



# 2020 SUSTAINABILITY REPORT

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## INTRODUCTION

*We are committed to improving the lives of the people who reside in communities where we operate, serving our employees and sustaining the air, water and land we rely on to produce wholesome pork.*

Seaboard Foods operates in a sustainable, responsible manner which considers the social, economic, cultural and environmental impact of our practices. Because operating sustainably is more than ensuring the health of our environment, it is a concept that the land, air, water, animals, employees and community relate to and affect each other. We operate responsibly because it is the right thing to do. We consider our actions along the connected food system and how we affect the world around us.

We fulfill our mission to produce the most sought-after pork products for our customers, while unleashing the competitive advantage of our unique food system that connects our farms and family tables around the world.

Through our commitment to being a responsible corporate citizen, we are constantly improving our practices and processes to deliver quality pork across the world in a sustainable manner. In this report, we demonstrate our actions for 2020.



## SUSTAINABILITY Highlights

Headquartered in Merriam, Kansas, Seaboard Foods is part of the Prairie Fresh® connected food system operating in five states – Oklahoma, Kansas, Texas, Colorado and Iowa. As part of the connected food system, we strictly control every aspect of pork production to ensure consistent, quality pork products. We do this by owning and controlling the feed mills to ensure our pigs receive a healthy blend of nourishment.

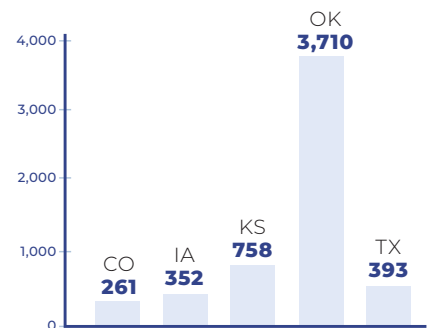
We control the farms where our pigs are safely and humanely raised in a comfortable environment. We market and sell fresh pork from our processing plant in Guymon, Oklahoma, as well as our connected food system partners' plants in St. Joseph, Mo., and Sioux City, Iowa. This report represents Seaboard Foods' operations contributions to the Prairie Fresh® connected food system in 2020.

## By the 2020 numbers



**5,403**  
**pork loving**  
employees work for us  
across 5 states

Number of Employees by State



**233**  
employees work  
in our  
**corporate office**



**2,644**  
employees in our  
Guymon, Okla.,  
pork processing plant



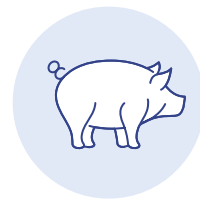
**2,489** hourly  
**155** salaried  
processing plant employees



**2,526**  
employees work in farm operations



**1,987** hourly and  
**539** salaried farm  
operations employees



**7.2 million**  
market hogs produced annually



**340,000** Sows Owned  
**903** Company-Owned Farms



**2.1 million tons**  
of corn, sorghum and wheat  
**purchased annually**



**\$1.7 billion**  
in sales from  
**Seaboard Foods operations**  
(Excluding Seaboard Energy)



## COMMUNITY

# Caring, responding and giving in a pandemic

The year 2020 was unprecedented. The country faced a global pandemic that brought with it record-setting economic and societal changes worldwide, yet we confronted the challenges head-on and excelled in a truly monumental way.

Restaurants were impacted as many were forced to limit their service hours or capacity, while others found creative solutions by offering meals curbside.

Grocery stores were pushed to their limit, and their employees became essential workers critical to the infrastructure of the country's operations. Their meat counters worked overtime to fulfill the high demand for protein from families forced to cook more meals at home.





“ As a company, it was the right thing to do. Most of these folks were neighbors or family members of employees. ”

The COVID-19 crisis changed our economy, society and communities. The pandemic also affected how we give back. Being the largest disaster in recent times, the pandemic caused people and companies to contribute more than ever to food banks and health-related causes.<sup>1</sup>

Seaboard Foods was no different. We remained committed to supporting those in need in the communities where we operate – and where our employees live and raise their families.

With so many people in need, Seaboard Foods' Community Relations Manager David Watkins, in Guymon, Okla., saw the opportunity to support

essential workers and families struggling in communities where we operate. He and a team of Seaboard Foods employees created a plan to partner with area restaurants, also reeling from the shutdown, by paying them to cook and package meals for donations in communities during the pandemic.

Within a two-month period, Seaboard Foods donated 45,000 servings of pork to first responders, police, hospitals and clinics, providing them with nourishing meals during long and difficult work shifts.

Seaboard Foods also donated product to local food banks, seeing the demand for food donations double during this time.

By June, Seaboard Foods donated 118,319 pounds – or 352,368 servings to over 3,500 firefighters, police, and healthcare employees, schools and food banks in 32 rural communities in five states.

Watkins added, “As a company, it was the right thing to do. Most of these folks were neighbors or family members of employees. It gave us an opportunity to continue being a strong community partner.”

In addition, the company contributed \$5,250 in school supplies to rural schools and families forced to educate their children virtually at home. Seaboard Foods also provided 500 PPE suits, 1,400 N95 masks, medical gloves and hand sanitizers to rural medical clinics and small hospitals.





Courtesy: Operation BBQ Relief.

## Serving up support

Seaboard Foods is committed to supporting the communities where our employees live and raise their families. We strive to be good neighbors by actively funding and supporting charitable efforts where we have operations.

In the face of the pandemic, our commitment did not change as our employees were on the front line. We saw first responders, healthcare workers, veterans and families stretched to their breaking point, and we contributed pork to provide warm meals through our brand Prairie Fresh® charity Operation BBQ Relief.

In March 2020, Operation BBQ Relief deployed in the Kansas City metropolitan area to serve hot barbecue meals in response to the COVID-19 pandemic. Through June, Prairie Fresh® contributed 215,877 lbs. of pork valued at \$462,000 to Operation BBQ Relief, which provided 679,652 warm meals to those on the front lines of the pandemic, Hurricane Laura, the derecho in Cedar Rapids, Iowa, and other natural disasters.

Courtesy: Operation BBQ Relief.





## COMMUNITY

# Giving begins at home. Enriching our communities.

We are committed to serving our hometowns by doing our part to support local charities and organizations. From feeding first responders to supporting local high school sports teams, we contribute to the hometowns where our employees live, play and work.

We are proud of our efforts and our employees' dedication to helping their communities and making where we operate fulfilling places to live.

Our employees volunteer with local schools, religious clubs and charities and are taking a vested interest in helping their neighborhood and communities thrive. Others accept local civic and government leadership roles, while others become members of business organizations.

They honor the vast cultures of their fellow team members by volunteering for community festivals like "Fiesta Day" and "Pangaea." Employees support families and members of our community through youth agricultural programs, vocational training and scholarship opportunities.

From our farms to the community, our food brings comfort and nourishment when and where people have business operations. This gives us a sense of pride and purpose.



**482,480**  
tons of grain purchased  
from local farmers

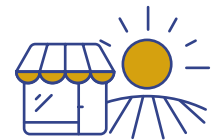
**\$55,000**

in scholarships  
awarded to **55** students



**\$799,000**  
in financial and product  
donations to charitable causes

We work with 318 contract  
farmers in Iowa to raise and  
care for our market pigs,  
providing opportunities for  
their families and communities



Conducted **113**  
community events



**1,350** hours  
of volunteering

## Serving Our Communities



**\$20,000**

The American Royal  
Scholars Program Donation



**\$10,000**

Animal Agriculture  
Alliance Contribution



**\$336,920**

Guymon Community  
Improvement Donations







## Leading with heart

Bettering the communities where our employees live and raise their families is important to us. We like to say that, at Seaboard Foods, we're a big company with a family feel, largely due to our strong community ties. As a company, we encourage community involvement and activism by our employees, and Sean Livengood, farm operations production manager in Guymon, Oklahoma, took that to heart when he served as mayor from 2019 through spring 2021.

*“... it takes a lot of people to run a town. I think Guymon is going in the right direction.”*

In 2010, Livengood traded the hustle and bustle of the Southern California lifestyle for the quaint, rural community of Guymon. He never looked back, and the community is grateful. During his term as



mayor, he and the council sustained their vision of continuously cultivating the city and inevitably improving quality of life for its residents.

“I want people to understand I am another person making a difference in the community. Nobody is above anything; it takes a lot of people to run a town. I think Guymon is going in the right direction,” he said.

With the support of family, friends and city council, along with a tenured city manager and task forces, Livengood sought an uplifting change for the community by focusing on the newly constructed turf grass soccer complex. Livengood continued with plans to revitalize the city's roads, maintain a high standard for the city's golf course, increase the capacity of clean water, along with other water projects, and support the blue with renovations to their police station.

We are proud of Livengood's community betterment initiatives and we are thankful for his, and so many other people's, success in a community leadership role.



## Employees helping others

In 2020, corporate employees voted to support four Kansas City charities.

**\$10,000**



**\$8,500**



**\$8,500**



**\$8,000**





## CUSTOMERS

## Trusted relationships

Everything we do at Seaboard Foods is done with our customers and consumers at home in mind. We carefully control every step to provide the most wholesome, nutritious pork to our customers. We continuously invest in improvements and processes from the farm to beyond the fork to test and to ensure we always provide high-quality pork.

We are committed to being trusted partners and proving consistent and quality value. We foster relationships and listen to our customers' needs every day by asking for their feedback in an annual customer survey.

We back up our commitment to provide quality pork by guaranteeing every pound we sell.



**Total Pork Production**

**1.427 billion**

pounds of wholesome, delicious pork produced at our Guymon, Okla., plant



**Our customers represent**

**35 countries**

around the world





## EMPLOYEES

# Leading with our people

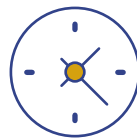
Our responsibility to sustainability begins with each of our more than 5,000 employees who are the foundation of our success. We know by cultivating a culture of respect among employees, compensating them fairly and providing training and ongoing education that they are more fulfilled in their jobs and have a better sense of well-being at the workplace. Because of this, they are proud to produce the wholesome pork

served at dinner tables around the world.

We foster a culture that allows employees to bring their experiences to the workplace and provide input to help improve processes. We value each of our team members and support everyone from the pig farmer providing a healthy environment to the plant worker on the line.



We contributed  
**\$40,168,700**  
million in salaries



Hourly employees are paid an average of  
**\$19.14 an hour**  
**\$3 more an hour than industry average**



**90%**  
of hourly positions, and nearly  
**59%**  
of managers are  
**women and minorities.**

**40.98%**  
of our open jobs are  
**filled by current employees**



The average tenure of our  
senior management is  
**13.8 years**



**Catherine Kavianian**  
*Farm Manager*

“Animal care is more than just the basics of the job, but genuinely caring for the animal's life and well-being. It's about going out of the way to make sure that animals can have the best possible situation. Proper care is about doing your best to respect the animal and allow it to live the best life.”



**Arnold Portillo**  
*Live Production Manager*

“We have a partnership of trust with our employees. We provide continuous training and career development opportunities so they can pursue their personal and professional goals. In return, the employees provide us with timely, ethical care of our animals. Our collective success has always been tied together, and that's what makes this partnership work so well.”



**Kaylonni Williams**  
*FQSA Manager*

“Our main priority is to produce wholesome pork by maintaining the strictest safety and quality standards. We take food safety seriously and follow industry standards to make sure we continue to produce the best product possible.”

## A focus on safety



### Safety is key

Our employees experience much less time away from work due to injury than the national average

#### Lost Time Incident Rate Processing Plant



Below national average

#### Farms Lost Time Incident Rate\*



Below national average  
of 2.20

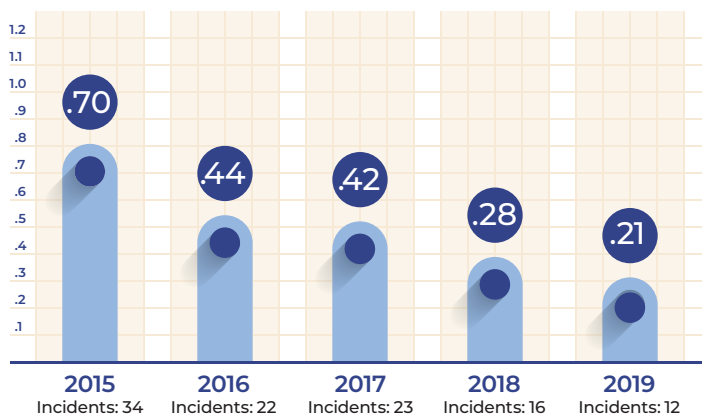
#### Total Recordable Incident Rate Processing Plant



Below national average of 4.3



#### LTIR: Incident Rate



**6**

**Lost Time Plant Injuries**  
at our Guymon, Okla.,  
processing plant

**23**

**Lost Time Farm Injuries**  
at our company  
owned farms



\*Lost Time Incident Rate is a standard OSHA metric that calculates the amount of time missed due to incidents that result in time away from work.







# Leadership to community sustainability

David Watkins wants everyone to know, first and foremost, he is a people person.

"I love meeting new people and being able to share what Seaboard Foods is and what we have to offer. I like staying active and learning how we can help the community," said Watkins, community relations and recruiting support manager.

It's his job to participate and volunteer in his community in Guymon. His job carries over into his personal life as he wears many volunteering hats inside and outside Seaboard Foods.

After hours, Watkins is a Chamber of Commerce member and Chamber Ambassador President. He was also a local rodeo director and served on the Texas County extension council among numerous school board and cultural event committees over his 25 years at Seaboard Foods.

Having a healthy business and cultural community is critical to attracting young people to work at Seaboard Foods. If a community is thriving, employees are more likely to volunteer in the community and, like Watkins, their job satisfaction, professional skill sets and leadership skills improve, furthering their

careers quicker than those who don't volunteer.<sup>1</sup>

The same employees volunteering also tend to stay with a company longer when they are both personally and professionally satisfied.<sup>2</sup> This improves employee retention and creates a more stable community.<sup>3</sup>

"It helps me be a better citizen, board or committee member to bring and share the business methods and processes I've practiced at Seaboard Foods to

improve my city," added Watkins.

**“It helps me be a better citizen, board or committee member to bring and share the business methods and processes I've practiced at Seaboard Foods to improve my city.”**



<sup>1</sup> 2016 Deloitte Impact Survey Report, June 2016, pages 3-4.

<sup>2</sup> ii William D. Eggers, Nate Wong and Kate Cooney, "The purpose-driven professional," Deloitte University Press, September 8, 2015.

<sup>3</sup> ii William D. Eggers, Nate Wong and Kate Cooney, "The purpose-driven professional," Deloitte University Press, September 8, 2015.

## ANIMAL CARE

# Caring for our animals

Seaboard Foods raises pigs to feed families across the world. We know healthy pigs produce safe, nourishing pork. We treat our animals humanely and ensure they are comfortable and cared for properly.

We do this through our comprehensive animal care program – developed and overseen by veterinarians – provides careful health and herd management. Their direction constantly improves animal care like providing needle-free vaccinations and collaborating with nutritionists on customized nutrition plans for every stage of life. In addition, our workers are certified in animal handling and monitor and carry out medical care.

We are audited by a third party for safe and humane practices in our barns and processing plant. According to FACTA, a national leader in animal welfare training and programming, their auditors found

Seaboard Foods' animal care program exemplary quality, and our processing plant scored above satisfactory in animal welfare audits.<sup>1</sup>

By raising healthy pigs we know we produce safe, quality pork. Careful record keeping, health planning and biosecurity protocols ensure a safe and healthy herd, providing customers with safe, affordable food.

**Zero****USDA Noncompliance Records**  
for Animal Welfare**All Farm**animal handlers of six months or longer  
**are TQA Certified\*****100%**of farm animal handlers are  
**PQA Plus certified within 90 days**  
in food safety, animal welfare and  
environmental stewardship\*\*

\*National Pork Board Transport Quality Assurance: <https://www.pork.org/certifications/transport-quality-assurance/>

\*\*National Pork Board Pork Quality Assurance: <https://www.pork.org/certifications/pork-quality-assurance-plus/>

<sup>1</sup>2020 Report on Animal Welfare Policies and Practices." FACTA, LLC. February 20, 2021. Page 7.





Third-party animal welfare random audits found our farms  
***in compliance with animal care and safety swine standards.***



**94/100**

**average score from third-party auditors**

for providing quality care and safe environments for our pigs



**86 farms**

were randomly audited by third-party auditors

**94%**

audit pass rate from third-party auditors



We follow the

**National Pork Board's**

**3-point antibiotic stewardship plan**

for responsible antibiotic use education, research and communication and outreach



## ENVIRONMENT

# Sustainability and resource management

At Seaboard Foods, we go beyond minimizing any negative impact to the land, water and air near our operations. Instead, we continuously seek ways to positively impact our environment. We are truly dedicated to caring and replenishing our environment for the benefit of our animals, employees, business and communities where we operate.

Our commitment begins when our environmental programs determine where to responsibly build and operate farms and plants. Our environmental policies ensure we meet or exceed all requirements, including responsible land stewardship, conservation and reducing or repurposing resources.

We are responsible stewards of the environment through producing alternative fuels, minimizing air emissions, recycling, providing farmers with fertilizer to nourish the soil and crops, and monitoring and conserving the air quality near our operations.

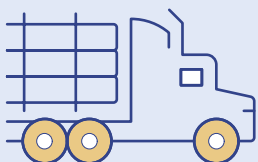


Seaboard Energy, our partner,  
produced enough CNG to fuel

**3,132 trips**  
around the world

Produced enough  
biodiesel energy to power

**6,159 trucks**  
driving 80,000 miles  
a year for one year



**75.8 million**

gallons of biodiesel  
produced by our partner  
**Seaboard Energy**



Our partner, **Seaboard Energy**,  
produced enough biodiesel to power

**19,787 trips**  
around the equator

**100%**

**of our 903 farms found**

environmentally sound and safe places  
to work and raise pigs by internal auditors



**100%**

**of farms were inspected**

by internal auditors for good  
environmental practices



**94.48%**

average score from internal auditors  
**for environmental and  
safety-related issues**



Our partner, **Seaboard Energy**,  
produced enough MMBtus of biogas to

**heat 3,345**  
average American homes for a year



We replaced

**426,989**  
diesel gallons with CNG  
in our farm operations







## A focus on water

In 2018 and 2019, our Iowa farms were hit with historic rainfall. The rainfall caused an additional water burden on our lagoons and deep pits at our farms near Little Rock and Leon. Seaboard Foods' Iowa Operational Support Manager Kevin Sanders saw the rain influx as an opportunity to question how we manage water usage, conserve water and environmentally do our part to control what our farms produce.

As part of our sustainable resource management approach, Sanders sought to measure water inputs at our farms into our lagoons and determine how to manage water usage to maintain the health of our animals.

"This is not a technology-driven process. It's a cost and resource management issue. It's just doing the right thing about efficiency and conservation," said Sanders.

He began conducting monthly audits at two sow farms in knowing that pregnant sows consume the most water and produce the most manure. These farms use water from rural water systems which is paid for every 1,000 gallons of water consumed, and then Seaboard Foods pays again to apply the

“It's just doing the right thing about efficiency and conservation.”

water mixed with nutrients from manure on nearby crop fields.

Early findings identified that water was left running in troughs and lacked efficient controls to keep water from overflowing from the troughs and draining to waste pits. New adjustments and volume control dials saved approximately .7 to 1 gallon per animal per day, which equals 1.3 million gallons per year. Projections equate this to a savings of 2.2 million gallons per year at a cost savings of \$34,000 in water cost and pumping expenses.



**3 gallons of water**  
to produce 1 lb. of pork

## FOOD SAFETY &amp; QUALITY

# An investment in safety

Seaboard Foods' mission is to create the most sought-after pork and to provide safe, quality pork to our customers. It's our responsibility to continuously question processes and analyze how we do things to find even better ways to produce nourishing pork from the farm to beyond the fork. By practicing state-of-the-art farming techniques and efficient processing systems, we support a more sustainable method of production.

Our farms and processing plant exercise rigorous food safety practices with the goal to consistently provide high-quality pork. Our teams undergo third-party and independent audits to assure customers of an extra level of safety and are USDA Process Verified.\* We are confident if there's a better way to create high-quality pork, we are doing it.



We produce delicious,  
safe pork with  
**ZERO**  
product recalls in 2020.



**100%**  
of our processing plants are  
**SQF Level 2 certified**  
for food safety management  
to produce wholesome pork

\*The plant is verified by the USDA's Process Verified Program for source verification, meat quality and animal handling.  
<https://www.ams.usda.gov/services/auditing/process-verified-programs>







## Modernizing processing plant offers a more sustainable future

When the Guymon plant started production in 1996, sales increased pushing production to quickly exceed the plant's original footprint. In 2020, we completed renovations to our processing plant to boost efficiency and increase storage space, all while improving safety standards and the increasing demand for quality pork products.

### The multi-year and multi-phase expansion project includes:

- Six additional cooler bays
- New ammonia system
- New engine room
- Freezer space
- Amplified storage for boxes
- Larger stockyards area, or holding pens for live pigs
- SNAP Chill, which is a technology that will quickly chill the carcasses before they go into a cooling bay, decreasing shrink while maintaining quality
- Several robots to maximize precision and product quality, while reducing 54 jobs and employee injury risk

The expansion and the investment of several robots allows us to use scanning technology and parameters to precisely cut pork for our customers. Additionally, robots complete the most physically demanding tasks more efficiently and allows us to re-allocate employees to other value-added positions.

As we continue to serve the most sought-after pork products to families around the world, we take pride in our innovation and technology we utilize every day. This expansion project is a milestone in Seaboard Foods' short history, and our employees in several different teams have been assets to the development of this state-of-the-art project.



## Investment in the future

**\$40 million**

in capital investments  
**increasing food safety**  
and reducing recall expenditures

**\$1.2 million**

in safe product  
**oversight**

**100%**

compliant in animal welfare  
**practices and programs**

Guymon plant received

**96%**

**score in SQF audit**



**FOR MORE INFORMATION:**

[seaboardfoods.com](http://seaboardfoods.com)

(913) 261-2600