

# Culture of Sustainability

Cal-Maine Foods | FY2022 Sustainability Report

## By the Numbers – FY2022

COLLEAGUES  
**2,985**

YEAR FOUNDED  
**1957**



U.S. EGG  
CONSUMPTION  
**5.4**  
PERSON/WEEK  
CY2021 & CY2022

FEED WAS  
**61.9%**  
OF FARM  
PRODUCTION  
COSTS

### FACILITIES OWNED AND LEASED

Breeding facilities:	3	Processing and packaging:	43
Distribution centers:	4	Pullet facilities:	28
Feed mills:	25	Shell egg production:	42
Hatcheries:	2	Egg products processing facilities:	2

**28,000**

ACRES OF LAND OWNED

**1,084M**

DOZEN FRESH SHELL EGGS SOLD

**\$1.78B**

NET SALES

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## Letter from the President

We are pleased to present Cal-Maine Foods' **Fiscal Year 2022 Sustainability Report**, which details our ongoing commitment to our key sustainability tenets and our continued progress in promoting sustainable egg production.

### **Commitment to Values**

We are proud of Cal-Maine Foods' rich agricultural heritage and the values that have defined our business for more than six decades. Responsible leadership and reliable choices are fundamental to our growth strategy, are deeply rooted in our culture and values and will continue to shape our future. As a leader in our industry, we are committed to managing our operations in an efficient and sustainable manner while also protecting our vital resources and the welfare of the animals under our care.

Cal-Maine Foods has demonstrated a long history of impressive profitable growth and operational excellence. Our success, however, is measured not only by profits and growth. We believe our success is measured, too, by the values we hold, how we treat each other, how we uphold the standards of our production processes and the quality of the shell egg products we provide to our customers. Our commitment to our values

extends all the way up to our Board of Directors, a group of leaders that is committed to following strong corporate governance principles.

### **Commitment to People**

We recognize that our colleagues are our most important asset, and our success – throughout our history and into the future – is due to the collective efforts of everyone at our company, from our Board of Directors and management to each member of the team throughout our operations. Because people are what matter most, we remain committed to maintaining a diverse, equitable and inclusive workplace.

### **Commitment to the Environment**

Our responsibility to uphold the standards of our production processes includes optimizing our operations by using fewer natural resources, reducing our energy consumption, minimizing product packaging and reducing costs associated with delivering our products. In this report, we highlight our ongoing efforts to reduce our environmental impact. For example, this year we began using the World Resources Institute and the World Business Council for Sustainable Development Greenhouse Gas (GHG) Protocol internally to measure and help manage the GHG emissions from our operations and value chain. We plan to use this initial benchmark to set measurable goals, and we anticipate reporting on our progress going forward.

In January 2023, we announced plans to install a 28-acre direct current solar array at our facility in Searcy, Arkansas, which, if approved by regulatory authorities, would lessen the facility's reliance on the electrical grid and reduce its GHG emissions.

### **Commitment to Animals**

As an integrated producer of fresh shell eggs, the sustainability and safety of our flocks is critical to our ability to provide safe, high-quality products. We are proud of our leading Animal Welfare Program, established in alignment with regulatory, veterinary and industry-recognized certifications. We remain vigilant in monitoring the current epidemic of highly pathogenic avian influenza and have invested substantial capital and management resources in our biosecurity measures with strict protocols across all locations and facilities for the purpose of protecting our flocks.

### **Commitment to the Future**

We understand our actions and decisions today have a lasting impact on the planet. We encourage our colleagues across our operations to incorporate sustainability practices in their everyday work and to continue innovating in a responsible way. We embrace a "Culture of Sustainability" that extends beyond our company and strengthens our connections to our customers, communities and other stakeholders.



WE WORK HARD EVERY DAY TO EARN THE TRUST OF OUR VALUED CUSTOMERS, THE CONSUMERS WHO PURCHASE OUR EGGS AND THE PEOPLE WHO LIVE AND WORK IN THE COMMUNITIES WHERE WE OPERATE.

WE ARE PROUD OF CAL-MAINE FOODS' MISSION TO SERVE AS THE MOST RELIABLE AND SUSTAINABLE PROVIDER OF CONSISTENT, HIGH QUALITY FRESH SHELL EGGS AND EGG PRODUCTS IN THE U.S. WE COMMEND OUR EXCEPTIONAL TEAM WHO SHARE A COMMITMENT TO THIS MISSION AND PROVIDE US WITH GREAT CONFIDENCE IN OUR FUTURE.

WE LOOK FORWARD TO SHARING OUR PROGRESS IN FUTURE REPORTS.

**Sherman Miller**

*President and Chief Executive Officer*

## Our People

**Cal-Maine Foods** has produced fresh shell eggs and egg products that have helped feed people for more than **60 years**.

We have grown into the largest U.S. provider of fresh shells eggs largely because our colleagues have continued to offer their time and talents to feed a growing global population. We are proud to employ individuals who are dedicated to egg production, processing, marketing, feed mill operations and administration across 16 states.

As of May 28, 2022, we had 2,985 colleagues, of whom 2,346 worked in egg production, processing and marketing, 197 worked in feed mill operations and 442 were administrative colleagues. To attract candidates, we are proud to offer high-quality employment opportunities.

*In fiscal year 2022, our hourly colleagues' average weekly wages surpassed poultry and egg production industry average weekly wages by approximately 5.5%.*

We strive to maintain a competitive benefits package and believe our genuine, family-oriented culture is an advantage. We believe in the value of investing in our colleagues to help them succeed as individuals while contributing to the short- and long-term goals of our organization. Under 5% of our colleagues are part-time. We utilize temporary employment agencies and independent contractors to augment our staffing needs when necessary. For fiscal year 2022, the average monthly full-time equivalent for contingent works was 1,046.



### Diversity and Inclusion

At Cal-Maine Foods, we value diversity and inclusion in our workplace and prohibit any violation of federal, state or local law regarding employment discrimination. As shown in the following table, Cal-Maine Foods exceeds the Bureau of Labor Statistics' (BLS) averages regarding race and gender for persons employed in the animal production and aquaculture industry.

**CAL-MAINE FOODS  
DIVERSITY AND REPRESENTATION**

	2020	2021	2022
<b>Cal-Maine Foods racial diversity as of FYE</b>			
White	46.8%	47.6%	47.7%
Black	9.8%	8.8%	8.5%
Hispanic	42.2%	42.4%	42.5%
Other	1.2%	1.2%	1.2%

	2020	2021	2022
<b>BLS comp* of racial diversity for CY</b>			
White	92.9%	93.8%	92.1%
Black	3.3%	2.6%	3.3%
Hispanic	17.9%	17.2%	17.8%
Other	0.4%	0.6%	1.1%

	2020	2021	2022
<b>Cal-Maine Foods gender diversity as of FYE</b>			
Male	69.7%	70.5%	70.6%
Female	30.3%	29.5%	29.4%

	2020	2021	2022
<b>BLS comp* gender diversity for CY</b>			
Male	71.9%	70.3%	72.5%
Female	28.1%	29.7%	27.5%

*\*Bureau of Labor Statistics (BLS) data includes individuals who identify jointly and separately with racial groups.*



## Workplace Safety and Health

Cal-Maine Foods has long believed the safety and well-being of our colleagues is top priority. We believe our colleagues should enjoy secure, clean, and healthy workplaces. Our senior management team is responsible for workplace safety and health-related preventative controls, incident reporting and remediation plans. This team also maintains our active progressive enterprise safety plan, which promotes safety and health awareness, sets expectations for our colleagues and oversees our safety and health audits and reporting.

*We invite you to learn more about our workplace safety and health initiatives in our [prior sustainability reports](#) and in our most recent [Annual Report on Form 10-K](#).*



	2020	2021	2022
<b>Cal-Maine Foods total recordable incidents per 200,000 working hours</b>			
Enterprise	3.5%	2.9%	2.8%
<b>Cal-Maine Foods poultry-raising operations NAICS 1123210</b>			
Total Recordable Incidents	3.7%	2.9%	2.8%
Days Away, Restricted or Transferred	2.4%	1.7%	2.0%
Lost workday	1.3%	0.8%	0.9%
<b>Cal-Maine Foods feed mill operations NAICS 311119</b>			
Total Recordable Incidents	2.1%	3.0%	4.1%
Days Away, Restricted or Transferred	2.1%	2.6%	3.6%
Lost workday	1.3%	2.2%	1.8%
<b>Industry poultry-raising operations NAICS 112310</b>			
Total Recordable Incidents		4.9%	5.7%
Days Away, Restricted or Transferred		3.6%	4.2%
Lost workday		2.5%	3.0%
<b>Industry feed mill operations NAICS 311119</b>			
Total Recordable Incidents		3.2%	4.2%
Days Away, Restricted or Transferred		2.1%	2.9%
Lost workday		1.2%	2.0%

*Cal-Maine Foods data is for fiscal year and BLS data is for calendar year.*

Cal-Maine Foods' Total Recordable Incident Rate decreased from fiscal year 2021 to fiscal year 2022 as the number of hours worked from fiscal year 2021 to fiscal year 2022 increased. Cal-Maine Foods' Occupational Safety and Health Administration's (OSHA) recordable incidences as a whole company (NAICS Industry Code 112310 [Shell Egg Production] and 31119 [Animal Feed Manufacturing]) remained unchanged from fiscal year 2021 to fiscal year 2022 with each year experiencing a total of 109 recordable incidences. The Total Recordable Incident Rate in fiscal year 2022, however, saw more incidences of Days Away, Restricted or Transferred Rate cases than fiscal year 2021 but fewer cases of 'other recordables' or what is referred to as medical-only cases. When Cal-Maine Foods' OSHA rates as a whole company (NAICS Industry Code 112310 [Shell Egg Production] and 31119 [Animal Feed Manufacturing]) are compared to peer data for the same industries reported by the BLS, we outperform our industry and remain a leader for keeping our colleagues safe. We seek to remain a leader in workplace safety and health, and we continually strive to make our systems better and more efficient. Cal-Maine has made a five-year investment in a safety and risk management software solution to improve training, inspections, and contractor vetting for our local sites.



### Training

Cal-Maine Foods provides a variety of training to ensure our colleagues have the resources and skills they need to experience successful and fulfilling careers. From new hire training to on-going training required of the whole organization, our modules and focus are broad.

Cal-Maine Foods recognizes the critical importance of our colleagues and of providing an environment where they can learn and develop. Full-time management trainees receive on-the-job mentoring from experienced leaders. This interaction often spans several years as colleagues who demonstrate competency and who desire advancement are granted promotional opportunities. Many colleagues have advanced to leadership positions at the farms as well as our corporate level.

All new colleagues receive training in several areas through our onboarding process. In fiscal year 2022, the company implemented a learning management system that initially has been used for IT security-related training such as fraud avoidance and phishing scams. The company is now exploring expanding the new system to cover other areas such as human resources and risk management.

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*Cal-Maine Foods seeks to enrich the lives of our colleagues by investing in their personal, vocational and professional development.*

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We have a tuition reimbursement program, which is available to eligible participants who receive management approval, to assist colleagues who wish to pursue higher education. In addition, our Corporate Finance and Accounting team offers training for software tools and is planning to expand the offerings in the future.

Upholding safety and health standards across our operating footprint begins with training. Our management teams develop and oversee a training program tailored for each location and the nature of the work performed. Training includes on-site operations, awareness-raising and emergency response procedures and promotes safety outcomes that enhance our enterprise operational resilience.

Safety training is conducted multiple times per month at most of our operations. In fiscal year 2022, Cal-Maine Foods had more than 50 embedded, OSHA 30-hour certified local compliance managers. Each is responsible for overseeing and implementing safety training, engaging in accident and illness recordkeeping and participating in the monthly safety and health committee inspection process.

Our emphasis on training, in addition to our risk management practices, helps promote the highest workplace standards to drive safe behaviors and conditions.



## Quality Food Choices

### BY THE NUMBERS: CAL-MAINE FOODS

#### FRESH SHELL EGG SALES

dozen millions sold each fiscal year

FY20	813.3	255.9	1,069.2
FY21	785.4	287.8	1,073.2
FY22	747.9	335.9	1,083.8

- Conventional Shell Egg Sales
- Specialty Shell Egg Sales

*Cal-Maine Foods is proud to provide high-quality fresh shell eggs that feed American families and continue our commitment to delivering solid sales growth. Learn more in our [prior sustainability reports](#).*



THE 2020–2025 USDA DIETARY GUIDELINES FOR AMERICANS (DGA) RECOGNIZES THE VALUE OF EGG CONSUMPTION AS PART OF A HEALTHY DIET AT EACH STAGE OF LIFE, INCLUDING INFANCY. THE DGA ALSO CONSIDERS AN EGG TO BE A COMPLETE PROTEIN AND A NUTRIENT-DENSE FOOD WHEN PREPARED WITH LITTLE OR NO ADDED SUGARS, SATURATED FAT AND SODIUM.

### Food Safety

Food safety is foundational to our mission. Cal-Maine Foods has a more than a 60-year history as a leading fresh shell egg provider. We have developed and maintained what we believe to be a best-in-class **Safe Quality Food (SQF) Management Program**, which is supervised by our Food Safety Department and regularly reviewed and approved at least annually by our senior management team.

In 2009 we adopted the Safe Quality Food™ certification, the scope of which covers our processing plants and self-produced finished product volumes. We are proud of our ability to meet or exceed SQF standards, and in fiscal years 2020, 2021 and 2022 attained SQF certification at 100% of our processing facilities, which are all the facilities in scope. We also require our contract suppliers to conform to the requirements of this certification.



### SQF Audit Results

In our fiscal year 2022 SQF audit, Cal-Maine Foods had a 0.00 major non-conformance rate. Our minor non-conformance rate was 0.05, which was based on two minor non-conformance instances in 42 audited processing facilities. The company's corrective action rate was 100% for the two minor non-conformance instances, and given that we acted in a timely manner, our SQF auditors accepted our corrective action plans.

### Scaling Our Commitment to Quality Food Choices, Technology and Innovation

Cal-Maine Foods continually invests in resources, processes and technologies to drive food safety and quality outcomes. As part of our investment, **100% of our flocks are certified to National Poultry Improvement Plan (NPIP) standards**, which seek to improve poultry and poultry products. The United States Department of Agriculture Animal and Plant Health Inspection Service governs and administers the poultry improvement plan, which includes a commitment to test and monitor for disease

as part of normal operating processes. We additionally commit resources toward sustaining the American Egg Board, which oversees an Agricultural Marketing Service administered research and promotion program tied to fresh shell egg production.

### Product Traceability and Marketability

Cal-Maine Foods has a vigorous product identification system to help ensure that inputs for our finished eggs are clearly identified at each stage, including receipt, production, processing, packaging, shipping and transportation. We review the effectiveness of our finished product trace systems at least semi-annually with mock recall protocols, which are part of our standard product recall and withdrawal rehearsal and review. Our product recall protocols additionally allow us to identify, segregate and dispose of the potentially affected eggs and engage in stock reconciliation practices. We maintain robust documentation tied to all our finished eggs to help us segregate and identify products with a high degree of accuracy, speed and efficacy.

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*Cal-Maine Foods' finished eggs have not been subject to voluntary or involuntary recalls in fiscal years 2020, 2021 and 2022.*

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### Food Defense

Our Food Defense Program (FDP) is a critical protocol that aids in the protection of our products. To support our FDP, we require regular risk assessments of facilities' functional areas including the perimeter, processing plant entrances, entrances for incoming supplier products, finished product storage and transport and water supply and utilities, among others. We perform these risk assessments to better understand how we can continue to implement and improve operational controls to minimize food safety-related risks. Our functional area risk assessments help us control and limit access to our facilities, protect the integrity of inputs, maintain our storage and transport area security and protect our water supply. Our compliance managers routinely evaluate each facility for conformity with our risk assessment standards to help ensure our commitment to continuous improvement.

## Environmental Stewardship

**Cal-Maine Foods** is committed to managing our operations in an environmentally sustainable way.

We recognize opportunities to continuously improve our environmental stewardship programs, including how we measure carbon emissions, minimize ecological impacts, conserve forests, promote biodiversity, steward water resources, manage waste and implement best-practice environmental management principles. In addition to the updates we provide in this report, we invite you to learn more in our [prior sustainability reports](#).

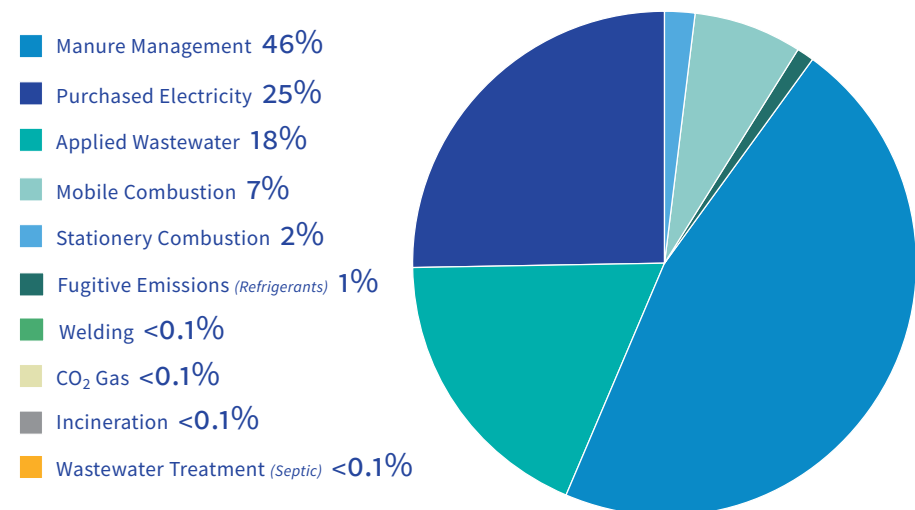
### Emissions

Poultry-raising operations for egg production create GHG emissions tied to mechanical and non-mechanical production sources. Our mechanical GHG emissions include energy combustion, mobile machinery and stationary machinery such as feed mills, refrigeration and air conditioning. Our non-mechanical GHG emissions include manure management and application, land use and composting.

Cal-Maine Foods seeks ways to inventory and manage power consumption. Our primary power source is purchased energy from the grid. We utilize our grid-sourced electric power to support a range of operations across our enterprise including maintaining ambient temperatures and providing water and feed in our animal facilities, processing and storing eggs safely, maintaining our facilities to promote workers' health and safety, managing manure removal and supporting fleet and general operations.

In FY22 and prior years, we lacked a complete inventory of GHG emission sources and data acquisition tools. The data available to us was approximately 35% of the total scope 1 and 2 sources. Therefore, because the data was not complete, we have estimated emission sources for fiscal year 2022 based on preliminary FY23 data. As shown in the chart, we estimate that our scope 1 sources comprise approximately 75% of our estimated total GHG emissions for fiscal year 2023, which are dominated by manure management and applied wastewater. We estimate that scope 2 sources comprise approximately 25% of total emissions. Our current scope 1 and scope 2 GHG emissions estimate for FY23 is 400,429 metric tons CO<sub>2</sub>e. This is based on six months of actuals and then doubled for an annual estimate. Efforts are underway to provide a more complete inventory of our GHG emissions sources, and we anticipate sharing this information in our FY23 sustainability report.

**CAL-MAINE FOODS GHG EMISSIONS  
ANNUAL ESTIMATE BY SOURCE**



**CAL-MAINE FOODS  
TOTAL ENERGY USAGE**

in kWh

374,415,693

FY21

363,144,080

FY22

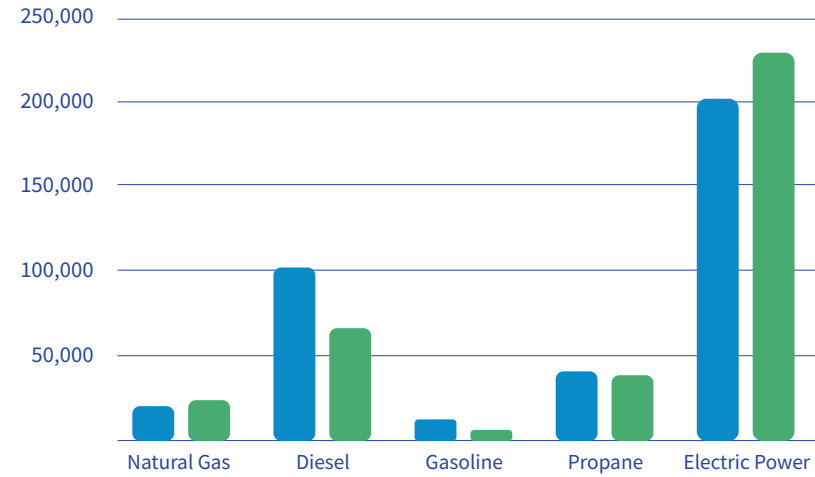
*At this time, we do not purchase any renewable energy. As the renewable energy market continues to evolve and expand, we plan to evaluate opportunities to purchase and incorporate renewable energy into our total energy consumption.*

**YoY VOLUME BY SOURCE**

FY21 - FY22

in kWh

■ FY21 ■ FY22



*These values include approximately 95% of Cal-Maine Foods' total energy sources. We are refining our data collection methods to ensure all sources are included in future reporting efforts.*



### WASTE GENERATION

tons

	FY22 <sup>1</sup>
Waste to Landfills	119,707
Waste Diverted from Landfills	1,665
Recycled Metal	989
<b>Total</b>	<b>122,361</b>

<sup>1</sup> These values include a combination of actual data for 56% of our locations as well as estimates for 44% of our locations that are developing systems to monitor and track their waste generation activities.

*In 2022, we found other uses for 3,461 tons of product that did not meet specific size or condition requirements, ensuring the products were not sent to landfills.*

#### Waste

Cal-Maine Foods is committed to improving how the company's waste is managed. We believe we have opportunities to further reduce waste associated with how we package and transport our products, source the upstream inputs required to preserve the safety and quality of our products and provide administrative, marketing and sales support for our farming operations. We are engaged in a process that will help us better inventory our waste so that we can become more efficient with waste management and continuously improve our sustainability efforts.

One waste stream unique to livestock caretakers is manure. Manure is a valuable resource for agribusinesses, and there is considerable demand for it. In fiscal year 2022, Cal-Maine Foods exported to agribusiness located near our facilities, or in some cases used, 291,562 tons of manure. If manure were added to our waste generation table, the waste diverted from landfills metric would be approximately 75%. In future sustainability reports, we plan to incorporate additional waste streams to show their contribution to our metrics.

### Did you know?

MORE THAN  
**1.45** BILLION GALLONS  
OF WATER WAS USED IN  
FISCAL YEAR 2022



#### Water

Our owned operations engage in municipal and well water withdrawals primarily to promote the health of animals in our care; wash and process our shell eggs; clean our egg processing facilities, feed mills, distribution and administrative offices; provide potable sources for human consumption; provide for sanitation needs across the enterprise; maintain our rolling stock; clean our animal housing systems; and maintain appropriate ambient temperatures in our housing systems that promote our animals' welfare.

We believe that access to clean water to support people's health and well-being is a human right. Cal-Maine Foods is committed to responsible stewardship of water, which is an essential, natural resource. We continue to evolve our water management practices, including withdrawals and discharges. We anticipate reporting additional information about our water management practices, including withdrawals in regions of water stress, in future sustainability reports.

*In fiscal year 2022, we estimate that we used approximately 1.45 billion gallons of water in our operations. We plan to provide additional water data in future reports.*

## Packaging

Cal-Maine Foods packages eggs in a wide variety of methods based on customer preferences. Egg cartons are typically manufactured from pulp, polystyrene (foam) or extruded polyethylene terephthalate (PET).

We have continued to drive the adoption of packaging solutions to help minimize waste. Reusable packaging plays a large role in meeting our waste objectives. We continue to increase our use of reusable packaging, including baskets, racks and containers, which helps us reduce our use of paper, cardboard and fiber.

Reusable packaging also helps reduce food waste due to its ability to add a layer of more rigid protection and its ability to help maintain appropriate ambient temperatures.

In fiscal year 2022, we shipped more than 379 million dozen eggs in reusable plastic containers, baskets or racks.

By using reusable containers, we avoided purchasing, shipping and recycling 25 million pounds of corrugated cardboard, which equates to approximately 25 million boxes.

## Did you know?



IN FISCAL YEAR 2022, WE SHIPPED  
MORE THAN **379** MILLION DOZEN  
EGGS IN REUSABLE PLASTIC  
CONTAINERS, BASKETS OR RACKS.



IN FISCAL YEAR 2022, AT FOUR  
OF OUR FARMS, WE PLANTED  
APPROXIMATELY **89,000**  
TREES ON 147 ACRES.

*From June 2021 to May 2022,  
Cal-Maine Foods achieved the following  
additional environmental savings  
by using CHEP's pooled reusable  
Intermediate Bulk Containers (IBCs)  
compared to single-use alternatives<sup>1</sup>:*

WE OFFSET CO<sub>2</sub>e EMISSIONS OVER  
**205,000** POUNDS,  
THE EQUIVALENT OF 111 ACRES OF  
U.S. FORESTS SEQUESTERING CARBON.

WE REDUCED WASTE BY OVER  
**21,000** POUNDS, WHICH IS THE  
EQUIVALENT OF 4,286 PEOPLE'S WASTE.

<sup>1</sup>Savings based on an environmental calculator  
developed by an external third party using actual  
FY22 Pallecon data and other public sources.

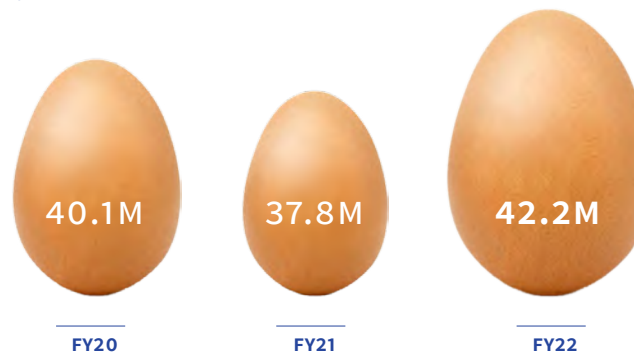


CAL-MAINE FOODS WORKS WITH A COMPANY  
THAT FACILITATES POOLING AND REUSING PALLETS.  
OUR USE OF THESE PALLETS IN FISCAL YEAR 2022  
HELPED US SAVE 383 TREES (WOOD USE REDUCED BY  
168,040 BOARD FEET.) WE ALSO REDUCED OUR CO<sub>2</sub>e  
EMISSIONS BY MORE THAN **9.7** MILLION POUNDS  
AND WASTE BY 956,266 POUNDS.

## Animal Welfare

**Cal-Maine Foods** is committed to upholding the highest animal welfare standards in the industry and believes the success of our Animal Welfare Program can be attributed to the proper animal health management, training programs and clear communications regarding industry welfare standards and our expectations.

**NURTURING OUR FLOCKS**  
**CAL-MAINE FOODS LAYER HENS**  
numbers in millions



*The number of layer hens under our care has grown **11.64%** from FY2021 to FY2022*

### Adhering to Standards

We continue to monitor developing animal welfare standards and encourage our colleagues to actively participate in training that improves our efforts to maintain the highest animal welfare protocols in the industry. In 2022, United Egg Producers (UEP) improved its online portal system to allow egg producers access to the most current animal welfare information, animal welfare training videos and the timely review of third-party audit reports. This helps us to stay up-to-date on current and developing industry welfare standards. In addition, we can review third-

party audit reports, such as those from customers and regulatory agencies, to verify that our welfare program is being continuously and consistently maintained throughout the company.

### Management Oversight

Our senior management team meets annually to review changes to industry welfare policies and to review our third-party animal welfare audit results as part of our animal welfare continuous improvement program. When standards are updated, our corporate compliance team reviews the changes and updates our internal animal

welfare program guidelines, as needed, to meet our goal of maintaining the highest animal welfare standards in the industry. These changes are reviewed internally by everyone affected and then become part of our animal welfare training program.

We believe communication regarding best practices for animal welfare is a shared responsibility from all levels within the company, and our communication reflects management's commitment to achieving this goal. To support our efforts, our Chief Operating Officer is a member of the UEP committee for animal welfare.

### Third-Party Certification

We continue to rely on third-party certification to demonstrate the high value we place on animal welfare standards. **In fiscal year 2022, 100% of our facilities that participated in an external animal welfare audit received certification.** Our animal welfare certifiers include UEP, American Humane and Humane Farm Animal Care. We primarily rely on UEP's Animal Husbandry Guidelines to certify animal welfare practices tied to our conventional and specialty egg-producing operations. Cal-Maine Foods is committed to following best practices regarding animal welfare, and we believe our third-party animal welfare certification audits reflect that commitment.

### Bird Health


We continue to closely monitor the outbreaks of highly pathogenic avian influenza (HPAI), the latest of which was first detected in commercial flocks in the U.S. in February 2022. The U.S. Department of Agriculture (USDA) division of Animal and Plant Health Inspection Service reported that approximately 30.7 million commercial layer hens were depopulated due to the latest HPAI outbreak. Pullet production impacted by HPAI included approximately 1 million birds. We believe the HPAI outbreak will continue to impact the overall supply of eggs until the layer hen flock is fully replenished.

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*While no farm is immune from HPAI, we believe we have implemented and continue to maintain robust biosecurity programs across our locations.*

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We also are working closely with federal, state and local government officials and industry focus groups to mitigate the risk of this and future outbreaks and effectively manage our response, if needed.



FOR ADDITIONAL INFORMATION  
ON OUR APPROACH, TRAINING  
PROGRAMS, POLICY STATEMENTS  
AND OTHER ANIMAL WELFARE TOPICS,  
PLEASE REVIEW EARLIER VERSIONS  
OF OUR [SUSTAINABILITY REPORT](#).

## Community

For more than 60 years, **Cal-Maine Foods** has been supporting the communities in which we live, work and have influence.

Our mission to be the most sustainable and reliable supplier of consistent, high-quality fresh shell eggs and egg products in the U.S. depends on having healthy people and communities where we do business. Our strong culture of commitment to hunger relief, charitable donations, educational support and volunteerism strengthens and supports our local communities.

We believe that corporations have a responsibility to support communities with time, talents and other investments. Our colleagues are essential to the support of our ongoing community engagement initiatives, and we rely on them to help guide our philanthropic and volunteer efforts.

### Giving Back

*In fiscal year 2022, Cal-Maine Foods donated almost 830,000 dozen eggs, with a taxable donation value of more than \$902,000.*

Since fiscal year 2019, we have donated over 5 million dozen fresh shell eggs, or 61 million servings of protein.

In addition to egg donations, Cal-Maine Foods provided almost \$344,000 in financial assistance to charities, local non-profits and community groups in fiscal year 2022. We remain committed to partnering with select nonprofit organizations for multi-year engagements because we believe that longer-term commitments help us optimize our impact. Three community partnerships we continued to support in fiscal year 2022 include:

[Canopy Children's Solutions](#) — \$50,000

[Palmer Home for Children](#) — \$50,000

[Step Up for Students](#) — \$50,000

### Making an Impact

We believe our corporate gifts are most impactful when we engage with nonprofit organizations to better understand their mission and objectives. Our colleagues regularly have conversations with key stakeholders from the nonprofits we support to understand their goals and how we can advance our partnerships.

We are currently developing a tracking system that will allow our almost 3,000 colleagues to log volunteer hours and donations in the communities in which they live.

## Corporate Governance

Strong corporate governance continues to drive **Cal-Maine Foods'** ability to operate our business and create longer-term enterprise value. We continue to develop our environmental, social and governance best practices in a manner that supports our growth objectives.

*We are committed to providing nutritious, high quality food choices and recognize that governance is an essential element of this commitment. Learn more about our governance practices in our [prior sustainability reports](#) and by visiting our [Investor Relations website](#).*

We established a Sustainability Stewardship Council in fiscal year 2021. This Council comprises senior leaders and subject matter experts who are tasked with helping lead the implementation of Cal-Maine Foods' sustainability initiatives, programs and reporting. In fiscal year 2022, the Council continued to advance engagement around diversity, equity and inclusion; the potential impacts of climate change on our business; and our risk management framework, among other sustainability and governance matters. For more information on the environmental, social and governance factors of greatest importance to our company and our stakeholders, we invite you to review the results of materiality assessment as shared in our [FY2021 sustainability report](#).

We are committed to accountability, transparency and ethical behavior and remain conscious of the potential impacts our business may have on the environment, society and our stakeholders. The remainder of this section of our FY2022 sustainability report provides additional information on the primary tenets of Cal-Maine Foods' corporate governance practices.



### Board of Directors

We recognize the important contributions our Board of Directors makes to our enterprise initiatives, including our sustainability journey. Our Board oversees our company and management and provides direction for our sustainability efforts including those related to diversity, equity and inclusion and climate change, as well as other environmental, social and governance topics. Learn more about the diverse skill sets of our Board of Directors in our [FY2021 sustainability report](#).

Along with the global community, our business continued to navigate unusual opportunities and challenges in fiscal year 2022. With oversight from our Board of Directors, our colleagues worked successfully under challenging circumstances to maintain sound financial controls, produce informative and transparent financial reporting and engage in robust risk management. We believe that strong execution in support of our mission to feed people represents our commitment to good governance practices that support operational resilience and our sustainability commitments.

Our enterprise is committed to a diversity of representation, and our strategy and vision benefit from the representation and leadership provided by our majority independent Board of Directors. **Our board comprises 29% of members who self-identify as female and 14% of members who self-identify as a member of an ethnic minority group.**

### Leadership and Executive Compensation

Cal-Maine Foods remains committed to helping ensure that our directors, officers and other colleagues' incentives are aligned with our enterprise's best interests. We seek to compensate our colleagues at a level that appropriately rewards them for their performance, minimizes employee attrition because of compensation deficiencies and enables us to attract best-in-class talent as our business expands. We continue to monitor our compensation arrangements, including our incentive plans, to drive our continued ability to provide high-quality food choices that feed people.

### Stakeholder Engagement

Cal-Maine Foods recognizes the value of participating in sustainability discussions both in the U.S. and around the world. We remain committed to engaging with trade groups, public policymakers and others to advance these important conversations.

Cal-Maine Foods' colleagues represent our company with trade group participation and engagement on industry issues such as protecting human health and well-being in the workplace, sustainable food safety and quality initiatives, climate change risks, water footprint management, waste and toxicity management,

land use impacts, antimicrobial stewardship and animal welfare matters. For example, we have long provided representatives to the U.S. Roundtable for Sustainable Poultry and Eggs. The Roundtable launched its Sustainability Framework in 2022, the first-ever multi-stakeholder sustainability reporting framework for the entire U.S. poultry and egg value chain. As a founding member of the Roundtable, Cal-Maine Foods is currently evaluating how we will reference the Sustainability Framework across our business and value chain.

We also engage with groups such as the International Welfare Poultry Alliance, United Egg Producers and the Environmental Protection Agency Animal Agriculture that hosts focused group discussions on protecting human health and the environment. These are just a few of the stakeholders that Cal-Maine Foods engages with to sustain and enhance our operations, protect the environment and our farms and help nourish our communities.

### Risk Management

Cal-Maine Foods strives to identify, review and monitor all significant risks, including environmental risks, that could harm our poultry, degrade the environment, adversely impact our operating results or damage our reputation as a sustainable egg producer. These and other risks

are reviewed regularly and evaluated as a normal course of business. To learn more about the material risks that can affect our business, please see our most recent [Annual Report on Form 10-K](#).

### Transparency and Reporting

We remain committed to transparency regarding our ability to drive ethical business operations and reporting. If we are subject to material legal or regulatory fines or settlements tied to violations, we disclose the details of such in our Annual Reports on Form 10-K filed with the Securities and Exchange Commission and in other periodic reports.

### Ethics and Integrity

Cal-Maine Foods strives to compete and succeed through superior performance and products, without the use of unethical or illegal practices. We are proud of our strong track record of good governance and corporate controls that seek to instill the highest principles of ethics into our culture. To support this culture, we maintain a robust Code of Ethics and Business Conduct that is overseen by our Board of Directors. This Code is publicly available, and we expect and require our colleagues, including our directors and officers, to adhere to it. The Audit Committee of our Board of Directors oversees our compliance with the ethical standards adopted by Cal-Maine Foods.

BOARD OF DIRECTORS



EXECUTIVE LEADERSHIP



ESG STEWARDSHIP COUNCIL



BUSINESS UNITS



People



Corporate Governance



Quality Food Choices



CAL-MAINE FOODS

SUSTAINABLE  
DEVELOPMENT  
GOALS



Community



Environment



Animal Welfare



## SASB-Aligned Disclosure: Meat, Poultry and Dairy

SUSTAINABILITY PILLAR	SASB CATEGORY	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Environmental Stewardship	Greenhouse Gas Emissions	Gross Global Scope 1 and Scope 2 Emissions	Quantitative	Metric tons (t) CO <sub>2</sub> e	FB-MP-110a.1	Our estimated FY2023 Scope 1 and Scope 2 GHG emissions are reported on <a href="#">page 10</a> of our FY2022 sustainability report.
		Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions-reductions targets and an analysis of performance against those targets	Discussion and analysis	N/A	FB-MP-110a.2	To read our discussion, please see “ <a href="#">Our commitment to minimize greenhouse gas emissions</a> ” in our FY2021 sustainability report.
	Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	Quantitative	Gigajoules (GJ), Percentage (%)	FB-MP-130a.1	In FY2020, FY2021 and FY2022 substantially all of our owned operations’ electricity needs were provided from the grid. We are considering how to measure our total energy consumption, including our utilization of grid electricity and renewables. We anticipate reporting our progress in future sustainability reports.
	Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	Thousand cubic meters (m3), Percentage (%)	FB-MP-140a.1	Our water usage is reported in our FY2022 report. We are considering additional methods to measure our total water withdrawn, total water consumed and the percentage of each activity in regions of High or Extremely High Baseline Water Stress. We anticipate reporting our progress in future sustainability reports.
		Description of water management risks and discussion of strategies and practices to mitigate those risks	Discussion and analysis	N/A	FB-MP-140a.2	To read our discussion, please review our “ <a href="#">Statement on water management</a> ” position statement in our FY2021 sustainability report.
		Number of incidents of non-compliance with water quality permits, standards, and regulations	Quantitative	Number	FB-MP-140a.3	We report in alignment with the disclosure requirements pursuant to Regulation S-K Item 103 as adopted by the SEC, which is a modification of this metric. In FY2020, FY2021 and FY2022, Cal-Maine Foods had no material instances of wastewater discharges that would require disclosure pursuant to Regulation S-K Item 103. To read our discussion, please see “ <a href="#">Scaling our commitment to gray water management</a> ” in our FY2020 sustainability report.

SUSTAINABILITY PILLAR	SASB CATEGORY	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Environmental Stewardship	Land Use and Ecological Impacts	Amount of animal litter and manure generated, percentage managed according to a nutrient management plan	Quantitative	Metric tons (t)	FB-MP-160a.1	We do not report the amount of animal litter and manure generated in our operations. We are considering the best reporting method and anticipate reporting our progress in future sustainability reports.
		Percentage of pasture and grazing land managed to Natural Resources Conservation Service (NRCS) conservation plan criteria		Percentage (%) by hectares	FB-MP-160a.2	We do not report the percentage of pasture and grazing land managed to NRCS conservation plan criteria. In FY2020, FY2021 and FY2022, this is an immaterial and non-core part of our business. We leased land to third parties for agricultural production, including grain and haying operations as well as cattle grazing.
		Animal protein production from concentrated animal feeding operations (CAFOs)		Metric tons (t)	FB-MP-160a.3	We report the amount of animal protein production from our owned CAFO operations in egg dozens, which is a modification of this metric. In FY2020, FY2021 and FY2022, our owned CAFO operations produced approximately 807, 846 and 915 million dozen eggs, respectively. This production does not include eggs produced by contract growers, eggs purchased from outside suppliers or eggs sold as breaking products and byproducts. To read our discussion, please see our <a href="#">“Statement on CAFOs”</a> in our FY2021 sustainability report.
Quality Food Choices	Food Safety	Global Food Safety Initiative (GFSI) audit (1) nonconformance rate and (2) associated corrective action rate for (a) major and (b) minor nonconformances	Quantitative	Rate	FB-MP-250a.1	<p>In FY2020, FY2021 and FY2022, our processing facilities were audited to SQF certification standards, which is recognized by the Global Food Safety Initiative.</p> <p>In FY2020, our major non-conformance rate was 0.04, which was corrected in accordance with our SQF certification program under audit. Our minor non-conformance rate was 0.72, which is calculated from 18 total minor non-conformances divided by 25 audited processing facilities. The company’s minor non-conformance corrective action rate was 100 percent.</p> <p>In FY2021, our major non-conformance rate was zero. Our minor non-conformance rate was 0.07, which is calculated from three total minor non-conformances divided by 41 audited processing facilities. The company’s minor non-conformance corrective action rate was 100 percent.</p> <p>In FY2022, our SQF audit major non-conformance rate was 0.00 and our minor non-conformance rate was 0.05, which is calculated from two total minor non-conformances divided by 42 audited processing facilities. The company’s minor non-conformance corrective action rate was 100 percent for 2022, given that we implemented timely corrective action plans, which our SQF auditors subsequently accepted.</p>
		Percentage of supplier facilities certified to a Global Food Safety Initiative (GFSI) food safety certification program		Percentage (%)	FB-MP-250a.2	We report our supplier facilities’ GFSI certification as a percentage of our fresh shell egg purchases, which is a modification of this metric. In FY2020, FY2021 and FY2022, less than one percent of our finished egg sales were provided to customers that did not require certification. To read our discussion, please see <a href="#">“Commitment to sustainable third-party certification”</a> in our FY2021 sustainability report.

SUSTAINABILITY PILLAR	SASB CATEGORY	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Quality Food Choices	Food Safety	(1) Number of recalls and (2) total weight of products recalled	Quantitative	Number, Metric tons (t)	FB-MP-250a.3	We report our product recall information in finished egg dozens and if applicable, in pounds of egg products, which is a modification of this metric. In FY2020, FY2021 and FY2022, none of our finished eggs or egg products were subject to voluntary or involuntary recall.
		Discussion of markets that ban imports of the entity's product	Discussion and analysis	N/A	FB-MP-250a.4	To read our discussion, please see " <a href="#">Statement on fresh shell egg product bans</a> " in our FY2021 sustainability report.
	Antibiotic Use in Animal Production	Percentage of animal production that received (1) medically important antibiotics and (2) not medically important antibiotics by animal type	Quantitative	Percentage (%) by weight	FB-MP-260a.1	We report the percentage of animal production that received medically important antibiotics and not medically important antibiotics by animal type as a percentage of the feed we provide, which is a modification of this metric. In FY2020, FY2021 and FY2022, we administered a single medically important antibiotic in less than one percent of the feed we provided to our animals. This was administered under supervision from licensed veterinarians, with whom we had established client-patient relationships. To read our discussion, please see " <a href="#">Statement on our judicious therapeutic use of medically important antibiotics</a> " in our FY2021 sustainability report.
People	Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate	Quantitative	Rate	FB-MP-320a.1	In FY2020, FY2021 and FY2022, our enterprise TRIR was 3.5%, 2.9%, 2.8%, respectively. In FY2020, FY2021 and FY2022, our fatality rate was 0.0% and 0.0%, 0.0%, respectively. To read our discussion, please see " <a href="#">Our cornerstone: commitment to transparent reporting</a> " in our FY2021 sustainability report.
		Description of efforts to assess, monitor, and mitigate acute and chronic respiratory health conditions	Discussion and analysis	N/A	FB-MP-320a.2	To read our discussion, please see " <a href="#">Special statement on respiratory health</a> " in our FY2021 sustainability report.
Animal Welfare	Animal Care & Welfare	Percentage of pork produced without the use of gestation crates	Quantitative	Percentage (%) by weight	FB-MP-410a.1	This metric is not applicable to Cal-Maine Foods' operations.
		Percentage of cage-free shell egg sales		Percentage (%)	FB-MP-410a.2	We report our cage-free shell egg revenue, which is a modification of this metric. In FY2022, 22.1% of our net shell egg sales was derived from cage-free eggs.
		Percentage of production certified to a third-party animal welfare standard		Percentage (%) by weight	FB-MP-410a.3	We report our percentage of production of animal protein produced by our owned operations and our contract farmers that are certified to third-party standards as a percentage of egg dozens sold, which is a modification of this metric.  In FY2020, FY2021 and FY2022, 100% of the fresh shell eggs produced by our owned and our outside suppliers were certified to third party-animal welfare standards. For finished eggs, the Company's produced-to-sold ratio for FY2020, FY2021 and FY2022 was 87%, 90% and 94%, respectively. To read our discussion on certification, please see " <a href="#">Commitment to sustainable third-party certification</a> " in our FY2021 sustainability report.

SUSTAINABILITY PILLAR	SASB CATEGORY	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	RESPONSE
Environmental Stewardship	Environmental and Social Impacts of Animal Supply Chain	Percentage of livestock from suppliers implementing the Natural Resources Conservation Service (NRCS) conservation plan welfare standards	Quantitative	Percentage (%) by weight	FB-MP-430a.1	This metric is largely not applicable to our operations as our outside purchases of livestock are minimal. We engage in selective purchases of breeding stock and other birds as is standard for our industry.
Animal Welfare	Environmental and Social Impacts of Animal Supply Chain	Percentage of supplier and contract production facilities verified to meet animal welfare standards	Quantitative	Percentage (%)	FB-MP-410a.2	We report our percentage of supplier production of animal protein certified to third-party standards as a percentage of egg dozens sold, which is a modification of this metric. In FY2020, FY2021 and FY2022, we purchased approximately 13%, 10% and 6%, respectively, of finished eggs we brought to market from outside suppliers. In each of these fiscal years, 100% of those eggs were certified to third-party animal welfare standards. For more information, please read " <a href="#">Statement on our supplier partnerships</a> " in our FY2021 sustainability report.
Environmental Stewardship	Animal and Feed Sourcing	Percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress	Quantitative	Percentage (%) by contract value	FB-MP-440a.1	We do not report the percentage of animal feed sourced from regions with High or Extremely High Baseline Water Stress. We anticipate reporting our animal feed sourcing practices in future sustainability reports.
		Percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress			FB-MP-440a.2	We do not report the percentage of contracts with producers located in regions with High or Extremely High Baseline Water Stress.
		Discussion of strategy to manage opportunities and risks to feed sourcing and livestock supply presented by climate change	Discussion and analysis	N/A	FB-MP-440a.3	We are considering the opportunities and risks to feed sourcing and livestock supply presented by climate change. We anticipate reporting our progress in future sustainability reports.
Activity Metric	Activity Metric	Number of processing and manufacturing facilities	Quantitative	Number	FB-MP-000.A	As of FY2022 year-end, Cal-Maine Foods operated three breeding facilities, 25 feed mills, two hatcheries, 43 processing and packaging facilities, 28 pullet facilities, 42 shell egg production facilities and two egg products processing facilities. We additionally operated four distribution centers.
		Animal protein production, by category; percentage outsourced		Various, Percentage (%)	FB-MP-000.B	In FY2020, FY2021 and FY2022, 100% of our animal protein production and animal protein we brought to market was comprised of shell eggs and egg products. In FY2020, FY2021 and FY2022, we purchased approximately 13%, 10% and 6%, respectively, of finished eggs we brought to market from outside suppliers.

## Forward-Looking and Cautionary Statements

This report contains forward-looking statements, such as plans, projections, expectations, targets, objectives, strategies or goals relating to our sustainability programs and the underlying assumptions and estimated impacts on our business related thereto. Such forward-looking statements are identified by words such as “believes,” “intends,” “expects,” “may,” “can,” “could,” “should,” “to be,” “plans,” “projects,” “anticipates,” “goal,” “strategy,” “potential,” “estimates,” “objective,” “targets,” “will,” “seeks,” “future,” “initiatives,” “opportunities,” or similar words. Actual outcomes or results could differ materially from those projected in the forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict and may be beyond our control. Factors that could cause actual results to differ materially from those projected in the forward-looking statements include those set forth in our Securities and Exchange Commission filings under the headings “risk factors,” “forward-looking statements” or similar headings. Readers are cautioned not to place undue reliance on forward-looking statements because there can be no assurance that these forward-looking statements will prove to be accurate. Forward-looking statements included in this report are only made as of the respective dates thereof, or if no date is stated, as of the date of this report. We disclaim any intent or obligation to update publicly these forward-looking statements, whether because of new information, future events, or otherwise.

While certain information discussed in this report may be significant and relevant to our investors, any significance should not be read as rising to the level of materiality for purposes of complying with the U.S. federal securities laws or the disclosure requirements of the Securities and Exchange Commission. The goals and initiatives described in this report are aspirational; as such, no guarantees or promises are made that these goals and initiatives will be met or successfully executed.



OUR MISSION IS TO BE THE MOST SUSTAINABLE PRODUCER AND RELIABLE SUPPLIER OF CONSISTENT, HIGH QUALITY FRESH SHELL EGGS AND EGG PRODUCTS IN THE U.S.



Cal-Maine Foods, Inc.  
1052 Highland Colony Parkway, Suite 200  
Ridgeland, Mississippi 39157  
601-948-6813  
[www.calmainefoods.com](http://www.calmainefoods.com)