

Racial Equity Audit 2022 - Tyson Foods, Inc.

Resolved: Shareholders request that the Board of Directors commission and publicly disclose the findings of an independent racial equity audit, analyzing if, and how, Tyson's policies and practices discriminate against or disparately impact communities of color. The report should clearly identify, and recommend steps to eliminate, business activities that further systemic racism, threaten civil rights, or present barriers to diversity, equity, and inclusion (DEI). Input from impacted workers, customers, community members, or other relevant stakeholders should inform the audit and report. The report should exclude information relevant to any pending legal proceeding or threatened proceeding of which Tyson has notice.

Whereas: Racial inequity is a systemic risk that threatens society and the economy.¹ Companies that fail to correct policies and practices deemed to be racist, discriminatory, or furthering inequities face legal, financial, reputational, and human capital management risks. Companies that are committed to advancing racial justice and fostering DEI throughout the business benefit from stronger performance, employee satisfaction, innovation, positive social impact, and more.²

While Tyson has a DEI commitment, it has a history of business practices that further racial inequity. For example, it was widely reported that Tyson's frontline workers of color experienced disparate impacts of the COVID-19 pandemic.³ A coalition of worker and food justice groups filed an administrative complaint with the U.S. Department of Agriculture alleging that the Company's failure to prevent coronavirus outbreaks among largely Black and Latinx workers amounted to racial discrimination in violation of Title VI of the Civil Rights Act of 1964.⁴

Racial harassment has also been reported in Tyson plants. In April 2021, two former employees of the Tyson Farms chicken plant in Wilkesboro, NC who were repeatedly called racial slurs by a manager over a period of four years accused Tyson of violating the Civil Rights Act.⁵

Tyson's workforce is very diverse; however, there are racial disparities between hourly and salaried employees. 72.32% of Tyson's salaried employees are white, suggesting that workers of color may not have equitable opportunities to advance to the better paying, more senior-level positions within the Company.⁶ Racial diversity on Tyson's board is also limited, with only two out of 14 directorships held by people of color.⁷

¹ <https://www.spglobal.com/marketintelligence/en/news-insights/latest-news-headlines/racial-inequity-a-systemic-risk-8211-state-street-global-advisors-ceo-62047105>

² <https://www.forbes.com/sites/forbeshumanresourcescouncil/2021/05/19/15-key-benefits-of-dei-to-communicate-with-team-members/?sh=78cbb835195c>

³ <https://www.theguardian.com/world/2020/may/02/meat-plant-workers-us-coronavirus-war>

⁴ <https://thecounter.org/poultry-worker-groups-tyson-jobs-covid-19-civil-rights/>

⁵ <https://www.charlotteobserver.com/news/state/north-carolina/article252878453.html>

⁶ <https://www.tysonustainability.com/people/employees/inclusion-and-diversity>

⁷ <https://www.tysonfoods.com/who-we-are/our-people/leadership>

A growing number of major public companies and institutional investors are recognizing the benefits of conducting racial equity audits.⁸ In the food and beverage sector, Starbucks published a Civil Rights Assessment in 2021 following controversies around implicit racial bias.⁹ Similar assessments have also been published by Facebook and Airbnb.¹⁰ Shareholder proposals on racial equity audits are seeing increasing support, including 44% shareholder support at Amazon and 40% at JPMorgan Chase in 2021.¹¹

A racial equity audit would help Tyson identify, prioritize, remedy, and avoid adverse impacts on communities of color. We urge Tyson to assess its behavior through a racial equity lens to obtain a complete picture of how it contributes to, and could help dismantle, systemic racism.

⁸ <https://www.socinvestmentgroup.com/critical-tool-for-shareholders>

⁹ <https://stories.starbucks.com/uploads/2021/03/Starbucks-2021-Civil-Rights-Assessment.pdf>

¹⁰ <https://about.fb.com/wp-content/uploads/2020/07/Civil-Rights-Audit-Final-Report.pdf> ;
https://blog.atairbnb.com/wp-content/uploads/2016/09/REPORT_Airbnbs-Work-to-Fight-Discrimination-and-Build-Inclusion.pdf

¹¹ <https://www.corporatesecretary.com/articles/shareholders/32599/amazon-sees-significant-support-racial-equity-audit-proposal> ; <https://www.corporatesecretary.com/articles/shareholders/32590/almost-40-percent-support-jpmorgan-chase-racial-equity-audit>