

SANDERSON FARMS, INC. HUMAN RIGHTS STATEMENT

Background

Respect for the inherent dignity, equality and worth of every human being has been a core value at Sanderson Farms since our founding in 1947. This principle is the cornerstone of our company Vision, which calls upon our team to treat all persons with absolute respect and integrity and to be devoted to the success of everyone in our organization in fulfilling their potential in all aspects of life.

In 1969, we adopted a written Statement of Philosophy, which affirms our respect for human rights and the individual dignity and worth of all persons. The document states our commitment to respecting the rights of our employees before we can expect the performance from them needed to achieve our high standards. It also requires respect for the rights of our contract producers, our communities, our customers and society at large, as well as for the environment.

Our Vision and our Statement of Philosophy continue to be the driving force behind everything we do at Sanderson Farms. They are supplemented by our [Corporate Code of Conduct](#), which holds our directors, officers and employees to the highest standards of lawful and ethical behavior. These documents compel us to pursue the fair and equitable treatment of all people, including all people associated with our company. The values they articulate are integral to our corporate culture, which we believe is a key reason for our success.

Our Commitment to Human Rights

Our board of directors and the executive committee of our management team are adopting this Human Rights Statement to incorporate and build upon the principles of our Vision and Statement of Philosophy. This Statement is intended to meet the framework of the [United Nations Guiding Principles on Business and Human Rights](#). All our operational, workplace and other company policies must be interpreted and implemented in accordance with this Statement.

We recognize our responsibility for, and are committed to, the total respect of internationally recognized human rights, as expressed by the [Universal Declaration of Human Rights](#) and the principles concerning fundamental rights set forth in the International Labor Organization's [Declaration on Fundamental Principles and Rights at Work](#). These include the right to freedom of association and collective bargaining. We have a responsibility to avoid causing or contributing to adverse human rights impacts through our activities; to seek to prevent or mitigate such impacts that are directly linked to our operations or products by our business relationships; and to take appropriate action, which may include remediation, when such impacts occur.

We expect every member of our team to respect these rights. We also expect our contract producers, suppliers and other business partners to adhere to the principles expressed in this Statement.

Our Human Rights Due Diligence and On-Going Assessment Processes

Our primary activity that could impact human rights is the execution of our greenfield expansion strategy. Since 1992, we have built eight new poultry complexes, more than tripling our production capacity and operational footprint. Each time we build a new complex, we perform extensive due diligence that includes an assessment of the complex's impact on human rights.

A primary objective of our due diligence process is to identify a potential site where our presence in the community will be sustainable for the long term and where we can elevate the *existing* employment base. Our development team, which is composed of environmental, civil, mechanical and industrial engineers and other experts, conducts an extensive dialogue lasting up to a year with local officials, community and business leaders and other stakeholders to assess whether our presence in the community will be mutually beneficial and not cause harm.

We emphatically do not want to locate new complexes in communities with insufficient available labor where we would have to depend on attracting employees from outside the community. This could have extremely negative consequences both for us and the community, including the possibility of overwhelming the community's medical, educational, housing and transportation infrastructure. We also do not locate in communities that will need to develop new infrastructure to accommodate us.

Accordingly, we carefully study the community and local services surrounding the sites we are considering and spend time on the ground assessing whether our presence will be positive for the area. We also do not want to establish operations in local communities that are not representative of the regional community generally. This may indicate that the local community is inhospitable to certain segments of the U.S. population.

We also perform extensive environmental due diligence to ensure that the natural resources we will use are not stressed or marginal and are abundant enough to sustain our complex and our contract farms for the long term. We are committed to ensuring that our operations and those of our contract farms will have as minimal an impact on the environment as possible. It is not sufficient for us to comply with regulatory bare minimums. Because we plan to be a member of the community for the long term, we choose communities where we can minimize our environmental impact as much as possible to allow for possible future environmental changes.

We also apply what we have learned from past events. Because of our greenfield expansion and the relatively young age of our complexes, we were better able than our competitors to protect our people from COVID-19. We are also committed to incorporating what we have learned

during the pandemic in building our future complexes. We are already considering how we would re-design our next complex to allow for greater social distancing and other measures that will reduce the chance of disease transmission.

In addition to conducting due diligence to support our growth, our management executive committee, with the oversight of our board of directors, also continuously assesses the human rights impact of our on-going, day-to-day operations and activities. This on-going assessment is part of our enterprise risk management and compliance functions. The key risk areas we monitor include, among others:

- discrimination and harassment
- diversity and inclusion
- workplace safety, including the need for personal protective equipment, and the overall health of our workforce
- fair and equitable pay and benefits practices, including access to comprehensive, affordable health insurance and retirement planning
- the needs of the significant number of our employees who do not speak English
- workplace training and personal and professional development opportunities
- the safety of our products for consumers
- the effect of our operations and our contract farms on the environment, and attention to sustainable environmental practices
- how we treat and support our contract producers

Our continuous human rights assessment process requires us to consult on an on-going basis with our stakeholders, and it is our responsibility to look for ways to increase and improve these avenues of communication. For example, we have several processes through which we seek our employees' input or they can make their voices heard. We also have an on-going dialogue with our contract producers about their needs and how we can help them run a successful business.

Where we lack leverage in addressing an impact, we collaborate with others to promote improvements. For example, our business is materially dependent upon a relatively small number of feed grain suppliers in the United States. While our ability to directly influence their practices is limited, we are part of several organizations working to promote on-farm conservation and sustainability practices. We also consult with specialists in the areas listed above, such as ergonomists, physicians, workplace safety experts, compensation and benefits consultants, hydrologists and other environmental scientists, to name a few, so that we can continuously consider new and improved ways of addressing the human rights impacts of our business.