia Community Food Bank



**DELIVERING  
HOPE TO OUR  
NEIGHBORS®**

We've also doubled our annual protein donation commitment to Feeding America to four million pounds, with a goal to provide a minimum 20 million pounds by 2025. Since 2000, Perdue has donated more than 80 million pounds of protein, primarily chicken, to Feeding America food banks, the equivalent of more than 304 million servings. Perdue Farms was one of the first meat companies to implement a formal program of ongoing donations of perishable protein products, creating a model for other companies to follow.

"People who struggle with hunger do not have regular access to enough food for a healthy, active life. Feeding America is grateful to Perdue for its generous support of member food banks and for helping people in need in communities across the country."

— Blake Thompson, Chief Supply Chain Officer at Feeding America





## NEW MOBILE MARKET HELPING MARYLAND FOOD BANK ADDRESS FOOD INSECURITY

Collaborative partnerships with hunger relief organizations are a pillar of our efforts to reduce food insecurity. A great example is our 40-year partnership with the Maryland Food Bank in our home state.

In January 2020, Perdue Farms and the Maryland Food Bank unveiled a new state-of-the-art Mobile Market to support the food bank's efforts to distribute fresh, wholesome food on Maryland's Eastern Shore, where roughly 42,000 individuals are food insecure. The Mobile Market was funded through a \$250,000 gift from the Perdue family and a \$100,000 grant from the Franklin P. and Arthur W. Perdue Foundation in celebration of the company's 100th anniversary.

The 26-foot Mobile Market serves as an "on-the-go" supermarket, traveling to communities in eight Eastern Shore counties - Caroline, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico and Worcester - that lack brick-and-mortar food assistance facilities and distributing food to residents in need. Additionally, the Mobile Market partners with different agencies to provide access to specialized services, including health-related screenings and case management support, that will help put food-insecure Marylanders on the road toward self-sufficiency.

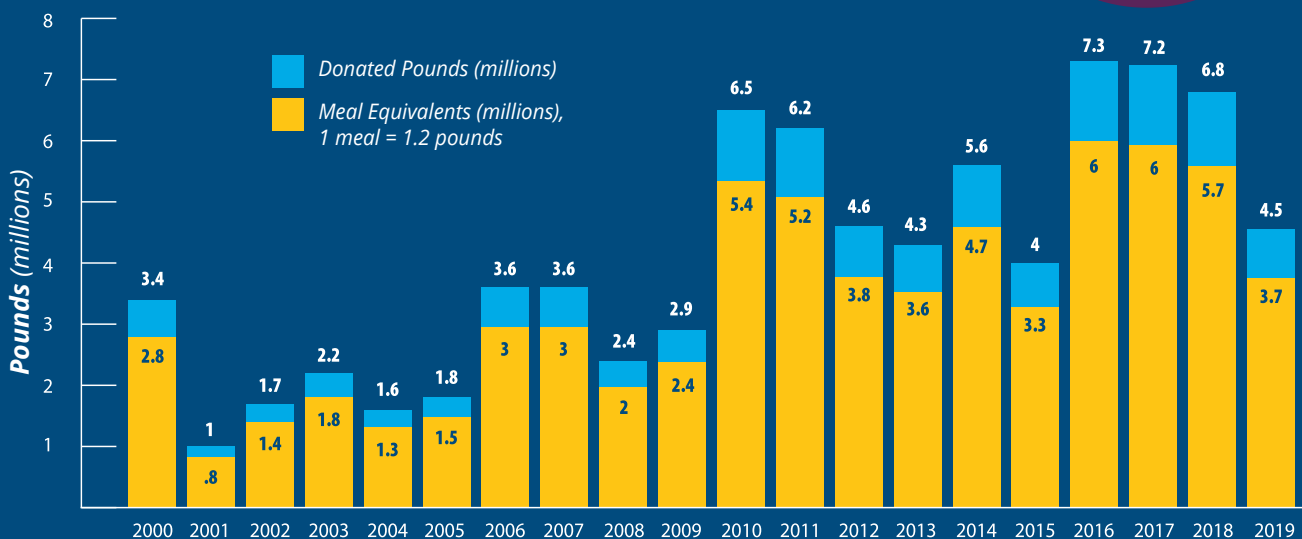
"Perdue Farms has been an incredible partner to the Maryland Food Bank for many years. Because of their generous gifts, we are able to get healthy food into the hands of Eastern Shore residents we haven't reached before, while making resources available to help them overcome the root cause of food insecurity. This is the type of innovative solution that we believe will really make a meaningful impact on our efforts to end hunger for more Marylanders."

— Carmen Del Guercio,  
Maryland Food Bank president  
and CEO



## A MISSION PARTNER WITH FEEDING AMERICA

In 2019, for the fourth year in a row, Feeding America recognized Perdue Farms as a Mission Partner for our donation of more than 4.5 million pounds of food products, primarily chicken. In 2020, Perdue Farms is doubling its annual protein commitment to Feeding America with a goal to provide a minimum 20 million pounds by 2025. Since 2000, we have provided the Feeding America network of community food banks with more than 81 million pounds.



**81+ Million**  
pounds of food donated to  
Feeding America since 2000



**67+ Million**  
meal equivalents donated to  
Feeding America since 2000





## STRIKING OUT HUNGER ON DELMARVA

For the eighth year in a row, Perdue Farms once again teamed up with the Delmarva Shorebirds - the Class A affiliate of the Baltimore Orioles - and three Delmarva food banks for the annual Perdue Strike Out Hunger Challenge on Delmarva to deliver 133,000 meals across Delmarva communities in 2019.

The 2019 Perdue Strike Out Hunger Challenge on Delmarva provided the forum to continue the awareness and community engagement that began with Perdue's sponsorship of the 2011 South Atlantic League Perdue Strike Out Hunger All-Star Game promotions.

Since then, the Shorebirds and food banks have embraced the Strike Out Hunger Challenge to generate more than 1.1 million meals for those in need on Delmarva.

To drive the Perdue Strike Out Hunger Challenge on Delmarva, Perdue Farms issued a \$15,000 challenge grant, which the Perdue Foundation funded. The grant benefited the Maryland Food Bank – Eastern Shore Branch, the Food Bank of Delaware and the Foodbank of Southeastern Virginia and the Eastern Shore.

Each of the food banks was required to engage the Delmarva community to raise the equivalent of 10,000 meals in order to claim its equal share of the \$15,000 challenge grant. This included any combination of pounds of food collected, funds collected and donated or volunteer hours throughout the duration of the Shorebirds' season.

Additionally, Perdue donated \$10 each time the Shorebirds' pitchers struck out an opposing batter, up to \$5,000.



## NEW TRUCK HELPS FOOD BANK OF DELAWARE DRIVE OUT HUNGER

Through the support of the Franklin P. and Arthur W. Perdue Foundation, we helped the Food Bank of Delaware purchase a new refrigerated truck to safely transport and re-distribute perishable donations to food-insecure communities throughout the First State.

In 2018, the Perdue Foundation presented the Food Bank of Delaware with a \$57,500 grant and challenged the community to raise the additional monies needed to purchase the 26-foot box truck. The USDA, the Harry K. Foundation and Acme stepped up to the challenge and donated \$35,000, \$15,000 and \$7,500, respectively.

“Last year, Food Bank of Delaware vehicles traveled thousands of miles delivering fresh, nutritious foods to ensure that no Delawarean goes without healthy meals. This new truck will enable us to pick up more perishable donations so we can get them into the hands of those who need it most. We are grateful for Perdue’s continued commitment to our mission.”

— Patricia Beebe, CEO,  
Food Bank of Delaware



# THE FRANKLIN P. AND ARTHUR W. PERDUE FOUNDATION

The Franklin P. and Arthur W. Perdue Foundation is the charitable-giving arm of Perdue Farms. Through grants, we strive to support organizations and programs that benefit the communities where our associates live and work. We work to strengthen our communities by focusing our efforts on education, agriculture, the environment, health and social services, public safety and fighting hunger and poverty. We also support events that celebrate the heritages and cultures of our communities.

*In 2019, the Perdue Foundation awarded*  
**\$1.364M TO 93**  
**NON-PROFIT ORGANIZATIONS.**

Some of those included:



**\$331K**

to fight hunger  
and poverty



**\$194K**

for social causes and mentoring



**\$189K**

for community improvement  
and public safety



**\$177K**

for environmental  
and agricultural



**\$145K**

in grants for education  
and literacy



**\$100K**

in scholarships



## UNITED WAY WORLDWIDE RECOGNIZES PERDUE FARMS AS GLOBAL CORPORATE LEADER

Recognizing Perdue Farms' more than 30-year partnership, United Way Global named the company a new partner in its Global Corporate Leadership (GLC) Program in 2019.

Joining the GLC program reinforces Perdue's decades-long relationship with United Way, which began in its hometown in Salisbury, MD., with the United Way of the Lower Eastern Shore. Perdue and its associates have donated more than \$9 million to United Way, the vast majority through the campaign pledges, volunteer hours and fund-raising efforts of our associates.

We are proud to be part of the Global Corporate Leadership program as part of our company's commitment to our communities. Our partnership with United Way provides a platform for our associates to engage in their communities where they live and work to improve the quality of life.

"United Way Worldwide is honored to partner with Perdue Farms. We share a dedication to building strong communities, places in which everyone can thrive. Perdue Farms associates are already doing so much to make their communities a better place. But together, we can do more to improve education, financial stability and health in the communities where Perdue Farms associates live and work."

— Brian Gallagher,  
United Way Worldwide  
President and CEO



## HELPING OUR NEIGHBORS WHEN NATURAL DISASTERS STRIKE

### *Hurricane Dorian*

In the wake of Hurricane Dorian, we delivered 35,000 pounds of chicken to the Food Bank of the Albermarle to support their relief efforts in coastal North Carolina. Hurricane Dorian forced the evacuation of thousands of residents, causing widespread power outages and forcing families to lose all of their perishable food.

Perdue also delivered a truckload of ice from its Lewiston, N.C. operation to support relief efforts on Ocracoke Island on the Outer Banks with the help of our transportation partner Baynor Trucking of Plymouth, N.C.

### *California wildfires*

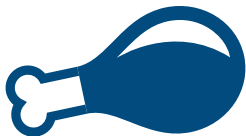
Following the historic Kincadee wildfire that disrupted communities in Sonoma County, home to the company's Petaluma Poultry operations, we assisted with the recovery efforts.

Perdue Farms, through the Perdue Foundation, designated \$10,000 to support recovery efforts of the California Northwest American Red Cross in Santa Rosa. The company also deployed a truckload of 27,000 pounds of fully cooked chicken to the Redwood Empire Food Bank in Santa Rosa.

### *Middle Tennessee tornadoes*

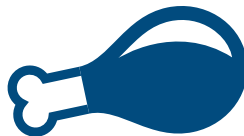
In early March, deadly tornadoes tore through Nashville in middle Tennessee, including in Putnam County, home of our Monterey operations. Some of our associates suffered losses.

Perdue delivered a truckload of protein to the Second Harvest Food Bank of Middle Tennessee in Nashville, and the Perdue Foundation donated \$10,000 to The Community Foundation of Middle Tennessee in support of the Middle Tennessee Emergency Respond Fund.



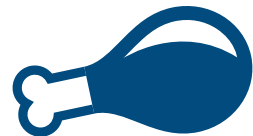
**35K**

pounds of chicken donated



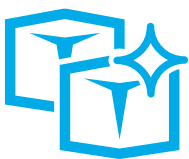
**27K**

pounds of chicken donated



**42K**

pounds of protein donated



**40K**

pounds of ice donated



**\$10K**

dollars donated



**\$10K**

dollars donated



## COLEMAN CELEBRATES SIX NEW PUPS4PATRIOTS PAIRS

In 2019, Coleman Natural Foods announced the first six veterans and service dogs to graduate from the American Humane Pups4Patriots™ program thanks to funds provided through the generous commitment of almost \$1 million dollars to the organization the brand pledged last year. The program pairs veterans suffering from physical and psychological wounds – often post-traumatic stress or traumatic brain injuries – with service dogs trained by American Humane. Research has shown that making these critical connections offers life-changing and life-saving support. In 2020, Coleman Natural Foods hopes to double their graduation numbers and celebrate a dozen pairs completing the program.

For more information visit  
[www.ColemanNatural.com/Pups4Patriots](http://www.ColemanNatural.com/Pups4Patriots)





# THE POWER OF ASSOCIATE VOLUNTEERISM AND GIVING BACK

At Perdue Farms, we are committed to being a trusted partner in the communities where we live and work by engaging and helping our neighbors in ways to improve the quality of life. We encourage our associates to volunteer their time and engage in causes to support our neighbors. They have big hearts and are making a difference in their communities. Here are some examples:

## ***United, We're Making A Difference***

In 2019, Perdue associates helped contribute more than \$580,000 in personal pledges and fund-raising for local United Ways in our communities. Our associates' donations often represent the largest percent of contributions to support those local United Way campaigns. The Franklin P. and Arthur W. Perdue Foundation provides partial matching grants to support associates' contributions and other funding that supports our United Way partners in our communities.

## ***Supporting The Fight Against Cancer***

Our associates raised more than \$220,000 in support of local American Cancer Society Relay for Life campaigns in Maryland, North Carolina and Virginia and the Real Men Wear Pink campaign in Maryland. In 2019, associates in Lewiston, N.C. raised \$143,000 for Relay for Life, bringing their legacy of giving to more than \$1.4 million.

## ***Brightening The Holiday for Children and Families***

In Salisbury, MD., associates provided Christmas gifts for more than 500 children and families in support of the Salvation Army's Angel Tree Program, continuing a years-long tradition to spread a little holiday cheer.

## ***Making A Difference In the Northwest***

Through bake sales and a golf tournament, associates in Mount Vernon, WA., delivered an equal share of the \$36,000 raised to the Boys and Girls Club of Skagit County and the Friendship House, which provides shelter and food for more than 1,500 people annually. Associates also volunteer at the Friendship House soup kitchen on a regular basis.



## ***Saluting Our Fallen Heroes***

As part of our ongoing commitment to honor veterans and those who made the ultimate sacrifice for our country, Perdue truck drivers participated in Wreaths Across America's mission to deliver remembrance wreaths to the nation's veterans cemeteries. Our drivers, many of them veterans, have for the past 13 years delivered more than 200,000 wreaths to cemeteries from New York to Florida.



# PEOPLE AND PARTNERS

Our Agricultural Customers / Grain Farmers





## EXPANDING PERDUE AGRIBUSINESS SPECIALTY CROPS AND OILS CAPABILITIES

With the purchase of Hart AgStrong LLC (AgStrong) assets in Kentucky and Georgia, Perdue AgriBusiness expanded the capabilities and growth opportunities of its Specialty Crops and Oils businesses.

The acquisition included oilseed expeller facilities in Bowersville, GA. and Trenton, KY., processing organic and non-GMO soybeans, HEAR (high erucic acid rapeseed), canola and high oleic sunflower, as well as an organic specialty oil refinery at the Bowersville facility. Specifically designed to handle multiple oils in smaller batches, it is the only organic edible oil refinery in the Southeast U.S. It gives the capability to ship finished product to our customers by rail or truck. In fact, we are the exclusive supplier of organic soybean oil to Perdue Foods' cooking facilities in Bridgewater, VA. and Perry, GA.

We are continuing to work with Kentucky and Georgia farmers and others in the Southeast with our "you grow it, we'll buy it" philosophy, and supporting local and regional markets for high value crops.

Acquired in August 2019, our multiple seed expelling and refining facility located in Bowersville, GA., primarily processes sunflower and canola seeds. Specifically designed to handle multiple oils in smaller batches, it is the only organic refinery in the Southeast U.S. We have the capability to ship finished product to our customers by rail or truck.



## PERDUE AGRIBUSINESS

### ***Feeding Animal Agriculture***

Perdue AgriBusiness is expanding our ability to supply internal and external customers with conventional and organic feed ingredients. By focusing on digestive health, amino acids and fatty acids, Perdue's Animal Nutrition Group is developing science-based products and services for the poultry and dairy industry. These products and services enhance nutrient utilization, supporting animal health and producer profitability.

### ***Milking Greater Yields***

Our science-based dairy amino acid supplements optimize milk yields and milk components, improving the bottom line for dairy farmers.

### ***Farmers Grow It and We Buy It***

From the changeable weather to the volatile commodity markets and the ripple effects of global trade policies, farmers face uncertainty from the time they have faith to put seed in ground. One certainty is the Perdue AgriBusiness "you grow it, we'll buy it" promise to local farmers. Our focus on local origination ensures farmers they'll have a competitive local market for the row crops they choose to produce. We'll never turn farmers away.

### ***Supporting Farmers Supports Our Business***

Since the construction of our first grain receiving facility in Salisbury, MD. in 1960, Perdue AgriBusiness has been focused on bringing value to the farmer - recognizing that viable crop farms are the foundation of our supply chain. While our business has grown significantly in size and scope, we remain focused on helping farmers optimize the profitability of their operations.



### ***Finding better ways to serve our farmers***

Farmers can sell their corn, soybeans and wheat to any grain company. Perdue AgriBusiness must continuously earn farmers' trust and not take them for granted. To better serve farmers at our Cofield, N.C. and Bridgeville, DE. grain elevators, we installed an automated kiosk system for drivers to bring in grain and weigh without getting out of the truck. The system makes our elevators safer, more efficient and more convenient. We are installing the system at our other elevators in Salisbury, MD., Bainbridge, PA. and Tappahannock, VA.



### ***Partnering with farmers to grow high oleic soybeans***

Perdue AgriBusiness contracts with farmers to grow high oleic soybeans in the Mid-Atlantic region for processing at our Salisbury, MD. and Bainbridge, PA. crush plants. The high oleic soybean oil provides an improved fatty acid profile for food companies and foodservice operators as well as longer frying life in restaurant applications and longer shelf life in packaged food products. From a health and nutrition perspective, high oleic soybean oil has zero grams of trans-fat per serving and 20 percent less saturated fat than conventional soybean oil, making it a more attractive ingredient for health-conscious consumers of food products. We are pleased to partner with U.S. farmers to grow high oleic soybeans.

### ***Reaching Around the Globe, Around the Year***

Through the Perdue AgriBusiness deep-water port in Chesapeake, VA., we access harvests in the northern and southern hemisphere enabling us to be a year-round supplier to customers.

Perdue AgriBusiness exports grains, soybeans, soymeal, pelleted soy hulls and soy oil by vessel and containers, through our Chesapeake facility that is connected to the eastern U.S. through a grain receiving and handling network of barge, rail and truck transportation.



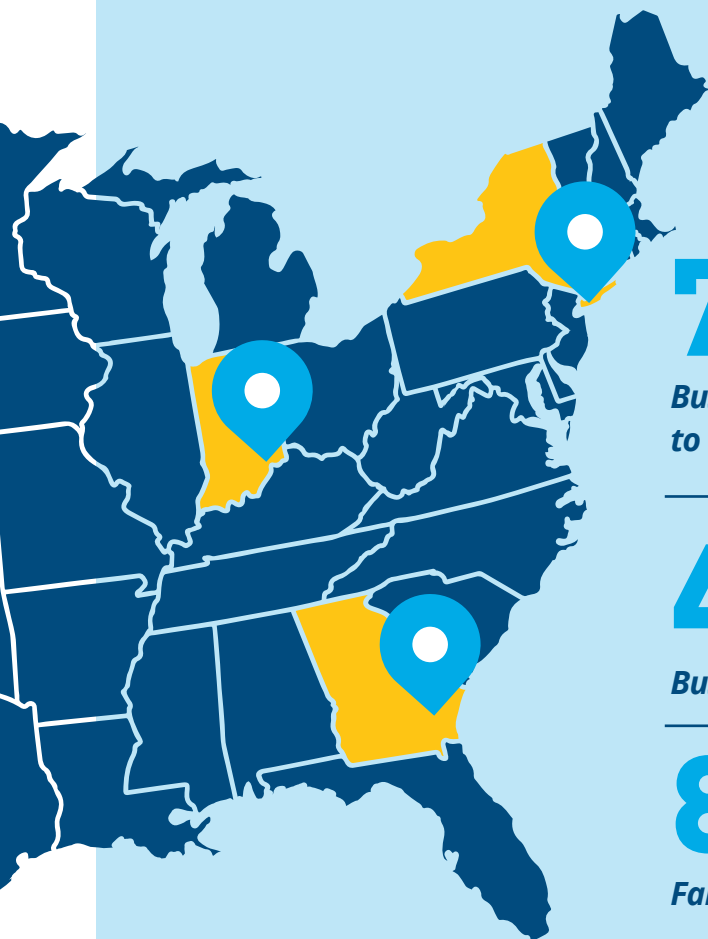


### ***Expanding New Markets In Indonesia***

In 2019, Perdue AgriBusiness formed a new partnership to supply Indonesia-based P.T. Mabar with soybean meal for its feed milling operation and U.S. No. 1 soybeans for its tofu producers.

P.T. Mabar is a family owned, vertically integrated food company with a diversified portfolio including avocado and citrus plantations. They buy local corn for feed and import soybean meal from Perdue AgriBusiness. They process these ingredients in their milling operation to produce feeds for their shrimp and poultry live production hatcheries and farms. P.T. Mabar also owns and operates shrimp and poultry processing plants producing consumer products for their retail distribution network.

In addition, P.T. Mabar imports food-grade soybeans in containers from Perdue AgriBusiness. Mabar re-packs the soybeans into 50-kilogram bags for tofu producers/customers.



# 75 MILLION

*Bushels of grain storage at facilities from New York to Georgia and as far west as Indiana*

# 400 MILLION

*Bushels of grain handled*

# 8,500+

*Farmers we purchase grains from*





## SUPPORTING THE NEXT GENERATION OF FARMERS

In 2019, Perdue Farms continued its support for programs that provide opportunities for the next generation of farmers.

### ***Niman Ranch Next Generation Foundation***

The Niman Ranch Next Generation Foundation, the philanthropic arm of sustainable agriculture pioneer Niman Ranch, awarded 39 individual scholarships totaling more than \$140,000 through its annual scholarship program. The recipients hailed from nine different states. Scholarships were presented to students from Niman Ranch's network of independent farm and ranch families during its 21st annual Farmer Appreciation Dinner in Des Moines, IA., with more than 500 people in attendance. The scholarships are designed to support the next generation of sustainable farmers and agriculture leaders and to help rural communities thrive.

The Next Generation Scholarship is made possible by donations from Niman Ranch's business partners and employees, which includes chefs and food distributors, grocers, transportation companies, publishers and individuals. Businesses raise funds through a wide range of events, sales from special menu items and private contributions.

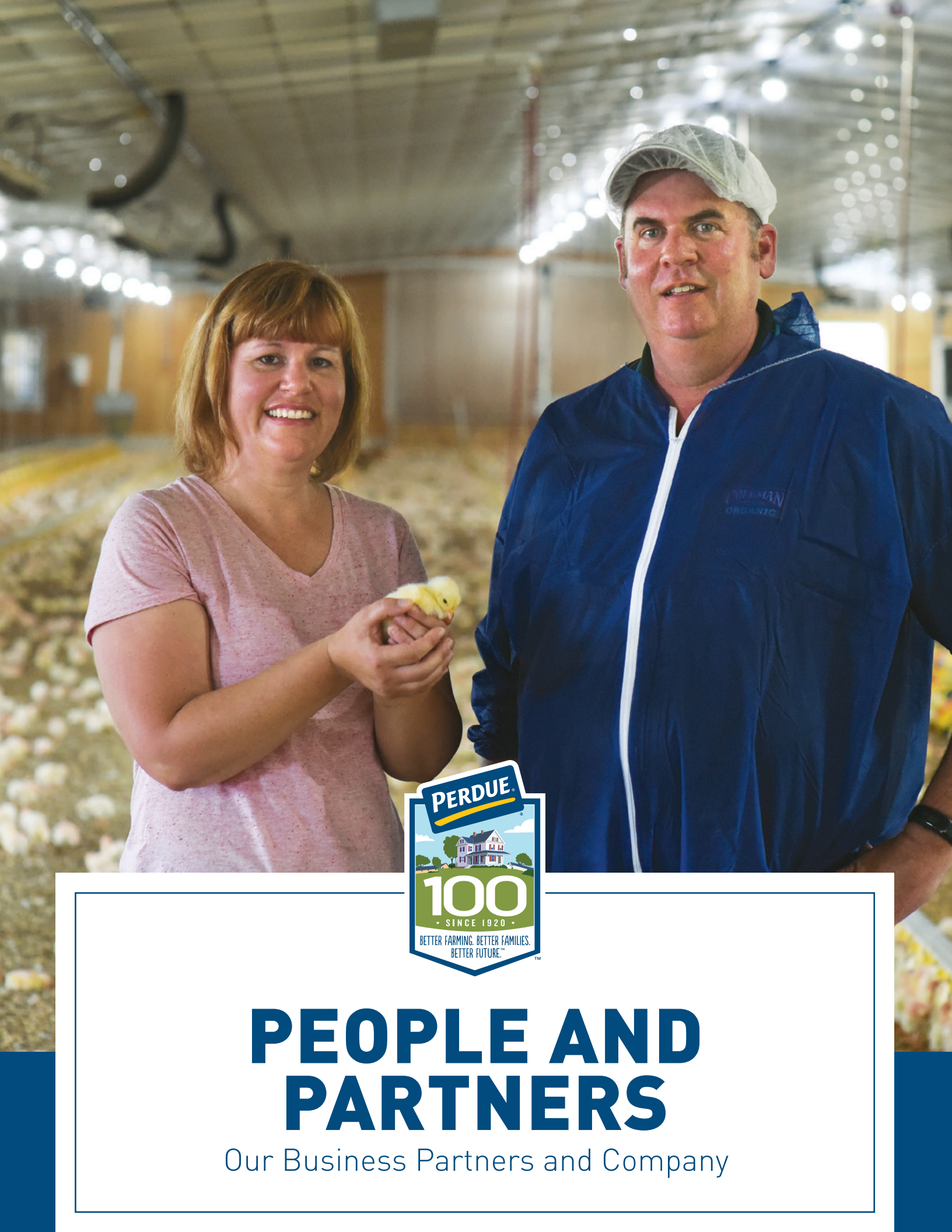
In 2019, the Franklin P. and Arthur W. Perdue and Arthur W. Perdue Foundation provided a \$50,000 grant to the Niman Ranch Next Generation Foundation. The gift will be used to help award future scholarships to the children of Niman Ranch farmers and ranchers so they can return to their family farms.

### ***FFA Blue Jacket Program***

Perdue Farms continued its support for the National Future Farmers of America Organization through a \$15,000 Franklin P. and Arthur W. Perdue Foundation grant enabling the FFA to present its iconic blue jacket to 177 deserving students across 35 states.

At Perdue, we recognize that wearing the blue corduroy jacket is a symbol of pride for thousands of FFA members who are passionate about agriculture. We also recognize that not every student can afford the cost of the jacket. We're proud to continue our partnership with the National FFA Organization by investing in the next generation of agricultural leaders through this program.





# PEOPLE AND PARTNERS

Our Business Partners and Company





## OUR CENTENNIAL: FIRST 100 YEARS WAS BUILT ON TRUST AND WILLINGNESS TO CHALLENGE THE STATUS QUO

With the arrival of 2020, we were celebrating 100 years of being a family-owned business and a lasting commitment to responsible food and agriculture. As we entered our second century, we looked forward to more quality, more sustainability and more innovation guided by the same values we started with a century ago.

A lot has happened over the past 100 years that has led to our success since Arthur and Pearl Perdue founded the company in 1920. They, along with their son Frank Perdue, were not afraid to challenge the status quo, listen to consumers and do the unexpected.

We've grown from focusing on poultry to become a premium protein company that offers chicken, turkey, pork, beef and lamb. These offerings, which comprise our vast product portfolio, have elevated our understanding of the importance of putting our animals and farmers at the center of what we do, which has made us a better company.

We are one of the largest grain companies in the nation and offer a diversity of agricultural products and services.



Our focus on meeting consumer demands has led us to be the first poultry company to raise our chickens with no antibiotics ever, to bring higher welfare standards to caring for animals and to be the largest organic chicken company in the U.S.

Our dedication to being good stewards includes our commitment to the environment and our associates. We've built relationships and collaborated with stakeholders to find areas of common ground where we can drive real change.



Frank Perdue believed that the success of the company was due to the quality of the people in the company, so we've worked hard to create a workplace that is safe, productive and inclusive for all our associates.

We owe our success to so many people. Thank you to our associates who have been part of this history and who will contribute to our future success. Thank you to our farm families, many of whom have been with us for generations, for doing things the right way. Thank you to our customers for choosing us as your partner. And thank you to our consumers, who continue to put their trust in us. As we enter our second century, we will continue to work hard to earn the trust that has guided us this far.



# THANK YOU FOR 100 YEARS!





## PERDUE FAMILY FARMHOUSE IS DAILY REMINDER OF OUR HERITAGE

As part of the company's celebration of its 100th anniversary in 2020, Perdue Farms opened its historic Perdue family farmhouse for public tours for the first time.

The farmhouse, which is part of the company's logo and is located across the street from its corporate office in Salisbury, MD., was built in 1917 by company founder Arthur W. Perdue. Three years later, he and his wife, Pearl Parsons Perdue, began a small poultry operation on its grounds in 1920. Their only child, son Franklin Parsons Perdue, was born in the home in May of that year.

"The farmhouse is a daily reminder to all of us at Perdue of the tenets of quality, integrity, hard work and trust upon which my grandfather built his business, and of our beginning as a family farm," said Chairman Jim Perdue.

The farmhouse underwent a restoration in 2007, revealing the original wood-side exterior, interior hardwood floors, woodwork and fireplaces. The work also uncovered a wood shingle hidden in one of the walls, signed and dated "September 1917" by Arthur Perdue.

In 2017, the Perdue family farmhouse was designated a Maryland Century Farm and is included on the Maryland Inventory of Historic Properties. The home retains its original floor plan and many original architectural features. Family photos, furnishings and memorabilia are on display throughout the home, along with some family narrated videos.



## THE FAMILY STORY CONTINUES

Perdue Farms has remained family owned for 100 years, and the Perdue family is committed to continuing that legacy into our next century. Two generations of Perdues work in the company and the family is committed to keeping Perdue Farms a family owned, values-driven business. Chairman Jim Perdue is the third generation to lead our company. In addition, five members of the next generation of Perdues are currently working in the business.



***Jim Perdue***

Chairman,  
Perdue Farms



***Chris Perdue***

Director of E-commerce,  
Perdue Foods



***Carlos Ayala***

VP, New Business Ventures,  
Perdue Foods



***Ryan Perdue***

VP General Manager,  
Spot Farms and Full Moon



***Chris Oliviero***

VP General Manager,  
Niman Ranch



***Rick Lloyd***

Director of Business  
Development,  
Perdue AgriBusiness



# COVID-19: OUR STRONG VALUES GUIDE US THROUGH UNPRECEDENTED CHALLENGES

As we were closing out our Fiscal Year in March 2020, life as we knew it was coming to a screeching halt as the global COVID-19 pandemic was beginning its march across the U.S. Seemingly overnight, American consumers were greeted by empty shelves in their grocery store meat departments due to increased demand, especially for retail poultry products. “Social distancing” had entered our lexicon. Chicken had become the ultimate comfort food and we ran our plants six days a week to keep up with consumer demand.



In our 100-year history, we had never experienced a crisis like this. As a major food supplier, we were deemed a critical infrastructure industry by the federal government, giving us an obligation to continue producing safe, wholesome products to feed our neighbors around the country and making our front-line associates essential.

We convened our COVID-19 Pandemic Task Force to address business issues as they arose. Throughout this our primary concern was ensuring the safety and health of our associates, the true front line heroes in America's food supply chain, along with supporting their families, our farmers, our customers, our business partners and ensuring the continuity of our of our supply chain and protecting our communities.

We enacted numerous preventative measures to protect our associates, including increased sanitation and cleaning at all our operations and implemented daily temperature checks for anyone entering our facilities. We extended the hours of many of our facilities' on-site Wellness Centers, which are available to all associates free of charge.

As this was being written, the virus and its impact on our associates and the communities where our operations are located had just started to make itself known.



This uncertain and evolving challenge has shone a light on what it truly means to be part of a team working for the greater good. Together, our collective team stepped up to accomplish something greater than any one individual could alone. As we navigate this “new normal” and challenges yet to be seen, we will be guided by our values of teamwork, quality, integrity and trust to come out of this stronger.



## NEW ADVERTISING HELPS PROMOTE NEW PERDUE® ALTERNATIVE PROTEIN PRODUCT LINE

In 2019, the PERDUE® brand launched a new, national 360-degree marketing campaign to spotlight the brand's new product line of CHICKEN PLUS™ nuggets, tenders and patties blended with a quarter of a cup of vegetables hidden in each serving.

Airing nationally, the campaign's TV commercials star Ryan and Chris Perdue, part of the fourth generation of Perdues working in the family business, their father, company Chairman Jim Perdue and a cafeteria full of non-actor students at Castle Heights Elementary School in Los Angeles, CA.

As the Perdues pass out CHICKEN PLUS™ nuggets and lead the students through a series of questions about their lunch, the hidden-camera style commercials capture the kids' resounding delight toward chicken nuggets and shared surprise for vegetables as they learn some are inside the nuggets.

"What is important to our consumers is important to us. In my own family, I see the challenges that my kids have getting my grandchildren to eat a well-balanced diet. We know that parents need help getting their kids to eat more veggies. Creating these blended products is just one of the ways we continue to offer solutions to the parents who trust us with their mealtimes," said Jim Perdue.







PERDUE FARMS

A FAMILY OF FARMERS SINCE 1920

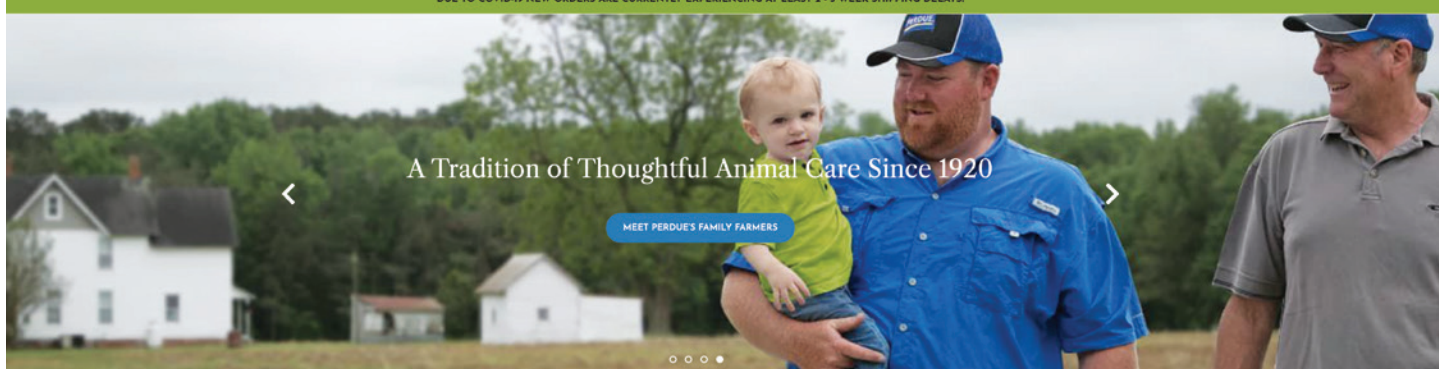
Search for offers or products

Shipments may be delayed

[OUR STORY](#)
[ANIMAL CARE](#)
[OUR FARMERS](#)
[AMBASSADORS](#)
[CAREERS](#)
[COMPANY](#)

[Chicken](#)
[Other Meats](#)
[Brands](#)
[Curated](#)
[Gifting](#)
[Sales and Coupons](#)

DUE TO COVID-19 NEW ORDERS ARE CURRENTLY EXPERIENCING AT LEAST 2 - 3 WEEK SHIPPING DELAYS!

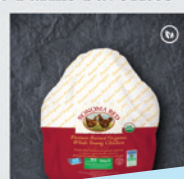


MEET PERDUE'S FAMILY FARMERS

### Stock Up on Perdue Farms Favorites



Perdue Boneless Skinless Chicken Breast Filets  
2-lb. bag (contains 5-8 wrapped and frozen filets)  
**\$12.99 total**



Sonoma Red Organic Pasture Raised Whole Chicken With Giblets  
One approx. 3.5-lb. whole frozen chicken  
**\$27.99 total**

## PERDUE FARMS EXPANDS PREMIUM PROTEINS AVAILABILITY THROUGH E-COMMERCE WEBSITE

Consumers all over the country are now able to enjoy heritage, organic, pasture-raised, pork, beef, chicken or lamb, all raised with no antibiotics ever by farm families with the highest standards of animal care, regardless of where they live.

With nearly half or more of all shoppers buying perishables, such as meat, produce and dairy items online\*, in early 2020 Perdue Farms entered e-commerce with a website offering a selection of its family of brands for sale directly to consumers. Hosted at PerdueFarms.com, the site offers an assortment of frozen items across some of Perdue Farms' most popular brands including PERDUE®, Niman Ranch®, Coleman Natural®, Sonoma Red® and Skagit Red®, with plans to add additional offerings over time as demand increases.

All packaging from online orders is 100 percent recyclable. The foam insulation is made from

water-soluble cornstarch, which can be composted or even disintegrated under running water and safely rinsed down a kitchen sink.

Each order includes a reusable shopping tote and a packet of bee- and butterfly-friendly seeds for consumers to plant in their yards or elsewhere around their communities to help the local pollinator population flourish.

Additionally, with each sale through this new website, Perdue Farms makes a donation to the Arbor Day Foundation to help offset the shipment's carbon footprint, which equates to removing more than 70 pounds of CO2 from the atmosphere per order.

\*According to a global survey of shoppers and retailers by IDC (International Data Company) for Precima, a retail analytics firm.



## PERDUE FARMS EXPANDS PREMIUM BRANDS PORTFOLIO OFFERINGS WITH NEW ACQUISITIONS

Perdue Farms added to its growing list of sustainable premium brands with the acquisition of Panorama Meats, Maxi Canada Inc., Pasturebird and Alexander and Hornung.

**PANORAMA**  
ORGANIC GRASS-FED MEATS

- Headquartered in Woodland, CA., Panorama Meats – founded in 2002 – comprises nearly 50 independent family ranchers who raise cattle across seven states: California, Colorado, Montana, Nebraska, Oregon, South Dakota and Wisconsin.



- Maxi Canada Inc. produces the well-established Yummy® brand, best known for its Dino Buddies chicken nuggets. They are based north of Montreal with distribution throughout North America.



- Since 2012, southern California-based Pasturebird has been raising chickens solely in their natural habitat on pasture that is rotated every single day. They supply chicken to consumers and chefs.



- Alexander & Hornung produces a full line of ready-to-eat hams, sausages and specialty meats at its facility in St. Claire Shores, MI. They sell to retailers in the U.S. and Canada.

## PANORAMA RANCHERS

Panorama Organic Grass-Fed Beef™ is produced by family ranchers in the United States who raise English cattle breeds on Certified Organic grasses and range forage. Ranchers who raise Panorama cattle treat the animals humanely in low-stress environments and employ pasture rotation and land-management practices that promote animal health and protect delicate rangeland ecosystems.

One method of ensuring animal welfare standards is through the Global Animal Partnership (GAP) program, a non-profit organization made up of farmers, scientists, retailers, manufacturers and animal advocates, all collaborating with a common purpose: improving farm animal welfare. To remain in this program, our ranchers are audited every 15 months through independent third parties.





## NIMAN RANCH FARMERS

The NIMAN RANCH® brand joined the Perdue family in 2015. Niman Ranch is a community of more than 750 independent family farmers and ranchers who raise pork, beef and lamb, traditionally, humanely and sustainably.



## COLEMAN NATURAL HOG FARMERS

Farmers who raise hogs for sale to Coleman Natural put in extra work to meet our care standards, including no antibiotics ever and an all-vegetarian-fed diet. In turn, they receive a premium price for their animals. We help them with veterinary and technical support.



## IOWA PORK PROCESSING FACILITY INVESTS IN INNOVATION, SUSTAINABILITY

In 2019, Perdue completed a \$29 million expansion of its Sioux Center, Iowa, pork harvesting operation and converted to 100 percent wind power. These investments in green initiatives, state-of-the-art equipment, innovative new case-ready offerings and employee wellbeing make the facility a leader in pork processing.

### ***A commitment to sustainability and animal welfare***

The facility is now 100 percent wind powered and uses a closed-loop wastewater system that is filtered and recycled to provide beneficial nutrients for local farmland. Additionally, the Certified Humane® plant prioritizes humane animal care, incorporating several practices that go above and beyond industry standards, including a live video feed that is monitored by a third party.



### ***A commitment to employee wellbeing***

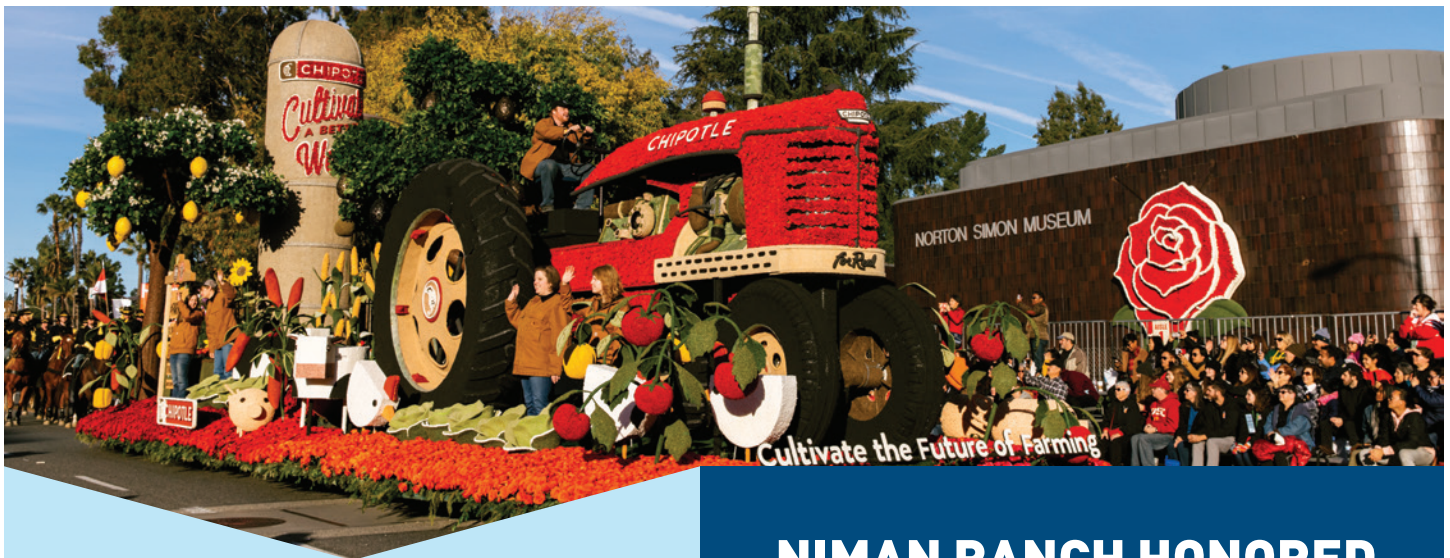
The plant's improvements include enhanced associate safety features and expanded employee wellness programs. These include a new on-site wellness center for associates, a new training center for staff, improved ergonomic equipment and an expanded cafeteria.

### ***A commitment to quality and innovation***

The plant expansion allows Perdue to not only harvest the livestock, but also break down and package the products so they are case ready, including ground pork, pork chops and other products. This streamlined process improves efficiencies and creates a simpler process for both the plant and its customers. Additionally, the new plant has innovative new equipment for its products including Dar-Fresh on Board and Tray, a new high-performance package that provides longer shelf life, improved product presentation and recyclable components.







## CHIPOTLE AND NIMAN RANCH PARTNER TO SUPPORT YOUNG FARMERS

Chipotle and Niman Ranch further solidified their 20-year partnership with a new collaborative initiative to help young farmers get started in sustainable agriculture. Chipotle is helping young farmers in the Niman Ranch network by committing to purchase meat from approved farmers for three years, providing crucial stability as they establish themselves. In addition, Chipotle will be making a fivefold increase in support of the Niman Ranch Next Generation Foundation to help educate future farmers and agriculture leaders.

Chipotle's young farmer initiative was kicked off with a series of high-profile events and communications to share the news, including a nationally aired TV commercial, National Public Radio segments and features on Natural Geographic - all including Niman Ranch farmers. The flagship event was a farmer themed Rose Parade float that raised funds for the National Young Farmers Coalition, with five smiling Niman Ranch young farmers at the helm.

## NIMAN RANCH HONORED WITH 2019 GOOD FOOD FARMER AND PURVEYOR OF THE YEAR AWARD BY THE GOOD FOOD 100 RESTAURANTS™

Niman Ranch was recognized as the 2019 Good Food 100 Good Food Farmer and Purveyor of the Year award, lauding its commitment to sustainability, transparency and leading the way in changing the food system for good. The 2019 Good Food 100 Restaurants Good Food Farmer and Purveyor of the Year Awards honor and celebrate up to one farmer, rancher, fisherman or one purveyor/distributor nominated by the participating 2019 Good Food 100 chefs in each region. The Good Food 100 Restaurants™ is a partner of the James Beard Foundation.





## **STAND UP TO SUPERBUGS: NIMAN RANCH FARMERS EDUCATE FEDERAL POLICYMAKERS ON RAISING HEALTHY LIVESTOCK WITHOUT ANTIBIOTICS**

Antibiotics are critical tools for modern medicine, essential for saving human and animal lives. But the more antibiotics are used - in both livestock and people - the more likely the bacteria will build resistance. That's why all Niman Ranch farmers, along with all brands in the Perdue Farms family, raise their animals without antibiotics. In the unlikely event an animal gets sick and requires antibiotics, the animal will be treated, isolated and sold to a different market.

Niman Ranch and its strict no antibiotics-ever protocol is an outlier in the meat sector. In fact, antibiotic sales for food animal production account for 70 percent of total medically important antibiotic sales by volume. To help address the troubling rise of antibiotic resistance, Niman Ranch farmers have joined The Pew Charitable Trusts for their annual Stand Up to Superbugs policymaker education event in Washington, D.C. for the past 9 years. Niman Ranch farmers prove every day that routine antibiotic use isn't necessary to raise healthy livestock.

Niman Ranch hopes that by leading by example and educating consumers and policymakers on this important topic that antibiotics will remain effective for future generations.





## **TANKA AND NIMAN RANCH PARTNER TO ASSIST IN THE ECONOMIC REVITALIZATION ON PINE RIDGE, REBUILD BISON POPULATION**

Niman Ranch launched a new partnership with Native American Natural Foods' Tanka brand in 2019, with the aim of building a humane and sustainable Native American supply of bison, cattle and other pasture raised animals raised on Native prairie by Native people.

The effort will benefit the Native American owned company as it seeks to reclaim its leading position as the original, award-winning, highly popular bison and berry snacking bar that replicates a time-honored recipe of Native communities.

The alliance with Niman Ranch will help Tanka gain market stability with combined access to new markets, capital and expertise for greater opportunities with current Native producers and clear incentives for new Native ranchers to join. The plan will include a new focus on utilizing the full animal with higher value cuts for food service and retail, opportunities to grow the brand with current and new customers, a re-branding with the goal for a U.S.-raised, third-party Certified Humane® seal and a network of advisors and on the ground support.

The partnership will also support the economic revitalization of the Pine Ridge Reservation in South Dakota, which is one of the poorest communities in the country.



## RESPONSIBLY CONTRIBUTING TO OUR BUSINESS PARTNERS

As a family-owned, privately held company, we make business decisions that effectively balance our long-term strategies with short-term requirements while staying true to what we believe in. That way, we can make sure our actions bring us closer to our goals. We have a core code of conduct and ethical practices, which we share with all associates and re-communicate to managers annually.

We also know that our ability to contribute positively to others depends on the resources we generate through our business. Our value of stewardship includes the responsibility to generate profitable growth to support the strategic plans of our company, sustaining us into the future.

We understand that our success goes hand in hand with our ability to help our business partners - including our customers, farm partners and vendors - be successful. This is founded in our core values of integrity and teamwork, and it extends into our strategic growth plans.

## SUPPORTING OUR FARM FAMILY PARTNERS

The majority of our chickens and turkeys are raised on local farms by more than 2,200 independent farmers contracted to care for our poultry on their farms.

Our poultry house contracts are designed to help insulate farmers from most of the financial risks associated with raising chickens and turkeys - including volatile markets - while providing year-round farm income and rewarding top performance. Those contracts were developed with input from our farmers and written in plain English, and they include provisions for peer review to resolve issues between the company and our farmers.





## THE CONTRACT GROWING RELATIONSHIP

Perdue has been contracting with farmers to raise our poultry since the 1950s. Many of the farm families raising our chickens have been with our company across multiple generations, with sons and daughters deciding to build poultry houses based on the experiences of their parents and grandparents. Our ability to attract new farmers is dependent upon the trust we earn within the farm community.

Farmers are paid for raising the chickens, with higher pay going to those who are most efficient. A contract poultry operation is like any other business in that farmers need to reinvest in their operations to remain competitive. In addition, standards related to food safety, bird health and welfare and environmental stewardship change over time as a result of, among other things, advances in animal husbandry, changing consumer and customer expectations and new laws and regulations. However, Perdue often provides no-interest financing and other incentives to assist farmers with necessary upgrades.

- Perdue delivers day-old chicks to the farms and provides feed, veterinary care and advice.
- Our flock advisors, veterinarians and poultry care officers – backed by an advanced team of scientists and laboratory technicians working with leading research and analytical equipment – assist our farmers.
- Perdue maintains ownership of the chickens and the farmers are responsible for caring for the birds and providing housing that meets Perdue's standards.



## OUR STANDARDS

We have high standards for how we expect our birds to be raised, including no-antibiotics-ever protocols, poultry care programs that exceed the norm for the U.S. poultry business, environmental stewardship and the expectation that farmers raising our chickens will be good neighbors.

We promise to consider our farmers when making changes. We are modifying our business relationships with contracts that reward care and welfare, in addition to production and efficiency. Farms raising our poultry are subject to third-party certifications and verifications, including our USDA Process Verified Program for Poultry Care, USDA Certified Organic and Global Animal Partnership (GAP) certifications.







## GOVERNANCE AND ACCOUNTABILITY

Stewardship is part of our culture, goals and day-to-day operations

- Our company's sustainability platform, "We believe in responsible food and agriculture," is part of our formal vision-and-values framework and communicated to all associates. Our company's Values are Quality, Integrity, Teamwork and Stewardship, and our stewardship goal reads: "We protect the environment, ensure the well-being of our associates, provide for the welfare of the animals in our care, live up to our civic responsibilities and generate earnings for the future of our company."
- Ensuring adherence to our values, including the stewardship platform, is the responsibility of the Chairman and a shared accountability of all associates.
- Each year, our company sets goals in the areas of people, products, planet and profitability and communicates those goals to all associates. All managers are held accountable for goals in the areas of associate safety, health and retention; product quality, safety and customer service; environmental stewardship; and financial performance. The board and senior leadership approve these goals. The board reviews results and progress toward the goals factors into management compensation.
- Our Vice President of Sustainability reports directly to the CEO and is responsible for developing our environmental stewardship goals. For our environmental stewardship goals, we measure reductions in intensity (use per pound of product). While annual reductions or increases in production impact our results from one year to the next, we feel this metric encourages ongoing responsibility and makes us accountable for responsible growth.

# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



## 1. No Poverty

- Competitive wages and benefits, including medical, dental and vision plans
- Increase in hourly production compensation - total hourly compensation, including benefits, exceeds \$20, and average hourly production rate is 191% of the federal minimum wage
- 401(k) with matching contributions
- Training, opportunities for advancement and tuition reimbursement, along with commitment to affirmative action, diversity and inclusion
- Support for community nonprofits addressing issues related to poverty
- In 2019, Perdue Foundation awarded \$331,000 in grants to fight hunger and poverty



## 2. Zero Hunger

- Economic opportunities in rural communities
- Feeding America Mission Partner and support for hunger relief efforts
- In 2019, donated 4.5 million pounds of protein to Feeding America
- In 2019, Perdue Foundation awarded \$331,000 in grants to fight hunger and poverty
- In 2019, donated more than 500,000 pounds to food banks to support disaster relief



## 3. Good Health and Well-Being

- Voluntary associate Health Improvement Program with 81% participation
- On-site Wellness Centers with \$0 co-pay
- Healthier product choices
- Support for community nonprofit health agencies

- In 2019, Perdue Foundation awarded \$218,00 in grants for healthcare and related services



## 4. Quality Education

- Associate tuition reimbursement
- Support for local schools and educational programs
- In 2019, Perdue Foundation awarded \$144,810 in grants for education and literacy programs, \$100,00 in scholarships and \$193,804 for social and mentoring programs



## 5. Gender Equality

- Commitment to equal opportunity, diversity, inclusion and affirmative action
- Strong policy against any form of discrimination, harassment or abuse
- 3 female senior leaders report to the CEO
- Offer associate resource group Perdue Organization for Women
- Recognized by 2020 Women on Boards for leadership in gender diversity
- Women comprise more than 50% of Board
- Held first Day of Understanding with CEO Action for Diversity and Inclusion



## 6. Clean Water and Sanitation

- Goal of 25% reduction in potable water use by 2022\*
- 2022 goal of 25% reduction of potable water use\*
- Planet Scorecard includes audit and compliance scores and annual goals to reduce water usage
- Annual environmental audits of wastewater pre-treatment and treatment facilities

- GEMI local water tool for water risk assessments at all our large facilities



## 7. Affordable and Clean Energy

- 2022 goal of 30% reduction of scope 1 and 2 carbon equivalent emissions\*
- Planet Scorecard sets annual goals to reduce fossil fuel and electricity usage
- Two solar farms producing 2.8 MW of renewable energy
- Methane from Cromwell, Ky., anaerobic lagoon produces electricity, reducing CO2e emissions by approximately 100,000 tons
- Cogeneration plant uses biomass to produce steam for our Cofield, N.C. feed mill
- Soybean crushing plant in Bainbridge, PA. taps existing Lancaster County Solid Waste Management Authority waste to-energy and reduces transportation miles to reduce greenhouse gas emissions by 72%



## 8. Decent Work and Economic Growth

- Safe, productive and rewarding work environment
- Treating associates with dignity and respect
- Opportunities for economic advancement



## 9. Industry, Innovation and Infrastructure

- In 2019, invested more than \$65 million in major facility expansions and technology enhancements."



## UN SDG Alignment FY2020 Company Stewardship Report



### 10. Reduced Inequalities

- Competitive wages and benefits

- Opportunities for advancement
- Economic investment in rural communities



### 11. Sustainable Cities and Communities

- Responsibly

contributing to the economic development of our communities

- Feeding America Mission Partner and support for hunger relief efforts
- Food donations following natural disasters
- In 2019, donated \$10,000 to disaster relief through local American Red Cross chapters
- In 2019, donated more than 500,000 pounds to food banks to support disaster relief
- Energy and water reduction efforts, environmental compliance efforts
- Associate volunteer hours for community projects
- In 2019, Perdue Foundation awarded \$1.364 million in grants to 93 non-profit organizations, including \$189,400 for community improvement and public safety



### 12. Responsible Consumption and Production

- Commitment to

environmentally responsible practices

- Transparent and informative labeling and marketing
- Third-party verifications, certifications and USDA Process Verified Programs



### 13. Climate Action

- 2022 goal of 30% reduction of scope 1 and 2 carbon

equivalent emissions\*

- Planet Scorecard with annual goals to reduce fossil fuel and electricity usage
- Two solar farms producing 2.8 MW of renewable energy
- Methane from Cromwell, Ky., anaerobic lagoon produces electricity, reducing CO2e emissions by approximately 100,000 tons
- Cogeneration plant uses biomass to produce steam for our Cofield, N.C. feed mill
- Lewiston, N.C. harvest operation is GreenCircle Zero Waste to Landfill certified
- Founding member of Penn State University Smeal Center for the Business of Sustainability



### 14. Life Below Water

- 2022 goal of 25% reduction

of potable water use\*

- Planet Scorecard with annual goals to reduce water usage
- Jim Perdue is the Chairman of the Board of the Oyster Recovery Partnership
- Completed 10th year of bagging oyster shell and spat for Oyster Recovery Partnership. More than 500 Perdue associates have bagged enough shells to plant 25 million young to rebuild local oyster populations
- Provided monetary and volunteer support for Alliance for Chesapeake Bay Project Clean Stream for 12 years. More than 7,000 Perdue Associates have volunteered and removed in excess of 506,000 pounds of trash from local streams and planted more than 4,100 trees
- Salmon-Safe certification for Draper Valley Farms operations



### 15. Life on Land

- Provided monetary and volunteer support for Alliance

for Chesapeake Bay Project Clean Stream for 12 years. More than 7,000 Perdue Associates have volunteered and removed in excess of 506,000 pounds of trash from local streams and planted more than 4,100 trees

- 2022 goal to divert more than 90% of our solid waste\*
- Environmentally responsible practices
- Member Roundtable on Sustainable Palm Oil
- Agronomy services and products to promote healthy soils
- Support for land conservancies
- In 2019, Perdue Foundation awarded \$177,000 in grants for environmental and agricultural programs



### 16. Peace, Justice and Strong Institutions

- Commitment to diversity and inclusion



### 17. Partnerships for the Goals

- Developing and expanding relationships with NGOs and advocacy groups
- Work with multiple stakeholders to identify shared goals

\*2015 baseline year compared to CY2019



***Perdue Farms***

PO Box 1537  
31149 Old Ocean City Road  
Salisbury, MD. 21802

***Corporate.PerdueFarms.com***

