

Sustaining Our World

—
2017 Sustainability Report

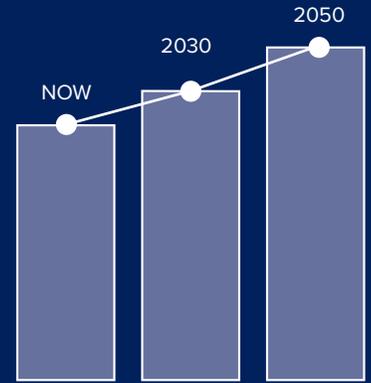




There are **7.6 Billion** people in the world today.

By 2030, there will be **8.6 Billion**.

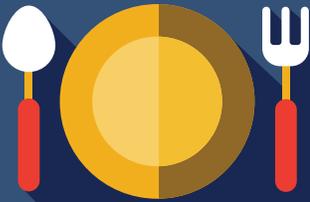
By 2050, there will be **9.8 Billion**.



That means approximately

2 Billion

more people will need daily nourishment, and protein is an essential part of that nourishment.



Today, Tyson Foods is proud to produce

1 in 5 Pounds

of all chicken, beef and pork in the U.S. and export food to more than 100 countries across the globe.

Our strategy is to

**Sustainably
Feed the World**

with the fastest growing protein brands.



Our Approach

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We are Tyson Foods.

We are a company guided and grounded by our purpose: raising the world’s expectations for how much good food can do.

For more than 80 years, we have been committed to revolutionizing the food industry. We built our name on providing generations of families with wholesome, great-tasting chicken. We are proud of our heritage, but today’s Tyson Foods is much more. We are becoming a modern food company. As values and behaviors around food have changed, so have we. Today, we’re innovators uniquely positioned to reshape what it means to feed our world. Our broad portfolio of high-quality products and brands include:

- **Value-Added Foods:** Value-added chicken, beef and pork, pepperoni, pizza toppings, bacon, deli meats, hams, franks, snacks, appetizers, side items, prepared meals, meal kits and fully cooked dinner meats
- **Prepared Foods:** Pizza crusts, tortillas, soups, sauces, appetizers and side items
- **Commodity Meat and Poultry:** Fresh chicken, beef and pork, and specialty meats



Reach

We primarily operate in the United States, China and India and sell food all over the world. In fiscal year (FY) 2017, we sold products in approximately 117 countries, with major sales markets in Canada, Central America, China, European Union, Japan, Mexico, Middle East, South Korea and Taiwan.





RESEARCH & DEVELOPMENT

Product ideas and innovations are born in our R&D labs.



ANIMAL PROCUREMENT

Chicken: Pullets (parents) are raised by independent contractors then sent to our owned and leased breeder farms.

Beef: We employ cattle buyers to visit independent feed yards and public auctions to buy live cattle that are sent directly to processing.

Pork: The majority of our live hog supply is purchased from independent producers and sent directly to processing.



RAISING ANIMALS

Chicken: Pullets lay eggs at our breeder farms, then eggs are sent to our broiler hatcheries. Hatched chicks go to broiler farms where they are raised by independent contractors until ready for processing.

Pork: We raise a small number of weanling swine to sell to independent finishers and supply market hogs and live swine for our own processing needs.



FEEDING ANIMALS

We procure and produce our own scientifically formulated feed, that primarily includes corn, soybean meal and other feed ingredients for poultry and the limited number of swine that we raise.



PROCESSING

Live animals are harvested and converted into finished products.



RENDERING

Animal by-product from processing is rendered for other fat or protein products.



DISTRIBUTION

Finished food is transported to retailers, stores, schools and institutions, or exported.

Scale & Scope Fiscal 2017

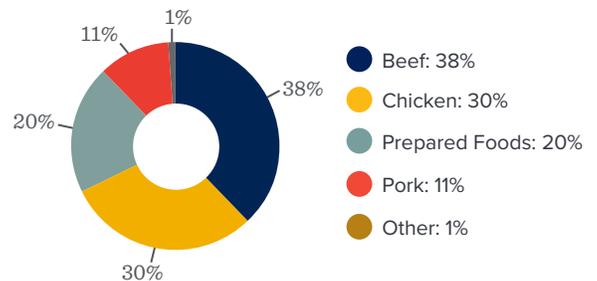
\$38.3 Billion
REVENUES

\$113 Million
RESEARCH AND DEVELOPMENT SPENDING

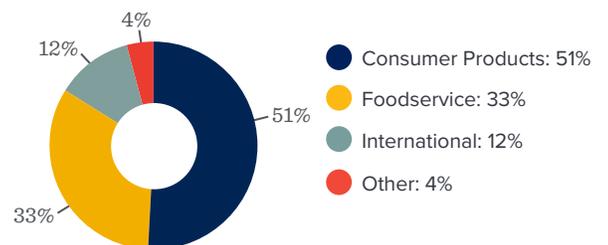
\$1.778 Billion
NET INCOME

\$28.066 Billion
TOTAL ASSETS

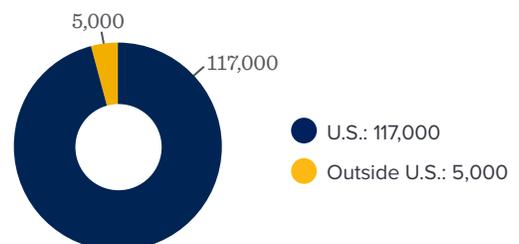
SALES BY SEGMENT



SALES BY DISTRIBUTION CHANNEL



GLOBAL WORKFORCE (U.S./INTERNATIONAL)



Leadership Message

Tyson Foods is the largest U.S. food company – and with sustainability at the heart of our business strategy, we’re continuing to grow.

We’re transforming from a business with a strong heritage in chicken to a modern food company that’s challenging the industry status quo. What matters to consumers matters to us – from what and how they eat to where and how it’s grown. That’s why we’re laser-focused on protein and going after growth in multiple ways, including:

- Picking up the pace on innovation in our core brands consumers love;
- Buying new capabilities, new brands and new positions in new markets;
- Investing in early-stage growth opportunities such as plant-based protein, cultured meat and new cooking technologies; and
- Partnering with brands and businesses that share our passion for growth and complement what we bring to the table.



Our size and scale gives us a significant opportunity (and responsibility) to make great-tasting, sustainably produced food accessible and affordable for all.

**TOM HAYES,
PRESIDENT & CEO**

**#1 Food
Production**
2017 AND 2018 FORTUNE
MOST ADMIRABLE COMPANIES

What’s more, we believe doing good is good for business. Our size and scale gives us a significant opportunity (and responsibility) to make great-tasting, sustainably produced food accessible and affordable for all. We’re driving change every day – for example, setting an ambitious goal to help introduce sustainable land stewardship practices on 2 million acres of corn. To put that into perspective, that’s roughly equivalent to the amount of corn grown in the entire state of Michigan.

Accomplishing this and other goals will require significant collaboration, with Tyson Foods playing a leadership role in

partnership with others across our industry. We’re up for the challenge – and along the way, we pledge to be transparent about the progress we’re making. That’s the kind of company we are, and that’s why I want to lead this business.

I’ve personally been part of this industry for 30 years – and now more than ever, we need to do more with less. The world needs a sustainable food system, and it’s up to companies like ours to set the pace and feed the planet. As this report shows, we’re raising expectations every day: becoming a better, more profitable Tyson Foods while building a better world.



Tom Hayes
President & CEO, Tyson Foods

An Integrated Approach to Sustainability

Justin Whitmore shares his thoughts on some of the world's biggest challenges and how Tyson Foods is helping to solve them.

Q: What approach did you take in your first year in this role?

A: First things first: sustainability is fundamental to our strategy. For us, the two are inextricably linked. That says something about our purpose as a company.

We're looking at sustainability holistically – and realistically, too. We recognize that every action has a reaction, and that solving for one problem has the potential to create other problems. With that in mind, we've been taking a thoughtful three-step approach:

- 1) **Listen to stakeholders.** That means farmers and ranchers, NGOs, policymakers and others in our industry. This is the only way to truly understand what we need to accomplish – and more importantly, how we can do it together.
- 2) **Identify groundbreaking opportunities.** We're looking across our five key pillars – food, animals, environment, workplace and communities – for ways to transform how we work.
- 3) **Get going!** We're sharing our vision publicly. We're investing. And most importantly, we're holding ourselves accountable for progress.

Q: What do you see as your biggest opportunities? Your biggest challenges?

A: When I think about it, our biggest opportunities and biggest challenges are one and the same. The issues we're facing today are incredibly complex. The global population is growing. Our resources are shrinking. At the same time, we're seeing multi-generational shifts in taste.

Everyone has an opinion on big food. It's easy to criticize us when you don't understand our reality. We're a big company, yes – but we're made of individual faces and names. These individuals



**JUSTIN WHITMORE,
EXECUTIVE VICE PRESIDENT, CORPORATE STRATEGY &
CHIEF SUSTAINABILITY OFFICER**

are some of the hardest-working people I've ever met – and together, we're committed to feeding the world sustainably.

We have an opportunity to help solve these complex issues in a way no one else can. Our tremendous size and scale gives us the chance to lead a coalition of farmers, ranchers and others to drive change throughout our supply chain. Perhaps the biggest challenge/opportunity for us is time. Given the complexity of the issues we face, we can't put these challenges off on future generations. The time for impact is now.

Q: How are you being more transparent?

A: This is a great example of how we're continuously improving. To many, the food system has historically been opaque, with stories only coming out when an issue arises. That increases the likelihood that the average person won't understand what we do. When it comes down to it, we're proud of who we are and what we've built. We need to do a better job sharing that story, and we're constantly working behind the scenes to help bring people closer to the farms.

For instance, we've been piloting new transparency efforts. Last year, we invited the public to a grower's poultry farm through a Facebook Live event. We took questions from the audience and even left the camera on afterwards so participants could get an unfiltered picture of what goes on at a poultry farm.

We're being more transparent through these sustainability reports, too. We've been producing them since 2006, and each one has provided more transparency about who we are and how we operate. The same can be said of this year's report. This time, we're providing more details about third-party compliance audits at our plants and animal well-being audits at the farms that supply us.

Q: What actions are you taking around the environment?

A: We're making significant commitments, including the largest-ever land stewardship commitment by a U.S. protein company – supporting improved environmental practices on two million acres of cropland by 2020. People may not realize that our supply chain relies on grain to feed livestock and poultry. As we looked at holistic ways we could make a real difference on the environment, this rose to the top. It's part of our larger commitment to reduce greenhouse gas emissions 30 percent by 2030.

We can also make a real difference on water use – both in our direct operations and our supply chain. Our goal: to reduce the amount of water used to produce each pound of food by 12 percent between 2015 and the end of 2020. This year, we're collaborating with the World Resources Institute to refine our goal and set long-term, context-based water targets.

Q: Can you tell us about some of the innovative investments you're making in sustainability?

A: We know there's no one-size-fits-all approach to solving the complex challenges we face. That's why we like to say we're thinking in terms of "and, not or." Let me give you just a couple of examples.

Through our venture capital fund, Tyson New Ventures, we're investing in innovative startups that can change the game when it comes to alternative protein. That includes Beyond Meat, which makes plant-based protein, and Memphis Meats, which is developing lab-grown meats. At first, it might seem counterintuitive for the largest U.S. meat producer to invest in these businesses – but we believe all potential solutions need to be on the table. In addition to potentially making our existing businesses more sustainable, we see alternative proteins as part of the answer.

We're also working toward solutions through our newly-created Innovation Lab, spearheaded by a lean and agile team tasked with developing new products that solve big-picture challenges – including wasted food. And they're moving quickly. In just six months, the team will design a product that is retail ready. That's 80 percent faster than our traditional approaches. The Lab's first product launch will be a line of protein snacks made from ingredients that typically go unused in the food supply chain, such as vegetable pulp and spent grain. Then they'll spend the next six months tackling another challenge.

Solving complex challenges isn't easy, but we're making progress every day. I look forward to seeing what we accomplish by this time next year, in collaboration with our many stakeholders and partners.



A Strategy For Raising Expectations

Our integrated strategy aims to sustainably feed the world with the fastest growing protein brands.

Everything we do at Tyson Foods starts with our purpose – to raise the world’s expectations for how much good food can do. We don’t just try to meet expectations; we try to exceed them, every day, and then consistently challenge ourselves to improve even more. We want to make a difference in the environment, in our workplace and the communities in which we operate, and a difference in animal wellbeing – and we want to make this difference while we sustainably feed the world.

As a result, we embarked on updating our approach to sustainability to be multidimensional – moving the business away from single-issue responses to system-level sustainability solutions. For example, we seek answers that improve outcomes across all focus areas such as animal well-being, the environment and worker safety. Such sustainability issues are often interconnected. An integrated strategy, led by Dr. Justin Ransom, Senior Director of Sustainable Food Strategy is enabling the company to more effectively overcome or avoid unintended negative trade-offs. This creates a competitive advantage for Tyson Foods by driving improvements in all areas of sustainability at an accelerated pace.

We are committed to achieving four objectives to deliver safe, affordable, sustainable food for generations to come:

- Establish public, bold and enterprise-wide commitments across our material sustainability issues and report regularly on our progress
- Build a pipeline of new sustainability initiatives to deliver on our new commitments, while continuing to execute on existing programs
- Increase transparency and engagement with key stakeholders, including our team members, customers, investors, consumers and NGOs
- Build innovative tools, processes and performance metrics to ensure accountability and drive lasting impact in the food industry



[Journey to Sustainability](#)

At Tyson Foods, we’re committed to feeding the world and doing it responsibly. Learn more about our holistic approach to sustainability.

Tyson Foods' refreshed strategy will advance sustainability in five key areas:



Food

We are focused on delivering the highest levels of food safety, working closely with independent farmers to reduce human-use antibiotics and offering and communicating new benefits across key business segments.



Animals

We are committed to delivering excellence in animal health, animal handling and humane harvesting through leading-edge, third-party monitoring and continuous internal improvement through research and pilot projects.



Environment

Our dedication to environmental leadership is grounded in developing bold, outcome-based targets across several environmental focus areas for our direct operations and supply chain as well as targeting 100-percent compliance with regulations.



Workplace

Fostering a workplace where our team members are safe, healthy and empowered to reach their unique potential. We strive to be an employer of choice with competitive compensation and benefits, inclusive business practices and a high performing, diverse team. We are committed to improving workplace health and safety for our team members as well as workplace retention.



Communities

We are dedicated to building strong communities where we work and live. Our community engagement work focuses on reducing food insecurity and enhancing team members' stability, resiliency and quality of life through programs such as Upward Academy.

Our Commitments

Environment

Reduce our environmental impact as we feed the world

Reduce greenhouse gases by

30%
by 2030

Reduce water use intensity by

12%
by 2020

Increase sustainable land stewardship practices on

2M Acres
by 2020

Workplace

Enable our team members to reach their unique potential

Aspire to offer English as a second language and financial literacy training to all team members

Reduce OSHA recordables by

15%
year-over-year

Increase retention

10%
year-over-year

Communities

Support the communities we serve where help is needed most

Pledged

\$50 Million

in cash or in-kind donations to fight hunger by 2020

Animals

Transparently advance animal welfare research and experience

Deploy the most

Transparent
animal well-being practices in food

Be a leader in animal

Experience
research and innovation

Governance

Tyson Foods is dedicated to responsible corporate governance through strong accountability practices that uphold the public's trust in the company while maintaining the interests of our shareholders.

Our comprehensive [Code of Conduct](#) and [Corporate Governance Principles](#) guide our Board of Directors and management in effective and ethical governance. We are committed to building an independent Board of Directors that brings to the table a diverse set of experiences, backgrounds and leadership skills. Our Board members sit on various committees, including:

- [Audit Committee](#)
- [Compensation and Leadership Development Committee](#)
- Executive Committee
- [Governance and Nominating Committee](#)
- [Strategy and Acquisitions Committee](#)

At the end of FY2017, our Board of Directors consisted of 10 members, eight of whom were independent. Of the 10 members serving on the Board, there were three women and one minority member. During FY2017, three new directors were appointed and two directors resigned. The Board also has a lead independent director and director compensation includes Tyson Foods stock. For more information about our Board of Directors and corporate governance measures, visit [Investor Relations, Leadership](#) and take a look at our [2017 Proxy Statement](#).

Sustainability Governance

Our approach to sustainability is multidimensional, and we maintain an integrated strategy that allows us to drive improvements in all areas of sustainability. This strategy is supported by our President and CEO, with oversight from our Board of Directors.

Justin Whitmore, our Executive Vice President of Corporate Strategy and Chief Sustainability Officer, who reports to our President and CEO and regularly interacts with the company's Board of Directors, is responsible for leading and implementing our sustainability strategy. Justin is supported by a team of sustainability professionals who facilitate our goal-setting efforts, including actions to manage or mitigate risks as well as the pursuit of continual improvement opportunities related to animals, communities, the environment, food and the workplace.

Recently, we further strengthened our sustainability governance structure by appointing internal senior leaders to serve as sustainability champions for each of our business operating segments. With support from procurement, engineering, sustainability, environmental services, human resources and other key corporate functions, these leaders are responsible for developing and launching activities that support the company in achieving its sustainability goals and commitments. Our Executive Vice President of Corporate Strategy and Chief Sustainability Officer will share regular progress updates with the Governance and Nominating Committee of our Board of Directors.



Engaging With Stakeholders to Set Priorities

To reassess the sustainability issues, risks and opportunities that are most important to our business and our stakeholders, Tyson Foods completed its second sustainability materiality assessment.

Our sustainability materiality assessment helps us identify and prioritize social, environmental and governance issues that matter most in our direct operations and supply chain. The process of identifying the importance of these issues involves, in part, reaching out to external stakeholders to capture their view into what is most important for the company from a sustainability perspective. This feedback helps us understand not only what we need to share in our

sustainability reports, but is also useful in informing our sustainability strategy.

Conducting a materiality assessment refresh enables us to identify and prioritize significant economic, environmental and social impacts to Tyson Foods’ business and optimize sustainability investments in our business. Our materiality process followed these steps:



Identify Focus Areas

We conducted a thorough benchmarking study, comparing our sustainability program and progress against 17 of our peers. Based on this research and analysis, we established a list of key focus areas or “material issues.”

Engage Stakeholders

Using a third-party consultant, we collected input on the relative importance of these issues from 2,375 internal and external stakeholders through an online survey of team members, nongovernmental organizations (NGOs), customers, vendors and consumers.

Build a Materiality Matrix

Combining the results of the benchmarking study and stakeholder surveys, we created a materiality matrix that shows the environmental, social and governance issues that are a focus of our business and our stakeholders. We then use these insights to inform our sustainability strategy, more effectively use our resources and align our reporting process with what matters most.

Top Material Issues Identified in FY2017



FOOD SAFETY



ANIMAL WELL-BEING AND MANAGEMENT



ANTIBIOTICS

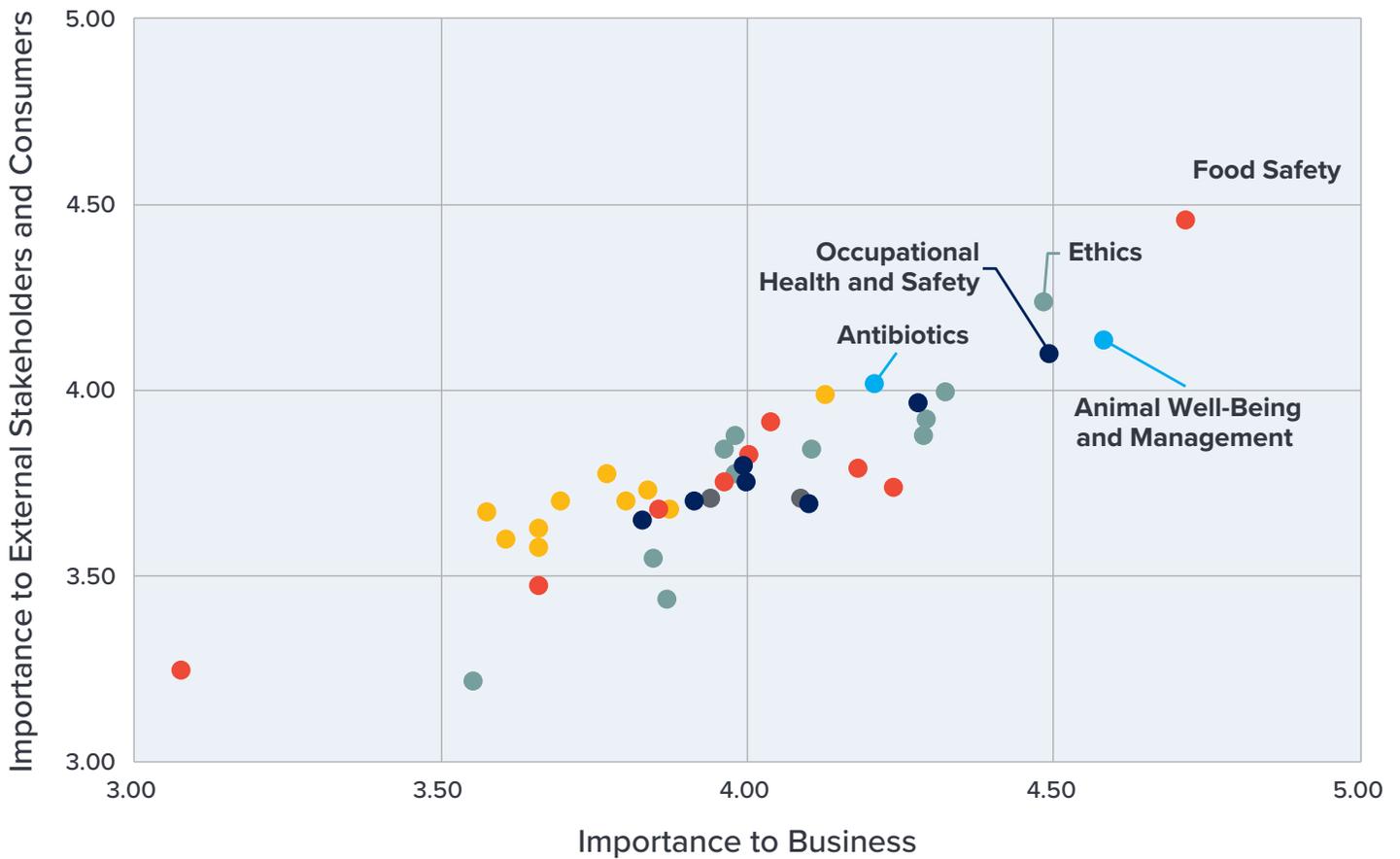


ETHICS



OCCUPATIONAL HEALTH & SAFETY

Sustainability Materiality Matrix



- Healthier Animals
- Healthier Bottom Line
- Healthier Communities
- Healthier Environment
- Healthier Food
- Healthier Workplace

Stakeholder Engagement

We work to engage key stakeholders across our business.

By maintaining open dialogue and communication, we are able to understand the issues and topics most important to each of our stakeholder groups. In FY2017, some of our engagements included:

- Collaborating with the World Resources Institute (WRI) to develop industry-leading reduction targets for water and greenhouse gas emissions.
- Collaborating with OXFAM and the United Food and Commercial Workers Union (UFCW), to announce a commitment to new and expanded efforts to create a better workplace through more training, improving workplace safety and compensation, increasing transparency and helping workers with life skills.
- Joining the CEO Action for Diversity and Inclusion, a group of more than 250 CEOs who have committed to advance diversity and inclusion in the workplace. In signing this pledge, Tyson Foods will begin to develop new initiatives to ensure our workforce is reflective of our diverse consumer base.
- Working with OneEgg (www.oneegg.org) to increase food access and economic stability in developing countries by assisting with the construction and support of egg farms.
- Engaging with input crop farmers to increase our local grain purchases, which we hope facilitates collaborations that ensure farmers are familiar with new technologies and best practices that positively impact the environmental, social and economic performance of their farming operations.
- Providing input and support of ongoing protein and health research through engagement with the North American Meat Institute (NAMI) and the National Pork Board. This growing body of scientific evidence related to the benefits of protein in the diet will contribute to the 2020 revision of the Dietary Guidelines for Americans.



Summary of Stakeholder Dialogue and Outcomes

STAKEHOLDER GROUP	ISSUE RAISED	HOW WE ENGAGE AND RESPOND
Employees	<ul style="list-style-type: none"> • Fair treatment and human rights • Inclusion and engagement • Safe workplace • Competitive pay and benefits • Professional development • Regular communication • Environmental protection and resource conservation • ESL, GED, citizenship, functional literacy, financial and tax literacy, legal issues, healthcare, safety and accessing community resources and services 	<ul style="list-style-type: none"> • Core Values, Code of Conduct, Team Member Bill of Rights, Ethics HelpLine • Business resource groups • Safety policies, procedures, training and goals • Wage reviews and benefit program enhancements • Educational Assistance Program and Leadership College • Formalized internal communication activities, position statements and regular leadership meetings • Environmental policies, procedures and training • Upward Academy
Shareholders and Potential Investors	<ul style="list-style-type: none"> • Competitive returns • Management accountability • Regulatory compliance • Sound governance and ethical business practices • Proactive management of business risks 	<ul style="list-style-type: none"> • Quarterly financial reports and shareholders meeting • Executive outreach, conferences and earnings calls • Code of Conduct and Board Committees • Global anti-corruption policy, gift and hospitality policy, and a charitable and political contribution policy • Investor website
Customers and Consumers	<ul style="list-style-type: none"> • Safe, quality food products • Nutritious options • Competitive and affordable prices • Innovative products that meet needs • Product information • Animal well-being 	<ul style="list-style-type: none"> • Food safety programs and procedures • State-of-the-art research and development facility with Consumer Sensory Panels and Consumer Focus Group Learning Center • Commitment to proactively managing product input costs • Day-to-day contact with account management teams • Customer and consumer response centers • Tyson Foods consumer website for recipes, cooking instructions, nutritional information, product locators and more • Office of Animal Well-Being and FarmCheck® Program
Government and Regulatory Agencies	<ul style="list-style-type: none"> • Regulatory compliance • Transparent reporting • Collaboration in research and policy development • Program participation and partnerships 	<ul style="list-style-type: none"> • Management systems, policies and procedures across all aspects of the company's annual operations • Annual financial reports, biennial sustainability reports, timely submission of required reports • External affairs staff • Executive outreach • Industry associations and partnerships
Suppliers	<ul style="list-style-type: none"> • Timely payment • Fair selection and business practices • Opportunities for business growth • Understanding of Tyson Foods' expectations 	<ul style="list-style-type: none"> • Competitive bidding process • Supplier management program • Supplier Code of Conduct, Supplier Diversity Program and satisfaction surveys
Local Communities	<ul style="list-style-type: none"> • Economic development • Involvement and support of local initiatives • Protection of the environment • Employment opportunities • Volunteerism 	<ul style="list-style-type: none"> • Strategic community involvement plans • Donations, community outreach and disaster relief • Tyson Project A+™ program • Environmental management systems • Regional recruiting program • Partnerships and sponsorships

Food



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Our Commitment

Sustainably feed the world with safe, high-quality and nutritious food products.

Our Goals

We are committed to sustainably offering the protein and food products that consumers want.

By-the-Numbers



458

2017 NEW PRODUCT LAUNCHES



13%*

2017 INNOVATION VITALITY INDEX

*The index measures the percent of our net revenue that comes from innovations launched over a three-year horizon, with the best in class range hovering between 13-15 percent.



\$113M

INVESTED IN R&D IN FY2017



100%

of K-12 Commodity Chicken Products include No Artificial Ingredients and the USDA Verified claim of Chicken Raised with No Antibiotics Ever for the 2018-2019 school year

16**

CERTIFIED LABS

**Our certifications include A2LA 17025 and ISO 9001-2015 as well as state certified labs at some of our beef and pork plants.

2,587

FOOD SAFETY & QUALITY ASSURANCE TEAM MEMBERS

\$150M

TYSON NEW VENTURES INVESTMENT COMMITMENT

108

GLOBAL FOOD SAFETY INITIATIVE CERTIFIED PLANTS

19%

of corn supplied to our feed mills is grown locally

Offering a Broad Portfolio of Protein Products

Tyson Foods is committed to providing consumers with product options that contribute to a nutritious and well-balanced diet.

We consider protein to be the “hero nutrient,” playing an essential role in a well-balanced diet. From birth through childrens early formative years, protein is critical to help ensure proper growth and development. In adulthood, protein is important in helping maintain vital muscle mass and a healthy weight as we age. New science also suggests that protein can help to reduce hunger.

Today, 60 percent of consumers are actively trying to increase the protein in their diets, outranking other food attributes such as all-natural ingredients, vitamins and minerals.¹ Eating habits continue to shift from the traditional ‘three square meals a day’ to more snacking throughout the day. We strive to provide a variety of protein options to consumers that satisfy these changing eating preferences in a way that is convenient, safe and tasty.

Tyson Foods is strategically focused on growing our portfolio of protein products. In 2017, we acquired two protein-focused companies:

- [AdvancePierre Foods Holdings, Inc.](#), a leading national producer of ready-to-eat lunch and dinner sandwiches, sandwich components and snacks; and
- [Original Philly Holdings, Inc.](#), one of the nation’s leading producers of raw and fully-cooked Philly-style sandwich steak and cheesesteak appetizer products.

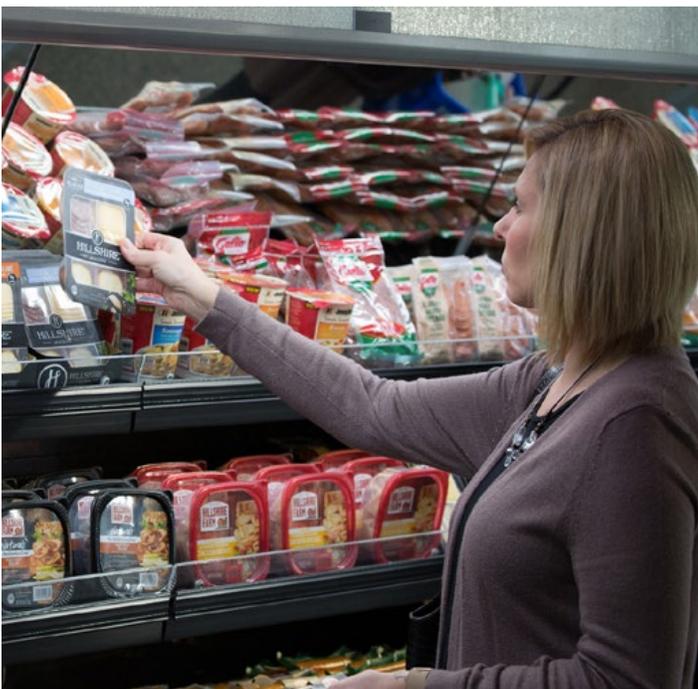
Our existing protein portfolio contains several top-selling brands that provide an excellent source of protein to our consumers. Consumers can find protein-packed options in any of these brands: Jimmy Dean®, Tyson®, Hillshire Farm®, Ball Park®, and Aidells®.

Improving the Product Attributes

We look for opportunities to provide simpler products with fewer additives. During 2017, our [Ball Park](#)® brand, America’s top seller of beef hot dogs, removed added nitrates from its retail line of products and eliminated all by-products and added fillers from the meat line. These ingredients were replaced with natural alternatives including celery juice powder and sea salt.

The FDA made a final determination in 2015 that mandated food companies remove partially hydrogenated oils (PHOs) from food products by June 2018. We have implemented a strategy to ensure compliance without sacrificing product performance and taste.

¹Source: The Hartman Group, Inc. – Health + Wellness 2017 Report



Offering Consumers Choice

Our diverse product portfolio meets the evolving nutritional demands and preferences of consumers by offering options with attributes such as protein-focused, gluten-free, reduced sodium, 100 percent all natural, whole grain, organic or no antibiotics ever, as well as alternative protein options. We are committed to innovating new products that better serve the changing eating habits and preferences of our consumers.

K-12 Nutrition

We are committed to making the most wholesome, safe and nutritious products to be sold in schools, including those we make for our [Tyson Foodservice K-12](#) business. Highlights from our FY2017 K-12 initiatives include:

- Transitioning all K-12 commodity chicken products to No Artificial Ingredients and the USDA Verified claim of Chicken Raised with No Antibiotics Ever for the 2018-2019 school year, with some meeting our 100 percent All Natural claim; and
- Expanding our [K-12 Full Line Portfolio](#) in FY2017 by adding eight new innovative items. Our Chef Pierre® Whole Grain Buttermilk Biscuit is a great new item for schools to use at breakfast, which is the fastest-growing daypart. Also, kids' palates continue to expand, and in response we've added two new items to our Tyson Wei Café® product line, Thai Lemongrass and Spicy Korean BBQ Strips.

All of our K-12 product sold for school meals meets or exceeds National School Lunch and Breakfast program standards. Additionally:

- 28 products adhere to USDA's "[Smart Snacks in Schools](#)" regulations
- 63 products are [Kid Tested, Kid Approved](#)™ products
- 134 products carry the Whole Grain Stamp from the [Whole Grain Council](#)
- 139 products are eligible for federal funds reimbursement for schools and meet school lunch nutrition standards through 2022
- 280+ products meet specific school nutrition regulations for saturated fat, sodium and calorie content
- 70 products are a part of the [Cool School Café](#)® program for school year 2017-2018, which offers reward points to schools for purchasing those products that can then be used to purchase items that benefit the school district.

No Antibiotics Ever

- All chickens raised for [Tyson](#)® retail brand and select Tyson® individually frozen bone-in products
- Tyson Foodservice [Tyson Red Label](#)® brand
- Tyson Foodservice [Tyson True®Tenderpressed](#)® brand
- [NatureRaised Farm](#)® brand
- [Open Prairie® Natural Angus](#)
- [Open Prairie® Natural Pork](#)

GLUTEN FREE

- [Vans® Foods Gluten Free products](#)
- [Tyson® Gluten Free Breaded Chicken Nuggets](#)
- [Tyson® Gluten Free Breaded Chicken Breast Strips](#)

REDUCED* OR LOW SODIUM**

- [Tyson Foodservice Reduced Sodium Products](#)
- [Tyson Foodservice Low Sodium Products](#)

ALL NATURAL OR NATURAL/OR 100% NATURAL INGREDIENTS***

- [Tyson Naturals® Chicken Products](#)

100% WHOLE GRAIN BREADED

- [100% Whole Grain Breaded Chicken Breast Chunks](#)

ORGANIC

- [NatureRaised Farms® brand](#)

* Reduced Sodium: 25 percent or more reduction in the amount of sodium from a reference food

** Low Sodium: 140mg of sodium or less per Reference Amount Customarily Consumed

*** 100% All Natural: Minimally processed and no artificial ingredients

We continue to remain active in our support of school nutrition through various initiatives. We are a longtime sponsor and Patron Member of the [School Nutrition Association](#), a nonprofit that advocates for high-quality, low-cost meals to students and ensures all children have access to healthy school meals and nutritional education. We have expanded upon our Share Our Strength Partnership, in our efforts to be the K-12 industry leader in educating Food Service Directors on the importance and ease of instituting an After-School Feeding program to fight against childhood food insecurity outside of normal school hours.

Shaping the Future of Food

Our Research and Development (R&D) team focuses on innovating new products that raise the world's expectations for how much good food can do.

In FY2017, Tyson Foods invested \$113 million in research and development. As part of this ongoing effort, we have two state-of-the-art R&D facilities and 19 test kitchens that are at the heart of our innovation efforts. A world class R&D team of food scientists, chefs, health and wellness, and other experts conduct scientific testing, prototyping and new product development to help us gain a better understanding of how to deliver desired attributes and improved food to our consumers.

Launching New Tyson Ventures

As part of our dedication to product innovation, we launched a new venture capital fund, [Tyson New Ventures](#) during FY2017. The goal of the fund is to invest in opportunities that develop the most breakthrough technologies, business models and products relevant to consumers' evolving eating habits; help to feed our growing global population; and complement continued investment in innovation in our core beef, pork, chicken and prepared foods businesses.

With a \$150 million commitment from Tyson Foods, the fund is focused on two themes as it evaluates companies. The first involves sustainability through a concentration on addressing food waste, food insecurity and food deserts, and alternative proteins. The second theme is the Internet of Foods, identifying companies that leverage big-data-enabled technologies to support precision and predictive behavior in food supply chain logistics, including direct-to-consumer, food-centered businesses and ecommerce platforms.

Investing in Alternative Proteins

Today, Tyson New Ventures has invested in alternative proteins, lab-grown and plant-based proteins. It might seem counterintuitive for a company most recognized for its chicken and other meat-based food to move into this market. We realized, however, that as protein experts, a "yes and" rather than an "either or" approach to protein makes good business sense. Consumers are demanding more alternative proteins, making our decision to expand into non-meat products an easy one.

In addition, the world's population continues to grow at rapid pace. We intend to be a part of the solution for meeting increased food demand in a way that is both healthy and sustainable. To do so requires taking an unconventional approach to protein in our food innovations. Over the past year we've [invested in alternative proteins](#) through plant-based protein producer [Beyond Meat](#) and food tech startup [Memphis Meats](#). We will continue to explore other opportunities in FY2018 that will grow our alternative protein options.

The Innovation Lab

While Tyson New Ventures focuses on seeking partnership opportunities with other companies to develop and grow them, our Innovation Lab is focused on internal food development and entrepreneurialism from within. The Innovation Lab goes beyond just food development and looks at how to address societal issues in the process.

The first major issue we're tackling is wasted food. According to the U.S. Department of Agriculture, the U.S. is estimated to annually waste between 30-40 percent of the food supply, and that number is only expected to increase. We currently have several pilots underway, including with startup partners to test potential products that minimize food waste in the supply chain. We look forward to sharing the latest developments and results of these pilots on our [News](#) website as more details become available in FY2018.



Ensuring Food Safety & Quality

Doing things well means doing things right. Food safety and quality assurance (FSQA) is our number-one priority.

We evaluate and check our products for improvement, quality and safety at every touchpoint along the supply chain, from ensuring our suppliers provide us with the safest raw materials and ingredients all the way through product R&D, packaging development, manufacturing and production, storage, transportation, distribution and end consumer use. This ‘farm-to-table’ approach to guaranteeing the safety and quality of our food is what sets us apart as a trusted food company.

Our state-of-the-art FSQA management systems, coupled with the most up-to-date laboratory procedures and equipment, allow us to continuously improve the safety and quality of our food. The FSQA team is made up of more than 2,000 team members who work closely with our facilities and federal regulators to monitor the effectiveness of our FSQA practices. All Tyson Foods facilities are federally inspected and, in most cases, have a full-time USDA inspector stationed on-site.



Food Safety and Quality Assurance by the Numbers

	FY2016	FY2017
Food Safety and Quality Assurance Team Members	2,592	2,587
Certified Labs	13	16
Global Food Safety Initiative (GFSI) Certified Plants	99	108
Safe Quality Foods (SQF) Level 3 Certified Plants	13	24
Safe Quality Foods (SQF) Level 2 Certified Plants	1	0
British Retail Consortium (BRC) Certified Plants	83	82
Food Safety System Certification (FSSC) 22000 Certified Plants	2	2
Product Recalls	2 (Hot Wings® , Chicken Nuggets)	2 (Popcorn Chicken , Chicken Patties)

A Culture Grounded in Quality

Our internal culture around FSQA has only grown stronger as we've learned the value of integrating it into everything we do. Each year, every one of our team members goes through required FSQA awareness training as a part of Code of Conduct training, no matter their position within the company.

Whether they sit behind a desk at our corporate headquarters or are handling food products directly, we provide identified team members throughout our operations and supply chain with a comprehensive set of tools to make sure they have the resources, knowledge, training, communication feedback loops and management support needed to maintain high FSQA standards.

Team members whose roles involve handling food at our facilities are expected to “raise their hand” if they see something on the

job that indicates a safety or quality issue. Management at each facility also conducts regular walk-throughs with individual team members to proactively address current FSQA issues and prevent future ones.

Because of the complexity of our supply chain and the breadth and diversity of our facilities, products and suppliers, an effective FSQA system is critical to our sustainability as a business. That's why we invest in the latest FSQA data technology, managed by our Laboratory Services Network, to ensure that decision making around FSQA protocols and procedures is driven by data and backed up by testing and research. This approach allows us to look at FSQA problems from a holistic perspective, addressing the root cause of larger issues rather than reacting in silos to isolated incidents.



Labeling and Marketing Foods Responsibly

Responsible labeling and marketing is paramount to running a food business.

We ensure that food is appropriately and accurately labeled according to current government regulations and marketed according to our high standards of product transparency. Our labeling and marketing strategy is guided by the following principles:

- *We do not advertise to children.* Our advertisements only target adults, and we have strict policies in place to prevent children from providing personal information on our website.
- *We are discerning in our use of social media.* We approach the content posted on our Facebook, Twitter, Pinterest and other social media accounts with caution, offering consumers ample opportunity to engage with our products and share information about our products with others.
- *We only make product claims that we can stand behind.* All advertisements and point-of-sale marketing materials go through a rigorous internal review process by both business units and our legal team to ensure the accuracy of every food claim. All food claims comply with the USDA and FDA labeling regulations.

We've established well-defined, food-specific advertising practices and conduct sound public relations efforts that target key consumer audiences with specific needs. All advertising is in accordance with Federal Trade Commission guidelines and voluntary review organizations such as the Advertising Self-Regulatory Council.

Our marketing team's focus is to maintain a leading market position for chicken, turkey, beef, pork and prepared foods products and continue to provide quality products to our consumers and customers. We conduct ongoing consumer and market research and utilize our national distribution system and customer support services to identify distinctive markets and business opportunities.



Staying in Touch

Our team of Consumer Relations Representatives responds to social media inquiries, telephone calls, letters and emails from our customers and consumers. The ideas and thoughts of our customers and consumers are very important to us. Their feedback helps ensure we're providing the taste, value and convenience they deserve.

During FY2017, we heard from approximately 205,000 customers and consumers.

Sourcing Ingredients Responsibly

Quality products are dependent upon the quality ingredients from which they are made.

We work with trusted ingredient suppliers who are committed to the same high level of food safety and ingredient quality as we are. All suppliers are required to comply with regulations and standards relevant to their operations as set forth by the USDA and FDA, such as complying with Good Manufacturing Practice and implementing Hazard Analysis and Critical Control Points programs. Ingredient suppliers must also be certified by the [Global Food Safety Initiative](#), an industry-driven global collaboration to promote food safety.

We work closely and proactively with strategic procurement partners to leverage responsible practices in our commodities and ingredient supply chain. We invest billions each year in commodities and ingredients needed to run our day-to-day operations, including:

- Agricultural commodities such as wheat, corn, rice, soy, dairy and vegetables
- Ingredients that advance food safety, enhance flavor profiles and protect product integrity such as our own proprietary technologies that extend shelf life.

We purchase the majority of ingredients and agricultural commodities from domestic suppliers in support of U.S. farmers and businesses. The remaining ingredients are sourced from various locations across the globe.

Tyson Local Grain Services

As part of a commitment to local sourcing, we have increased engagement with the local communities upon which we rely to run our operations. We are actively growing relationships in small communities through our [Local Grain Services](#) (LGS) program, which was designed to generate positive economics for farming and poultry production and drive sustainable 'farm-to-table' food production.

LGS seeks to increase on-farm income while decreasing our input costs by eliminating supply chain inefficiencies and waste. This fosters a symbiotic relationship that is beneficial to both our suppliers and our business.





Tyson Local Grain Services

At Tyson Foods, we're committed to feeding the world and doing it responsibly. Learn more about our holistic approach to sustainability.

We established a goal to source 33 million bushels of locally grown corn for our poultry feed mills through LGS in FY2017. We exceeded this goal, with more than 40 million bushels in FY2017. This amount represented approximately 19 percent of our total annual corn use. Due to this success, our commodities purchasing team has increased this goal for FY2018 and will strive to achieve 24 percent of our total annual corn use sourced locally through LGS.

LGS provides environmental benefits as well. By sourcing grains closer to our birds, we reduce energy use associated with transportation. In the long-term, we hope to facilitate discussions and collaborations that ensure farmers are familiar with new technologies, research and best practices that can drive continual environmental, social and economic improvements with their farming operations.



Animal Well-Being



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Our Commitment

Transparently advance animal welfare and experience.

Our Goals

Deploy the most transparent animal well-being practices in food

Be a leader in animal experience research and innovation

Beginning with our FY2018 Sustainability Report, we will share progress against key welfare indicators such as number dead on arrival, broken wings and paw scores for broiler chickens; and falls, prod scores, and wait time to unload for cattle and hogs.

Fiscal 2017 By-the-Numbers

130,000
Approx. Avg.
Head Per Week
BEEF

424,000
Approx. Avg.
Head Per Week
PORK

35,000,000
Approx. Avg.
Birds Per Week
CHICKEN

75,000,000
Approx. Avg.
Pounds Per Week
PREPARED FOODS

ANIMAL WELL-BEING RESOURCES

Animal Well-Being Specialists

2017 Third-Party FarmCheck® Program Audits by Supply Chain

53
PLANT OR
COMPLEX BASED

9
CORPORATE OFFICE
OF ANIMAL WELL-BEING

187
POULTRY

124
BEEF

228
PORK

539
TOTAL

TOTAL FARMERS: 9,331

3,672
CHICKEN

3,790
CATTLE

1,774
HOGS

95
TURKEY



To further explore our animal well-being program and practices, visit our [Animal Well-Being](#) website.

A Culture of Caring About Animals

Quality care of the animals in our supply chain is a top priority to ensure we offer consumers the most humanely raised food possible.

Our commitment to delivering excellence in animal welfare permeates the entire Tyson Foods enterprise, from corporate leadership to team members on the ground who interact directly with animals on a daily basis.

Our [Animal Well-Being Policy and Commitment](#) and [Mission Statement](#) are guided by the internationally recognized “Five Freedoms” for animal well-being. We encourage team members and farmer partners to respect these principles, which include:

- Freedom from hunger and thirst
- Freedom from discomfort
- Freedom from pain, injury or disease
- Freedom to express normal behavior
- Freedom from fear and distress

Expert Advice

Our Animal Well-Being Advisory Panel is made up of external subject matter experts from a variety of backgrounds that include academia, interest groups and producers. We engage with them on a regular basis to provide guidance on current animal well-being affairs, advise on research priorities and projects, and help alert us to emerging issues or technologies that may affect our industry and business. This stakeholder engagement is critical to ensuring that we are leading the way in the most relevant and pressing areas of animal welfare.

To drive a culture of responsible animal welfare, all team members across the enterprise receive high-level training in animal well-being as part of our general compliance training. Team members in positions that require live animal handling also must complete rigorous animal welfare training before working with live animals. Our animal well-being specialists ensure that this training is delivered, updated and customized to each position — from catch crews and livestock haulers to team members in breeding houses and those who handle live animals at plants. Team members are expected to report any behavior that they know or suspect to be inappropriate to their supervisor or through our compliance and ethics hotline.

Animal Welfare in Our International Operations

As a company that has a presence internationally, we have a responsibility to ensure that our high standards of animal well-being are not only upheld across U.S. operations, but also in our operations in India and China. In these markets, our veterinary staff oversee animal welfare practices and make regular visits to monitor Chinese and Indian facilities.

We continue to explore best practices to ensure the Five Freedom principles are translated abroad. We are committed to increased visibility and continuous improvement into our international supply chain as we develop a more comprehensive understanding of the impacts in our operations there.

Ensuring Animal Well-Being at Every Step

Throughout our value chain, we keep animal well-being top of mind and urge our independent farmer partners to do the same.

On the farm, company veterinarians and animal well-being specialists work closely with farmers to ensure optimal animal husbandry, nutrition, sanitation and housing practices that support animal health and well-being. In our beef and pork operations, we source fully grown animals from third-party suppliers with whom we have longstanding relationships and who are expected to maintain the same high level of animal well-being standards that we observe within our own operations. In processing operations, we invest significant resources to train team members on safe animal handling, transport and harvesting, as well as the importance of animal well-being to our values.

Animal Well-Being Specialists: A Game Changer

This past year we launched a broad high-tech, high-touch animal welfare program that included fielding what has become the world's largest team of animal well-being specialists to ensure best-in-class training and practices. At the completion of FY2017, we had a total of 53 animal well-being specialists on staff – one for each of our facilities that harvest live animals in the U.S., including chicken, cattle, turkey and swine processing plants. These specialists meet a unique need, acting as liaison between our operation teams and plant managers, as well as serving as advocates for the animals themselves.

Specialists support the [FarmCheck®](#) program, our internal and third-party auditing of essential parts of the animal handling process. Because they are embedded in the day-to-day operations of each facility, specialists have become a highly valued resource to the complexes in which they are stationed. Not only do they

conduct regular internal audits, but they are also available to assist in real-time problem solving with team members when an issue arises on the plant floor.

In addition to overseeing animal well-being in our plant operations, specialists monitor animal well-being at U.S. farms where our chickens are raised. In this role, specialists help farmers comply with animal welfare policies and regulations and support adherence to the Five Freedoms principles. This grassroots approach to monitoring is a first in the meat industry, and its success will grow as specialists gain experiences and incorporate new best practices.



Nick
Animal Wellbeing Specialist, Tyson Foods



Ride-along with Nick Wolfenden

Take a ride with one of our Animal Well-Being Specialists to learn more about our animal well-being audits and our deepened commitment to animal well-being.

Also in 2017, Poultry specialists became [Certified Internal Auditors](#) through the Professional Animal Auditor Certification Organization (PAACO) and Beef and Pork Specialists attended PAACO training with Dr. Temple Grandin as one of the instructors. This extensive training program requires classroom training, field training (shadow auditing), an exam and annual continuing education to maintain certification. We are the first company to hold this training for internal auditors.

Transportation

The safe and responsible handling of animals during loading, transport and unloading is a critical part of our overall commitment to animal well-being. Strict guidelines govern our transportation activities to protect animals and to ensure the quality of the food we produce. More information about these guidelines can be found on our corporate website [<https://www.tysonfoods.com/sustainability/animal-well-being/transportation>].

In 2017, chicken and turkey specialists participated in the U.S. Poultry and Egg Association's [Poultry Handling and Transportation Certification Program](#). Using the knowledge from this "train the trainer" program, specialists will be rolling out training to those team members involved in all phases of transportation for poultry in 2018. Our intent is to be the first company to be certified in our poultry transportation operations through U.S. Poultry and Egg.

We also utilize external resources to provide guidance to team members in our processing plants as well as drivers who transport live animals to our facilities, including following the North American Meat Institute *Transportation Audit Guidelines* for cattle and hogs at all our beef and pork processing plants, offering the [Master Cattle Transporter Guide](#) by the National Cattlemen's Beef Association to all cattle drivers and requiring Transport Quality Assurance (TQA) for all haulers into our pork plants.



Leading in Third-Party Auditing

2017 marked the fifth year of implementing our industry-leading third-party FarmCheck® audit program, which ensures that livestock and poultry suppliers are monitored for proper animal access to food and water, human-animal interaction and worker training.

Our Corporate Office of Animal Well-Being, led by Dr. Karen Christensen, Senior Director, Animal Well-Being, oversees the implementation of FarmCheck® program. Since the onset of the program in 2013, a total of 2,345 third-party audits have been conducted across our beef, pork, chicken and turkey supply chains. We are currently making updates to FarmCheck® program to create a more robust tool, and with this sustainability report, we are sharing more detailed information about the results of our audits. Additionally, beginning with our FY2018 sustainability report, we will share progress against key welfare indicators such as number dead on arrival, broken wings and paw scores for broiler chickens; and falls, prod scores, and wait time to unload for cattle and hogs.

2017 FarmCheck® Program Audit Results

The scope of our FarmCheck® program is based on a statistical analysis of each protein in the supply chain. This analysis allows us to determine the number of supplier sites that we should audit each year so that, over a three-year period, we can be 99 percent confident that 95 percent or more of our supply chain complies

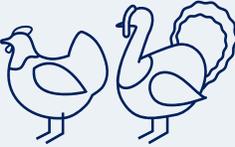
with the standards of the program. Based on this analysis, the target number for all supply chains in FY2017 was 461 sites.

All observations on farms that do not meet the criteria established in an audit tool are noted as a deficiency. If the deficiency can be corrected on-site prior to the completion of the audit, it is done. If not, then a corrective action plan is created with input from the farmer and our animal well-being, live operations and procurement teams. Corrective action plans outline appropriate actions and timelines to ensure every site is provided the opportunity to continuously improve upon their animal well-being efforts on the farm.

In 2017, there was one audit report and one public report of incidents where farmers or team members did not meet our expectation for the proper care and humane handling of animals. We do not tolerate mistreatment of animals and immediately take correction actions for violations of our expectations for the proper care and humane handling of animals, which may include termination of employment or contract.



2017 Third-Party Audit Results

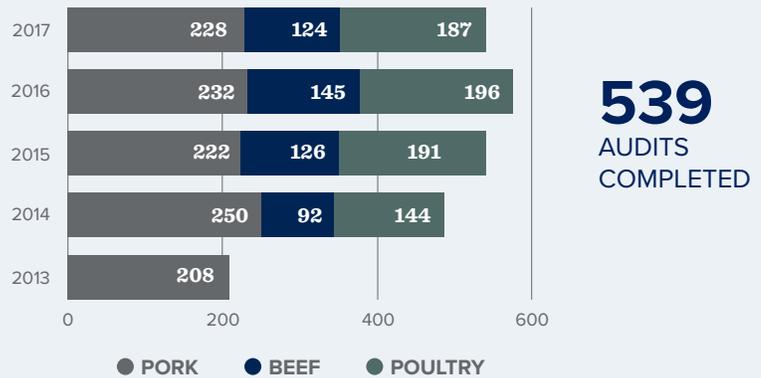
		OVERALL AUDIT OUTCOMES BY SPECIES	PERCENTAGE IMPROVEMENTS SINCE 2014
Swine*		96%	↑5%
Cattle**		85%***	↑17%
Chicken & Turkey**		95%	↑4%

*96% is the average audit score in accordance with the Common Swine Industry Audit.

**85% and 95% represent the average number of audit elements that were found to be acceptable.

***The primary audit finding opportunities for cattle producers is improved documentation and recordkeeping.

NUMBER OF THIRD-PARTY AUDITS BY SPECIES



As a result of the 2017 FarmCheck® program audits, we identified three areas for improvement across all Tyson Foods supply chains in the areas of records and documentation, such as training, maintenance logs and written standard operating procedures; internal checks, audits and assessments; and facility repair.

To learn more about audit results specific to our beef, chicken, pork and turkey facilities, visit our [FarmCheck® Program Audits](#) website.

Remote Video Auditing

At the completion of FY2017, we had implemented the U.S. meat industry's most expansive third-party remote video auditing (RVA)

system to assist in monitoring live bird handling in our poultry plants. [Arrowsight](#) provides the auditing technology and data analytics service, including trained off-site auditors who conduct random audits, analyze the video feed and provide results of their audits on a daily basis.

Additionally, the majority of our pork and beef processing plants conduct internal video audits, and Arrowsight is currently piloting RVA in one of our beef processing plants and began RVA monitoring in our turkey plant in September 2017. We believe this advanced technology is a powerful tool that has increased our ability to oversee animal human contact within our operations and drive improvements in our animal welfare practices.

Committing to Reduce Antibiotic Use

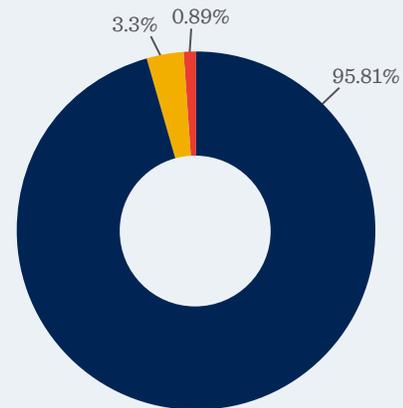
We’ve committed to being part of the solution that addresses stakeholder concerns about antibiotic resistance and the impact of antibiotics on animal well-being.

FY2017 was a landmark year in our efforts to significantly reduce the use of antibiotics in the animal-raising practices behind our Tyson® branded products and through the non-Tyson® brands we choose to produce and market. Our progress included:

- Removing all human-use antibiotics from our broiler chicken flocks
- Transitioning all Tyson® branded retail chicken products to No Antibiotics Ever (NAE), making us the world’s largest producer of NAE products
- Converting 87 of the Tyson Foodservice Tyson® branded products to chickens raised with no antibiotics
- Transitioning all of Tyson K-12 commodity-eligible poultry products to NAE (and No Artificial Ingredients) for the 2018-2019 school year
- Producing and marketing organic chicken raised without antibiotics under the [Nature Raised Farms®](#) brand, as well as beef and pork raised without antibiotics under the [Open Prairie® Natural](#) brand
- Funding research to examine the impacts of removing tylosin, an antibiotic and bacteriostatic feed additive, from finishing cattle, by studying the performance of roughage on cattle growth and health

We also made significant progress toward our goal stated in 2015 to end the use of all shared-class antibiotics in our broiler chicken flocks. “Shared-class” antibiotics are antibiotics used to treat illnesses in both classes — humans and animals, and most antibiotics fall under shared-class. Less than 1 percent (0.89 percent) of the broiler chicks placed by Tyson Foods during FY2017 were treated on farms by veterinarians with shared-class antibiotics. When necessary to minimize suffering and control disease, we treat sick chicken flocks with shared-class antibiotics. These products, however, are not sold under the NAE label.

SHARED-CLASS ANTIBIOTICS USED IN BROILER CHICKEN PRODUCTION FY2017



- Total chickens raised without shared-class antibiotics: **95.81%**
- Purchased feed that included shared-class antibiotics: **3.3%**
- Tyson Foods chickens treated on farms by veterinarians with shared-class antibiotics: **0.89%**

Through improved breeding, sanitation, animal husbandry, housing techniques and the use of antibiotic alternatives such as probiotics, botanicals and essential oils, we continue to reduce the need for the use of shared-class antibiotics.

The typical treatment time for shared-class antibiotics is between three to five days as opposed to the entire life cycle of the chicken.



Shared-class antibiotics are prescribed by veterinarians and administered to broiler chickens by adding them to drinking water, as it is not feasible to administer to chickens individually. When antibiotics are used, we follow strict withdrawal periods before the animals are processed for food. To ensure that no antibiotics end up in customer products, the U.S. Department of Agriculture regularly tests chicken for antibiotic residue.

Because our chicken operations are vertically integrated, we have more visibility into our poultry supply chain, and are thus better able to directly manage the use of antibiotics in our poultry flocks. We depend on guidance from the U.S. Food and Drug Administration on responsible antibiotic use within our cattle, hog and the majority of our turkey operations. We continue to work closely with our independent suppliers to support education and awareness of new regulations and best practices around the use of antibiotics, as well as research associated with antibiotic alternatives.

Steroids and Hormone Use

As federal law prohibits the use of added hormones or steroids in chicken or turkey, no hormones or steroids are added to the chickens and turkeys raised by our independent suppliers.

Federal law also prohibits the use of added hormones or hormone growth promotants (HGPs) in hog production. Because we

require our suppliers to comply with federal law, we expect hogs purchased from our independent farming partners to be free of these supplements.

Federal law does allow cattle farmers to utilize small amounts of hormones to increase lean weight gain rates in cattle. Stringent tolerance levels for beef hormones have been established by the Food and Drug Administration, and the Food Safety and Inspection Service of the USDA regularly tests beef for hormone residues.



[Getting to Know Our Farmers](#)
Farmer Jacquie Smith talks about being a poultry farmer for Tyson Foods.

Spearheading New Technology to Improve Animal Well-Being

We collaborate with various stakeholders, including academic institutions, industry groups and subject matter experts to advance innovative research in critical areas of animal welfare across the meat industry supply chain.

In the past 18 months, we have invested approximately \$170,000 in research initiated by universities, agricultural organizations or companies. In addition to the external research that we support, we constantly seek out and pilot the latest innovations in animal welfare best practices within our own operations.

Incubation Technology Center

We opened our Incubation Technology Center in Springdale, Arkansas, during 2017. This 75,000 square-foot, state-of-the-art facility is now the main supplier of chicks for our northwest Arkansas broiler chicken and Cornish hen operations. The facility is equipped with the latest technological advances in

biosecurity, including high-tech internal environmental controls and ventilation to ensure that fresh air is continuously circulated throughout.

The Center’s unique incubation technology allows for reduced handling of animals through the use of robotics. Robotic arms benefit animal husbandry, as well as team members by performing repetitive tasks to reduce the risk of strain and muscle fatigue.

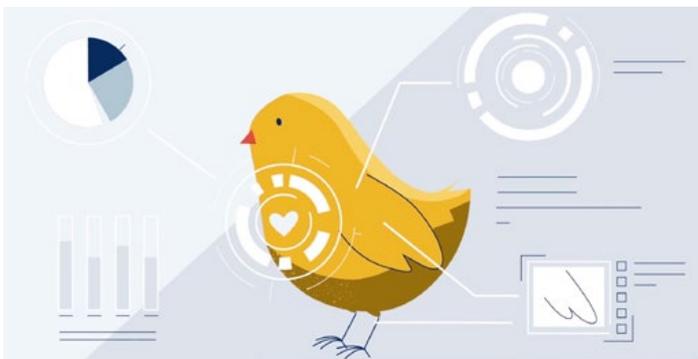
Tyson Concept Farm

Another innovation involves piloting a new approach to raising chickens at our proprietary Poultry Concept Farm, an 80-acre research farm in which Tyson Foods’ goal is to research better outcomes for birds, food safety and the environment.

The Concept Farm features a flexible design in order to pilot various projects in as many different settings as possible and iterate those practices according to research findings. The Farm acts as an integrated research hub that facilitates collaboration across functions that are studying animal welfare, environmental improvements, alternatives to antibiotics, lighting tests, operational efficiencies, workplace safety and more. As such, the Concept Farm allows us to look at our operations in a holistic way — connecting the dots between how one animal welfare practice may impact outcomes in another key area. This integrated approach enables all our sustainability pillars to work together to improve in all areas of poultry production.

Testing New Technologies

Using the best scientific research available to us and under the guidance of our advisory board, we continue to explore new technologies to improve animal well-being in our supply chain.



[New Incubation Center](#)

Learn more about our brand new, state-of-the-art incubation center. This facility was built with the best technology available and with the highest level of biosecurity in mind.



Tyson Foods' Concept Farm

As our world population continues to grow, we're focusing on improvements that allow us to keep providing the quality food you expect and deserve. We created a concept farm where we can use innovative ideas to make strides in the way our chickens are raised.

In FY2017, we piloted several new technologies.

Updated Stunning Methods: We have piloted an alternative stunning method, Controlled Atmosphere Stunning (CAS), and currently are applying this technology in our turkey plant and two of our pork plants with plans to expand this to several more plants, including poultry, during FY2018. CAS has the potential to be a more humane harvesting technique by using carbon dioxide, rather than electricity, to render the animal unconscious and insensible to pain in advance of processing.

Future Housing Systems: We support our farming partners in learning new and improved ways of raising and managing their hogs, which we purchase. We began piloting additional housing systems for pregnant sows in FY2017, including open pen gestation. When farmers are building or rebuilding housing systems for sows, we urge them to consider open pen gestation as well since there are advantages to both systems. At the completion of calendar 2017, 45 percent of our sows from our contract farms are housed in open pens. Our target is 58 percent by the end of calendar 2018.

Sustainable Beef Pilot: Tyson Foods, along with McDonald's USA, Noble Research Institute, Beef Marketing Group (BMG), and Golden State Foods is participating in a [two-year pilot](#) research project that seeks to improve sustainability across the entire beef value chain, test metrics established by the U.S. Roundtable for Sustainable Beef (USRSB) and explore scalable solutions that could be applicable to beef production across the country.

Lighting Project: Tyson Foods is conducting research to identify lighting systems that chickens prefer, both from a performance and physiological basis. Initial results across multiple light intensities, including one scenario where chickens choose a bright or dim light, suggest they prefer to eat in bright light and then move to dimmer areas for rest. Neurological markers in the birds indicate a gradient lighting system may provide a more satisfactory environment for the chickens than high-intensity lighting alone. Further exploration is needed and Tyson Foods maintains ongoing research on lighting as well as other management practices that promote animal welfare and natural behaviors.



Environment



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Our Commitment

Reduce our environmental impact as we feed the world.

Our Goals

Achieve a
12%

reduction in water use intensity
by 2020

Achieve a
30%

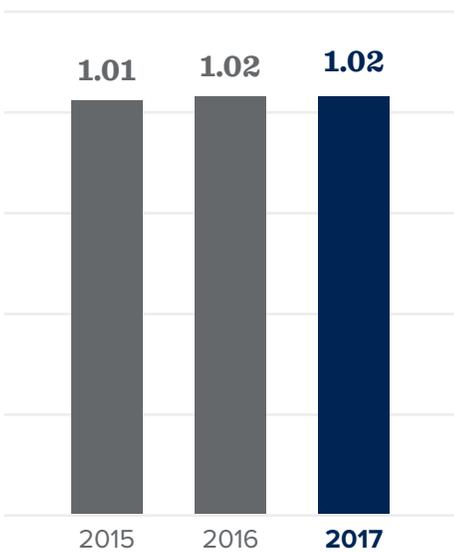
reduction in greenhouse gases
by 2030

Increase sustainable land
stewardship practices on
2M Acres
by 2020

By-the-Numbers

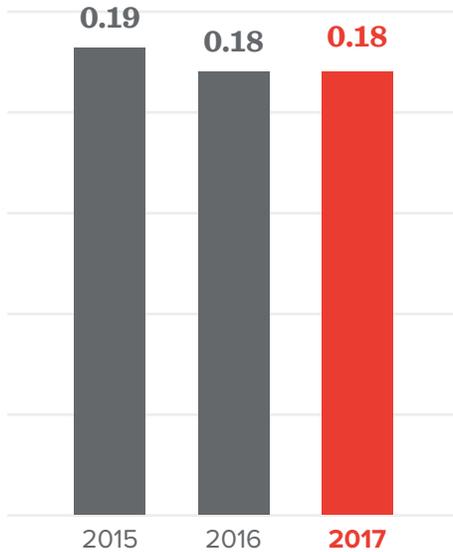
WATER USE INTENSITY

(gallons used to produce
a pound of finished product)



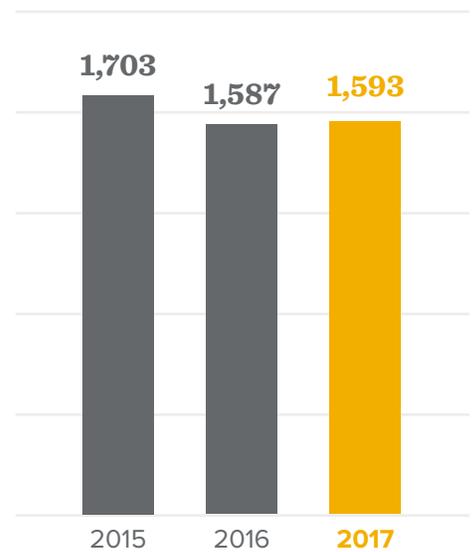
GREENHOUSE GAS EMISSIONS INTENSITY

(metric tonnes CO₂e to produce
1,000 pounds of finished product)



ENERGY USE INTENSITY

(Btu used to produce
a pound of finished product)



Reducing Our Environmental Impact to Sustainably Feed the World

Reducing our environmental impact is key to our mission of raising expectations for how much good food can do.

We are dedicated to delivering sustainable food at scale to feed our growing world. Delivering on our mission requires protecting and respecting natural resources as we grow our business. To produce our food we depend on land, water and energy to grow the ingredients, raise the animals and run our facilities. Accordingly, operating our business aligned with environmental conservation is fundamental to our Core Values, one of which states that we will “serve as stewards of the animals, land and environment entrusted to us.”

In March 2016, we set a target to reduce our water use intensity 12 percent by 2020 against a FY2015 baseline. Building on that commitment, in FY2017, we [leveraged the tools and expertise of the World Resources Institute](#) (WRI) to:

- Perform a water risk assessment that measures the company’s water footprint, and assess exposure to current and future water-related business risks;
- Align on a plan in which Tyson Foods, and other organizations, would partner to develop a water accounting methodology that measures water demands embedded in purchased or acquired electricity, steam, heat and cooling; and
- Begin developing a company-specific water stewardship position statement, set enterprise-wide water goals and establish context-based water targets.

We also worked with WRI in FY2017 to begin the process of establishing a science-based reduction target of 30 percent by 2030 for greenhouse gas emissions in both our direct operations and supply chain that we announced in FY2018. Approximately 90 percent of our emissions come from our

supply chain and are not owned by the company. Accordingly, we will be collaborating and working closely with our supply chain to drive sustainable change.

We also committed to increase sustainable land stewardship practices on 2 million acres by 2020. By using this new comprehensive approach to sustainability, we strive to make a long-lasting positive impact on the environment as well as our company, team members, consumers and customers.

Environmental Governance

Kevin Igli, our Senior Vice President and Chief Environmental Officer, who reports to our CSO, provides corporate leadership, direction and technical standards for our more than 450 environmental professionals and processes. Our Chief Environmental Officer assesses, prioritizes and manages all

Increasing Environmental Transparency

In calendar year 2017, for the second year in a row, we responded to CDP’s water and climate questionnaires, receiving a “B” (management) and “C” (awareness) score respectively. Additionally, as stakeholder concern continues to escalate around the environmental impacts of deforestation, we also responded to CDP’s forest questionnaire in 2017. We received a “B” score for our response, and plan to respond to CDP’s climate, water and forests questionnaires in 2018.

aspects of our environmental efforts across all segments of the company; monitors the status of environmental compliance and activities for our operations in the U.S., China and India; and institutes regular meetings with regulatory officials to share information, build relationships and demonstrate our commitment to environmental excellence. Our internal Executive Environmental Council meets monthly to stay on top of the most critical items facing us environmentally across the enterprise.

Environmental Management System

We have an Environmental Management System (EMS) in place at each of our U.S. facilities. The EMS, modeled after ISO 14001, is designed to minimize the environmental footprint of our operations in the communities where we work and live; support achievement of our environmental goals; and help us improve environmental compliance.

COMPLIANCE METRICS	FY2015	FY2016	FY2017
Notices of Violation (NOV)	29	19	75*
Penalties Per Fiscal Year (penalties incurred over \$5,000 described in table below)	\$403,809	\$94,855	\$208,965
Total Reportable Chemical Spills (e.g., chemicals, fats, oils, fuels)	11	18**	9***

These statistics are representative of all U.S.-based facilities, excluding Cobb-Vantress and AdvancePierre Foods.

*Out of the 75 NOV's the company experienced in FY2017, 42 of them were due to our Waterloo, Iowa pork facility experiencing multiple NOV's related to its indirect discharge to the city of Waterloo. The management team at Waterloo, along with our corporate Environmental Services department, have put several corrective actions in place and continue to work with the City of Waterloo to address these issues. Results for FY2018 so far indicate the actions taken have resulted in significant improvement.

**We are restating FY2016 reportable releases because we failed to include nine ammonia releases in this data in our FY2016 sustainability report.

***Details regarding these nine spills are available in the GRI Index.

FY2017 Penalties Incurred Over \$5,000

FACILITY	DESCRIPTION	PENALTY AMOUNT
Storm Lake, IA	Unauthorized discharges to a water of the State.	\$8,500
Multiple	Failed to adequately develop & implement SOPs relating to maintenance work on spiral freezers.	\$106,894
Center, TX	Exceeded permitted effluent limitations. Penalty and SEP.	\$40,425
Temperanceville, VA	For exceeding permit limits and failing to submit a letter of explanation & corrective actions.	\$16,150
Columbia, SC	Process safety deficiencies in equipment.	\$10,000
Temperanceville, VA	For exceeding permit limits and failing to submit a letter of explanation & corrective actions.	\$10,010
Harmony, NC	Facility exceeded the 36-hour permit limit for raw material storage.	\$14,253

Conserving Water Throughout Our Operations

Water touches everything we do at Tyson Foods — from the irrigation needed to grow the grain that feeds poultry and livestock to our processing plants where we use water to process animals, cook prepared foods and clean our facilities.

Water is a precious, finite resource that must be used and managed responsibly from farm to finished product. Food safety and quality is our top priority and water is essential to producing safe food. We aim to balance responsible water stewardship with protecting the quality and safety of our products. To better manage our water use in real time, work is underway on a new measuring and continuous monitoring system at all our U.S. plant locations.

In March 2016, we announced a target to reduce our water use intensity 12 percent by 2020 against a baseline of FY2015. To ensure we were creating an achievable, cost-effective target, we worked with a water treatment and process improvements supply partner to conduct multiple plant assessments and review historical water use data. We are currently collaborating with the World Resources Institute (WRI) to further refine

this goal and establish context-based goals that mitigate our water quality and scarcity risks at the facility level.

WRI is also in the process of conducting a Water Risk Assessment that will be completed in FY2018. Once the risk assessment is performed, WRI will assist us with water accounting by determining water costs for our business and how we account for the water that comes into our facilities.

Wastewater Treatment

Approximately 31 billion gallons of water enter our facilities annually, and the majority is returned to surface waters of the U.S. through our 36 full-treatment and 55 pre-treatment wastewater treatment centers. We use current technology and reclamation systems to conserve and reuse wastewater in our direct operations. The majority of water we use is treated and



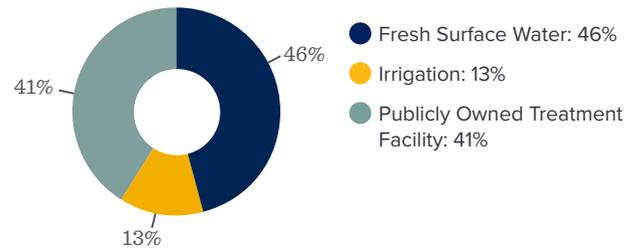
returned to the environment. Wastewater treatment not only conserves water, but, in some locations, also allows the nutrients in the wastewater to be used to grow crops and reduces our need to purchase manufactured commercial fertilizer.

At our Pasco, Washington; Holcomb, Kansas; and Madison, Nebraska plants, we reused more than 2 billion gallons of wastewater for crop irrigation. More than 3 million pounds of nutrients were collected and redistributed by beneficial soil irrigation practices through this process. For more details on our wastewater treatment process, visit our [Wastewater Treatment](#) webpage.

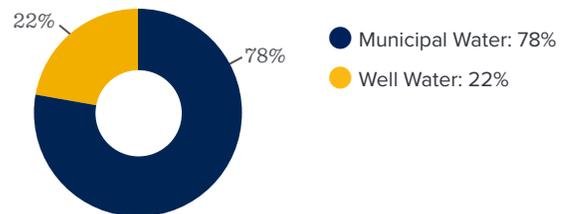
In calendar year 2017, we reported our water management and performance efforts to the CDP for the second year in a row.



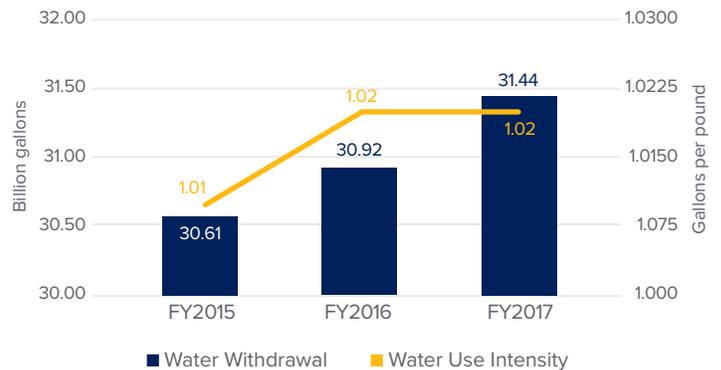
FY2017 WATER DISCHARGE BY DESTINATION



FY2017 WATER WITHDRAWAL BY SOURCE



WATER WITHDRAWAL & INTENSITY*



*This footprint includes data from our U.S.-based operations. Information from our U.S.-based Cobb-Vantress locations, The Pork Group, hog buying stations or AdvancePierre Foods facilities are not included in this footprint. FY2015 data is based on a 53-week fiscal year. FY2016 and FY2017 are based on a 52-week fiscal year.

Our water intensity was relatively flat during FY2017 due to enhanced food safety measures and increased sanitation. We remain committed to reducing our water use intensity by 12-percent by 2020 and believe we will meet this goal through the continued implementation of best management practices and use of new processing technologies.

Reducing Our Carbon Footprint

Sustainably feeding the world means reducing our carbon footprint.

In FY2017, we collaborated with the World Resources Institute (WRI) to establish our new “30 by 30” target to reduce our greenhouse gases (GHG) 30 percent by 2030. This target is designed to meet the criteria of the Science Based Targets initiative (SBTi) and is in accordance with the Paris Climate Agreement. We will be submitting our proposed greenhouse gas emission target to the SBTi for approval in FY2018 and look forward to sharing more details as they become available.

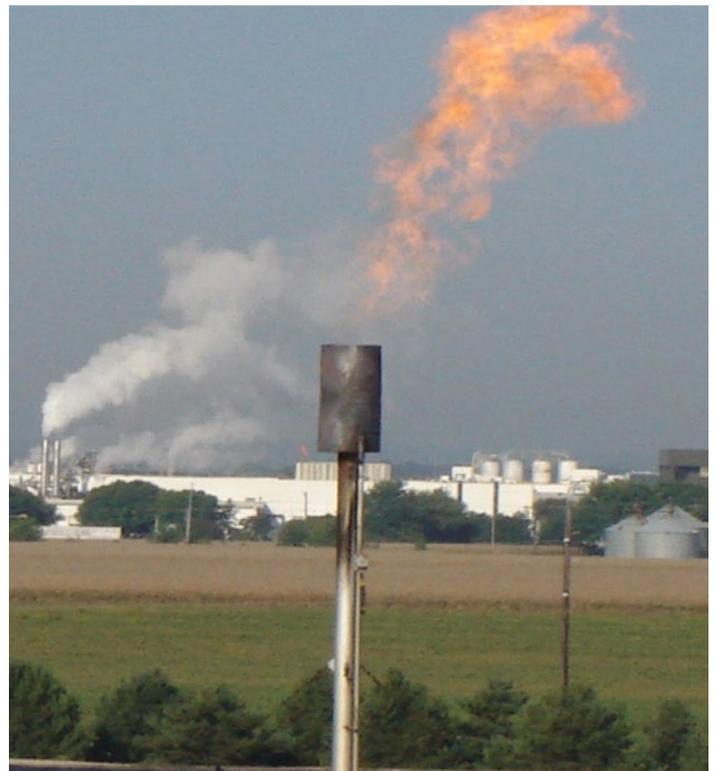
We use energy in our everyday operations for powering processing equipment; cooking, chilling and freezing product; transporting product to distribution centers and customers; and more. The main types of energy we use in our operations include electricity, fossil fuels and biogas. Our normalized energy use increased by less than one percent from FY2016 to FY2017.

Our plant and truck operations use a variety of fuels, including biogas, diesel fuel, fuel oil, natural gas and propane; electricity; and refrigerants. We strive to use renewable fuels like biogas from our wastewater treatment operations, whenever possible, and to reduce our greenhouse gas emissions by making efficient use of energy. Currently, we measure and report our greenhouse gas emissions from sources we control as well as indirect emissions from the energy we buy.

Biogas Production

At six of our production locations, we have covered wastewater treatment lagoons that allow us to capture the biogas generated from the lagoons. Biogas is generated by bacteria-consuming nutrients in the wastewater, which then produce methane and

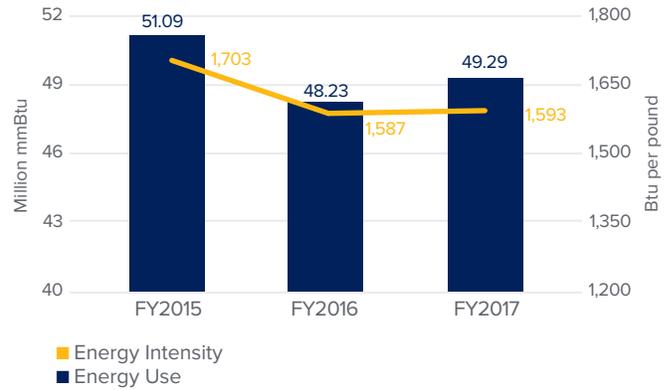
carbon dioxide gases. We clean up the biogas by removing some of the sulphur and water, and then use the biogas in plant boilers at four of the six plants, allowing us to use less natural gas. This practice takes advantage of a renewable fuel source, helps reduce greenhouse gas emissions and reduces the amount of natural gas we need to purchase. In FY2017, we burned approximately 860 million cubic feet of biogas in our boilers. This is equivalent to the amount of natural gas used by 7,000 homes annually.



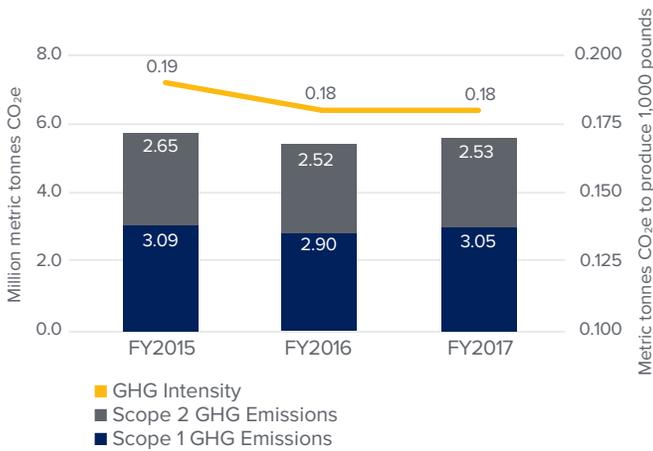
Transportation

We work toward continual improvement in finding new ways to reduce emissions, lower fuel consumption and decrease greenhouse gases, while improving the miles per gallon (MPG) performance of our fleet. As a partner in the [EPA's SmartWay®](#) program, we require all products be transported by SmartWay participating carriers. We implement several strategies to reduce our truck miles, including route optimization; shipping product directly to customer docks; using rail for product shipment instead of trucks when possible; and investing in ultra-light equipment that allows us to add product weight to our shipments and reduce the number of trucks on the road.

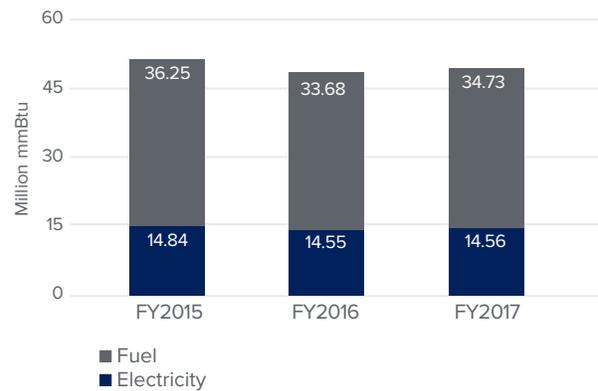
ENERGY USE & INTENSITY



GHG EMISSIONS* AND INTENSITY



TYPES OF ENERGY USED



This footprint includes data from our U.S.-based operations. Information from our U.S.-based Cobb-Vantress or recently acquired AdvancePierre Foods facilities are not included in this footprint. FY2015 data is based on a 53-week fiscal year. FY2016 and FY2017 are based on a 52-week fiscal year.

*Carbon Dioxide equivalent (CO₂e) is carbon dioxide plus nitrous oxide and methane multiplied by the respective global warming potentials.



Increase Sustainable Land Stewardship Practices

Company commitment to more sustainable production on 2 million acres of corn.

While we don't own grain farms, we do buy corn and soybeans to feed our poultry, as do the independent farmers and ranchers who sell us cattle and pigs. Since grain production is part of our supply chain and contributes to our overall carbon footprint, we're taking a major step to lessen its environmental impact.

Tyson Foods has committed to support improved environmental practices on 2 million acres of corn production by the end of 2020. This is the largest-ever land stewardship commitment by a U.S. protein company and is expected to lower the greenhouse gas emissions generated by our supply chain.

As farmers implement increasingly efficient land and nutrient management practices, the effects can be felt throughout the supply chain. Specifically, through optimized nutrient management, there will be less demand for fertilizer resulting in less energy used to produce the fertilizer; but more importantly, there will be less fertilizer applied per acre, resulting in reduced total nitrous oxide emissions.

To reach this target, we expect to work with at least one third-party organization on a program to encourage corn farmers to adopt enhanced on-farm conservation through more efficient fertilizer use and additional measures to reduce soil loss. We also plan to collaborate with various environmental groups, such as The Nature Conservancy, as well as academic experts.

The 2 million-acre target represents enough corn to feed all of Tyson Foods' annual broiler chicken production in the U.S., as well as some of the pigs and cattle the company buys from independent farmers and ranchers.

Although we own the chickens in our poultry business, the high-nutrient-value poultry litter (manure) is owned and managed by contract poultry farmers. We encourage the farmers to use

sustainable nutrient management practices and we tell them about the potential agricultural benefits of responsible manure management. Our Supplier Code of Conduct requires them to maintain a dedication to protection of the environment and a commitment to sustainable business practices.

Through various nonprofit partnerships, we've helped to move approximately 1 million tons of nutrient litter out of the Illinois River Watershed — which covers parts of eastern Oklahoma and northwest Arkansas — over the last decade. The litter is redistributed to areas where the soils are in need of additional nutrients.



Reducing Waste and Conserving Natural Resources

Reducing waste is good for our business and the environment.

Waste reduction allows us to streamline costs and send as few materials to landfills as possible. Our environmental management experts are continuously exploring innovations in packaging and waste diversion to reduce operational waste output, increase our recycling metrics and reuse waste to add value to products or create new sources of energy.

We conduct regular plant surveys and waste stream evaluations to identify opportunities for improvement. We are currently establishing an enterprise-wide system to better understand our waste footprint and plan to set targets beyond year-over-year improvements on waste reduction in FY2019. These new targets will define zero waste for our company and a structure for quarterly reporting and accountability.

Packaging

Our packaging strategy aligns with the five “Rs” — Remove, Reduce, Reuse, Recycle and Renew — and is guided by the recommended packaging metrics and definitions set forth by the Sustainable Packaging Coalition and the Global Packaging Project. Without compromising quality or product protection, our packaging design process prioritizes increasing the use of recyclable and renewable materials, as well as minimizing packaging

where possible. We stay abreast of innovations in packaging technology and ways to source renewable packaging materials.

The packaging innovation labs and pilot plants at our Discovery Centers in Springdale, Arkansas, and Downers Grove, Illinois, allow us to be very effective at implementing sustainable packaging solutions. The two facilities enable engineers to conduct extensive testing to optimize final package design and performance. In addition, we leverage the packaging testing capabilities of our strategic packaging suppliers to evaluate new and improved packaging materials and technologies.

Packaging Audits Result in FY2017 Improvements

Our strategic packaging suppliers conduct audits at our production locations to identify potential areas for making our packaging more sustainable.

Through these efforts, more than 8 million pounds of fiber was reduced from corrugated boxes and paperboard cartons.*

*Packaging reductions highlighted above occurred at varying times during FY2017 and total reductions and savings noted assume current product volumes.

WASTE GENERATION	FY2015	FY2016	FY2017
Waste Generated (million pounds)	2,901.62	2,804.02	2,979.91
Waste to Landfill (million pounds)	274.30	287.06	333.93
Waste Diverted from Landfill (million pounds)	2,627.32	2,516.97	2,645.98
Recycle Rate	91%	90%	89%
Landfill Waste Intensity (pounds landfilled to produce 100 pounds of finished product)	0.91	0.94	1.08

This footprint includes data from our U.S.-based operations. Information from our U.S.-based Cobb-Vantress, The Pork Group or hog buying stations are not included in this footprint. FY2015 data is based on a 53-week fiscal year. FY2016 and FY2017 are based on a 52-week fiscal year.

Our corrugated boxes are produced from
100% Renewable Material,
 contain
30% Post-Consumer Recyclable Packaging
 and are Sustainable Forestry Initiative® (SFI) program-certified.

Food Waste Reduction

We are committed to seeking out opportunities to eliminate or minimize food waste in our direct operations and supply chain. At numerous touch-points within our direct operations, we have established food waste diversion measures. For example:

- In our animal processing operations, virtually nothing is wasted and every part of the animal is used. Not only do we harvest the meat for use in our products, but we use the majority of animal by-products such as hides, skins, bones and blood, to create saleable materials like animal feed, biofuels and fertilizer. We also repurpose by-products for items such as cosmetics, leather, fertilizer and pharmaceutical ingredients.
- During the packaging process, we optimize packaging to keep food fresh through its intended use-by date and use state-of-the-art food safety techniques that protect shelf life.

- In our distribution centers, we optimize pallet load for the most efficient weight and cube utilization in a truck, and we use a world-class inventory and distribution system to keep our food safe and fresh.
- At the point of sale, we offer our consumers portion-controlled options to reduce waste and label guidance on preparation, cooking, storage, sell-by and best-if-used-by dates.

Through our new venture capital fund, Tyson New Ventures, and our Innovation Lab, we are investing in companies and pilot projects that are innovating new ways to address food waste across our industry. Last year we donated more than 9 million pounds of protein to food banks across the country. Read more about our food waste investments and donations in the [Food](#) section of this report.



Workplace



IN THIS SECTION

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Our Commitment

Enable our team members to reach their unique potential.

Our Goals

Aspire to offer English as a second language and financial literacy training to all employees

Create a safe workplace by reducing OSHA recordables by

15%
year-over-year

Build a highly engaged team with a

10%
increase in retention

By-the-Numbers

22%

REDUCTION IN TOTAL RECORDABLE INCIDENT RATE

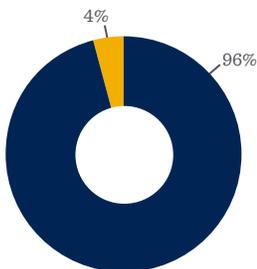
66%

RETENTION RATE**

49%

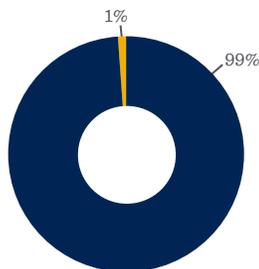
TEAM MEMBERS WITH 5+ YEARS OF TYSON EXPERIENCE

TEAM MEMBERS BY REGION



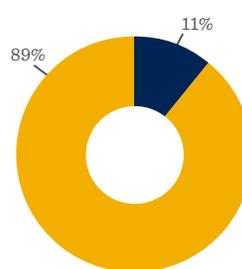
● U.S. Team Members: **96%**
● International Team Members: **4%**

TEAM MEMBERS BY CATEGORY*



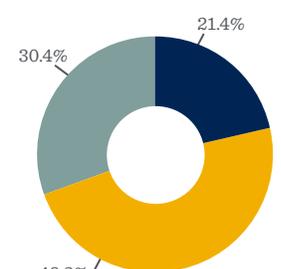
● Full-Time: **99%**
● Part-Time: **1%**

TEAM MEMBERS BY CATEGORY*



● Salaried: **11%**
● Hourly: **89%**

TEAM MEMBERS BY AGE*



● Under Age 30: **21.4%**
● 30-50 Years Old: **48.2%**
● Over Age 50: **30.4%**

*U.S./Domestic employees only as of September, 2017, excluding AdvancePierre Foods.

**While we faced challenges such as applicant availability in FY2017 and did not meet our 10 percent retention improvement goal, we remain committed to strengthening our efforts around culture, safety, wages and training in a manner that contributes to the success and welfare of our team members.

Fostering an Engaged and Empowered Workforce

We are committed to cultivating an organization of talented and diverse team members.

The majority of our workforce — some 104,000 team members — are hourly and work in our U.S. chicken, beef, pork and prepared foods production facilities. This is a diverse segment of our workforce comprised of many recent immigrants to the U.S. The remainder of our 122,000 team members are salaried and primarily work in plant management support and corporate positions.

In FY2017, we launched a suite of [workplace enhancements](#) aimed at expanding programs to support our hourly team members. As part of this initiative, we committed to improving workplace training, workplace safety, compensation and benefits, as well as helping workers gain life skills. To measure progress against these initiatives, we announced three workplace goals that include a 15 percent reduction in OSHA recordable incidents and a 10 percent increase in employee retention. Our third goal is to enable hourly employees to access English as a second language and extend financial literacy training to all employees. Enhancing both of these life skills will help employees better integrate into the communities where they live and work and better position them to realize their full personal potential.

In addition to new retention and workplace safety goals and initiatives, our better workplace efforts include:

- The hiring of 25 or more poultry plant trainers, adding to our existing 260 trainers and 30 training coordinators hired since 2015 for our poultry business.
- Expanding Upward Academy, a life skills program for workers. Learn more in the [Community](#) section of this report.
- Maintaining provisions for regularly scheduled breaks; policies and practices that allow plant Team Members to stop the line at any time for worker or food safety issues; and a training program that includes worker rights elements and multiple venues for raising concerns and voicing issues.
- Sharing publicly the results of the third-party social compliance audits of our plants. Learn more in the [Ethics](#) section of this report.

We continue to pilot a project for “span of control” that involves hiring additional production supervisors to help drive improvements in safety, retention and performance. The pilot began with a poultry plant in North Carolina and expanded to a second plant in the same state. We are still early in this pilot and continue to monitor and evaluate its success.

We are also piloting alternative work schedules at poultry plants. We are evaluating specific departments within a poultry plant that generate the most instability to determine if they are candidates for process improvement, modeling changes or alternative work schedules.

We are collaborating with [Oxfam America](#) and the [United Food and Commercial Workers Union](#) (UFCW) as we implement and evolve these workplace enhancements. UFCW holds 22 labor contracts with us that represent more than 24,000





workers. For more information on the full scope of our workplace commitments, visit our [Workplace](#) website.

Talent Strategy

Our talent strategy is aimed at attracting the best talent, recognizing and rewarding their performance, developing and retaining them. Our internal talent acquisition team’s strategy is to equip and enable the business to hire talent that solves their future challenges through standardization, talent advisory and engagement. The team’s focus is to develop sourcing strategies that identify best-in-class target industries, companies and schools to acquire desired capabilities that enable our business. Our recruitment efforts also provide an integrated focus on building a diverse organization that brings experiences and backgrounds as diverse as the consumer marketplace we serve. To this end, we actively engage in military, LGBT, college and other diversity recruiting efforts. We have three talent objectives that support our “grow, deliver, sustain” talent strategy:

- *Zero Talent “Outages.”* We strive to grow and develop the differentiated capabilities and skills that we need for the future. This includes focusing on current workforce development and recruiting new team members with the skills needed for future business growth.
- *Succession Planning versus Replacement.* We strive to keep a robust pipeline of talent, actively developing our current team members throughout the organization, and engaging with potential team members externally so that we have a strong talent pool to pull from when movement happens.

- *Be a Talent Magnet.* Our goal is to be the employer of choice within our markets and peer groups.

New Onboarding Process

In FY2017, we developed a new onboarding program, *Launch*, which offers new corporate team members the tools and resources they need to reach their full potential and feel welcome, included and supported in their careers at Tyson Foods. The online *Launch* new-hire portal provides relevant resources, tools and customized content to help new hires become familiar with who we are as an organization, and gain a better understanding of our culture and how they fit into the Tyson Foods family.

The program includes support tools for managers, designed to help them in onboarding new team members. The manager materials set managers up for success with helpful email and onboarding plan templates, how-to guides and an onboarding checklist that leads managers through each step of the process to ensure a positive onboarding experience for new team members.

Launch ensures that all new corporate team members have a consistent experience and an increased sense of belonging at Tyson Foods. As a growing company, *Launch* is already helping us onboard new organizations after an acquisition – allowing us to more smoothly integrate the unique capabilities of the acquired company and its talent, while also introducing them to our culture and ways of working and operating. We will be working to expand *Launch* into the plant onboarding experience in FY2018.

Investing in Competitive Wages and Benefits

Offering competitive wages and benefits is key to attracting top talent and retaining them.

We work to ensure that employees receive fair compensation that is commensurate to their experience and skills. In FY2017, we implemented varying levels of hourly pay increases at all poultry plants. This takes the average hourly pay for Tyson’s poultry Team Members to \$12.88-\$20.50, depending on their role.

We also launched a pilot compensation program at two poultry plants that increased hourly base wages to \$14-\$15 and shortened the time it takes new workers to move to higher hourly wage rates. This pilot continues and we have seen positive improvements on both applicant flow and turnover. In early FY2018, the pilot was expanded to include two additional poultry plants, and there are several other Tyson Foods plants outside of our poultry operations that have raised their hourly rate to \$15-\$16 per hour.

We are dedicated to providing our team members and their families with affordable health, life, dental, vision and prescription drug benefits. We invested millions of dollars in benefit improvements in January 2017 for our team members that included more vacation and holidays, as well as improvements in short- and long-term disability coverage, education assistance, adoption assistance and more. With these changes, benefits increased 3 to 5 percent for all team members.

Additionally, in February 2018, we awarded bonuses ranging from \$500 to \$1,000 to more than 100,000 team members as a result of company savings due to federal tax reform. Full-time team members who did not receive an annual bonus received \$1,000 and part-time team members received \$500.



More than \$5 Billion

U.S. Payroll

\$14.78

Average Hourly Pay Rate
for U.S. Hourly Team Members

\$837,497

Educational Assistance
Provided to Team Members

More than \$600 Million

Benefits Cost for U.S. Operations

TEAM MEMBERS ELIGIBLE FOR BENEFIT BY EMPLOYMENT STATUS						
BENEFIT	TEMPORARY	PART-TIME	FULL-TIME HOURLY	FULL-TIME MANAGEMENT NON-EXEMPT	FULL-TIME SALARIED	FULL-TIME MANAGEMENT SUPPORT
Company paid accidental death and dismemberment plan			✓	✓	✓	✓
Company paid life insurance			✓	✓	✓	✓
Bereavement pay, paid sick days, jury duty pay and military pay*			✓	✓	✓	✓
Chaplaincy program	✓	✓	✓	✓	✓	✓
Educational assistance program (employees only)			✓	✓	✓	✓
Flexible spending accounts (e.g. healthcare and childcare)			✓	✓	✓	✓
Free diabetic test strips through mail order			✓	✓	✓	✓
Free medical expert opinion program			✓	✓	✓	✓
Free weight management program				✓	✓	✓
Free online health risk assessment and wellness portal				✓	✓	✓
Free pregnancy support program			✓	✓	✓	✓
Full service credit union	✓	✓	✓	✓	✓	✓
Long-term care insurance			✓	✓	✓	✓
Medical, dental, vision and prescription medication coverage			✓	✓	✓	✓
Merchant discount/computer purchase program	✓	✓	✓	✓	✓	✓
Non-tobacco use premium incentive and free tobacco cessation program			✓	✓	✓	✓
Paid maternity leave			✓	✓	✓	✓
Product discounts through company-owned stores	✓	✓	✓	✓	✓	✓
Retirement Savings Plan (401k)	✓	✓	✓	✓	✓	✓
Short-term (company paid) and long-term disability			✓	✓	✓	✓
Stock options (only offered to salaried team members at certain grade levels)					✓	
Stock Purchase Plan	✓	✓	✓	✓	✓	✓
Vacation days and paid holidays**			✓	✓	✓	✓
Voluntary accidental death and dismemberment plan			✓	✓	✓	✓
Voluntary life insurance plan			✓	✓	✓	✓
Voluntary Critical Illness, Accident and Whole Life coverage			✓	✓	✓	✓
\$0 generics for certain maintenance medications			✓	✓	✓	✓

*Unless required by law, as negotiated in a collective bargaining agreement, or as specified in pre-existing company policy, hourly workers do not receive paid sick days. However, the company does pay short-term disability for up to 13 weeks (after a five-day waiting period) and also offers long-term disability coverage at a competitive group rate. It provides 60% of their earnings tax free for up to 10 years. Relocation assistance is also provided for some positions. AdvancePierre Foods team members did not join Tyson Foods' benefit plan until 1/1/2018.

**At this time, we are still evaluating a paid time off system for hourly Team Members. We do offer paid vacation time, pay for recognized holidays, and sick pay in locations where required by law. Additionally, we are currently testing various delivery systems for paid time off such as taking vacation time in increments less than the traditional day at time. We believe our investment in Upward Academy and addressing financial literacy gaps with our workforce, will better enable our Team Members to understand and manage a paid time off system in a manner that ensures wage protection.

Celebrating Diversity & Building Inclusiveness

At Tyson Foods, we embrace the diversity of our team members, customers, stakeholders and consumers — their unique backgrounds, experiences, thoughts and talents.

Everyone is valued and appreciated for their distinct contributions to the growth and sustainability of our business.

We are committed to cultivating an inclusive workplace that supports and empowers all team members, regardless of their race, color, national origin, religion, age, disability, genetics information, sex (including pregnancy), sexual orientation, gender identity, veteran or any other protected status. We are an [Equal Opportunity/Affirmative Action Employer](#) and our policies comply with all federal, state and local employment laws.

In FY2017, our new CEO, Tom Hayes, signed the [CEO Action for Diversity and Inclusion](#) pledge, committing us to fostering a workplace where we welcome and respect diverse experiences and thoughts, and where our team members feel comfortable and encouraged to openly discuss diversity and inclusion issues. Through this pledge, Tyson Foods joins more than 250 other companies whose CEOs are dedicated to promoting a more diverse and inclusive workplace in their organizations.

Business Resource Groups

Business Resource Groups (BRGs) play a critical role in implementing our inclusion and diversity commitments by offering business impact, community outreach, and team member support and development across our enterprise locations. Our six BRGs include DisAbility and Accessibility Awareness, Leaders of Tomorrow, Multicultural, Pride Network, Veterans and Women. In 2017, the BRGs supported our Talent Acquisition team at various recruitment events, supported the *Launch* onboarding program and provided over 1,000 volunteer hours to various communities.

Best Place to Work for LGBTQ Equality

As a direct result of our commitment to robust inclusion and diversity practices, Tyson Foods was recognized by the Human

Rights Campaign Foundation's 2017 Corporate Equality Index (CEI) as a "Best Place to Work for LGBTQ Equality." The CEI is a national benchmarking survey and reports on corporate practices and policies around LGBTQ workplace equality, including non-discrimination workplace protections, domestic partner benefits, transgender-inclusive health care benefits, competency programs and public engagement with the LGBTQ community. **For the second year in a row, we achieved a perfect score of 100 on the CEI and were one of the 517 major U.S. businesses to earn top marks in 2017.**

Inclusion versus exclusion will continue to unlock the potential of our collectively unique and powerful team.

TOM HAYES, PRESIDENT & CEO



Integrating Health & Safety Into Every Process

Taking care of business means taking care of each other.

The production of our poultry, fresh meats and prepared foods plants is “people-centric.” While our facilities have some automation, most of our production is labor intensive. Team members in our processing plants use their hands every day — harvesting animals, cutting meat, packaging food and performing other manual tasks.

We employ nearly 500 health and safety team members across the company who are focused on safety training, safety audits, ergonomics, health care and more. We aspire to zero work-related injuries; and, in 2017, announced a goal to reduce workplace injuries and illnesses by 15-percent year-over-year. In FY2017, we reduced our total recordable incident rate by 22-percent as compared to our FY2016 performance. Continuing to achieve this goal will build on a significant amount of progress that has been realized in recent years.

A Behavior-Based Approach

That progress has been the result of evolving our approach to health and safety from a compliance-based to a behavior-based one. Our health and safety strategy has changed to more closely track, measure and analyze team members’ behaviors and responses. When an incident occurs, we go straight to the source to collect data and to analyze the root cause of an incident. This allows us to make decisions based on actionable data to better reduce health and safety risk exposures that team members encounter daily. Once we better understand *why* an incident

occurred, our health and safety team can create proactive solutions that prevent exposure to our team members. In this way, we are not looking at safety as an event that happens and to which we need to react, but rather, as part of the process in which we conduct our everyday operations.

Automation can be a solution to some safety challenges. We continue to look at ways to automate production processes that don’t take our team members out of the picture, but instead make their jobs easier and give them more quality control by minimizing repetitive physical motion through automated equipment. As an example, we’ve established a new automated process for sharpening knives, an important and frequent task at our plants since much of our products are cut meats or value-added prepared foods. New robotic knife sharpening machines reduce hand stress for team members and help them better sharpen knives by numerically grading the knife edge to indicate its sharpness.

Health and Safety Communication

Communication is critical to ensuring that health and safety changes filter across the enterprise. We leverage our data capabilities to communicate announcements across our facilities in real time so that our health and safety professionals know when to react, where to go and what to do. Health and safety governance processes are designed to align the executive team with what’s happening on the plant floor.

Our Randall Road production facility in Springdale, Arkansas, reached a safety milestone in FY2017 of 15 million safe man hours without a lost time accident since 1999.

In FY2017, we committed to expanding our *We Care* safety communications program to all poultry plants by the end of FY2018. We are on track to fulfill this commitment. *We Care* is a worker safety initiative launched in 2015. Its expansion will include the creation of an executive safety council and a pilot project designed to improve plant safety communications, awareness and practices. The program includes a reminder to team members of the importance of promptly reporting all workplace injuries and illnesses.

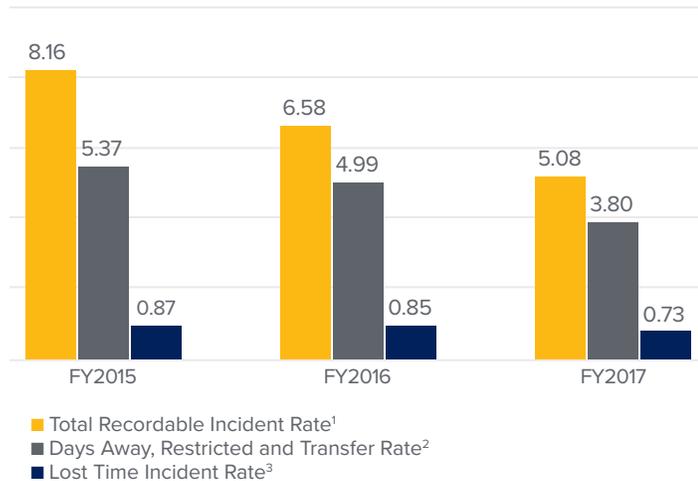
As part of the *We Care* program, in FY2017 we also committed to pilot health care programs for occupational illness prevention. These health care services will be in addition to the company's existing in-house occupational health services provided through the company's nursing department. These pilots and programs have been initiated and we are currently evaluating their performance.

We remain focused on appropriate staffing to ensure safety, such as line speeds that allow team members to stop the line at any time for team member or food safety issues, and ensure

that team members take regularly scheduled breaks. We also leverage the insights of the safety committees we have in place at all plants. The committees include management and hourly team members, representative of our workforce at each facility across job categories, gender and demographics. These team members are compensated for their time and free to participate under our [non-retaliation policy](#). Reports from plant safety committees are made available to all hourly team members and shared with management to ensure enterprise-wide communication about new or emerging safety issues in our plants.

Despite our commitment to a strong safety culture, we lost two employees in FY2015 in work-related vehicle fatalities. There were no fatalities in FY2016, but in FY2017, there were two work-related vehicle fatalities. We were deeply saddened by the deaths of these employees, losses which impact family members, coworkers and the larger Tyson Foods family. These events only strengthen our commitment to implement the most robust and comprehensive safety processes possible, and to work to prevent similar incidents in the future.

SAFETY AT TYSON FOODS*



¹ Number of work-related injuries and illnesses per 100 team members.

² Number of work-related injuries and illnesses resulting in a team member missing work, having restricted work activity or being transferred from their regular work assignment per 100 team members.

³ Number of work-related injury and illnesses that result in one or more days away from work per 100 team members.

* Data includes Cobb-Vantress U.S. facilities and excludes AdvancePierre Foods facilities.

Operating With the Highest Level of Ethics

Running our day-to-day operations in alignment with the highest ethical practices and standards is the way we do business at Tyson Foods.

Our ethics are guided by our [Core Values](#), [Code of Conduct](#), [Team Behaviors](#) (also known as our 5Cs) and [Team Member Bill of Rights](#), which outline team member rights, benefits and responsibilities.

Our policies and practices follow the human rights principles set forth in the United Nation’s [Universal Declaration of Human Rights](#) and the [International Labor Organization’s Fundamental Principles and Labor Standards](#). Team member rights are further strengthened through the Ethics Help Line, annual Compliance Training and the Social Compliance auditing program.

Social Compliance Program

Our Social Compliance Program began in 2015 and allows us to be more proactive in our social compliance efforts. Our goal is to provide our customers transparency into our workplace conditions, which include worker treatment, voice, compensation and safety so they have a reasonable assurance of our commitment to social responsibility.

Key Elements of our Social Compliance Program:

- Maintain a Social Compliance Committee (SCC) to provide oversight
- Respond to all self-assessment questionnaires from one central department, in consultation with the committee
- Maintain membership in Sedex, an external customer-supplier data exchange dedicated to empowering responsible supply chains
- Use a reputable third-party firm to provide audit services

Third Party Audits of Social Compliance Program

A third-party firm audits approximately 25-percent of our production facilities per year. The auditors use Workplace

Conditions Assessment (WCA) criteria to verify our adherence to the four pillars of social compliance standards in labor, health and safety, environment and business integrity. We believe our comprehensive audit program is efficient and effective for us and our customers. In 2017, there were 24 production facilities audited with an average score of 95-percent, and the achievement awards are posted on our [website](#). While we are proud of our overall performance against the WCA criteria, we do recognize there are areas of opportunity for us to improve. The WCA pillars where the remaining 5-percent of audit findings were identified are listed below:

- Health and Safety: 63%
- Labor: 29%
- Environment: 8%
- Business Integrity: 0%



Labor findings are related to overtime hours worked and consecutive work days. Through our remediation efforts, we found our team members voluntarily chose to work these overtime hours in excess of 60 hours per week and were paid for all hours worked in compliance with laws and regulations; however, management continues to work on the reduction of overtime and consecutive work days. The health and safety findings are related to emergency egress and fire extinguisher location and number. The findings identified were fully remediated, and management systems were reviewed and improved to prevent similar future findings.

Annual Compliance Training

We require all of our team members and directors to participate in annual compliance training on topics including our Code of Conduct and various laws and key policies. This training ensures our team members and directors understand our policies prohibit any kind of illegal or unethical behavior and their obligation to report real or suspected violations promptly. Internal reporting avenues include our human resources professionals, any member of management and the Ethics Help Line.

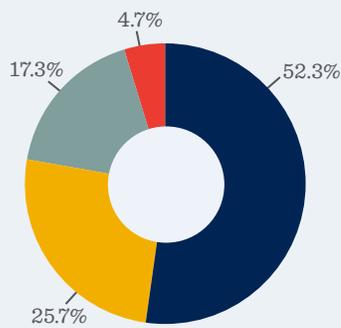
Ethics Help Line

At Tyson Foods, team members' voices are meant to be heard. All team members are actively encouraged to speak with local management and human resources representatives, or to contact the ethics and compliance department or the human resources director regarding any ethics questions, complaints or concerns they may have.

We provide a toll-free number and web-based reporting mechanism (Ethics Help Line) for team members who are obligated to report suspected violations of our Code of Conduct or the law. The Ethics Help Line is operated by an independent third party and allows team members to raise issues anonymously and without fear of retaliation if they don't feel comfortable reporting it to their local supervisor or human resources, or don't feel that the issue is being properly addressed. The Ethics Help Line is managed by a team of corporate ethics and compliance professionals and is available 24 hours a day, seven days a week, and services are available in multiple languages by phone or the Internet.

During FY2017, our Ethics Help Line received 4,761 contacts. Of the total reports, 77.4 percent were unsubstantiated following investigation. While the option to report anonymously is always available, 67.1 percent of those making reports in FY2017 chose to provide contact information. In comparison, data provided by a reputable benchmarking report shows that, on average, only 57.6 percent of those who contact a company hotline provide contact information. This volume, combined with callers' willingness to provide contact information, shows that our team members know how to use the process and are not hesitant to do so. This result is consistent with our dedication to maintaining a workplace where we can all ask questions and raise concerns without fear of retaliation.

ETHICS HELP LINE COMPLAINT AREAS (%)



- Employee Matters*: 52.3%
- Harassment & Discrimination: 17.3%
- Management Style: 25.7%
- Other (inquiries, theft, etc.): 4.7%

*Examples of Employee Matters include concerns about attendance points, discipline, or fellow team members.



Community



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Disaster Relief.....	65
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Investing in Our Team Members.....	67

Our Commitment

Support the communities we serve where help is needed most.

Our Goals

Pledged
\$50 Million
 in cash or in-kind to fight hunger by 2020

By-the-Numbers

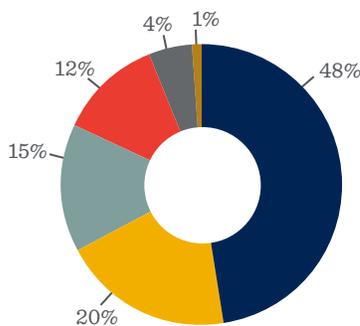
\$7.2 Million
 TOTAL SOCIAL INVESTMENT

163
 TOTAL NUMBER OF AWARDS

\$44,000
 AVERAGE GRANT AWARDED

3,700,000
 MEALS THAT MATTER SERVINGS

TOTAL CHARITABLE DONATIONS BY FOCUS AREA



- Hunger Relief: **48% (\$3,425,000)**
- Education & Workforce Development: **20% (\$1,420,000)**
- Health & Nutrition: **15% (\$1,061,000)**
- Community Development: **12% (\$887,000)**
- Miscellaneous Giving: **4% (\$338,000)**
- Environment & Sustainable Agriculture: **1% (\$50,000)**



38,800,000 Servings
 HUNGER RELIEF PRODUCT DONATIONS



1,580,000 Servings
 NON-HUNGER RELIEF PRODUCT DONATIONS

Helping to Feed Those Most in Need

Raising the world's expectations for how much good food can do means doing good in the communities where we live, work and do business.

Our social impact and responsibility strategy is led by Debra Vernon, Senior Director, Corporate Social Responsibility. Her team is focused primarily on hunger insecurity, team member stability, and community impacts.

According to Feeding America, more than 41 million Americans lived in food-insecure households as of 2016. We are deeply committed to relieving hunger in the U.S. and lending a helping hand to communities affected by food insecurity. We formalized that commitment in 2015 by pledging "50 in 5" to give \$50 million in cash or in-kind donations to fight hunger by 2020. During FY2017, we donated nearly 39 million servings of protein and \$3,575,396 in cash toward this pledge. Today, our work represents a combination of partnerships, a grants program and product donations.

Collaborative Partnerships

We partner with [Feeding America](#), donating cash and in-kind donations as well as volunteers, board service and disaster relief partnership support. We are a significant donor of meat and poultry to Feeding America and its network of food banks. Feeding America also acts as a key partner in our disaster relief efforts.



In collaboration with Feeding America, we also established the Tyson Foods Protein Innovation Fund in 2015. The fund's goal was to provide \$1 million over two years to food banks to build innovative local and national animal protein sourcing programs with processors and animal protein donors. The fund's first five pilot food bank projects implemented in 2016 produced nearly two million servings of protein for food-insecure communities and offered new insights to help inform food bank food sourcing strategies and guidance for Feeding America's

network of 200 food banks. Our five second-year projects are still underway and expected to be completed in Summer 2018.

FY2017 marked the second year of our two-year, \$300,000 commitment as a National Innovation Partner supporting afterschool meals innovation pilots for Share Our Strength's [No Kid Hungry](#) Campaign. Because of the afterschool meals innovation pilots, Share Our Strength's Center for Best Practices was able to establish a resource guide for schools that want to implement afterschool meals programs.

Tyson Foods and Cobb Vantress, a wholly owned subsidiary of Tyson Foods, partnered with OneEgg in FY2017 to launch a sustainable egg farm in Haiti, which is producing much-needed protein for undernourished children and an ongoing economic boost for the local community. We provided a nearly \$350,000

Tyson Foods 2017 Hunger Hero Spotlight

Each year, we recognize local unsung heroes who are innovating new ways to end hunger in their local communities. In 2017, we honored, among others, [Jessica McClard](#) of Fayetteville, Arkansas, founder of [Little Free Pantry](#) (LFP). Jessica started LFP in 2016 to help provide free food to those in need and a convenient way for people to donate food locally. The idea of LFP is "leave what you can, take what you need." We awarded her \$40,000 to help implement a web-based interactive map that shows people where they can find a local LFP. Watch this [video](#) to hear Jessica's inspiring story and read about our other 2017 Hunger Heroes [here](#).



Jeremy Beehn
General Manager
Construction Startup
OneEgg Farm, Haiti



OneEgg Farm

Watch this [video](#) to learn more about the construction of the OneEgg farm.

- *Nonprofit skill and capacity building*: to improve nonprofit management, planning and fundraising capabilities and help them become more self-sufficient and sustainable
- *College internship program*: for nonprofits in our three corporate locations to host summer interns
- *Nonprofit skill building for scholarships*: to enable nonprofit managers to attend nationally reputable training and certification programs to improve their organization’s sustainability
- *Community Cornerstone*: for projects, programs and physical places that bring diverse cultures together

grant to [OneEgg](#), a nonprofit that delivers eggs to children in developing countries.

We also are a longtime sponsor and Patron Member of the School Nutrition Association, a nonprofit that provides high-quality, low-cost meals to students and ensures all children have access to healthy school meals and nutritional education.

Community Grants

Our Corporate Social Responsibility Charitable Grants are awarded to nonprofits to assist them in addressing issues relevant to our corporate giving focus areas and are focused on organizations based in our host communities. As previously mentioned, grant focus areas include those related to hunger relief, including urgent food supply and food bank optimization, as well as:

In FY2017, we continued to provide community grants to organizations that address, among other urgent issues, hunger relief and food insecurity. We seek grant applicants who are tackling urgent food supply for short-term feeding programs, as well as those seeking funding to improve the efficiency of their operations and/or increase their ability to distribute food. The \$400,000 in community grants we provided to 17 nonprofits in FY2017, included:

- Tarrant Area Food Bank in Fort Worth, Texas, to fund a mobile food pantry
- Neosho Bright Futures, Neosho, Missouri, for a backpack program that will provide weekend meals for children from preschool to high school
- River Bend Food Reservoir, Davenport, Iowa, for logistics software and inventory tracking across a 22-county area in Iowa and Illinois to reduce staff time, create daily routes, lower transportation costs and improve customer service to partner agencies



Food Product Donations

Donating food products is a win-win for our communities and our business. We provide food to those in need and in the process, cut down food waste within our operations to positively impact our bottom line. Product donations are also the main vehicle through which our team members engage with communities,

FROM FY2016 TO FY2017
WE INCREASED OUR
PRODUCT DONATIONS BY

**8,900,000
Servings.**

whether by volunteering at a food bank or hitting the road to help deploy our Meals that Matter disaster relief program.

In FY2017, we reached a milestone, donating 28 million servings of protein to the

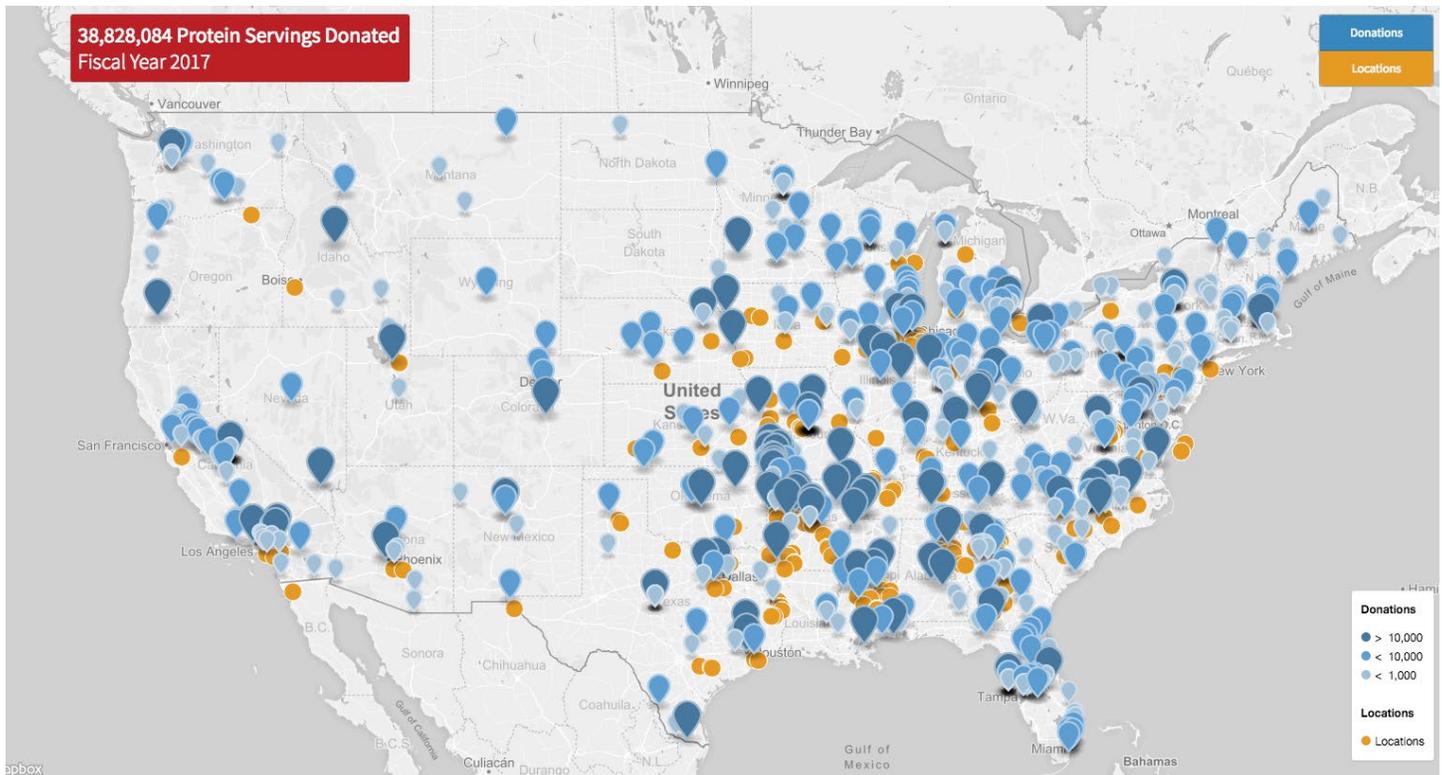
Northwest Arkansas Food Bank, with which Tyson Foods has been a partner in hunger relief for nearly 30 years. We also announced a \$152,000 grant to the food bank to fund operational efficiency improvements.

	HUNGER RELIEF DONATIONS*	NON-HUNGER DONATIONS**
Servings Donated	38,800,000	1,580,000
Donation Value	\$12,562,000	\$566,000

* Hunger Relief Donations: product donations that are distributed to Feeding America food banks

** Non-hunger Donations: product donations that go to charitable organizations whose customers are not food insecure (i.e. Boy Scouts, fire departments, charity dinners)

FY2017 Product Donation Geographic Breakdown



Source: OpenStreetMap

Meals that Matter[®]

Our disaster relief efforts overlap in purpose with our hunger relief focus to feed those in need.

We help to deliver and serve food to local communities heavily impacted by natural disasters and experiencing an increased level of food insecurity. In FY2017, we answered the call of communities in crisis through our Meals that Matter[®] disaster relief program.

Meals that Matter[®] disaster relief program is comprised of a fully stocked 53-foot trailer that has the capacity to refrigerate up to 20,000 pounds of food and dry storage for supplies to set up feeding sites and support our on-site cooking crews. The trailer acts as a central supply unit or “mobile kitchen” that can efficiently serve as a disaster relief site. Depending on the need, the trailer is accompanied by deployment of other trailer tractors that haul food product, water and equipment. In addition, Tyson Foods has donated two Mobile Command Centers to Team Rubicon since 2014, which include sleeping quarters, and office and storage space for staff and volunteers. These Centers were deployed in support of our relief efforts after Hurricane Harvey.

We collaborate with several key partners when implementing the Meals that Matter[®] disaster relief program in the field:

- **Feeding America:** This long-standing partnership allows us to utilize their network of food banks, resources, community contacts, volunteers and storage to respond quickly and effectively in the wake of disasters.
- **Team Rubicon:** This nonprofit partner leverages the skills and experiences of military veterans with first responders to provide emergency response teams during disasters.
- **Bimbo Bakeries USA:** In FY2017, we established an official partnership with Bimbo Bakeries USA. The company supplies our on-site cooking crews with bread, bun and roll products, as the protein primarily served through the Meals that Matter[®] disaster relief program is in the form of handheld sandwiches.

- **Hugg & Hall Equipment Co.:** In FY2017, we also announced an official partnership with Hugg & Hall Equipment Co., which provides us with regional support during disaster relief efforts by supplying lighting, power, material handling, as well as heating, ventilation and air conditioning equipment as needed.
- **American Egg Board (AEB):** As a result of working closely with AEB in the aftermath of Hurricane Harvey in Texas, we formalized our relationship in January 2018 to partner on disaster relief efforts on an ongoing basis.
- **Pepper Source:** In FY2017, we took additional steps to solidify our partnership with Pepper Source. They provide the Meals that Matter[®] Disaster Relief Team with a wide assortment of dipping sauces and other products used at our feeding sites during a deployment.

Our Meals that Matter[®] Disaster Relief Team provided and served 3,769,008 meals to victims, volunteers and first responders of disasters in FY2017. Highlights included:

- In the aftermath of historic flooding from Hurricane Harvey in Texas and Hurricane Irma in Florida, Tyson Foods’ Meals that Matter[®] Disaster Relief Teams served and distributed a combined 2,954,134 meals from September 1 to September 21 in Florida and Texas.
- Cook teams set up in Conroe and Rockport, Texas, served 916,018 meals that were distributed by local volunteers. 32,000 meals, ice and bottled water were distributed to Tyson Foods team members in Houston. In addition, 700,000 meals were donated to Feeding America food banks in Harris and Montgomery counties.
- In response to the deadly tornadoes that devastated the southeastern U.S. in early 2017, we donated 280,000 servings of protein to local Feeding America food banks in Georgia and Mississippi, providing thousands of meals to local residents in need.

Understanding Our Local Community Impacts

Building strong communities starts at home where our team members live, work and play.

We own and operate facilities in more than 100 communities across the U.S. Most of our host communities are in rural areas where in many cases, Tyson Foods is the largest employer. We are responsible for playing a role in giving back to our communities and ensuring our neighbors and team members have opportunities to grow, learn and thrive.

To better serve our communities, we needed to understand the diverse needs and makeup of our team members and host communities. In November 2017, we started planning and subsequently launched an independent Social Baseline Study (SBS) of our operations by researching a sample set of 21 Tyson Foods plant sites. The study’s goal is to examine the impacts and risks in the communities where we do business, and how we might be a better neighbor and employer of choice.

Sites were selected based on a site’s history with its community, team member issues, site and community size, type of product made on-site, geographic location and other criteria deemed

relevant to the initial research. Our methodology comprises desktop research, along with four more in-depth investigations that include site visits, interviews and focus group discussions. At each site visit, we will engage a variety of stakeholders, including plant and HR managers, team members, community leaders, public service leaders, civic groups, religious leaders and representative community members.

Our initial research led us to focus on the following study areas:

- Community conditions (demographics, character, governance, trends)
- Public infrastructure and services (transportation, education, safety)
- Livelihoods, labor and workforce statistics and trends
- Economic trends
- Public health status, trends and risks
- Community culture, traditions, cohesion and “brand”
- Cultural resources (sites or periods/events of religious, historic or cultural value)

Further discussions and analysis revealed additional concerns important to our team members and host communities that we plan to keep top of mind as we continue these assessments. These include child care, cultural acceptance and assimilation, government services, healthcare, housing, hunger and nutrition, language, labor and legal status, natural resource use and poverty.

As an example of the type of impacts and dynamics under study, we know that some team members may face challenges accessing and affording healthcare services. We are learning there are a variety of causes, including language barriers, a lack of understanding about the American healthcare system, and the cost of services. In FY2018, we will explore innovative approaches to address these concerns.



Empowering Team Members Through Upward Academy

Incorporating best practices in employee care in our everyday operations is crucial to building stronger host communities.

Not only is it the right thing to do, but it is also advantageous to our business by decreasing turnover and increasing retention. In other words, we support, educate and invest in our team members so they will stay with us over the long term.

Many of our team members are new immigrants to the U.S. and face unique and shifting challenges that we aim to address through our innovative on-site team member workplace education program, Upward Academy. The program is designed to focus on the needs of immigrant team members.

In partnership with local community organizations, Upward Academy provides team members with important life skills, offering free and accessible classes in English as a Second Language (ESL), General Educational Development (GED), citizenship and functional literacy. In 2017, we piloted healthcare and back-to-school events for team members' children. In 2018, we are piloting workshops on financial literacy.

We launched the Upward Academy pilot program in FY2016 at one of our processing plants in Northwest Arkansas. The pilot realized encouraging results; more than 500 team members enrolled in the program and received more than 1,500 hours of instruction. All team members who participated reported being more satisfied at work than before attending Upward Academy classes.

Based on this initial success, we deployed Upward Academy to 20 Tyson Foods processing plants in Arkansas in FY2017 and plan to expand the program in several other states during FY2018, starting with Nebraska, North Carolina and Texas.

FY2017 Upward Academy Results:

- 710 team members enrolled
- More than 40,000 instructional hours presented

Upward Academy Team Member Spotlight:

Irma Gonzales, a team member at our Randall Road, Arkansas, plant, participated in Upward Academy in 2017.

Orphaned at the age of eight, Irma was forced to drop out of school to care for her siblings. When she arrived in the U.S. 20 years



ago, Irma was unable to read or write in English or Spanish. Through Upward Academy, Irma learned the entire alphabet by working with her ESL teacher at the Randall Road plant and recently made her first doctor's appointment by herself, filling out all the necessary forms in English for the first time. "It is the best opportunity I could have because I don't know how to drive. The hours, the schedule before work, it works perfectly," said Irma Gonzalez, a 20-year team member who is an ESL student in Upward Academy. Originally from Mexico, Irma works the first shift at our Randall Road plant. "It's really difficult to go to school somewhere else."

GRI Content Index

GRI Standards



DISCLOSURE NUMBER	DISCLOSURE TITLE	2017 RESPONSE
GRI 102: General Disclosures		
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	Cover
102-2	Activities, brands, products, and services	Our Approach – Our Business
102-3	Location of headquarters	Springdale, Arkansas
102-4	Location of operations	Our Approach – Our Business Tyson Foods 2017 10-K, page 15
102-5	Ownership and legal form	Publicly traded company
102-6	Markets served	Our Approach – Our Business
102-7	Scale of the organization	Our Approach – Our Business
102-8	Information on employees and other workers	Workplace – 2017 Summary Overview
102-9	Supply chain	Tyson Foods 2017 10-K, pages 2-5, 16 Our Approach – Our Business Food – Responsible Ingredient Sourcing
102-10	Significant changes to the organization and its supply chain	Tyson Foods 2017 10-K, page 2
102-11	Precautionary Principle or approach	The “precautionary principle,” as defined by Article 15 of the Rio Principles established at the United Nations Conference on Environment and Development in 1992, states that “where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation.” Tyson Foods evaluates and manages environmental risks under its Environmental Management System. This approach includes data and guidance from environmental regulatory agencies, academia, and industry associations.
102-12	External initiatives	Our Approach – Stakeholder Engagement

DISCLOSURE NUMBER	DISCLOSURE TITLE	2017 RESPONSE
102-13	Membership of associations	We are a corporate member of, or have individual team members that participant in, numerous industry groups and professional associations. We work with these groups and associations because they represent the food processing industry and business community in discussions with governmental agencies and other stakeholders. They are also instrumental in helping to reach industry consensus on important national policy issues. We have company representatives on the boards and committees of many of these groups and associations to ensure we have an avenue to voice questions, concerns, and opinions about policy or related activities. Examples of industry groups and associations we are involved in include the Academy of Nutrition and Dietetics; Global Food Safety Initiative; National Grain and Feed Association; Research Chef's Association; School Nutrition Association; Society for Human Resources Management; and the U.S Roundtable for Sustainable Beef.
STRATEGY		
102-14	Statement from senior decision-maker	Our Approach – Leadership Message
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	Workplace – Ethics Tyson Code of Conduct
GOVERNANCE		
102-18	Governance structure	Our Approach – Governance
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Our Approach – Stakeholder Engagement
102-41	Collective bargaining agreements	Tyson Foods 2017 10-K, page 5
102-42	Identifying and selecting stakeholders	Our Approach – Stakeholder Engagement
102-43	Approach to stakeholder engagement	Our Approach – Stakeholder Engagement
102-44	Key topics and concerns raised	Our Approach – Stakeholder Engagement
REPORTING PRACTICES		
102-45	Entities included in the consolidated financial statements	Tyson Foods 2017 10-K, pages 2-5
102-46	Defining report content and topic Boundaries	Our Approach – Materiality
102-47	List of material topics	Our Approach – Materiality
102-48	Restatements of information	Any restatements, and reasons for such, are footnoted as part of the data presentation within the body of the report.
102-49	Changes in reporting	Our Approach – Materiality In June 2017 we completed the acquisition of AdvancePierre Foods Holdings, Inc. and, in November 2017, the acquisition of Philadelphia-based Original Philly Holdings, Inc. We have noted in this report if the data we are sharing includes or excludes these acquisitions.

DISCLOSURE NUMBER	DISCLOSURE TITLE	2017 RESPONSE
102-50	Reporting period	The editorial content of the Tyson Foods 2017 Sustainability Report generally covers subject matter for FY2017 (October 2, 2016, through September 30, 2017) and some of 2018.
102-51	Date of most recent report	2016
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	<p>Leigh Ann Johnston Director, Sustainability leigh.ann.johnston@tyson.com 479-290-3419</p> <p>Mailing Address: Tyson Foods, Inc. 2200 W. Don Tyson Parkway, CP005 Springdale, AR 72762-6999</p>
102-54	Claims of reporting in accordance with the GRI Standards	Core
102-55	GRI content index	GRI Standards Content Index begins on page 68
102-56	External assurance	This report is not externally assured.
GRI 205: Anti-corruption		
103-1	Explanation of the material topic and its Boundary	Our Approach – Governance Workplace – Ethics Tyson Code of Conduct
103-2	The management approach and its components	Our Approach – Governance Workplace – Ethics Tyson Code of Conduct
103-3	Evaluation of the management approach	Our Approach – Governance Workplace – Ethics Tyson Code of Conduct
205-1	Operations assessed for risks related to corruption	We strive to operate with integrity in all we do and corrupt business practices violate that trust. We do not tolerate any form of bribery or corruption. Each year, we perform a risk assessment related to corruption that evaluates the likelihood of occurrence, impact, and management effectiveness. In addition, management team members are trained on anticorruption and antitrust policies. All reported allegations of corruption/bribery are formally investigated to conclusion and the results are provided to senior management for adequate remediation of people and/or process.

DISCLOSURE NUMBER	DISCLOSURE TITLE	2017 RESPONSE
GRI 206: Anti-competitive Behavior		
103-1	Explanation of the material topic and its Boundary	Our Approach – Governance Tyson Code of Conduct
103-2	The management approach and its components	Our Approach – Governance Tyson Code of Conduct
103-3	Evaluation of the management approach	Our Approach – Governance Tyson Code of Conduct
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Tyson Foods 2017 10-K, pages 16-17, 86-87
GRI 303: Water		
103-1	Explanation of the material topic and its Boundary	Tyson Foods 2017 10-K, page 4 Environment – Water Environment – Sustainable Land Stewardship
103-2	The management approach and its components	Tyson Foods 2017 10-K, page 4 Environment – Water Environment – Sustainable Land Stewardship
103-3	Evaluation of the management approach	Tyson Foods 2017 10-K, page 4 Environment – Water Environment – Sustainable Land Stewardship
303-1	Water withdrawal by source	Environment – Water
GRI 306: Effluents and Waste		
103-1	Explanation of the material topic and its Boundary	Tyson Foods 2017 10-K, page 4 Environment – Strategic Approach Environment – Water Environment – Sustainable Land Stewardship Environment – Material Resources
103-2	The management approach and its components	Tyson Foods 2017 10-K, page 4 Environment – Strategic Approach Environment – Water Environment – Sustainable Land Stewardship Environment – Material Resources
103-3	Evaluation of the management approach	Tyson Foods 2017 10-K, page 4 Environment – Strategic Approach Environment – Water Environment – Sustainable Land Stewardship Environment – Material Resources
306-3	Significant spills	In FY2017, we incurred nine reportable chemical spills. This includes an ammonia release in Mississippi totaling 451 pounds; one in North Carolina totaling 358 pounds; a release in Tennessee totaling 198 pounds; one release in Iowa totaling 344 pounds; and a release in Kansas totaling 2,711 pounds. These releases were to air and had no environmental impacts. We also experienced a 46 gallon fuel spill in Arkansas which impacted a parking lot and subsequently water during a rain event; a 200 gallon oil spill in Mississippi that impacted water; a 10 gallon fuel spill in Virginia made contact with water; and an oil spill of less than a quart that impacted water in Arkansas. Clean up activities were initiated immediately to mitigate environmental impacts.

DISCLOSURE NUMBER	DISCLOSURE TITLE	2017 RESPONSE
GRI 307: Environmental Compliance		
103-1	Explanation of the material topic and its Boundary	Tyson Foods 2017 10-K, page 4, 12 Environment – Strategic Approach
103-2	The management approach and its components	Tyson Foods 2017 10-K, page 4, 12 Environment – Strategic Approach
103-3	Evaluation of the management approach	Tyson Foods 2017 10-K, page 4, 12 Environment – Strategic Approach
307-1	Non-compliance with environmental laws and regulations	Tyson Foods 2017 10-K, pages 16-17 Environment – Strategic Approach
GRI 402: Labor/Management Relations		
103-1	Explanation of the material topic and its Boundary	Tyson Foods 2017 10-K, page 2, 9 Workplace – Engagement and Retention Workplace – Ethics
103-2	The management approach and its components	Tyson Foods 2017 10-K, page 2, 9 Workplace – Engagement and Retention Workplace – Ethics
103-3	Evaluation of the management approach	Tyson Foods 2017 10-K, page 2, 9 Workplace – Engagement and Retention Workplace – Ethics
402-1	Minimum notice periods regarding operational changes	When significant operational changes have been determined (such as plant expansions or closures, acquisitions or investments in technology), we notify our team members of the changes. We share the news as transparently and timely as possible and are committed to continued communication as appropriate throughout the process. This approach is always a part of any change management we do. We are compliant with the U.S. Department of Labor Worker Adjustment and Retraining Notification Act (WARN); local, state, or country-specific laws; or any requirements set forth in respective collective bargaining agreements.
GRI 403: Occupational Health and Safety		
103-1	Explanation of the material topic and its Boundary	Workplace – Health and Safety
103-2	The management approach and its components	Workplace – Health and Safety
103-3	Evaluation of the management approach	Workplace – Health and Safety
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Workplace – Health and Safety
GRI 407: Freedom of Association and Collective Bargaining		
103-1	Explanation of the material topic and its Boundary	Tyson Foods 2017 10-K, page 2, 9 Workplace – Engagement and Retention Workplace – Ethics
103-2	The management approach and its components	Tyson Foods 2017 10-K, page 2, 9 Workplace – Engagement and Retention Workplace – Ethics

DISCLOSURE NUMBER	DISCLOSURE TITLE	2017 RESPONSE
103-3	Evaluation of the management approach	Tyson Foods 2017 10-K, page 2, 9 Workplace – Engagement and Retention Workplace – Ethics
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	To our knowledge, Tyson Foods did not have operations in FY2017 in which the right to exercise freedom of association and collective bargaining were at risk. We maintain a Code of Conduct and Team Member Bill of Rights that specifically recognizes and respects the rights of our team members to join or not to join a trade union, or to have recognized employee representation in accordance with local law. At this time, we do not screen our suppliers and contractors for human rights, including the right to exercise freedom of association or collective bargaining. We do, however, maintain a Supplier Code of Conduct that sets forth our expectations of suppliers and contractors in regards to key business practices including the right of employees to freely associate.

GRI 412: Human Rights Assessment

103-1	Explanation of the material topic and its Boundary	Workplace – Engagement and Retention Workplace – Ethics Tyson Code of Conduct
103-2	The management approach and its components	Workplace – Engagement and Retention Workplace – Ethics Tyson Code of Conduct
103-3	Evaluation of the management approach	Workplace – Engagement and Retention Workplace – Ethics Tyson Code of Conduct
412-1	Operations that have been subject to human rights reviews or impact assessments	Workplace – Ethics Certifications and Programs

GRI 416: Customer Health and Safety

103-1	Explanation of the material topic and its Boundary	Tyson Foods 2017 10-K, page 4 Food – Consumer Nutrition Food – Food Safety & Quality
103-2	The management approach and its components	Tyson Foods 2017 10-K, page 4 Food
103-3	Evaluation of the management approach	Tyson Foods 2017 10-K, page 4 Food
416-1	Assessment of the health and safety impacts of product and service categories	Tyson Foods’ approach to food safety and quality is comprehensive, preventive, and proactive. We implement controls and measures at every level to make sure our products are second-to-none in food safety and quality. We assess our products for improvement during product research and development, manufacturing and production, marketing and promotion, storage and distribution, and use. We believe this approach helps guarantee the safety and quality of our products from the farm all the way to the dinner table.

DISCLOSURE NUMBER	DISCLOSURE TITLE	2017 RESPONSE
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Food – Food Safety & Quality
GRI 419: Socioeconomic Compliance		
103-1	Explanation of the material topic and its Boundary	Our Approach – Governance Workplace – Ethics Tyson Code of Conduct
103-2	The management approach and its components	Our Approach – Governance Workplace – Ethics Tyson Code of Conduct
103-3	Evaluation of the management approach	Our Approach – Governance Workplace – Ethics Tyson Code of Conduct
419-1	Non-compliance with laws and regulations in the social and economic area	Tyson Foods 2017 10-K, pages 16-17, 86-87 Workplace – Ethics



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