

# Sustaining Our World, Together

—  
2018 Sustainability Report



Tyson

# Approach



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# Our Business

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 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, prepared meals, meal kits and fully cooked dinner meats
- Prepared Foods: Appetizers, sandwiches, and tortillas
- Commodity Meat and Poultry: Fresh chicken, beef and pork, and specialty meats
- Alternative Proteins: Investments in Beyond Meat and Memphis Meats and co-led a seed investment round for Future Meat Technologies

## Reach

We primarily operate in the United States, China and India and sell food all over the world. In fiscal year (FY) 2018, we sold products in approximately 125 countries, with major sales markets in Canada, Central America, China, European Union, Japan, Mexico, Middle East, South Korea and Taiwan.

## Scale & Scope Fiscal 2018

**\$40.1B**  
Revenues

**\$3.027B**  
Net Income

**\$114M**  
Research and  
Development  
Spending

**\$29.109B**  
Total Assets

## Operations, Major Sales Markets



# OUR VALUE CHAIN

## Research & Development

Food 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.

### CATTLE:

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

### PIGS:

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



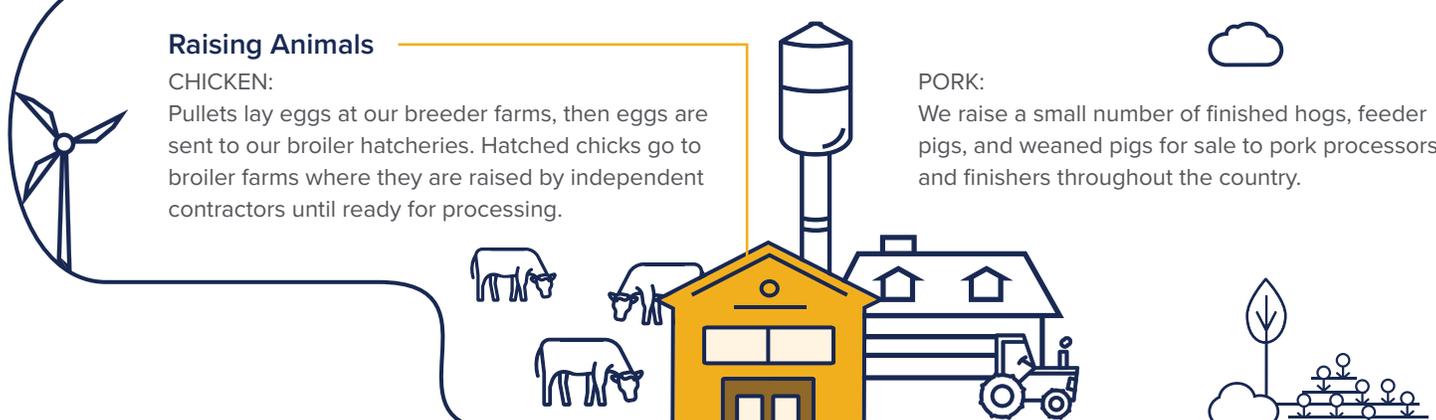
## Raising Animals

### 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.

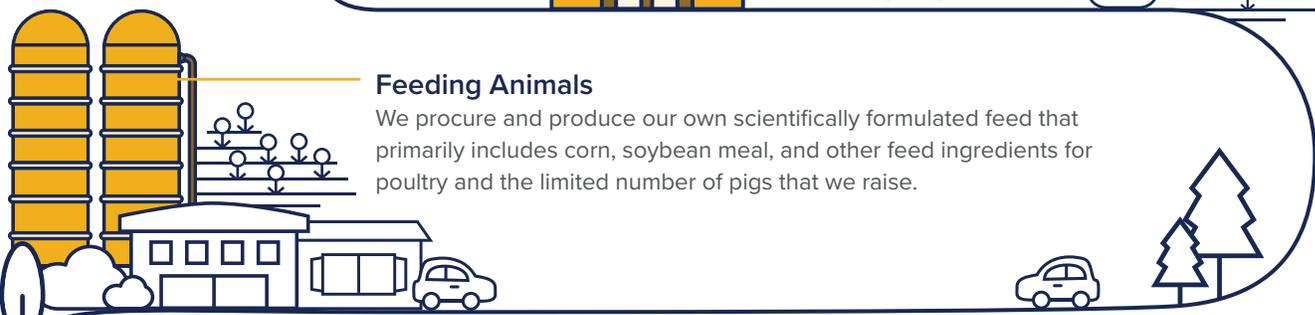
### PORK:

We raise a small number of finished hogs, feeder pigs, and weaned pigs for sale to pork processors and finishers throughout the country.



## 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 pigs that we raise.



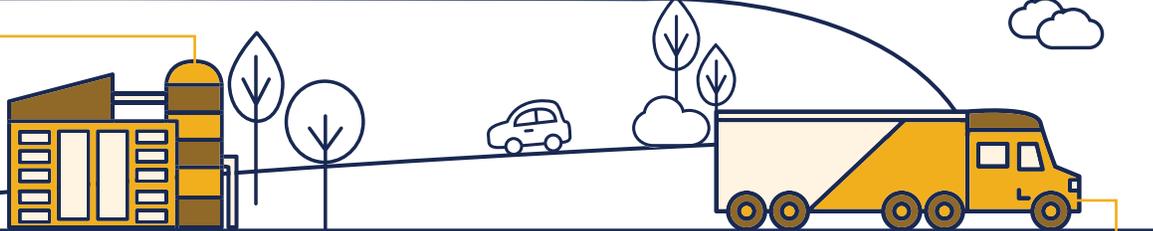
## Processing

Live animals are harvested and converted into food products.



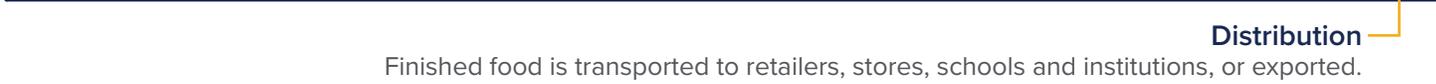
## Rendering

Animal byproducts from processing are rendered for other fat or protein products.



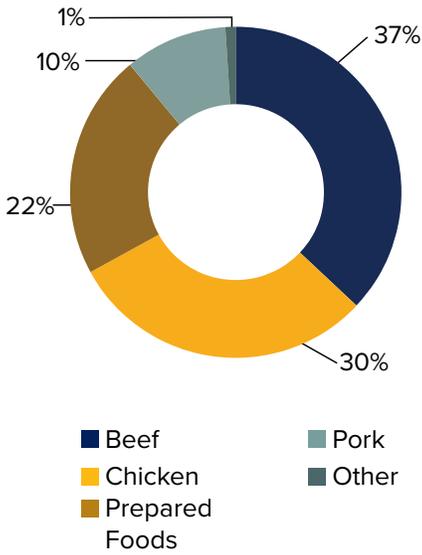
## Distribution

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

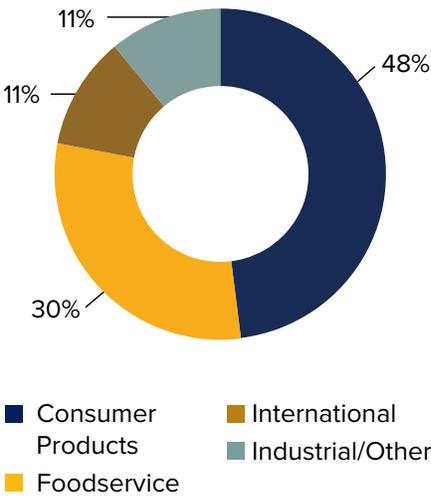


## FY2018 By-the-Numbers

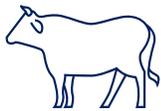
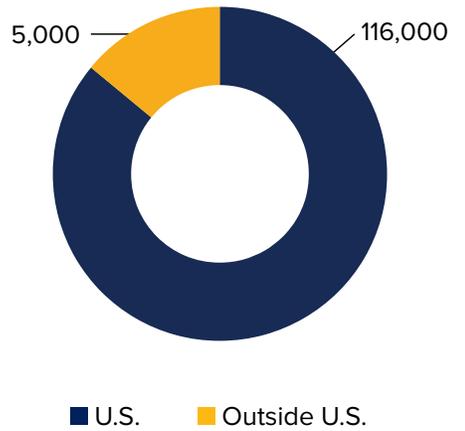
### Sales by Segment



### Sales by Distribution Channel



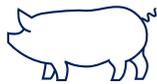
### Global Workforce (U.S. / International)



Beef

133,000

Approx. Avg. Head per Week



Pork

408,000

Approx. Avg. Head per Week



Chicken

37,000,000

Approx. Avg. Birds per Week



Prepared Foods

66,000,000

Approx. Avg. Pounds per Week

Total Farmers

9,248

Chicken Farmers

3,564

Cattle Farmers

3,775

Hog Farmers

1,811

Turkey Farmers

98

# A Letter from the Tyson Family

In 1935, John W. Tyson started trucking chickens from Northwest Arkansas to markets in the Midwest because times were hard, and he was looking for a better way to provide for his family.

He had an idea and, more importantly, the courage to make it happen. As a result, he created the foundation of what is now the nation's largest food company.

As members of the Tyson family, we're proud of what he started and what our company has become. Although times have changed, one thing has remained consistent - Tyson Foods' commitment to the same values important to our family, including truth, integrity and trust. We're also grateful the company's leaders and team members have that same desire to continually make our business better.

Tyson Foods has always strived for excellence and continuous improvement. That's why we're proud of Tyson Foods' 2018 sustainability report, which helps more formally measure and share our progress in such important areas as food, animal welfare, the environment, workplace and communities.

We especially want to express our support for the bold sustainability commitments Tyson Foods has made, including:

- Reduce greenhouse gases by 30 percent by 2030
- Reduce water intensity by 12 percent by 2020
- Increase sustainable land and stewardship practices on 2 million acres by 2020
- Build a highly engaged team with a 10 percent increase in retention
- Create a safer workplace by reducing OSHA recordables by 10 percent year-over-year
- Aspire to offer English as a second language and financial literacy training to all employees

The theme of this year's report is *Sustaining Our World, Together*. It's an appropriate message since we know that sustainably feeding the world requires everyone's support, as well as the same dedication that John W. Tyson showed, to find "a better way."



Tyson Family

# A Message from Our President and CEO

**Our biggest opportunities for growth are in our value-added and international businesses - and I'm personally committed to sustainability in these areas and across our company.**

At Tyson Foods, we're building on our strong foundation to even better serve our customers and people's changing tastes. As we've said, our biggest opportunities for growth are in our value-added and international businesses – and I'm personally committed to sustainability in these areas and across our company.

- We launched a land stewardship pilot program with Environmental Defense Fund (EDF) using cloud-based technology that could potentially be ground-breaking in how we work with farmers to reduce GHG emissions, improve water quality and maximize farmer profitability.
- We're focused on accelerating and developing alternative protein – including through our own new product innovation – to give consumers even more protein options.
- We joined United Nations Global Compact, and publicly committed to implementing sustainability principles that support human rights, labor, the environment, and anti-corruption.

In addition to joining the UN Global Compact, we also committed to advancing the UN Sustainable Development Goals, which focus on ending poverty and hunger; ensuring quality education for all; providing clean water and sanitation; and promoting decent work and economic growth.

These commitments and goals align with our core values and 5Cs culture. In fact, we already have several programs in place that support these principles. We continually strive to create a safe and healthy work environment; our Helping Hands program aids team members in times of need; we provide education programs through Upward Academy and technical skills training through our Connect 4 program; and Meals That Matter® supports disaster relief efforts. We're a proud part of a global community of like-minded companies working to do good.

Every day, we're acting on our purpose – to raise the world's expectations for how much good food can do. We strive to deliver profitable business growth, while doing what's right for our customers, consumers, suppliers, team members, communities, the planet and our shareholders. And we'll keep raising expectations as we grow.

Noel White  
President & CEO, Tyson Foods

*“ Every day, we're acting on our purpose – to raise the world's expectations for how much good food can do. ”*



# CSO Q&A

Justin Whitmore, EVP, Alternative Proteins and CSO, shares his thoughts on some of the challenges Tyson Foods addressed in FY2018 and the opportunities that lie ahead.

**Q** You've been CSO for almost two years now. Where is Tyson Foods in its sustainability journey?

**A** Two things have become clear in the last two years.

First, Tyson Foods is uniquely positioned to help sustainably feed people around the world. Second, we are investing with purpose to tackle some of the biggest challenges in food in new and exciting ways.

We've launched industry shaping environmental, animal welfare, and social impact initiatives, made public commitments with transparent reporting, and formed new partnerships to accelerate our progress in creating a more sustainable food system.

Tyson Foods is at a truly exciting point in its sustainability journey with so much more to come.

**Q** Tyson's sustainability report has an expansive scope and includes many activities and initiatives that occurred in 2018. What are the most important accomplishments you would highlight for readers?

**A** We have teams leading many remarkable initiatives, and we are proud of the progress we've made this year. While we would encourage you to read the entire report, we will highlight four accomplishments.

- We worked with World Resources Institute to set an ambitious target to reduce greenhouse gas emissions 30 percent by 2030 across our value chain. Our target was accepted by the Science Based Targets initiative, making us the first U.S. protein company in the food and beverage sector to receive such approval.
- We are piloting a land stewardship program with Environmental Defense Fund that, if successful, will lead to a change in our ability to monitor and transform



*“ We have an important responsibility to sustainably feed the world. This responsibility calls on our company to constantly think about how to reshape elements of the global food system and to lead change. ”*

key environmental measures. We are partnering with farmers to scale practices that will reduce greenhouse gas emissions, improve water quality and maximize farmer profitability. We are measuring the results at the field level using cloud-based technology from MyFarms and Farmers Business Network. Our initial pilot is focused on 500,000 acres of corn and our plan is to expand to two million acres by 2020.

- Our award-winning Upward Academy educational program provides team members with important life skills, offering free classes in English as a Second Language, General Educational Development, citizenship and functional literacy. The program is currently running in 33 of our plant locations, and we plan to launch in 24 more locations in the coming year.
- We've become the first food company to license Progressive Beef, the largest-ever cattle sustainability program verified through USDA approved auditors. The program certifies that cattle feedlot operators are following best practices for animal welfare, food safety, responsible antibiotic use and environmental sustainability.

**Q** Why are partnerships so important to Tyson Foods' sustainability strategy?

**A** We have an important responsibility to sustainably feed the world. This responsibility calls on our company to constantly think about how to reshape elements of the global food system and to lead change. However, the challenges we face are massively complex, and include multiple stakeholders including farmers, consumers, retailers, distributors, food processors, scientists, trade associations, regulators and non-government organizations. We can only be successful by bringing together this extensive network of partners and focusing on a shared mission.

Our 2018 Sustainability Report highlights how we are "Sustaining our World, Together." Through partnership and collaboration with the World Resources Institute, Environmental Defense Fund, Farmers Business Network, My Farms, Oxfam America, United Food and Commercial Workers Union and many others, we are working together to create safe, nutritious and affordable foods that are better for people and the planet.

**Q** Tyson Foods recently joined the UN Global Compact. What does this mean and why is it important?

**A** We are thrilled to join the UN Global Compact and be part of a global community of like-minded companies working to do good. By joining the Compact, we commit to upholding principles that support human rights, labor, the environment and anti-corruption.

In addition, we are committing to advancing the UN Sustainable Development Goals (SDGs), which include a set of 17 goals focused on addressing global challenges such as ending hunger, ensuring quality education and providing clean water and sanitation. You'll see us reference how our initiatives align with the SDG's throughout this report. The SDGs are ambitious, but we're up to the challenge and will be transparent about the progress we're making along the way.

**Q** What are Tyson's biggest opportunities in 2019?

**A** Three things stand out for 2019.

First, we will focus on delivering against the commitments we've made thus far. We've been bold and progress won't happen overnight. Creating the environment for our teams and partners to succeed will be key.

Second, we will build out the next phase of initiatives which will focus on topics like renewable energy, sustainable packaging, and waste reduction.

Finally, with our expanding global footprint in Asia and Europe, we will work to ensure that our international locations are tightly linked to our domestic sustainability efforts.



# Sustainability Strategy

## A Strategy for Sustainably Feeding the World

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, as well as making a difference in animal welfare – and we want to make this difference while we sustainably feed the world, together.

Our approach to sustainability is multidimensional. We seek answers that improve outcomes across all focus areas, understanding that sustainability issues such as animal welfare, the environment and worker safety are interconnected. Our integrated strategy drives improvements in all areas of sustainability at an accelerated pace by approaching them in a holistic way.

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.

Tyson Foods’ strategy advances sustainability in five key areas:

1

**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.

2

**Animal Welfare** – 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.

3

**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 material compliance with regulations.

4

**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.

5

**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.

Watch a [video](#) about our Journey to Sustainability.

# Commitments

## Tracking progress toward our commitments.

Status Key: ■ Performing at or above target ■ Performing below target ■ Encountering significant challenges

GOAL	STATUS	PROGRESS TO DATE
<b>COMMITMENT: REDUCE OUR ENVIRONMENTAL IMPACT AS WE FEED THE WORLD</b>		
Reduce greenhouse gases (GHG) by 30 percent by 2030	■	<ul style="list-style-type: none"> <li>Partnered with World Resources Institute in FY2017 and early FY2018 to develop a science-based target for GHG emissions</li> <li>In Q2 FY2018, publicly announced our a GHG emission reduction target of 30 percent by 2030</li> <li>In Q4 of FY2018, received approval from the Science Based Target initiative (SBTi) for our reduction target</li> <li>We will publish key metrics, provide updates on initiatives we launch, and report our progress towards achieving this goal in future communications and our annual sustainability report</li> </ul>
Reduce water intensity by 12 percent by 2020	■	<ul style="list-style-type: none"> <li>Decreased 2.96 percent since FY2015 (baseline)</li> </ul>
Increase sustainable land and stewardship practices on 2 million acres by 2020	■	<ul style="list-style-type: none"> <li>Partnered with Environmental Defense Fund on two pilot programs that will help improve nutrient management on 500,000 acres of corn</li> </ul>
<b>COMMITMENT: SUSTAINABLY FEED THE WORLD WITH SAFE, HIGH-QUALITY AND NUTRITIOUS FOOD PRODUCTS</b>		
Sustainably offer protein and food products that consumers want	■	<ul style="list-style-type: none"> <li>Launched 359 new products in 2018 and invested \$114 million in R&amp;D</li> </ul>
<b>COMMITMENT: ENABLE OUR TEAM MEMBERS TO REACH THEIR UNIQUE POTENTIAL</b>		
Build a highly engaged team with a 10 percent increase in retention	■	<ul style="list-style-type: none"> <li>Recorded a 5 percent reduction in retention from FY2017 to FY2018 due to wage pressure and the lowest unemployment rates the U.S. has experienced in decades have made it increasingly difficult to stabilize our workforce and achieve the desired level of improvement in retention.</li> </ul>
Create a safe workplace by reducing OSHA recordables by 10 percent year-over-year	■	<ul style="list-style-type: none"> <li>Reduced OSHA recordables by 22 percent from FY2017 to FY2018</li> </ul>
Aspire to offer English as a second language and financial literacy training to all employees	■	<ul style="list-style-type: none"> <li>Upward Academy is currently available to team members in 33 locations and is expected to expand to an additional 24 locations in FY2019</li> </ul>
<b>COMMITMENT: SUPPORT THE COMMUNITIES WE SERVE WHERE HELP IS NEEDED MOST</b>		
In 2015 pledged \$50 million in cash or in-kind donations to fight hunger by 2020	■	<ul style="list-style-type: none"> <li>Donated \$2.442 million towards hunger relief</li> <li>Served 2,068,970 meals as a part of our Meals that Matter® program</li> <li>Donated products that provided 46,065,388 servings to ease hunger relief</li> <li>Total contribution thus far = \$45.9 million</li> </ul>
<b>COMMITMENT: TRANSPARENTLY ADVANCE ANIMAL WELFARE AND EXPERIENCE</b>		
Deploy the most transparent welfare practices in food	■	<p><b>Began disclosure of six key welfare indicators:*</b></p> <ul style="list-style-type: none"> <li>Broiler Chickens: Transport Livability 99.83%; Non-Damaged Wings 98.88%; Acceptable Paw Scores 78%**</li> <li>Cattle &amp; Hogs: No Falls 99.15%, Not Prodded 99.15%, Acceptable Wait Time 94.02%</li> </ul>
Be a leader in animal experience research and innovation	■	<ul style="list-style-type: none"> <li>Piloted new technologies in areas such as controlled atmospheric stunning</li> <li>Continued to implement largest industry third-party remote video auditing system</li> <li>In 2018 become the first beef processor to license the Progressive Beef™ program, a comprehensive quality management system for cattle feeding operations</li> </ul>

\*Percentage acceptable of animals and trailers audited against [NAMI Recommended Animal Handling Guidelines \(June 2017 Rev. 1\)](#) for cattle and hogs and [NCC Welfare Guidelines for Broilers](#).

\*\*We are committed to continuous improvement in animal welfare and our opportunity is to improve paw scores during winter weather. Paw condition can be impacted in winter weather by factors such as low temperatures and moisture. Our goal is to improve paw scores in winter months by five percent year-over-year. We will report our progress against this goal in our annual sustainability report.



# Governance

## Setting the Bar High for Responsible 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 a 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 FY2018, our Board of Directors consisted of 11 members, nine of whom were independent, including a lead independent director. Of the 11 members serving on the Board, there were three women and two minority members. During FY2018, one new director was appointed and one director resigned. 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 [2018 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 Alternative Proteins 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.

Our sustainability governance structure is bolstered by internal senior leaders who 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 Alternative Proteins and Chief Sustainability Officer shares regular progress updates with the Governance and Nominating Committee of our Board of Directors.

# Materiality

## 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 in calendar year 2017.

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 CY2017



FOOD SAFETY



ANIMAL WELL-BEING AND MANAGEMENT



ANTIBIOTICS

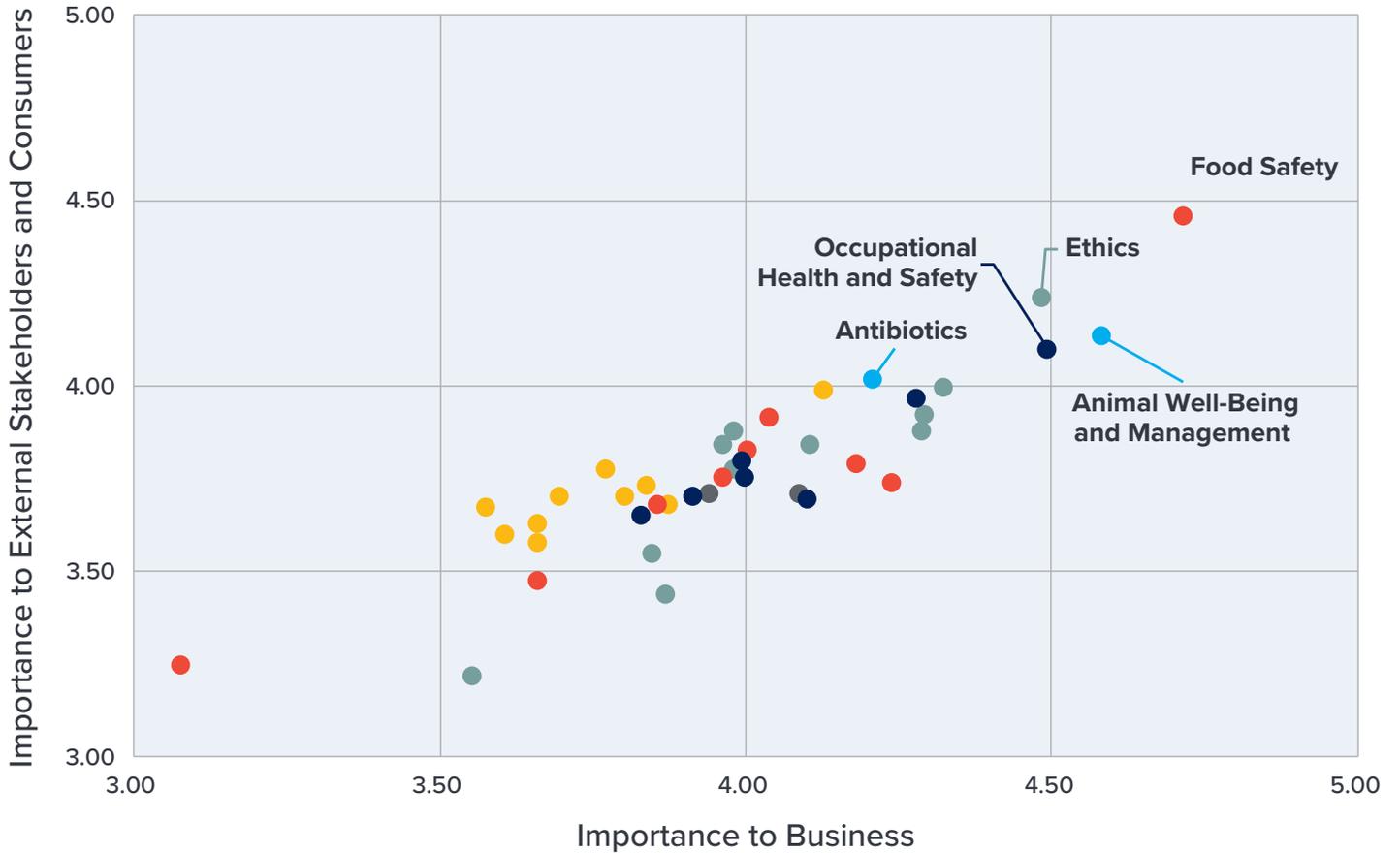


ETHICS



OCCUPATIONAL HEALTH & SAFETY

### Sustainability Materiality Matrix



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



# Stakeholder Engagement

Building a better food future, together

We believe in the axiom that two heads are better than one. Partnerships are critical to our sustainability strategy. We engage in active partnerships with key stakeholders across our business, including team members, farmers, contract growers, NGOs, academic/research institutions and more, to fulfill our purpose of raising the world's expectations for how much good food can do.

Highlights of key partnerships and how they came to life in FY2018 include:

- Became the [first beef processor](#) to license the [Progressive Beef™](#) program, a cattle management and sustainability program for feedlot operators
- [Collaborating](#) with the [World Resources Institute](#) (WRI) to develop our [science-based GHG targets](#) and outcome-based targets for water conservation and establish contextual water targets
- Launching [two projects](#) in early FY2019 with [Environmental Defense Fund](#) (EDF) to scale sustainable agriculture practices on 500,000 acres of corn

- Providing [grants](#) to University of Arkansas and Arkansas Tech University to fund their food recovery programs
- [Working with OneEgg](#) to increase food access and economic stability in developing countries by assisting with the construction and support of egg farms
- Maintaining close relationships with our contract poultry farmers and growers to ensure optimal practices that support [animal health and welfare on-farm](#)
- Encouraging [team member collaboration](#) to achieve collective goals
- Collaborating with the United Food and Commercial Workers Union (UFCW) to [develop safety programs](#) that create a better workplace environment

By maintaining open dialogue and communication with our valued stakeholders, we're able to keep our finger on the pulse of the issues and topics most important to each of our stakeholder groups.

## SUMMARY OF STAKEHOLDER DIALOGUE AND OUTCOMES

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

# Food



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# Our Commitment to Food

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

## Our Goal

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

## FY2018 By-the-Numbers



**\$114M**

Invested in R&D



**359**

New Product Launches in 2018



**2,751**

Food Safety & Quality Assurance Team Members



**106**

Global Food Safety Initiative Certified Plants



**100%**

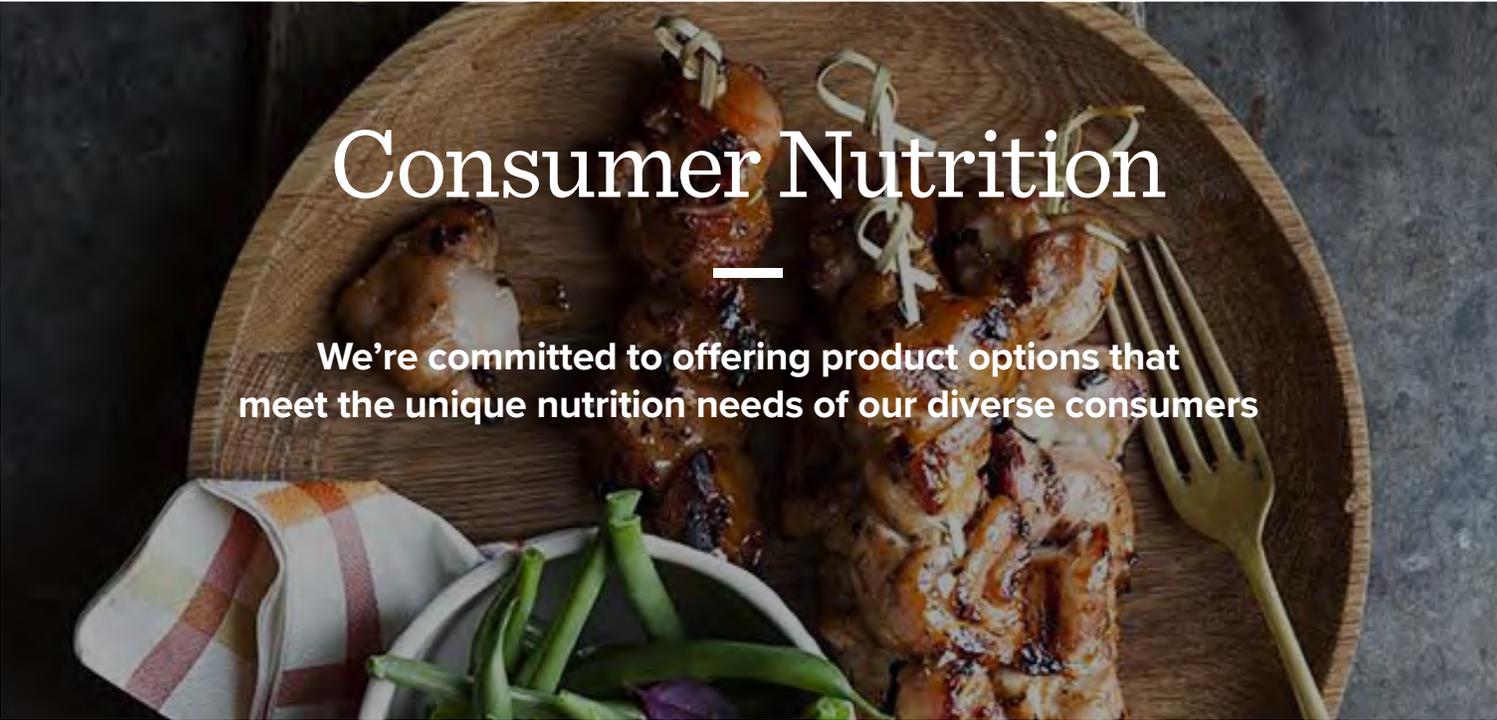
of K-12 Commodity Chicken Products Meet the Claims of No Artificial Ingredients and No Antibiotics Ever



## FY2018 Key Achievements

- Became the first [beef processor](#) to license the [Progressive Beef™](#) program, a cattle management and sustainability program for feedlot operators that is verified through USDA approved auditors.
- Launched [iYappah!™ Chicken Crisps](#), made from rescued vegetable puree and malted barley to help fight food waste.
- Co-led a seed investment round for [Future Meat Technologies](#), continuing our support of alternative protein products such as Memphis Meats, Beyond Meat and our 2019 investment in Myco Technology.
- Expanded our commitment to build strong and lasting relationships with farmers by increasing the number of farmers who choose to sell corn to our [Local Grain Services program](#).

Resources — [USDA FSIS Safe Food Handling Fact Sheets](#) | [Centers for Disease Control Food Safety for Fruits and Vegetables](#)



# Consumer Nutrition

We're committed to offering product options that meet the unique nutrition needs of our diverse consumers

## MEETING THE GROWING DEMAND FOR PERSONALIZED NUTRITION

Responsible nutrition is integrated into our company's purpose of raising the world's expectations for how much good food can do. That's also critical to our business success. Consumers' increased interest in their overall health is driving their food choices in the marketplace, and their nutrition needs and preferences are constantly evolving. As one of the largest food companies in the world, it's incumbent upon Tyson to anticipate and respond to these needs with fresh ideas and innovative products that expand our portfolio of foods with nutritious attributes.

### Putting Protein in the Spotlight

Protein is vital to a nutritious and well-balanced diet. The rise in low-carb, paleo and ketogenic diets in recent years, along with the growing body of research that supports the role of protein in health, has amplified interest in protein-rich foods. Consumption of beef, chicken, pork and turkey have each been on a steady incline over the past five years, reaching record highs in the U.S. during 2018, [according to the U.S. Department of Agriculture](#). Responding to consumers looking to add more protein to their diets, we offer a broad portfolio of protein products that include such top-selling brands as Jimmy Dean®, Tyson®, Hillshire Farm®, Ball Park®, and Aidells®.

In 2018, we expanded our protein offerings by acquiring [Keystone Foods](#), which increases our value-added protein

capabilities with its portfolio of chicken nuggets, wings and tenders, and breaded fish fillets. We also acquired [Tecumseh Poultry](#), making us one of the nation's leading producers of organic branded chicken. The purchase included the air-chilled Smart Chicken® brand. And in February 2019, we [announced a definitive agreement](#) to acquire the Thai and European operations of BRF S.A. This purchase includes four processing facilities in Thailand, one processing facility in the Netherlands and one processing facility in the United Kingdom. This deal builds on our growth strategy to expand offerings of value-added protein in global markets. As a protein-centric company, we continue to deliver products that meet key consumer needs, including:

- *Portable Protein:* Consumers are eating more protein in the form of snacks. This trend, combined with increased concern over portion control, is why we invested in product innovations in 2018 that included [iYappah!™ Chicken Crisps](#) and [Jimmy Dean® Protein Packs](#), which are individually sized and deliver on portability and portion control.
- *Protein for Every Meal:* Consumers want more protein throughout the day. This is especially true for breakfast. In 2018, we innovated the [Jimmy Dean® Delights Egg'wich](#), which contains fewer than 300 calories and offers a high-protein breakfast without the carbohydrates from bread. Two new egg white scramble flavors build on the success of [Jimmy Dean Simple Scrambles® Breakfast Cups](#), which were our best-performing new single-serve breakfast item in retail last year.

## Strategic Engagement & Knowledge Sharing

Our nutrition team engages throughout the Tyson organization to ensure that nutrition is kept top of mind. The team offers nutrition education to Tyson team members during the quarterly [Supplemental Nutrition Assistance Program](#) (SNAP) challenge, as part of the Poultry and Prepared Foods Supervisor Training Program. Our nutrition team also works closely with R&D and marketing teams offering information around consumer nutrition trends, emerging nutrition science and policy changes that impact our business.

In addition to internal engagement, this team is involved with the nutrition community to bring the latest research and best practices in house. To stay up to speed, the team attends conferences and participates in association memberships and research partnerships, including:

- [Food & Nutrition Conference and Expo \(FNCE\)](#): Every year, our nutrition team attends FNCE, the largest worldwide meeting for food and nutrition experts, which gives dietitians [insight](#) into the latest nutrition research and trends, and provides continuing education required to maintain professional credentials.
- [American Society for Nutrition](#): In 2018, a team member participated in the first annual meeting of the American Society for Nutrition in Boston, which included an

- exposition, satellite workshops related to protein and the first 1,000 days of life, and nutrition-related research presentations by graduate students and seasoned professionals from nutrition scientists to medical doctors.
- [National Pork Board \(NPB\)](#), [North American Meat Institute \(NAMI\)](#) and [Research Funding](#): Our nutrition team provides leadership and technical support of ongoing protein and health research and policy through engagement with NPB and NAMI. 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.
- [Engaging Local Dietetic Influencers](#): In 2018, several of our dietitians presented to local dietetic influencers, providing education around consumer insights, trends and product development.

Through these engagements, our dietitians took note of several nutrition trends in 2018, including growing consumer interest in:

- Protein consumption in all forms (animal and plant).
- Purchasing products that promote digestive health, including fiber, pre and probiotics and whole grains.
- Tools that communicate product ingredients, content and allergens in food products to facilitate better-informed purchasing decisions for their families.



## PET FOOD

We provide high-quality, nutritious food not only for people, but also for pets. Recently, Tyson Pet Products launched the [Everyday Wellness Bakes](#) platform of True Chews® dog treats that supports five health areas – bone and joint, tummy, brain, immune and heart. The treats contain no artificial flavors or preservatives, and chicken is the number one ingredient in each. These offerings provide a simple way to help pet parents make decisions for their furry friends.



## World Economic Forum

At this [global gathering of world leaders](#), Tyson Executive Vice President Alternative Proteins and Chief Sustainability Officer Justin Whitmore engaged with leaders in business, government and society about the global food system. Dialogues focused on the need for a food system that is climate smart, inclusive, healthy and affordable. Through collaboration, we can help build a system that focuses on better health outcomes, broader offerings and more sustainable food. Policy leaders, governments and other industry players around the world are looking to Tyson as a leading voice in this effort.

## Improving Product Attributes

While all of our products are nutritious, consumers are increasingly demanding products with simpler ingredients and fewer additives, as well as products with certain health-focused attributes. We seek to expand the number of products with attributes consumers crave, including all-natural, gluten-free, no antibiotics ever (NAE), no artificial ingredients (NAI), reduced or low sodium, organic and 100 percent whole grain.

In 2015, the United States Food and Drug Administration (FDA) made a final determination that mandated food companies remove partially hydrogenated oils (PHOs) from food products by June 2018. We successfully completed the removal of PHOs in accordance with the FDA compliance date, without sacrificing product performance and taste.

## Health-Focused Product Attributes

### All-Natural or Natural/100% Natural\* Ingredients

- [Jimmy Dean® All Natural Turkey Links](#)
- [Jimmy Dean® All Natural Pork Sausage](#)
- [Tyson Naturals® Chicken Products](#)
- [Hillshire Farm Naturals® Lunchmeat](#)
- [Aidells® Meatballs](#)

### Gluten-Free

- [Tyson® Gluten Free Breaded Chicken Nuggets](#)
- [Tyson® Gluten Free Breaded Chicken Breast Strips](#)
- [Aidells® Smoked Sausage](#)

### 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 Farms®](#) brand
- [Open Prairie® Natural Angus](#)
- [Open Prairie® Natural Pork](#)
- [Aidells® Smoked Sausage](#)
- [Aidells® Meatballs](#)

### Organic

- [NatureRaised Farms®](#) brand
- [Smart Chicken®](#) brand

### Reduced\*\* or Low Sodium\*\*\*

[Tyson Foodservice Reduced or Low Sodium Products](#)  
[Hillshire Farm® Lower Sodium Deli Meats](#)

### 100% Whole Grain

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

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

\*\*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



### K-12 Nutrition

We aim to do our part to help kids grow into healthy adults. We're dedicated to offering wholesome, safe and nutritious products to schoolchildren through our K-12 Tyson Foodservice business. Through our research, we have found that antibiotic policies and growing interest in the ingredients in our food products are very important to our Foodservice Directors and parents. All 75+ of our commodity-eligible chicken items now meet the claims of no artificial ingredients and chicken raised with no antibiotics ever. We are the first chicken supplier to offer schools chicken items that meet these claims and are available for use with their USDA commodity reprocessing funds.

While it's important to have clean labels, it's also essential that we continue to produce delicious products and flavor profiles for a changing demographic of students. To continue to evolve our portfolio to appeal to the changing flavor diversity that students want today, we are focused on exciting flavors for school food. Thai Lemongrass, Korean BBQ and Honey Sriracha are just a few of the flavors now available in our Tyson Wei Café® Asian-influenced chicken products.

Highlights from our FY2018 K-12 initiatives also include:

- Creating an educational [webpage on No Antibiotics Ever and No Artificial Ingredients](#) that provides important nutrition and “clean label” information about our products to schools.



**Commodity-eligible chicken items meet the claims of NO ARTIFICIAL INGREDIENTS and chicken raised with NO ANTIBIOTICS EVER.**

- Expanding our K-12 full line portfolio by adding new innovative items, including State Fair® Mini Corndogs, Mega Minis® Battered Waffle Flavored Chicken Chunks, Mega Minis® Breaded Nashville Hot and Tyson Wei Café® Breaded Sweet & Sour Dark Meat Chicken Chunks – all of which meet NAE/NAI requirements and meet whole grain and sodium standards in place.
- Continuing as an active sponsor and Patron Member of the School Nutrition Association, which advocates for high-quality, low-cost meals in school.
- Increasing our support of Share Our Strength/No Kid Hungry to address childhood food insecurity by providing grants to schools to help them establish afterschool feeding programs.
- We are the only chicken supplier to provide such a vast portfolio of commodity-eligible NAE/NAI chicken items. We also plan to expand NAI and All-Natural to our K-12 beef and pork items, and explore how alternative proteins will shape future protein consumption in K-12.

K-12 Focused Products	FY2016	FY2017	FY2018
Products that adhere to USDA's Smart Snacks in Schools regulations	31	28	31
Products that meet school nutrition regulations for fat, sodium and calorie content	280	280+	550+
Products that are Kid Tested, Kid Approved™ Products	65	63	73
K-12 Products that carry the Whole Grain Stamp	122	134	132
Products eligible for federal reimbursement in the National School Lunch and School Breakfast Program, meeting school lunch nutrition standards through 2022	94	139	264
Cool School Café® products, which offer reward points to schools for purchasing products that can then be used to purchase items that benefit the school district	42	70	94

Our K-12 nutrition team stays abreast of changes in school nutrition regulations and legislation that might affect our programs and products. We measure the performance of our K-12 nutrition efforts by ensuring we are in alignment with the latest [USDA Nutrition Standards for School Meals](#). Since the latest requirements have been in place since 2010, we have formulated all K-12 specific items to meet or exceed these requirements.

\*FY2018 includes AdvancePierre Foods; FY2016 and FY2017 do not. Keystone Foods and Tecumseh Poultry are not included.

# Innovation

We're committed to innovating new products that recognize consumers' changing relationship with food.



## \$114M

Invested in R&D

### REDEFINING WHAT IT MEANS TO BE A PROTEIN COMPANY

Our leadership team is strategically focused on innovation and shaping the future of food. We're investing in disruptive food ideas like alternative proteins, products that fight food waste and new uses of food safety and supply chain technologies. Tyson's Research and Development (R&D) team is made up of food scientists, chefs, registered dietitians, engineers and sensory experts who conduct scientific testing, prototyping and new product development to deliver new and improved product attributes to our consumers. In FY2018, Tyson Foods invested \$114 million in R&D.

### Exploring New Supply Chain Technologies

Consumers are driving demand for more transparency and traceability in the products they buy – food included. Because of this shift, we're exploring [blockchain technology](#) in our supply chain as we seek to develop capabilities that will enable us to provide the next level of transparency that consumers seek.

In 2018, we selected [FoodLogiq](#), the leading Software as a Service (SaaS) provider of food safety compliance, whole chain traceability and supply chain transparency solutions, and its Connect Manage + Monitor product to help improve our global supply chain visibility, streamline our supplier management and build quality issue tracking and reporting. This will lay the foundation for a potential digital transformation of our supplier management system and test the applicability of blockchain within our supply chain.

Read more on the [Food Safety & Quality page](#).



## Tyson Innovation Lab

Our [Innovation Lab](#) is run by an elite team charged with driving faster innovation, new growth and increased speed to market for new products. The Lab's framework uses a startup mindset and mentality through a unique acceleration phase that enables the team to create and test a product in a six-month window. Our Innovation Lab team is consistently challenged to remain agile and maintain this speed to market.

### Investing in Alternative Proteins

We are combining our creativity, scale and resources to make great tasting protein alternatives more accessible for everyone. To deliver on this commitment, we will be leveraging the resources we have at our disposal, our insights, our innovation, manufacturing, sales, distribution and our global footprint. In 2019, we plan to launch new products in the alternative protein space.



The Innovation Lab's creation is a result of taking a step back and looking at how things could be done differently. We continue to build our innovation pipeline with sustainability in mind.

Highlights from the Innovation Lab's 2018 efforts include:

- *Flashfood*: Innovation Lab partnered and ran a market test in April 2018 for three months with Toronto-based Flashfood to offer boxes of high-quality surplus food to Detroit area families through a direct-to-consumer offering called [flashfoodbox](#). Each box contains about 15 pounds of surplus food and provides wholesome protein and produce at less than \$4 per serving, while also reducing food waste.
- *iYappah!*<sup>™</sup>: Innovation Lab launched its first product, [iYappah! Chicken Crisps](#), using our own rescued vegetable purees and grains like malted barley from beer brewing. This revolutionary protein snack directly tackles food waste and was named one of the year's Top 10 Smartest Sustainable Products by [Time](#), recognizing our role as a leader in disruptive innovation in the industry.



## Tyson Ventures

As part of the corporate commitment to continually innovate, [Tyson Ventures](#) (TV) makes minority stake investments in early stage companies. The \$150 million fund invests in promising entrepreneurial food businesses that can benefit from our scale and align with Tyson Foods’ corporate purpose: Raising the world’s expectations for how much good food can do.

TV is focused on six areas:

- Innovative, protein-centric products and ingredients
- Disruptive delivery channels and growing market access
- Emerging brands and categories
- Technology-enabled operational enhancements
- Sustainability improvements to our operations
- Operational and supply chain safety

With growing demand for proteins of all kind, TV has made investments in alternative protein startups [Beyond Meat](#), [Memphis Meat](#) and [Future Meat Technologies](#).

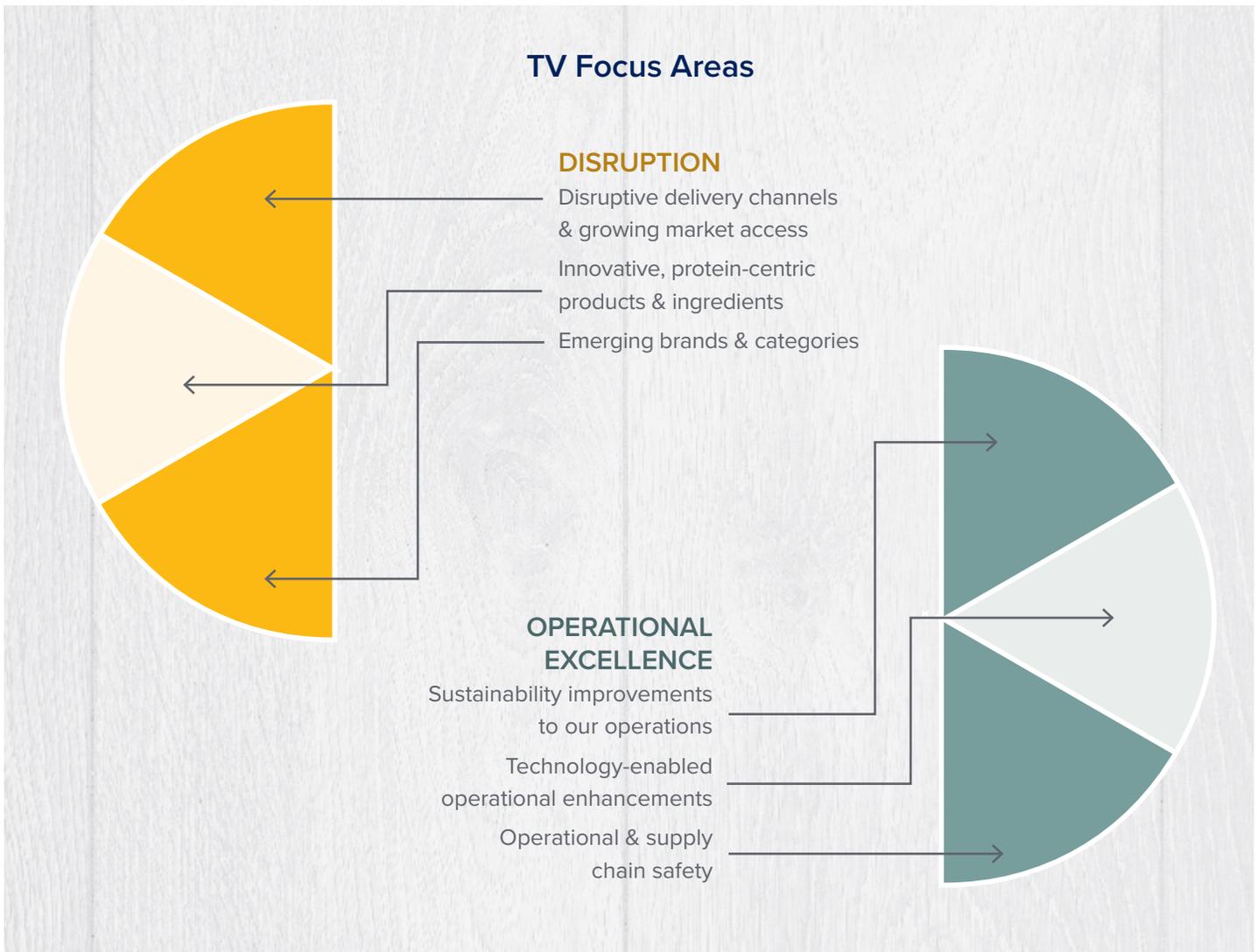
Additional investments included in TV’s portfolio:

[Tovala](#), a Chicago-based food startup that makes smart countertop steam ovens along with delivery of fresh, easy and ready- to-cook meals for busy consumers.

[FoodLogiq](#), a company with the mission to map the world’s food chain, make it as safe as possible, and empower people to make informed decisions about the food they eat.

[Myco Technology](#), a food technology company that uses mushroom to improve the taste and protein content of food products, providing consumers with alternatives and companies with natural ingredient options.

[Clear Labs](#), a hardware, software and data analysis company that has developed a food analytics platform designed to translate molecular tests into actionable food safety data insights.



# Food Safety & Quality

We're making high-quality food safely by fostering a culture that puts food safety first and by maintaining the expertise to ensure that safety.

## MAKING FOOD SAFETY & QUALITY OUR NUMBER-ONE PRIORITY

Our products and processes are developed to integrate safety, quality and continuous improvement at every touchpoint – supply chain, ingredient sourcing, product preparation, storage and delivery to our customers and consumers. This holistic approach to guaranteeing the safety and quality of our food is what guides our work.

While we view regulatory compliance as a critical deliverable within our systems, continuous improvement of food safety is much more. We're dedicated to integrating food safety within our sustainability framework to find 'win-win' opportunities to extend safety across our value chain – from the delivery of food to consumers to the safety of our team members, the environment and the animals within our supply chain. As a result, our food safety and quality assurance (FSQA) professional network is comprised of thousands of operations, engineering, supply chain and procurement team members who co-own food safety and quality. This integrated approach leads to a critical mass of food safety ownership, innovation and execution of our processes.



## A FSQA Team Dedicated to Excellence

Over 2,500 food safety professionals comprise our diverse FSQA team spanning 27 states and 126 facilities\*. Among them are experts in every area of food safety and quality assurance, including:

- *Plant FSQA Management and Management Support:* Each plant is staffed with a team that is trained to verify compliance with FSQA programs.
- *Laboratory Services:* A network of corporate, regional and field laboratories that provide analytical services to processing plants and other divisions with chemical- and biological-based analyses.
- *Statistics Group:* Corporate statisticians and statistical process control specialists who develop sampling plans and analyze data to determine statistical significance as well as providing on-site assessment of process control needs to drive ongoing process improvements and development of monitoring tools.
- *Corporate FSQA Management:* Oversees plant FSQA staff; develops FSQA programs and policies; interacts with our teams in sales, marketing, product development, operations, and distribution; and works with regulators and customers.
- *Corporate Regulatory Compliance:* Oversees compliance auditing, assists with Global Food Safety Initiative Certification, development of FSQA policy, manages our [Sentinel Site Program®](#) – a rigorous method for testing for post-processing contamination, interacts with regulatory agencies and ensures policies are designed to meet or exceed regulatory requirements.

## Food Safety Training & Professional Development

We integrate safety into everything we do. We provide all team members with the resources, knowledge, training, communication feedback loops and management support needed to maintain high FSQA standards, including:

- Requiring each team member, regardless of their role, to participate in our annual FSQA awareness training.
- Establishing the expectation that team members who handle food at our facilities will bring anything they see on the job that indicates a potential safety risk or quality issue to the attention of their supervisor.
- Conducting regular walk-throughs by management at each facility with individual team members to proactively address current and future FSQA issues.

\*Metrics do not include Keystone Farms or Tecumseh Poultry LLC facilities.



**OVER 2,500** FOOD SAFETY PROFESSIONALS  
**27** STATES  
**126** FACILITIES\*

## Investing in the Latest FSQA Technology

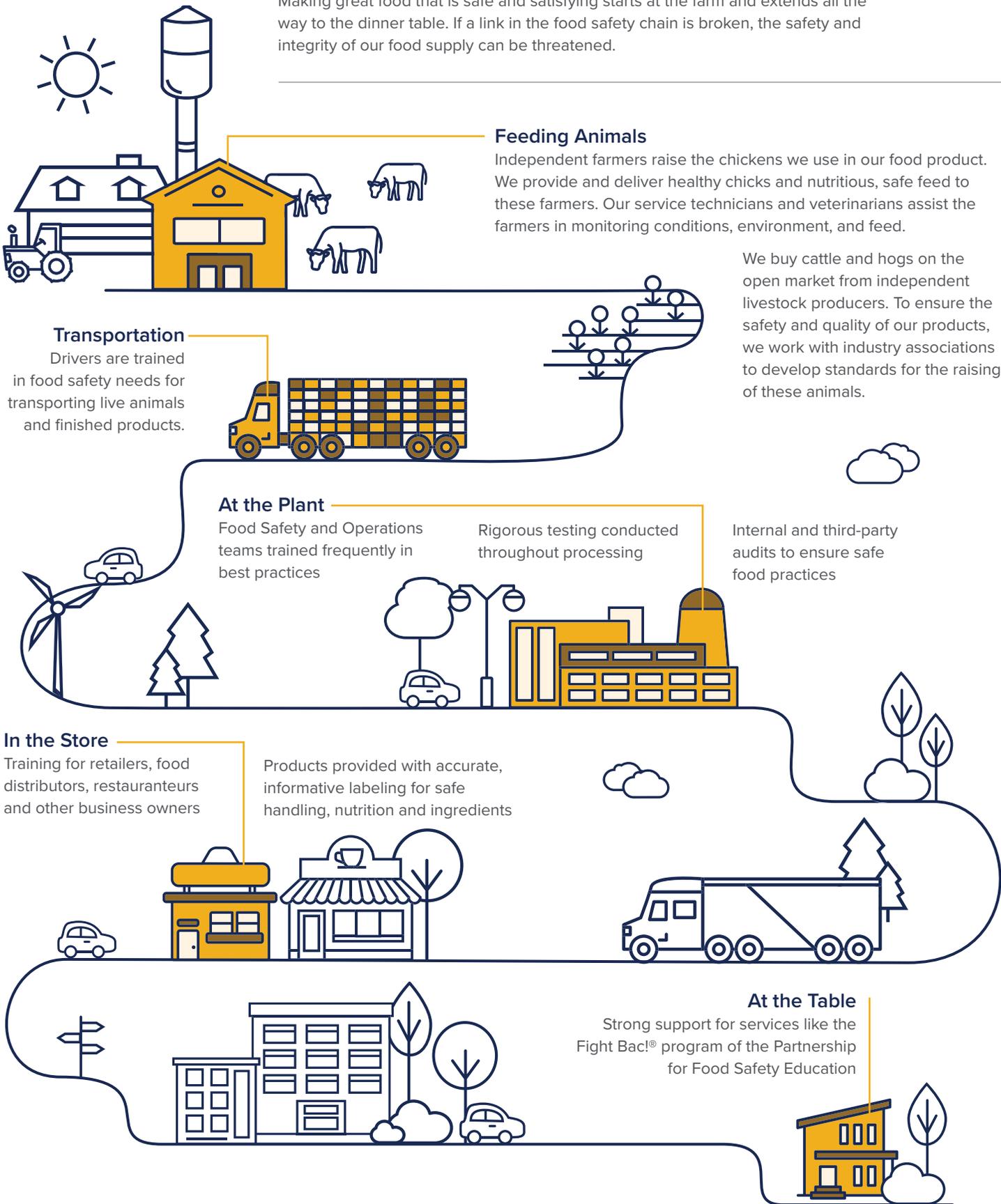
We approach the management of our FSQA systems from a holistic perspective, addressing the root cause of larger issues rather than reacting in silos to isolated incidents. To facilitate this approach, we invest in the latest FSQA technology. This includes general technology, such as x-ray; natural antimicrobials (e.g., bacteria phage); and industry partnerships to find and develop solutions, including vision equipment and new sampling technologies. These examples, in addition to data technology, ensure decision-making around FSQA protocols and procedures is driven by data and backed up by testing and research. In 2018, Tyson Fresh Meats collaborated with industry, academic and government partners in food safety innovation, including sampling technology and sustainable antimicrobial reduction strategies for industry use and overall improvements in food safety for all.

Some of the documentation around the controls used by our FSQA team is still done in analog format. As a part of our continued effort to enhance food safety and quality across our supply chain, we selected a new Supplier Management platform, FoodLogiQ Connect. Using FoodLogiQ was the natural progression after our food and safety team joined other food industry leaders as a participant in FoodLogiQ Lab's new [blockchain pilot](#). Tyson Ventures provided investor funding to FoodLogiQ as part of the company's recent financing.

The new platform will serve as a portal for our suppliers to share important business information and FSQA documents with our FSQA and supply chain teams. FoodLogiQ will also host the new FSQA reporting system for supplier compliance. We're currently working with the FoodLogiQ team on the system configuration, and full launch is planned for 2019.

## THE FOOD SAFETY CHAIN

Making great food that is safe and satisfying starts at the farm and extends all the way to the dinner table. If a link in the food safety chain is broken, the safety and integrity of our food supply can be threatened.



### Developing & Sharing FSQA Best Practices

We are an industry leader in the development and sharing of best FSQA practices and standards, including the [BRC Global Standard for Food Safety Issue 8](#), a [Global Food Safety Initiative](#) (GFSI)-approved scheme aimed at the continuous improvement of food safety management systems. Tyson team members were active participants on the BRC Global Standards Technical Advisory Committee and the BRC North American Working Group. The working groups were tasked with the development of the BRC Global Standard for Food Safety Issue 8 released in August 2018.

Tyson food safety and regulatory team members have been recognized as industry leaders in developing best practices for implementation of the Food Safety Modernization Act (FSMA). For FY2018, Tyson Foods was asked to present on the FSMA at the Tortilla Industry Association Meeting and to participate on a FSMA panel at the BRC Global Standards annual conference.



Food Safety & Quality Assurance at a Glance <sup>1</sup>	FY2016	FY2017	FY2018
Food Safety & Quality Assurance Team Members	2,592	2,587	2,751
Certified Labs <sup>2</sup>	13	16+	16
Global Food Safety Initiative (GFSI) Certified Plants	99	108	106
Safe Quality Foods (SQF) Level 3 Certified Plants	13	24	23
Safe Quality Foods (SQF) Level 2 Certified Plants	1	0	2
British Retail Consortium (BRC) Certified Plants	83	82	79 <sup>3</sup>
Food Safety System Certification (FSSC) 22000 Certified Plants	2	2	2
Product Recalls <sup>4</sup>	2 (Hot Wings, Chicken Nuggets)	2 (Popcorn Chicken, Chicken Patties)	1 (Food Service Chicken Product)

<sup>1</sup>These metrics do not include Keystone Foods or Tecumseh Poultry LLC.

<sup>2</sup>Our certifications include A2LA 17025 and ISO 9001-2015 as well as state certified labs at some of our beef and pork plants.

<sup>3</sup>There are three fewer BRC certified plants in FY2018 due to plant sales and closure.

<sup>4</sup>In 2018, we voluntarily recalled 260 cases of Tyson Foodservice chicken product after being notified by a supplier that an ingredient sent to Tyson Foods may contain pieces of blue and clear soft plastic. This ensured that no affected product was sold in stores. Tyson Foods received no reports of illnesses associated with the affected product, and the U.S. Department of Agriculture has classified this as a Class II recall with a low health risk.

# Audits & Certifications

## — POLICIES

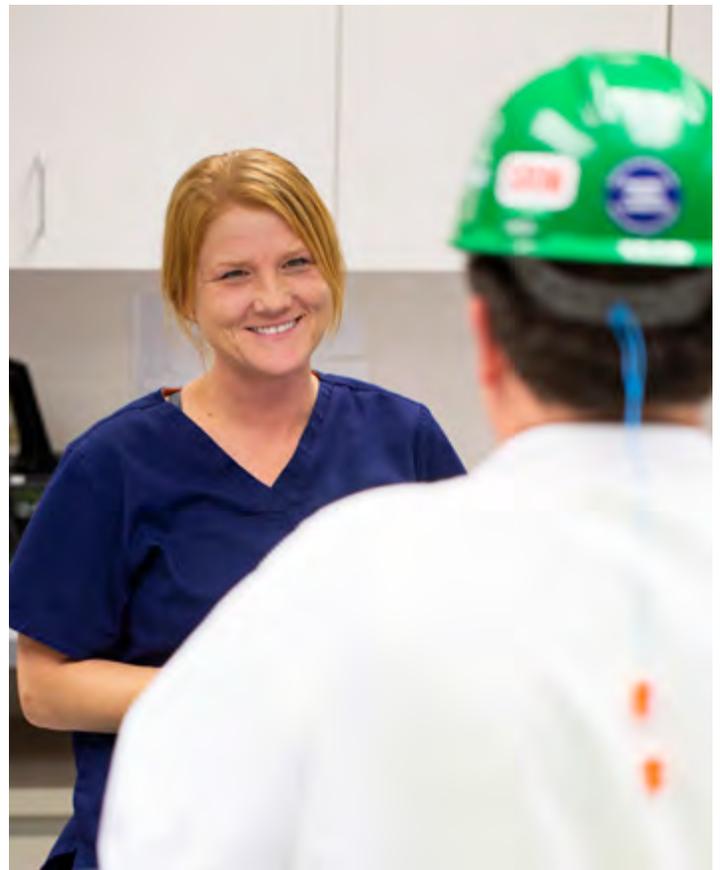
Our plants, processes and products are routinely checked for quality and safety, through internal and third-party audits and industry certifications.

## PROCEDURE

### **GROWING CONSUMER CONFIDENCE THROUGH AUDITS & CERTIFICATIONS**

Food safety audits are a system of checks and balances that help our company produce safe, high-quality food and help grow our customers' and consumers' confidence. Most customers require their suppliers to undergo at least one food safety audit annually. The audits can be expensive and time-consuming, but we want our customers and our consumers to know that we work hard to honor our commitment to keeping our food safe. The audits give us rigorous feedback to help fine-tune our food safety practices. We have frequent audits conducted by our corporate food safety teams, plant food safety teams and third-party auditors who provide audit information to federal regulators, customers and different trusted certification bodies such as NSF and Food Safety Net.

Visit our [Certifications & Programs page](#) to learn more.



# Responsible Labeling & Marketing

We're committed to labeling and marketing our products accurately and in accordance with current government regulations and our high standards for product transparency.

## LABELING & MARKETING OUR FOOD PRODUCTS RESPONSIBLY

Our marketing team is charged with maintaining a leading market position for our food products. To that end, we conduct consumer and market research, use our national distribution system and customer support services to identify distinctive markets and business opportunities.

Our food advertising practices and public relations efforts are conducted in an ethical, sound manner, targeting 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.



## Responsible Labeling & Marketing Principles

### We don't advertise to children.

We have strict policies and only market our products to adults. Within our K-12 Foodservice business, we work closely with our internal legal team on materials we provide for food service directors at school districts to ensure compliance with this policy.

### We only make accurate and transparent product claims.

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 encourage consumer engagement with our social media platforms and other feedback mechanisms.

The ideas and thoughts of our customers and consumers are very important to us. We view social media as a two-way conversation and allow opportunities for consumers to engage with us about our products and share information about our products with others. In addition, our team of Consumer Relations Representatives responds to social media inquiries, telephone calls, letters and emails from our customers and consumers. During 2018, we heard from approximately 303,715 customers and consumers.

## Consumer Education Through Transparent Labeling

### Clean Labeling

Consumers are increasingly demanding “clean labels” that contain more information on ingredients, how the food is made and where it came from. According to a [2018 study](#), 39 percent of consumers say they're more likely to switch to brands that use more transparent labels.

In the clean label surveys we conducted with operators and consumers, no artificial ingredients (NAI) and no antibiotics ever (NAE) qualifications were among the highest-ranked attributes. Consequently, all 75+ of our K-12 commodity chicken products included NAI and the USDA verified claim of chicken raised with NAE for the 2018-2019 school year. In 2019, we will continue to explore ways in which we can make our labeling clean and transparent.



### Nutrition Labeling

Our nutrition team keeps the research and marketing teams informed on current nutrition labeling and nutrition-focused product claims policy so our packaging and labeling reflects the latest nutrition-related regulations and our consumers can make informed purchasing decisions that are right for their lifestyle.

The nutrition facts panel is available on all products in the marketplace to help consumers understand the nutrition profile of our products. Our team complies with FDA and USDA regulations, validates nutrition information on packaging and helps validate nutrition claims.

# Progressive Beef

A new quality management system for cattle feeding operations is setting a standard of excellence for Tyson and the entire industry.

## A BETTER WAY TO RAISE CATTLE

More than ever, consumers are demanding to know more about the beef they purchase – where it comes from and how the cattle are raised. In 2018, we demonstrated our commitment to supply chain transparency by becoming the [first beef processor](#) to license the [Progressive Beef™ program](#), a comprehensive quality management system designed for cattle feeding operations that sell to companies like Tyson Foods. We don't own feedlots or ranches, but instead rely on more than 4,000 independent producers across the country to sell us high-quality cattle.

Progressive Beef covers all aspects of day-to-day cattle care. Cattle feeding operators certified in the program follow best practices for animal welfare, food safety, responsible antibiotic use and environmental sustainability. All of these practices are verified twice per year through USDA-approved auditors. Each audit is like a report card, and the metrics involved help ranchers improve their operations.



## Progressive Beef Pillars

Cattle Care  
Food Safety  
Sustainability

This progressive cattle management system heightens accountability and live animal transparency. We believe Progressive Beef is the gold standard for beef process control and food safety. It also takes into account animal care considerations, such as comfortable living conditions, nutritious food and clean water for them to thrive. Finally, it looks at sustainability benchmarks related to efficient use of natural resources and employee safety rates and responsible antibiotic use.

We have seen firsthand the benefits of bringing together verifiable best practices that are geared toward continuing

improvement in long-term beef production. Licensing the program allows us to better collaborate with our supply chain and measure the progress we're making in beef sustainability.

Together with Progressive Beef, we aspire to accelerate the entire beef industry toward embracing proven practices so that all consumers know the beef they buy is from cattle that were well cared for, in a safe and sustainable environment and verified through USDA-approved auditors. Our goal is to buy 2 million program cattle in the first year and to grow this to 50 percent of all the cattle we source after three years.



### Partnerships

## Setting a Higher Standard, Together

### Partnering with Tyler Weborg

"My family's relationship with Tyson goes back a long way," says cattle farmer Tyler Weborg of Pender, Nebraska. "We've got a lot of friends and close business partnerships with people there. That means a lot to us."

Those relationships have helped Weborg and his family stay on the leading edge of safe handling standards, training workers who are loading cattle on how to keep animals calm and free of stress and injury. Tyson has also educated farmers, including Weborg, about Progressive Beef, a new set of guidelines for cattle care, food safety and sustainability. "We became one of the first yards to use mobile devices to log cleaning of tanks and pens. It's a nice thing for customers to be able to see." Progressive Beef will help raise the bar across the industry in ensuring beef are well cared for, with verification by USDA-approved auditors.

Adopting these practices is more about transparency and documentation than entirely new ways of working. "We wouldn't be in this business if we didn't love and

care for these animals," Weborg says. "That's nothing new. With programs like Beef Quality Assurance and Progressive Beef, we now have a way to verify that we're doing things right and that we're giving customers a product they can be proud to sell."



# Responsible Ingredient Sourcing

We are committed to sourcing quality ingredients from suppliers and upholding transparent supply chain practices.

## SOURCING INGREDIENTS RESPONSIBLY

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. We procure agricultural commodities such as wheat, corn, rice, soy, dairy and vegetables, as well as ingredients that advance food safety, enhance flavor profiles and protect product integrity such as our own proprietary technologies that extend shelf life.

Our trusted ingredient suppliers are committed to the same high level of food safety and ingredient quality as we are. Suppliers are required to comply with regulations and standards relevant to their operations as set forth by the U.S. Department of Agriculture (USDA) and Food and Drug Administration (FDA), including compliance with Good Manufacturing Practice and implementation of Hazard Analysis and Critical Control Points programs. Our suppliers must also be certified by GFSI.

### Supply Chain Transparency

Supply chain visibility is critical to the effective and sustainable management of both our domestic and international supply chains. We purchase all of our feed ingredients from domestic suppliers, in an effort to support U.S. farmers and businesses.



The remaining ingredients are sourced from various locations across the globe. International suppliers are subject to the sourcing regulations and policies of their home country as well as U.S. food safety regulations.

In 2018, we began [piloting the use of blockchain technology](#) in our supply chain management systems to increase traceability of raw materials.

## Tyson Local Grain Services

We're committed to keep local grain local within our supply chain. We actively build resources for and relationships with grain farmers who provide locally grown corn for our birds, through our [Local Grain Services](#) (LGS) program. LGS increases the number of farmers who sell direct, while decreasing supply chain inefficiencies and waste – a win-win for our grain suppliers and our business.

In 2018, we purchased over 65 million bushels of corn and 11 million bushels of soybeans and wheat directly from local farmers, a significant increase from the 44 million bushels of corn purchased in 2017. Our ability to source more locally grown grain for our poultry feed was due in part to the acquisition of five grain elevators, which let us begin buying farmer-direct soybeans and wheat. In addition, we launched



### Partnerships

## Preserving Land for the Next Generation, Together

### Keeping the “Family Farm” Alive

We are proud to partner with family farms like Fox Family Holdings LLC that help ensure our chickens are fed the best grain possible. Fox grows corn in three south central counties in Kentucky and has been a corn supplier to Tyson Foods since late 2014. The farm sells more than 90 percent of its corn to us, at an average of 80,000 bushels of corn annually.

Jonathan Fox is the sixth generation of his family to work the land in Kentucky. His mother, sister and nephews all lend a hand on the farm as needed, making this a true family farm. He makes sure to expose his young nephews to life on the farm as much as possible. “I farm with them in mind,” he says. This is what being a sustainable farmer means to him – leaving the land better than he found it so that future generations can have the same opportunity afforded to him by his father to farm the land.

In the late 2000s, south central Kentucky went from a corn deficit to a corn surplus region, forcing Fox to sell and haul most of its grain to facilities several hours away in surrounding states. Today, the farm delivers its corn locally to our feed mill in Albany, Kentucky.

“When Tyson opened its feed mill in Albany, it opened up the local market for us again. Now, I can spend more time on the farm with my family instead of long hours in the truck hauling grain out of state,” says Jonathan. In addition, “the Tyson Local Grain Services App has completely transformed how I market and keep records



of my corn sales. Everything can be handled from a smart phone in a matter of seconds. And the ability to market a year in advance gives me a competitive edge regarding grain pricing that other producers may not have. The entire process of selling my crop was improved and simplified with the Tyson App. We really appreciate what Tyson has done for south central Kentucky.”

Jonathan ran the farm with his father for many years, splitting duties 50/50. When his father passed away suddenly, he found himself faced with the pressure of taking over full responsibility of the farm and decided to maximize efficiency. By updating old harvest equipment, replacing existing planters with larger ones, experimenting with new corn hybrids, and developing other systems, he secured the farm's survival.

Today, Fox family farm is a pioneer in sustainable farming practices in the region, including participating in a USDA Natural Resources Conservation Service cover crop program to sustain soil in the winter and prevent runoff; always operating as a “no till” farm, or direct seeding without plowing; maintaining soil test plots to ensure optimal soil health; conducting water testing to ensure no leaching into local waterways; as well as implementing USDA Farm Service Agency buffer strips and pollinator habitats to control air, soil and water quality.

an on-farm pickup program that provided logistical support for farmers to sell more grain directly to Tyson LGS.

In 2018, LGS also expanded its community engagement to support education and resource programs for local grain farmers. The includes connecting with local farmers to support them in establishing sustainable farming practices. LGS works independently and closely with our sustainability team to partner with NGOs and commodity associations that are driving sustainability practices on the farm level.

Our website and mobile platform have been revitalized with more opportunities for engagement with local farmers in local communities. The website now offers weekly market commentary for farmers and opportunities to sponsor and partner with organizations benefiting local grain farmers.

The ability to survey farmers about sustainability through the app and website has resulted in increased interest in participating in a program with Tyson. In 2018, LGS offered a voluntary survey for farmers to share their sustainability practices, as well as their ideas and needs for becoming more sustainable farmers. More than 200 farmers took the survey and shared their sustainable farming methods, including cover crops, no-till, and soil tests. Farmers showed interest in implementing the following practices on their farms: cover crops, soil tests, fertilizer use/application and modified irrigation and tillage. Farmers’ prioritize nutrient management, soil health and land stewardship on their own farms. The results from this survey have contributed to Tyson’s land stewardship pilot programs, and will potentially influence optional sustainability programs offered to farmers who sell their corn to Tyson.



Partnerships

Creating Continuous Value

**Brady Reicks Lawler, Iowa**

As fifth-generation pork producers, Reicks View Farms has learned what happens when everything is connected. The business is vertically integrated: the family farms 12,000 acres of corn, operates a feed mill and manages 50,000 sows farrow to finish. The Reicks also transport their own products to and from customer sites.

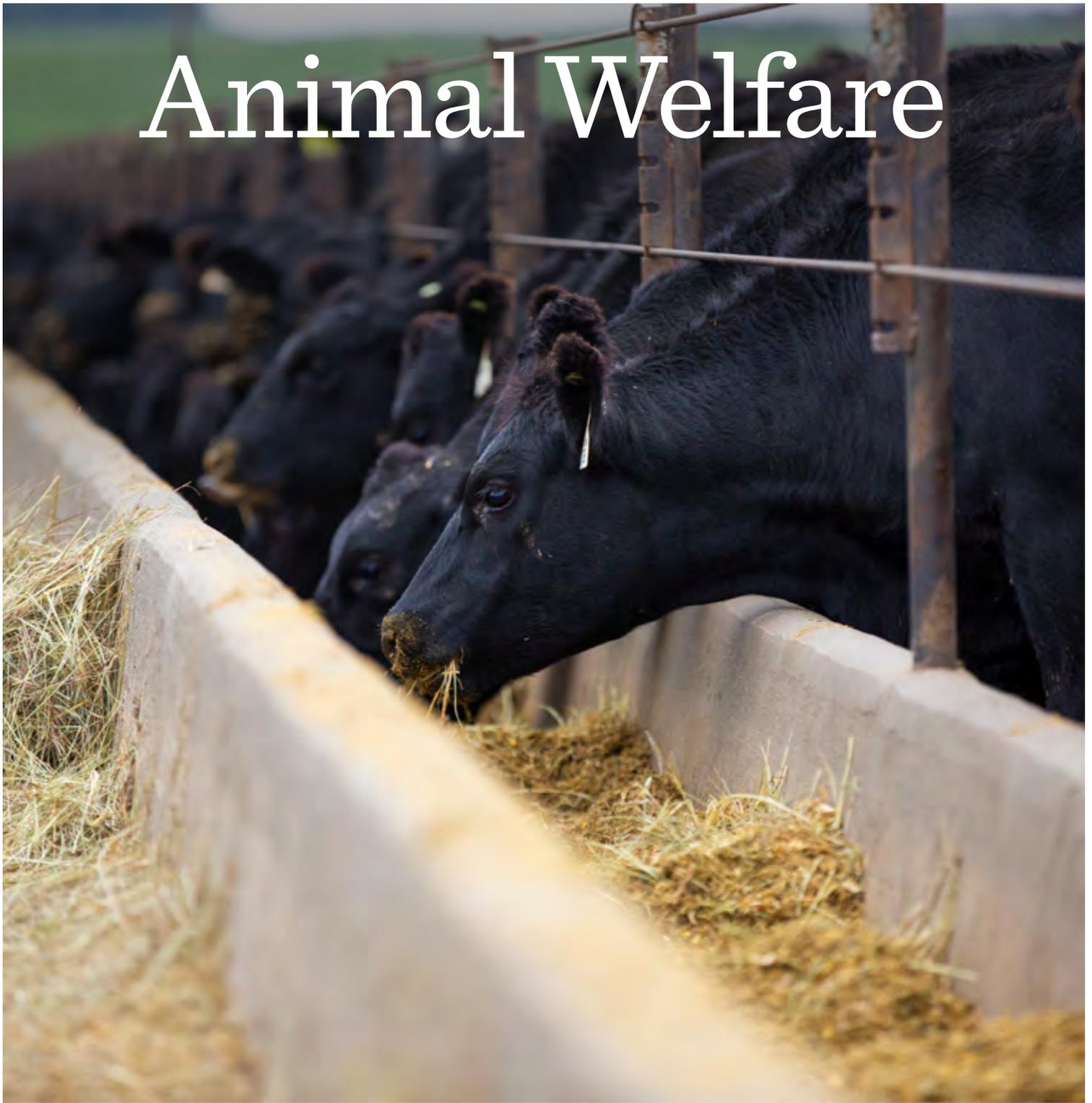
In between, the Reicks manage their pigs’ entire growth cycle, from breeding to gestation and farrowing, or birth. Piglets remain with their mothers for several weeks, then are transferred to a nursery where they are weaned from milk to a solid-food diet. They are then transported to a finishing farm where they grow to desired weight.



“Over the years, we’ve learned to make better use of our resources,” says Brady Reicks. “Before the 1970s my Dad would say that we didn’t fully appreciate the value of manure. Now we know it’s a great natural fertilizer. The manure our pigs produce is just enough to fertilize our feed corn, which in turn provides food for our pigs. Applying it to our fields with current injection technology helps ensure that the nutrients are utilized efficiently, and it reduces our fertilizer cost.”

“We’ve got our own little ecosystem here, and it works.”

# Animal Welfare



## IN THIS SECTION

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# Our Commitment to Animal Welfare

Transparently advance animal welfare and experience.

## Our Goals & Progress

Deploy the most transparent animal welfare practices

Be a leader in animal experience research and innovation

Submit FarmCheck® program audit instruments used in our chicken supply chain to the [Professional Animal Auditor Certification Organization](#) for certification in 2019

## FY2018 Key Welfare Indicators\*

	Broiler Chickens		Cattle & Hogs
Transport Livability	99.83%	No Falls	99.15%
Non-Damaged Wings	98.88%	Not Prodded	99.15%
Acceptable Paw Scores	78%**	Acceptable Wait Time	94.02%

\*Percentage acceptable of animals and trailers audited against [NAMI Recommended Animal Handling Guidelines \(June 2017 Rev. 1\)](#) for cattle and hogs and [NCC Welfare Guidelines for Broilers](#).

\*\*We are committed to continuous improvement in animal welfare and our opportunity is to improve paw scores during winter weather. Paw condition can be impacted in winter weather by factors such as low temperatures and moisture. Our goal is to improve paw scores in winter months by five percent year-over-year. We will report our progress against this goal in our annual sustainability report.

Pilot scored welfare audits in our cattle supply chain in 2019



## 2018 Third-Party FarmCheck® Program Audits by Supply Chain

- Poultry: 179
- Pork: 237
- Beef: 122
- Total: 538**



## FY2018 Key Achievements

- Grew FarmCheck® program in scope, criteria and impact, including additional audit criteria and have an environmental addendum currently in process.
- Rolled out an innovative remote video auditing project to assess and coach on-farm crews who are catching birds for transport to processing facilities.
- Provided funding for research projects on animal welfare improvements in animal mobility, and lameness, antibiotic alternatives, traceability and best practices in production management.
- Established a second pilot focused on controlled atmosphere stunning to include two chicken plants.
- Expanded pilot on a new approach to raising chickens at our proprietary Poultry Concept Farm to improve upon outcomes for birds, food safety and the environment.



**FOSTERING A CULTURE THAT SUPPORTS ANIMAL WELFARE**

We've built an internal culture of caring about animals and delivering excellence in animal welfare is inherent to who we are as an organization. This applies not just to our team members who have daily interaction with animals, but extends all the way up to our senior leadership team.

**An Office Dedicated to Animal Welfare**

Our Corporate Office of Animal Welfare (OAW), led by Senior Director Dr. Karen Christensen, is dedicated exclusively to animal welfare. The OAW is comprised of passionate team members who work diligently to ensure we act responsibly about the care and treatment of the animals in our supply chain.

Our OAW also includes our Animal Welfare Specialists. At the completion of FY2018, we had 53 animal welfare specialists on staff – one for each of our facilities that harvest animals in the U.S., including chicken, cattle, turkey and swine processing plants. These specialists conduct internal audits of our facilities, provide service, assistance and expertise to Tyson team members about animal welfare. Specialists are embedded in the day-to-day operations at each facility, acting as a liaison between our operation teams and plant managers, as well as serving as advocates for the animals themselves.



*Animal Welfare Resources*

[Animal Well-Being Mission Statement](#)

[Animal Well-Being Policy and Commitment](#)

This team, both in Poultry and Fresh Meats (which includes our beef and pork operations), were the first in the industry to be certified as Internal Auditors by the Professional Animal Auditor Certification Organization (PAACO). The continuous education required of our specialists annually to keep their certification makes them a critical resource on animal welfare across our entire company. Due to this extensive knowledge, specialists also participate in and lead team member training on animal handling and welfare.

As an example of their dedication to ensuring alignment with our high level of animal welfare standards, animal welfare specialists partnered with operational teams to identify and target an animal welfare opportunity specific to their location. Projects were completed that evaluated several different welfare opportunities from different perspectives within the production scope. Some involved hatcheries, processing plants, farms or transportation. All of them brought knowledge, perspective and illustrated that animal welfare priorities and profitability are not mutually exclusive, but rather synergistic.

Our vertically integrated systems allow our poultry welfare specialists to also support the [FarmCheck® program](#) through supplemental internal auditing of essential parts of the animal handling process on our contract U.S. poultry farms. In addition, they also monitor animal welfare on-farm, assisting farmers in complying with animal welfare policies and regulations.

### Training & Communication

Our animal welfare culture is grounded in training and feedback mechanisms that encourage team members to report unacceptable treatment of animals. Our expert animal welfare specialists provide high-level animal welfare training to every team member that comes in contact with animals. Those responsible for human-animal interaction complete more extensive animal welfare training in preparation for working with animals.

## Improving Poultry Living Conditions, Together

Tammy Karr, the animal welfare specialist at our Noel, Missouri, chicken complex, identified – through auditing – an opportunity to improve the paw conditions of the birds that she was charged with monitoring. Tammy partnered with the complex’s live production team to identify a specific test farm and to develop a specific water line management plan that targeted improved floor conditions.

The result produced harvested birds with not only improved paw condition, but also more marketable product. This is a win-win scenario as it leads to a better life for the bird and better income for the farmer. In addition to the results specific to that farm and location, the project provided information that can be utilized at other locations and farms to replicate the success.

### Animal Welfare in our International Operations

We’re dedicated to improving visibility into our international supply chain and continuing to obtain a comprehensive understanding of the animal welfare impacts in our operations in India and China. In these markets, animal welfare practices are overseen by our veterinary staff, who make regular visits to monitor facilities. Our veterinary staff help us prioritize research efforts for all species and guide direction of our FarmCheck® on-farm audit program. This team also helps us understand what is in the pipeline within each respective area and how we can be proactive in addressing them, such as customer expectations, ethical issues, and new research and innovation.

Any poultry we raise or purchase in India and China are prestunned before slaughter. The impact of FY2018 acquisitions on animal welfare in our international operations is currently under evaluation.

## Animal Welfare Advisory Panel

Our Animal Welfare Advisory Panel provides guidance on current animal welfare topics; helps us determine ways to improve our FarmCheck® program; advises us on research priorities and projects; and alerts us to emerging issues or technologies that may affect our industry and business. The panel’s direction helps to ensure we’re taking a leadership position on the most relevant and critical areas of animal welfare.

The intent of the panel has always been to maintain a balanced dialogue that includes experts from across various fields, including academia, producers and scientists, to bring a diversity of perspectives on animal behavior, health, welfare, production and ethics. In 2018, we added several new members to ensure the panel was representative of these different backgrounds and expertise. We also restructured meetings to allow for more in-depth discussion and guidance that is relevant to the current challenges we face as a company today. We did so through the facilitation of sub-groups focused on each supply chain – beef, pork and poultry. The panel continues to help us identify potential gaps and opportunities for improvement in animal welfare, such as focusing our research on poultry lighting enrichments, streamlining transportation logistics, facility design and animal housing. This panel also helps us prioritize research efforts for cattle and hogs; continues to guide our FarmCheck® program; and helps us understand proactive approaches we can take to address areas such as ethical issues, consumer interests, and new research and technologies.




[Animal Welfare Advisory Panel Member Bios](#)

# Welfare in the Value Chain

We're committed to maintaining the highest animal welfare standards throughout our value chain and expect the same of our independent contract farmer partners.

## ENSURING ANIMAL WELFARE IN THE VALUE CHAIN

We spend nearly \$15 billion a year to buy cattle and pigs, as well as to pay farmers to raise poultry for us. We're also one of the nation's leading buyers of grain to feed poultry.

The relationship with our farmers is unique in many aspects. We don't own many farms. All cattle and most pigs and poultry for our meat business come from independent farmers, ranchers and feedlot operators. While we own a small pig breeding subsidiary, we buy most of the pigs we need from farmers who raise their own animals.

Utilizing sound science, expertise and skill, farmers continuously strive to improve and further strengthen their commitment as responsible animal producers.



Hear from John Tyson on Tyson Foods' relationship with farmers.

*Learn more about responsible animal welfare practices throughout the value chain*



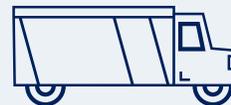
[Raising Animals Responsibly](#)



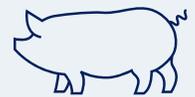
[Housing Animals Responsibly](#)



[Handling Animals Responsibly](#)



[Transporting Animals Responsibly](#)



[Harvesting Animals Responsibly](#)

Additionally, we rely on our veterinarians and service technicians to work in tandem with chicken and turkey farmers to ensure optimal animal husbandry, nutrition, sanitation and housing practices that support animal health and welfare on-farm and in our hatcheries and plants.

In FY2018, we surveyed a group of our raw material suppliers that make up more than 80 percent of the money we spend with third parties to purchase chicken, beef, pork and dairy. Of the 72 percent who responded, we learned:

- 100% of the chicken meat we procure is from birds raised in open barns.
- More than 60 percent of our dairy suppliers provide enrichments for their cattle, such as brushes and other items cattle can rub against.
- Chicken, beef and pork meat we purchase is from animals that were subject to preharvest stunning.



*Partnerships*

**More Data, Better Care**

**Pat and Mike Lenhart  
Storm Lake, Iowa**

Every year, roughly 1.3 million turkeys spend their first weeks of life on the Lenhart brothers’ farm. The brooder facility raises poults from the day they hatch through four weeks of age, when they are sent to a finishing site.

This volume requires tight process control, which today is aided by automation. For example, water and feed lines activate only when birds are nearby, and sensors let the Lenharts know when levels are low or the barn temperature is too hot or cold. This information serves as an early-warning system. “If the birds aren’t drinking as much water as they should, that can be an early sign of illness,” Mike Lenhart explains. “Monitoring their intake helps us get ahead of problems and keep our birds healthy.”



For the Lenharts, this is a perfect example of their farming philosophy. “It used to be that everybody knew somebody who was a farmer,” says Pat. “Now, there are fewer and fewer of us, so many people no longer know how farming operates.”

“Technology has changed the way we do things. But what’s stayed the same is how we make decisions: always with the best interests of the animal in mind.”

# Animal Welfare Monitoring

Through a robust animal welfare auditing strategy, we're committed to ensuring that our expectations on responsible and humane care and handling of livestock and poultry are met throughout our operations and supply chains.

## AUDITS AT OUR PLANTS

Best-practice system assessments and animal-handling audits are implemented in all of our chicken, beef, pork and turkey plants, as well as in our chicken hatcheries. This includes a combination of daily, weekly, monthly and annual handling and welfare audits conducted by plant management, members of our Food Safety and Quality Assurance teams or third-party groups. Plants perform daily internal audits and annual, external third-party audits are conducted. In addition, all plants have animal welfare committees that conduct assessments and meet monthly to discuss animal welfare performance and areas for improvement.

The United States Department of Agriculture Food Safety and Inspection Service (FSIS) assign a Public Health Veterinarian (PHV) to every FSIS-inspected harvest facility for livestock and poultry.

Summaries of our recent third-party animal welfare audits are publicly available on our [chicken and turkey](#), [beef](#) and [pork](#) operations.

## Remote Video Monitoring

We believe that documenting how our animals are handled has the potential to lead to innovations in animal welfare that we've not previously considered. In 2018, we continued to implement the industry's largest third-party remote video auditing (RVA) system in the U.S., created to enhance our monitoring capabilities of bird handling in our poultry plants. Arrowsight auditing technology and data analytics service deploys trained off-site auditors who conduct random audits, analyze video feed and provide results of their audits to our plant managers.

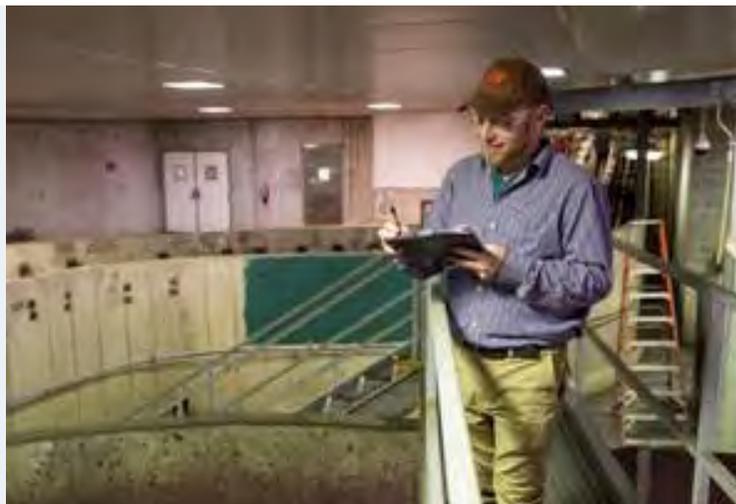
As of the end of 2018, our RVA program spanned all poultry plants. While we did not expand the RVA program to additional plants in 2018, we continued to identify more efficient and meaningful ways to use this important tool. Through an in-depth analysis of the reporting structure and data-sharing mechanisms, we're developing a more streamlined process that will increase our ability to identify trends and address areas for improvement.

## Two Proud Titles: Animal Lover & Welfare Specialist

A love of working with animals is a prerequisite for being an animal welfare specialist at Tyson. For Christopher Jones, that love goes back to his first job at an exotic pet store. More than a decade later and several moves through Tyson's cattle yard operations, he now gets to demonstrate his love of animals on a daily basis as the first animal welfare specialist at our Dakota City, Nebraska, plant.

"I'm responsible for making sure our animals are treated humanely and our team members stay safe. I have a strong drive for continuous improvement," explains Christopher. "I'm always looking for ways to make things safer, more efficient and more ergonomic for our team members and our animals."

Christopher puts that desire for continuous improvement to work on a daily basis to make a difference in his role. He recently helped with a project to install privacy fencing around cattle yards so that cattle would not be startled by visual distractions.



"The areas where cattle were stopping and turning around were the same areas team members were getting injured," he notes. "This project is a win-win for safety and animal welfare. The cattle are calmer and our team members are safer."

He's also proud of the installation of new heavy-duty, maintenance-free bumpers that are successfully preventing animals from slipping and falling when coming off trucks. "I'm proud of these projects, but they were a collaborative effort. None would have been possible without our Operations, Food Safety, Safety, Ergonomics and Maintenance teams."

In 2018, we rolled out an innovative RVA pilot project to assess on-farm catching of birds for transport to processing facilities, to enable us to audit the performance of catch crews. We will complete assessments of the first complexes in 2019. The RVA with catch crews has garnered positive results and allows us to work with our catch crews and coach them on handling birds properly during the catch process.

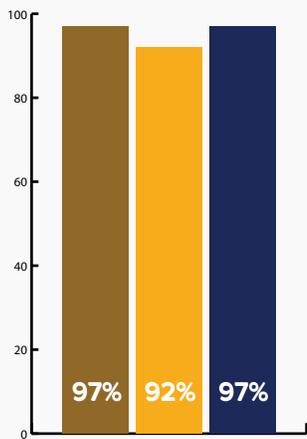
Within our beef and pork processing plants, we believe the benefits of video monitoring are invaluable to our commitment to animal welfare. In FY2018, we finalized a pilot project utilizing third-party remote auditing at one of our beef plants. While we continue to explore remote video monitoring systems to discover how these can work within our facilities

and programs, our internal video equipment serves to monitor animal handling and harvesting activities as part of our systematic animal welfare management plan.

The implementation of internal command centers within each pork facility, allow us to support 24/7 monitoring and take action to address any deviation from our CARE program procedures and expectations while using our full-time camera monitors. With some plants having over a year of run-time, we continue to fine-tune our processes – including dashboard analysis and trending, and development of camera monitoring training specs – that facilitate improvement in management practices related to animal welfare.

### 2018 Third-Party FarmCheck® Program Audit Results

#### Overall Audit Outcomes by Supply Chain\*



#### Percentage Improvements Since 2014



Acts of Abuse:  
0 across all species

■ Swine   ■ Cattle   ■ Chicken & Turkey

\*Percentages represent the average number of audit elements that were found to be acceptable against their representative frameworks.

\*\*The areas of greatest improvement were training and site assessment/site self-check. Both of these elements of the FarmCheck® program are largely focused on record-keeping requirements. The increased communication by our cattle procurement team helped clarify these requirements for feedyards and livestock markets.

### FarmCheck® – Industry-Leading Third-Party Audit Program

Our industry-leading third-party audit program helps to ensure that livestock and poultry farmers are monitored for proper animal welfare practices. Our Corporate Office of Animal Welfare oversees the implementation of the FarmCheck® program, through which third-party auditors check the livestock and poultry farms that supply us to ensure they meet a variety of animal welfare criteria.

In 2018, the FarmCheck® program continued to grow in scope, criteria and impact, with several new facets emerging over the past year, including additional audit criteria. And, while not an official part of our on-farm audit, we plan to roll out efforts to both raise awareness and increase our understanding of industry practices related to sustainable pork production on the farm in 2019. In addition, we are currently in the process of adding an environmental addendum to our poultry audit. Further efforts are underway to score our poultry and beef audits, gain PAACO accreditation for our broiler audit and increase audit capabilities through Enablon technology that allows for more efficient auditing and reporting.

### Lessons Learned

As a result of the 2018 FarmCheck® program audits, we identified three areas for improvement across all Tyson Foods supply chains. These areas are records and documentation, (such as training, maintenance logs and written standard operating procedures); internal checks, audits and assessments; and facility repair (such as gaps in walls or floors or damaged slats).

### Number of Third-Party FarmCheck® Program Audits by Supply Chain 538 Total Audits Completed



#### Beef

- 2014: 92
- 2015: 126
- 2016: 145
- 2017: 124
- 2018: 122



#### Poultry

- 2014: 141
- 2015: 191
- 2016: 196
- 2017: 187
- 2018: 179



#### Pork

- 2014: 250
- 2015: 222
- 2016: 232
- 2017: 228
- 2018: 237

# Antibiotics in the Supply Chain

We're committed to raising the livestock and poultry we depend on responsibly, which means using antibiotics only when absolutely necessary.

## REDUCING OUR USE OF ANTIBIOTICS

We have a responsibility to be a part of the solution that addresses stakeholder concerns about antibiotic resistance and the impact of overuse of antibiotics on animal welfare. We have ongoing efforts with independent farmers and others in the company's cattle, hog and turkey supply chains to discuss ways to reduce the use of human antibiotics on cattle, hog and turkey farms. In FY2019 Tyson joined an initiative being developed by the [Foundation for Food and Agriculture Research \[FFAR\]](#) that will support outcomes-driven research and training related to antimicrobial stewardship on farm. This group of global stakeholders will collaborate and support critical research to produce practical applications to address antimicrobial resistance. While still in its infancy, we are very excited to embark on this journey with FFAR, as we believe it is our responsibility to support the industry with this endeavor and achieve sustainable results.

### Cattle & Pigs

Healthy animals mean safe and healthy food, so we're committed to making sure the livestock we depend on is raised responsibly. We work with our suppliers on implementing best practices to ensure proper health and well-being. This includes working closely with veterinarians and nutritionists and following guidance set forth in the [Pork Quality Assurance](#) and [Beef Quality Assurance](#) programs, which provide guidelines for



responsible antibiotic use. We expect all suppliers to comply with all applicable laws and regulations, including those established through FDA Guidance [209](#) and [213](#).



Learn more about our *Open Prairie*® brand independent ranchers.

While we have an obligation to treat sick animals, and animal welfare will never be compromised, we must find new ways to reduce the need for human antibiotics on the farm. Our beef and pork supply chains are not vertically integrated and, therefore, we have less visibility into and control over how antibiotics are used by the independent farmers from which we buy livestock. Furthermore, there currently is not a reliable system available to obtain and track antibiotic use data at the farm level. To address the issue on a broader scale, we work with food industry, government, veterinary, public health and academic communities, and provide funding to accelerate research into disease prevention and antibiotic alternatives on the farm.

For consumers who want beef or pork from farm animals that have never been given antibiotics for any purpose, we offer a line of all natural (no artificial ingredients, vegetarian diet, minimally processed) beef and pork products through our [Open Prairie](#)® Natural Angus and Natural Pork brand.

### Chicken Supply Chain

All chickens raised for the Tyson® retail brand are raised without using any antibiotics, making us the world’s largest producer of No Antibiotics Ever (NAE) chicken. This means these chickens are never given antibiotics in any phase of their lives – from egg to market age. We’ve made significant progress in eliminating the use of antibiotics that are also important to human medicine from chicken production. In 2018, we made additional progress in our efforts to reduce the use of antibiotics in our Tyson® branded products and through the non-Tyson® brands we choose to produce and market.



*Learn more about Tyson’s policy on the use of steroids and hormones*

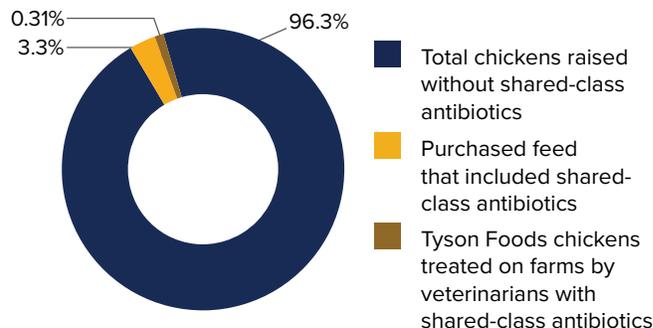
[Steroid and Hormone Use](#)

### Using Antibiotics Only When Necessary

Just like people, chickens can become ill. If they do, it’s our obligation to treat them. We occasionally use antibiotics to help our chickens recover from illness, but never as a preventive measure. We start by using antibiotic alternatives that may include probiotics, essential oils and certain mineral salts. If these treatments don’t work, a veterinarian will provide a prescription for the appropriate antibiotic. In 2018, less than 1 percent of the chickens raised for Tyson Foods were treated on farms by veterinarians with shared-class antibiotics (those used for both animals and humans). We do not label chicken products as NAE if they have been treated with antibiotics.

When antibiotics are used to treat animals, we require our producers to raise their animals responsibly – including complying with all applicable laws relating to withdrawal time adherence. To ensure compliance with these laws and that all products are safe for human consumption, all of our meat and poultry harvest facilities have programs in place and participate in the FDA and USDA surveillance programs for drug residues.

### Shared-Class Antibiotics Used in Broiler Chicken Production FY2018





# Innovations in Animal Welfare

We're committed to innovative research in critical areas of animal welfare across the meat industry supply chain.

## PILOTING NEW TECHNOLOGY

We partner with a variety of professionals, academic institutions and industry groups to advance animal agricultural research and best practices for animal welfare throughout the industry. In 2018, we increased dedicated funding for research projects in animal welfare. These projects focus on potential animal welfare improvements in animal mobility and lameness, antibiotic alternatives, traceability and best practices in production management. Over the past 12 months, we've invested more than \$742,000 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. Following are highlights from new technologies we piloted or further explored in FY2018:

### Controlled Atmosphere Stunning

We continued our Fresh Meats research into an alternative stunning method, Controlled Atmosphere Stunning (CAS), as a more humane harvesting technique. Instead of electricity, CAS uses carbon dioxide to render the animal unconscious and insensible to pain in advance of harvesting. In 2018, we established a second pilot focused on CAS stunning, expanding testing beyond our turkey plant and four of our pork plants to include two poultry plants.

### Lighting Systems for Chickens

We continued our research on lighting, enrichment and density of poultry, to identify preferred chicken lighting systems based on performance and physiological metrics. Initial research indicated that chickens prefer to eat in bright light and move to dimmer areas for rest. Neurological markers suggest a gradient lighting system may provide a more satisfactory environment for the chickens than high-intensity lighting alone. We're also expanding our lighting trials to commercial houses as we continue to identify the best system to provide lighting for broilers.

### Tylan & Roughage Experiment on Finishing Cattle

We completed a research study to examine the impacts of removing tylosin (Tylan), an antibiotic and bacteriostatic feed additive, from finishing cattle by studying the performance of roughage on cattle growth, carcass characteristics, and prevalence of liver abscesses. Roughage is the fibrous indigestible material in vegetable foodstuffs that aids the passage of food and waste products through the gut.

The study concluded that, despite the relatively low occurrence of liver abscesses in the negative control steers, both Tylan and increased dietary roughage was effective for controlling abscesses. However, cattle fed increased corn stalks consumed more feed, gained less weight and had inferior DMI (dry matter intake): ADG (average daily gain) than cattle

fed corn stalks in conjunction with Tylan. In summary, increased dietary roughage was able to compensate for Tylan removal for the control of liver abscesses, but cattle failed to fully compensate for lower dietary energy and produce similar weights to those fed Tylan.



### Tyson Foods Concept Farm

In 2018, we expanded our pilot on a new approach to raising chickens at our 80-acre proprietary Poultry Concept Farm, created to research ways to improve upon outcomes for birds, food safety and the environment. The farm's flexible design allows us to pilot a variety of chicken settings and integrate research from other company teams who are studying animal welfare, environmental improvements, alternatives to antibiotics, lighting tests, operational efficiencies and workplace safety. This integrated approach enables us to view our operation in a holistic manner, incorporating all our sustainability pillars to improve upon best practices in poultry production.

In addition to our own pilots, we encourage our suppliers to invest in projects and research to advance animal welfare. In 2018, we surveyed a group of our suppliers that make up more than 80 percent of the money we spent with third parties to purchase chicken, beef, pork and dairy. Of the 72 percent of suppliers who responded, we learned that more than half are investing in projects or research dedicated to advancing animal welfare.

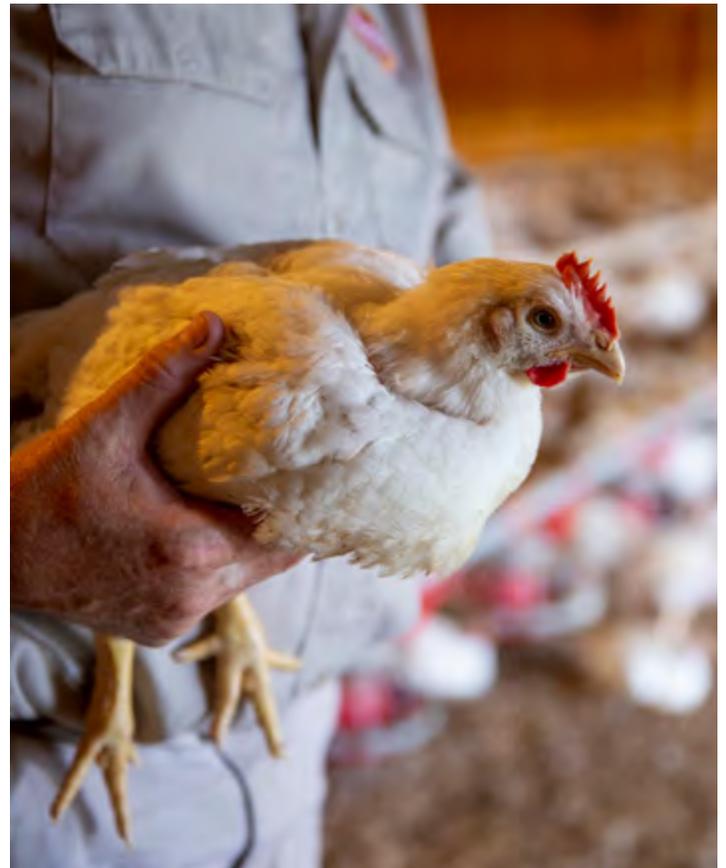
## Partnerships

### Sustainable Beef

In 2018, we continued our collaboration with McDonald's USA, Noble Research Institute, Beef Marketing Group (BMG) and Golden State Foods on a [two-year pilot research project](#) aimed at improving sustainability across the beef value chain, testing metrics established by the U.S. Roundtable for Sustainable Beef (USRSB) and exploring scalable solutions for beef production.

### CattleTrace Pilot Project

The ability to trace cattle disease is critical to overall biosecurity, as well as resuming business in the event of a disease outbreak. The development of a viable end-to-end cattle disease traceability system is a top priority across the U.S. beef industry, with several organizations in dialogue about the potential structure and implications to producers and industry stakeholders. In 2018, the [CattleTrace](#) pilot project for animal disease traceability launched in Kansas as a collaborative partnership between Tyson Foods, Kansas State University, the Kansas Livestock Association, the Kansas Department of Agriculture, USDA and other stakeholders.



In collaboration with meat and livestock verification service providers, we're piloting new technologies to enhance animal disease traceability of slaughter facilities in Texas and Washington through the collection and reporting of radio frequency identification (RFID) eartag numbers and termination date of those tag numbers on harvested cattle.

### Gifts to Build New Research Facility & Poultry Teaching Lab

Together with Merck Animal Health, we provided a \$500,000 gift to Texas A&M University's College of Agriculture and Life Sciences' Poultry Science department to build a new Biological Safety Level-II (BSL-II) research facility in 2018. The laboratory will enhance A&M's research, outreach and educational capacity to advance the field of poultry science. Scientists will focus on solving intestinal health issues in poultry. In addition, we gave a [\\$100,000 gift](#) to Wilkes Community College to build the Tyson Foods Sustainable Animal Science Lab, which will house approximately 500 chickens as well as state-of-the-art equipment to train students with hands-on experience.



The Tyson Foods Sustainable Animal Science Lab on campus at Wilkes Community College in Wilkesboro, North Carolina. KERI BROWN/WFDD

### Animal Welfare Education at our Facilities

We advance animal welfare education by providing the use of our facilities and expertise in animal welfare auditing, in cooperation with our supply chain, as well as customers, academics and audit firms. This enables external stakeholders and individuals to gain professional animal auditor certification through the Professional Animal Auditor Certification Organization (PAACO). We also open our doors to undergraduate and graduate students in animal science for educational opportunities, providing a place to evaluate welfare dynamics similar to those in the North American Meat Institute's recommended animal handling guidelines. Our facilities also serve as locations for various supply chain and customer educational events focused on animal welfare policies and practices, where the renowned Dr. Temple Grandin acts as a training partner.

## What's in a Number?

Excellence, efficiency and innovation for starters. For The Pork Group (TPG), a Tyson subsidiary in Oklahoma that raises hogs for our pork operations, performance measurement and data analysis is helping their effort to sustainably feed the world. Here's a sampling of the numbers that tell a compelling story of progress at TPG:

- TPG veterinarians perform welfare program assessments at nearly every site they visit each week. In 2018, 736 audits were recorded in fiscal 2018 from which data is downloaded and analyzed for ongoing opportunity trends.
- Third-party animal welfare audits averaged a 98.53 percent score last year, besting a three-year average of 96.4 percent.
- Medication and vaccine spending were reduced 40 percent from 2018 to 2017 due to improved animal health.
- Progress in genetic breeding programs and research has equated to 1,011 fewer acres of corn and 850 fewer acres of soybeans needed to raise the same amount of market hog pounds annually. That efficiency translates into measurable improvements in land use and conservation.
- Injury rates among workers have been reduced every year for four consecutive years, including a 45 percent decrease from FY2017 to FY2018.

TPG also stays on the leading front of research through partnerships with Oklahoma State University, Pipestone (MN) Veterinary Clinic, United Animal Health and various other university and private swine-related companies in areas of swine health, management and care, nutrition and genetic advancement.

### Incubation Technology Center

We continue to operate our 75,000-square-foot, state-of-the-art [Incubation Technology Center](#) in Springdale, Arkansas, our main supplier of chicks for our northwest Arkansas broiler chicken and Cornish hen operations. The center's advanced incubation technology allows for reduced handling of animals through the use of robotic arms, which perform repetitive tasks that reduce the risk of strain and muscle fatigue for our team members. The center is equipped with the latest in advanced technology in biosecurity, including high-tech internal environmental controls and ventilation to ensure that fresh air is continuously circulated throughout.

# Environment



## IN THIS SECTION

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# Our Commitment to Environment

Reduce our environmental impact as we feed the world.

## Our Goal

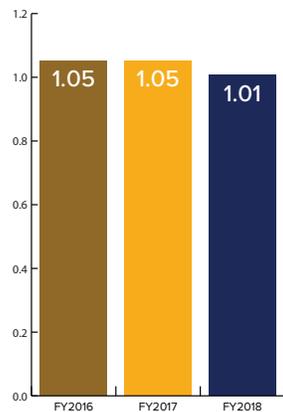
Achieve a **12%** reduction in water use intensity by 2020

Achieve a **30%** reduction in greenhouse gases by 2030

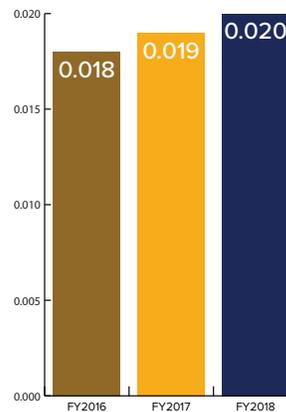
Increase sustainable land stewardship practices on **2 million** acres by the end of 2020

## FY2018 By-the-Numbers

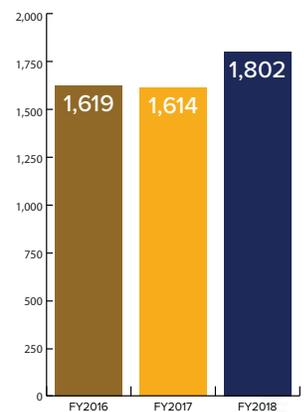
**Water Use Intensity\***  
(gallons used to produce a pound of finished product)



**Greenhouse Gas Emissions Intensity\*\***  
(Scope 1 & 2 metric tons CO2e to produce 1,000 pounds of finished product)



**Energy Use Intensity\*\***  
(Btu used to produce a pound of finished product)



## FY2018 Key Achievements

- Decreased our water intensity by 2.96 percent compared to our FY2015 baseline.
- Gained acceptance by the [Science-Based Targets initiative](#) for our target to reduce our GHG emissions by 30 percent by 2030.
- Joined 200 other companies in the U.S. Department of Energy (DOE) [Better Buildings, Better Plants Program](#).
- In partnership with [Environmental Defense Fund](#), we began planning two pilot programs that will accelerate sustainable food production by helping improve nutrient and conservation management practices on 500,000 acres of row crop corn.

\* This footprint includes data from our U.S.-based operations. Information from our U.S.-based Cobb-Vantress, The Pork Group, hog buying stations, Tecumseh Poultry, American Proteins and Keystone Foods are not included in this footprint. FY2018 data includes AdvancePierre and Original Philly acquisitions; FY2016 and FY2017 data does not.

\*\* This footprint includes data from our U.S.-based operations including The Pork Group and hog buying stations. All recently acquired facilities (American Proteins, AdvancePierre Foods, Original Philly, three Tennessee grain elevators and our North Carolina grain elevator) are included in FY2018 but not in FY2016 or FY2017. Keystone Foods and the Grayridge elevator are excluded from all years of data. 2017 performance has been updated upon receipt of more accurate data since publication of 2017 report.



# Strategic Approach

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

## REDUCING OUR ENVIRONMENTAL IMPACT TO SUSTAINABLY FEED THE WORLD

We are dedicated to delivering sustainable food at scale to feed our growing world. Fulfilling this mission requires protecting and respecting natural resources as we grow our business. To produce food, we depend on land, water and energy to grow ingredients, raise 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 the past two years, we set targets to reduce our water use intensity, GHG emissions and to promote the practice of sustainable land stewardship. Through these efforts, we strive to make a long-lasting, positive impact on the environment as well as our company, team members, consumers and customers.



[Learn more](#) about our commitment to protecting and conserving the environment.

### Environmental Governance

Kevin Igli, Senior Vice President Sustainability and Chief Environmental Officer, who reports to our Chief Sustainability Officer, provides corporate leadership, direction and technical standards for processes and our more than 374 environmental professionals. He assesses, prioritizes and manages all aspects of our environmental efforts across the company; monitors the status of environmental compliance and activities for both our domestic and international operations; and institutes regular meetings with regulatory officials to share information, build relationships and demonstrate our commitment to environmental excellence. Our internal Executive Environmental Council, comprised of our CEO, our Group Presidents, our CSO, and the Chief Environmental Officer and his direct reports, meet monthly to stay on top of the most critical items facing us environmentally across the enterprise.

### Environmental Management System

An environmental management system (EMS) is 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.

### FY2018 Penalties Incurred Over \$5,000

In 2014 there was a wastewater incident that disrupted the City of Monett’s wastewater treatment system and resulted in an impact to a nearby stream. In response to the incident, Tyson has taken several corrective actions and made improvements to its Environmental Management System (EMS) to drive continual improvement following this unfortunate mistake.

## Increasing Environmental Transparency

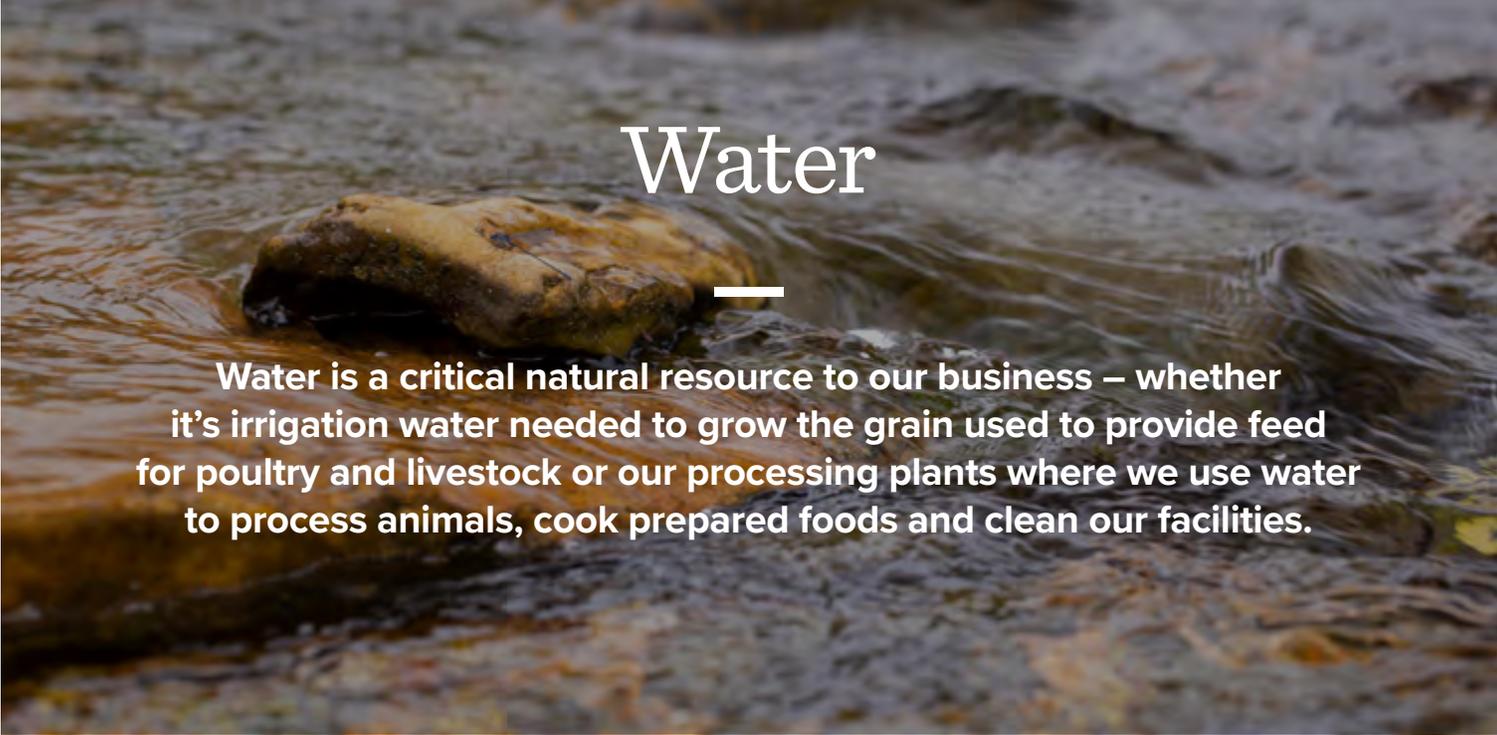
In calendar year 2018, for the third year in a row, we responded to CDP’s water and climate questionnaires, receiving a B- (management) for both. Additionally, as stakeholder concern continues to escalate around the environmental impacts of deforestation, we also responded to the CDP forest questionnaire for the past two years. We received a C for our response, and plan to respond to CDP’s climate, water and forests questionnaires in 2019.

Some of the actions taken are ‘lessons learned’ training for all environmental managers, additional auditing and strengthening our environmental policies and procedures. We have also funded projects totaling \$500,000 with the city of Monett, The Nature Conservancy Missouri (TNC), and the James River Basin partnership, in addition to paying a civil penalty.

We resolved the issue with the State of Missouri in 2015 and, in 2018, we resolved federal issues – accepting two misdemeanor violations of the Clean Water Act. As a result, we paid a \$2 million fine to the federal government and conduct ongoing reviews of our systems to support continuous improvement of operations.

Compliance Metrics	FY2016	FY2017	FY2018
Notices of Violation (NOV)	19	75	40
Penalties Per Fiscal Year	\$94,855	\$208,965	\$2,012,765
Total Reportable Chemical Spills (e.g., chemicals, fats, oils, fuels)	18	9	1*

These statistics are representative of all U.S.-based operations, excluding Cobb-Vantress, AdvancePierre, Original Philly, Tecumseh Poultry, American Proteins and Keystone Foods. \*Details regarding this spill are available in the GRI Index.



# Water

**Water is a critical natural resource to our business – whether it's irrigation water needed to grow the grain used to provide feed for poultry and livestock or our processing plants where we use water to process animals, cook prepared foods and clean our facilities.**

## **CONSERVING WATER THROUGHOUT OUR OPERATIONS**

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, Tyson is developing a water management system that will allow locations to evaluate actual usage rates on a daily basis and make adjustments in a more efficient manner.

Currently, we are working toward a target to reduce our water use intensity 12 percent by 2020 against a baseline of FY2015. Our water intensity decreased in FY2018, totaling a 2.96 percent reduction from our FY2015 baseline. In the coming year, we are continuing to identify and fund sustainable water use reduction projects.

We are currently collaborating with World Resources Institute (WRI) to further refine this goal and establish contextual-based targets that mitigate our water quality and scarcity risks at the facility level. WRI also conducted a water risk assessment in FY2018 that will help inform

Tyson's exposure to water-related risks, existing programmatic and engagement gaps, and potential opportunities for improvement across the company's fresh meat, poultry and prepared foods business.

### **Water Conservation**

We do our best to conserve water by developing smarter ways to use it in our food production. For example, at one of our beef plants, changes were made to recycle some of the water used in carcass washes, protecting food safety while saving 65 million gallons of water each year. At the same plant, changes made to filters that clean incoming water saved an additional 77 million gallons per year.

At a pork plant, new valves on sanitation hoses prevent water from running when a team member is not present. These and other changes will save 5.5 million gallons of water per year. Meanwhile, six poultry plants have implemented changes to reuse process water for a total savings of 287 million gallons annually.

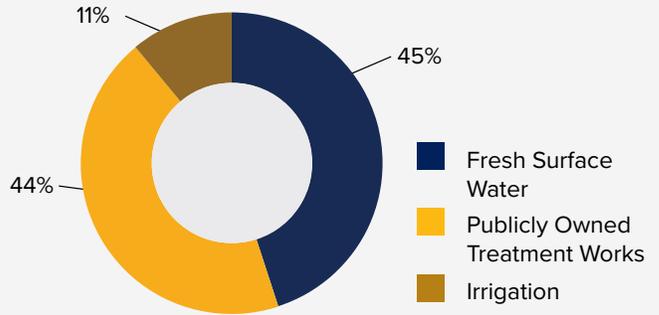
### Wastewater Treatment

We report our chemical data to the Environmental Protection Agency (EPA) as required by the Toxics Release Inventory (TRI) program. Our procedures are regulated by EPA programs, like the Clean Water Act (CWA) National Pollutant Discharge Elimination System (NPDES) permits that govern the release of water that may contain chemicals or other impurities. Water that is released meets EPA's Effluent Guidelines Program and is safe for the environment. We also report the amount of nitrate compounds included in our wastewater for the EPA's annual TRI, along with other chemicals.

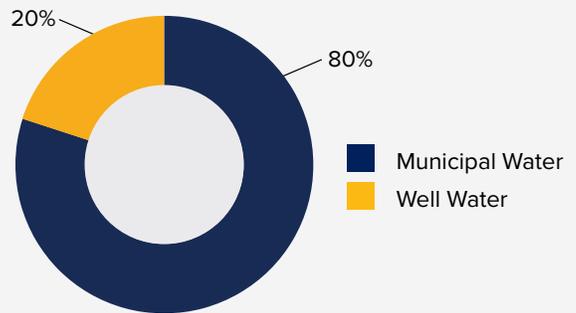
More than 31 billion gallons of water enter our facilities annually, and the majority is returned to surface waters of the U.S. through our 36 full-treatment and 49 pre-treatment wastewater treatment centers. We use current technology and reclamation systems to conserve and reuse wastewater in our direct operations. 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 the 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 4 million pounds of nutrients were collected and redistributed by beneficial soil irrigation practices through this process.

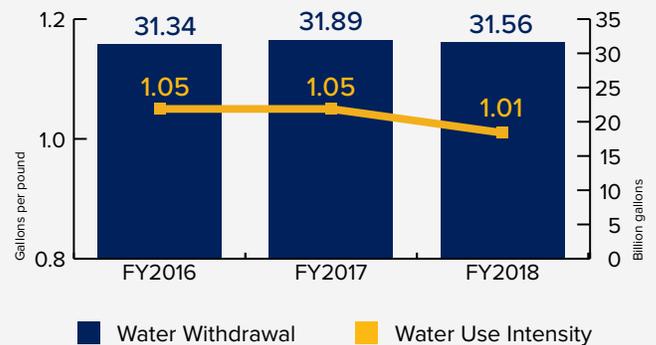
### FY2018 Water Discharge by Destination



### FY2018 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, The Pork Group, hog buying stations, Tecumseh Poultry, American Proteins and Keystone Foods are not included in this footprint. FY2018 data includes AdvancePierre and Original Philly acquisitions, FY2016 and FY2017 data does not.

# Energy & Emissions

Sustainably feeding the world means reducing our carbon footprint.

## REDUCING OUR CARBON FOOTPRINT

Tyson is committed to bold reduction of our carbon footprint. We are working toward a “30 by 30” target to reduce our greenhouse gases (GHG) 30 percent by 2030, against a 2016 baseline year. This target is designed to meet the criteria of the Science Based Targets initiative (SBTi). The target was accepted by SBTi in 2018, making us the first U.S. protein company in the food and beverage sector to receive such an approval. Currently, we measure and report our GHG emissions from direct sources we control as well as indirect emissions from the energy we buy.

In 2018, Tyson was welcomed into the U.S. Department of Energy (DOE) Better Buildings, Better Plants Program, joining almost 200 other U.S. companies. This national initiative helps manufacturers become more efficient by supporting them in setting ambitious energy savings goals, developing energy management plans and tracking and reporting their annual progress.



## The Tyson Value Chain

Our GHG reduction target compels us to evaluate possible emissions reductions at every stage.




**Grain for Livestock**  
We are conducting two pilots aimed at the continual improvement of grain production practices.



**Operations**  
We use electricity, fossil fuels and biogas for powering processing equipment and cooking, chilling and freezing product

**Wastewater Treatment**  
We strive to use renewable fuels like biogas from our wastewater treatment operations





**Transportation**  
Tyson is a partner in the EPA SmartWay program, and we are always looking for ways to reduce miles driven



Partnerships

## Sustainably Feeding the World, Together

### Tyson & World Resources Institute

As we set targets to lessen the impact of our operations, we aim to do so in ways that reflect best practices developed by leaders in sustainability. World Resources Institute (WRI) is a global research organization that helps businesses worldwide turn big ideas related to the environment, economic opportunity and human well-being into action. Tyson announced a collaboration with WRI in 2017 to develop our [science-based GHG targets](#) and contextual-based targets for water conservation. At the end of July 2018, the [Science Based Targets initiative](#) approved the target we developed in collaboration with WRI. We are now working with WRI to establish contextual-based water targets, informed by local watershed risks and aligned with public policy priorities.

“As one of the world’s largest meat producers, Tyson Foods has a major role within the company and across the industry to move toward a low-carbon business model that can sustainably feed the world’s growing population. Tyson Foods is taking an important step in the right direction by setting a science-based target to reduce greenhouse gas emissions by 30 percent across its entire value chain. WRI encourages all companies in the food industry to pursue sustainable best practices in addressing their carbon, land and water impacts.”

-Cynthia Cummis, Director of Private Sector Climate Mitigation at World Resources Institute



## Biogas Production

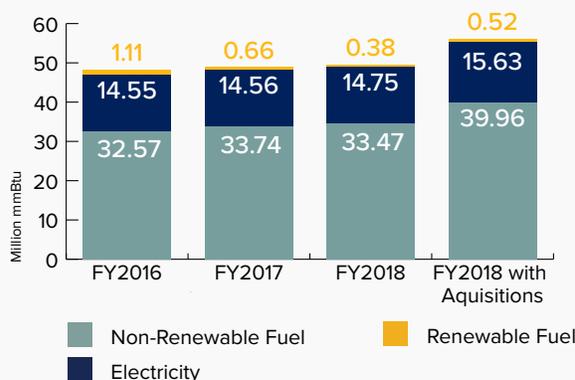
At six of our production locations, we have covered wastewater treatment lagoons that allow us to capture the biogas generated from the lagoons. Biogas is generated by bacteria-consuming nutrients in the wastewater, which then produce methane and carbon dioxide gases. We clean up the biogas by removing 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 GHG emissions and reduces the amount of natural gas we need to purchase. In FY2018, we burned approximately 585 million cubic feet of biogas in our boilers. This is equivalent to the amount of natural gas used by more than 4,700 homes annually.

## Transportation

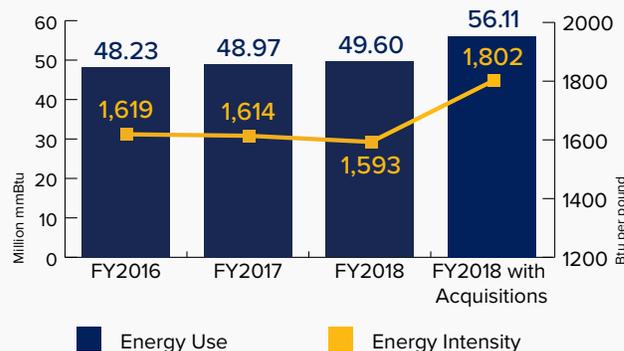
Tyson operates one of the largest private truck fleets in the U.S. with 2,800 trucks and 7,300 trailers. We continually seek new ways to reduce emissions, lower fuel consumption and decrease the GHG emissions of our fleet, while improving the miles per gallon. As a partner in the EPA's SmartWay® program, 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; collaborating internally and externally to eliminate empty truck miles; 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. We continue to evaluate new sustainable energy sources, such as natural gas, electrification and hydrogen products.

In FY2018, we upgraded our fleet with new and more fuel-efficient vehicles. We also added an incentive for drivers to use cruise control while on the roads, which improves fuel economy and also increases safety. Early in 2019, we began participating in a pilot of an opposed-piston (OP) engine-equipped tractor from shipments traveling between Arizona and California. The OP engine involved in the pilot is projected to reduce oxides of nitrogen (NOx) by up to 90 percent and CO2 emissions by up to 15 percent. The technology could be used to help meet the requirements of the EPA's recently announced Cleaner Trucks Initiative.

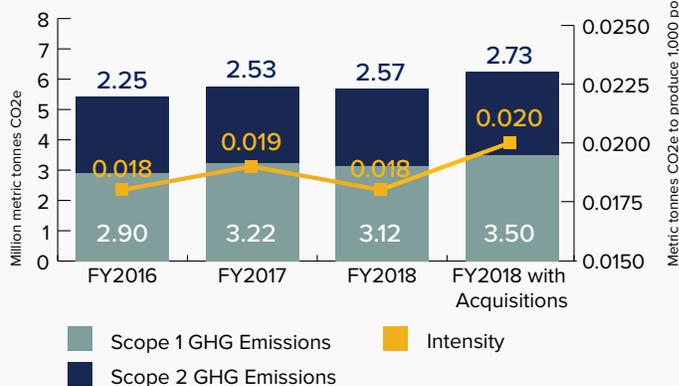
### Types of Energy Used\*



### Energy Use\* & Intensity



### GHG Emissions\* & Intensity

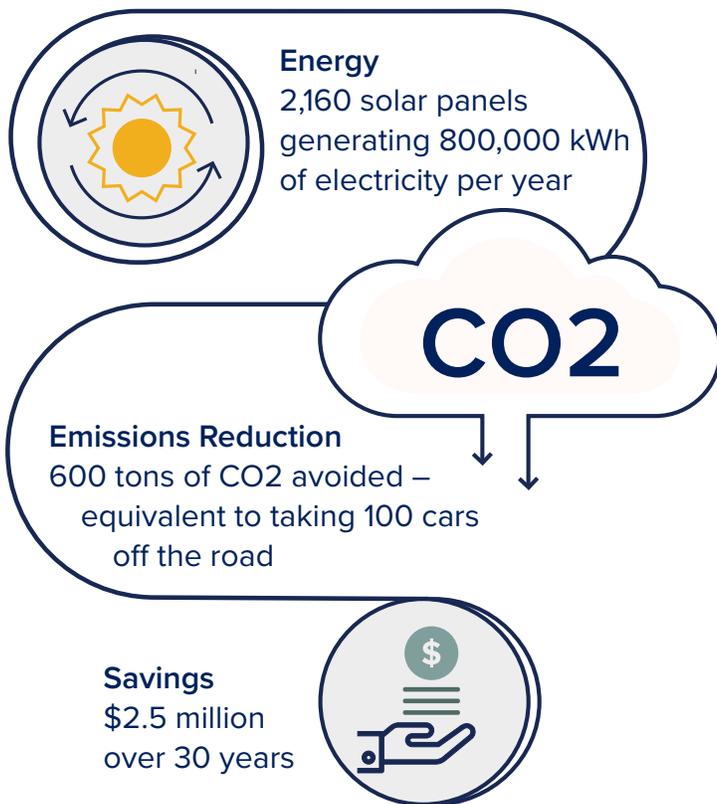


\*This footprint includes data from our U.S.-based operations, including The Pork Group and hog buying stations. Keystone Foods and the Grayridge elevator are excluded from all years of data.

- The first three columns of data (FY2016, FY2017 and FY2018) are aligned with information used to set our science-based target (SBT) that was approved in July of 2018.
- The final column of data (FY2018 with Acquisitions) represents the growth that has occurred at Tyson Foods since we set our SBT with the acquisitions of American Proteins (four rendering plants in Georgia and Alabama and 13 blending facilities located throughout the southeastern and midwestern U.S.); AdvancePierre Foods (10 facilities, two distribution centers and three support centers); Original Philly (two plants in Philadelphia, Pennsylvania); three Tennessee grain elevators; and North Carolina grain elevator.
- Next year, we will continue to expand our footprint with data from the acquisitions of Keystone Foods, Grayridge Elevator and BRF S.A. We plan to adjust our baseline to account for our continued growth in 2021.

**Solar Power at Work in Aurora, Missouri**

Our feed mill in Aurora, Missouri, recently became [our first commercial feed mill to use solar energy](#). The panels are projected to generate nearly 21 percent of the annual energy needed, so we’re already seeing the benefits of going solar, including momentum toward accomplishing our “30 by 30” goal.



*Farmer Profile*

**Farming, Sunny Side Up**

**Joe Sander  
Sikeston, Missouri**

Being a farmer is a round-the-clock job. For Joe Sander, “slowing down” in retirement meant renting out his cropland and scaling down from 11 chicken houses to three.

When raising poultry, life takes on a predictable rhythm: newly hatched chicks are brought to the farm, some 90,000 in all. For the next 45 days, they are raised in tunnel-ventilated houses on Sander’s property, receiving the balance of feed, water and temperature they need to be comfortable and grow. Once fully grown, the birds are picked up by Tyson for harvesting. For the next two weeks, Sander cleans and disinfects the houses thoroughly to prepare for new arrivals. Another truckload of hatchlings is delivered, and the cycle begins again.

After 25 years growing birds, Sander has the operation down to a science. One way he keeps the work manageable is by using solar panels, which generate enough energy to supply 98 percent of the chicken houses’ annual energy needs. “I have no maintenance on them – none,” Sander says. “The sun shines; they work.”

“When you’re a farmer, you always want to leave your farm better for the next generation. Solar energy is one easy way to do that.”



# Nutrient Management

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

## INCREASE SUSTAINABLE LAND STEWARDSHIP PRACTICES

While Tyson doesn't own grain farms, we do buy corn and soybean meal to feed our poultry, as do the independent farmers and ranchers who sell us cattle and pigs. In fact, Tyson is the largest purchaser of feed corn in the industry.

Over the past 50 years, the U.S. poultry industry has reduced the amount of grain required to produce a pound of chicken by half. Meanwhile, cattle farmers have learned to raise grain-finished beef cattle on 46 percent fewer acres of harvested corn grain, and pig farmers are using 75.9 percent less land and 25.1 percent less water per pound of pork produced. All of this progress means less land is now used to grow food for animals, as well as less water, GHG emissions and risk of nutrient runoff.

Yet, growing grain remains a resource-intensive activity, and there is still more work to be done. 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.



Learn more about our commitment to support improved environmental practices on 2 million acres of row crop corn by the end of 2020.

Tyson Foods has committed to support improved environmental practices on 2 million acres of row crop corn 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 GHG emissions generated by our supply chain. It 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.

*Partnerships*

## Sustainably Feeding the World, Together

### Helping Grain Farmers Do More

Impacting 2 million acres requires broad support. Tyson sponsored a Nutrient Management Summit in 2018 that brought together more than 30 leaders of the corn supply chain, including professors from three major universities, representatives of the grain and animal agriculture commodity groups, seed and fertilizer dealers, the Environmental Protection Agency, the United States Department of Agriculture, Environmental Defense Fund (EDF) and the Nature Conservancy.

Based on insights from the gathering, we launched two projects in early FY2019 in partnership with EDF. The first project involves two pilots expected to scale sustainable agriculture practices on 500,000 acres of corn to reduce GHG emissions, improve water quality and maximize farmer profitability. This effort will also help us meet our 2020 land stewardship goal.

The pilots will leverage the power of cloud-based agricultural technologies that collect and analyze information about agricultural production practices while protecting data privacy. The first pilot will equip a network of agronomists with MyFarms, a farm management software program, to provide farmers with insights about the value of conservation practices. This pilot will incentivize agronomists to work with farmers to adopt more sustainable practices.



The other pilot, in partnership with Farmers Business Network (FBN), will incentivize farmers directly. FBN will share data with its network of 7,600 farmers who span nearly 30 million acres, as well as offering discounts and technical and agronomic assistance. Each pilot will run for three years, and we will review progress annually.

A second EDF project is focused on the Chesapeake area where Tyson has more than 1,200 team members and approximately 100 poultry producers who depend upon good water quality in and around this watershed. To further our land stewardship efforts, EDF will advise Tyson as we conduct a pilot project on the Delmarva Peninsula.

This pilot will utilize Tyson's current FarmCheck® animal welfare audit program to develop a FarmCheck Plus program that includes environmental aspects of on-farm practices. FarmCheck Plus will be used as a continuous improvement model for on-farm poultry litter and mortality management practices. Specifically, we will develop an audit protocol and conduct internal audits to review compliance at the farms of contract producers. We also will use Professional Animal Audit Certification Organization (PAACO) service to conduct third-party audits. In addition, we will develop a baseline assessment to further understand how independent poultry producers on the Delmarva Peninsula utilize litter.

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 lost per acre, resulting in avoided nitrous oxide emissions and nitrate leaching.

Although we own the chickens in our poultry business, the 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 litter management. The Tyson 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 1.2 million tons of nutrient litter out of the Illinois River Watershed – which covers parts of eastern Oklahoma and northwest Arkansas – since 2005 (this figure includes litter from other brands). The litter is redistributed to areas with less density of animal nutrients available.

# Material Resources

Reducing waste is good for our business and the environment.

## REDUCING WASTE & CONSERVING NATURAL RESOURCES

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 footprint 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 enterprisewide 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 landfill for our company and a structure for reporting and accountability.



Waste Generation	FY2016	FY2017	FY2018
Waste Generated (million pounds)	2,804	2,980	3,775
Waste to Landfill (million pounds)	287	334	362
Waste Diverted from Landfill (million pounds)	2,517	2,646	3,340
Recycle & Beneficial Reuse* Rate	90%	89%	90%
Landfill Waste Intensity (pounds landfilled to produce 100 pounds of finished product)	0.94	0.98	1.21

This footprint includes data from our U.S.-based operations. Information from our U.S.-based Cobb-Vantress, The Pork Group, hog buying stations, Tecumseh Poultry, American Proteins, Original Philly and Keystone Foods are not included in this footprint. FY2018 data includes AdvancePierre. \*Beneficial reuse can include activities such as composting, land application and digestion.

### 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.

In 2018, Tyson joined the American Institute for Packaging and the Environment (AMERIPEN) and the Sustainable Packaging Coalition® (SPC). AMPERIPEN is a leading North American packaging advisory group focused on providing public policymakers with factual packaging information and consequences prior to and during legislative enactments. The SPC is a membership-based collaborative that believes in the power of industry to make packaging more sustainable.

Both organizations are focused on the entire supply chain and not just targeted segments.

By eliminating wasted product and inefficient packaging processes, we were able to save nearly \$2 million in FY2018. We accomplished this through a redesign of our fresh poultry whole bird packaging bag. We had experienced difficulty in placing the bird in the packaging, occasionally causing the bag to break. This resulted in wasted product, wasted time, additional labor to repackage the birds, wasted money in broken bags and unsalable product. The transition was challenging since the new bag cost more and weighed slightly more. However, due to greater efficiencies and less waste, we were able to realize a net savings of nearly \$2 million, eliminate approximately 1.7 million pounds of food waste and 1.8 million bags, increase productivity by 7 percent, and avoid printing plate change costs.

**Our corrugated boxes are produced from 100 percent renewable material, contain 29.9 percent postconsumer 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, there is virtually no waste 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 byproducts to create saleable materials like animal feed, biofuels and fertilizer. We also repurpose byproducts 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.

In 2018, Tyson acquired the poultry rendering and blending assets of American Proteins, Inc. and AMPRO Products, Inc., including four plants in Georgia and Alabama and 13 blending

facilities throughout the Southeast and Midwest. Rendering is a sustainable environmental practice resulting in high-value ingredient solutions and reduced landfill volumes. This additional capacity will allow us to recycle more animal products for feed, pet food and aquaculture.

Through our new venture capital fund, [Tyson 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.



#### Partnerships

### Pitching in for a Sustainable Future

#### Earth Day Team Building

Team members around the country pitched in, picked up and dug deep for Earth Day 2018. From tree plantings to river cleanups, we showed our commitment to a more sustainable future for our communities, our company and the world. Projects we took on included:

- Planting trees and shrubs along a stormwater swale to capture sediment and prevent erosion due to rain at our New Holland Complex.
- Sponsoring Lancaster Farmland Trust’s annual Pedal to Preserve bike ride, which supports the Trust’s mission of preserving local farmland.
- Supplying gloves, trash bags and water, as well as team member volunteers, for an Arkansas River cleanup in Finney County.
- Hosting an event with The Nature Conservancy at our Corporate Auditorium to highlight what we’ve accomplished together on waterway conservation.



Rendering is a sustainable environmental practice resulting in high-value ingredient solutions and reduced landfill volumes.

## Using All Parts of the Animal After Processing

We process a range of “wet blue” and brine-cured cattle hides sourced in-house from our harvest operations. This supports our commitment to use all parts of the animal after processing with as little waste as possible.

The wet blue process is the first step in transforming raw hides and skins to viable tanned leather, using chromium salts, before they are dried, dyed or finished. Our customers buy wet blue to make a variety of products in leather, such as upholstery, shoes and handbags. This supports our commitment to use all parts of the animal after processing with as little waste as possible. We’re one of the largest wet blue tanners in the world.

“We’ve made significant strides in environmental and third-party certifications of our tanneries in Amarillo, Texas; Dakota City, Nebraska; Finney County, Kansas; and Joslin, Illinois” said Shane Miller, Senior Vice President & General Manager Beef Enterprise. [The Leather Working Group](#) (LWG) has separately audited each, and we’ve received the organization’s [Gold Medal Award](#) since 2008 in Amarillo, Texas; 2010 in Dakota City, Nebraska; 2011 in Garden City, Kansas; and 2018 in Joslin, Illinois. Our first tannery joined LWG in 2008 at the inception of the program, and now all of our customers require it.

The [LWG auditing protocol](#) requires us to meet a stringent set of environmental controls in our tanneries, including the evaluation of energy use, water use and effluent treatment. While it is primarily an environmental audit, certified tanneries are expected to demonstrate reputable practices in all areas of business. For instance, the [latest version](#) will evaluate worker and equipment safety in our tannery operations moving forward.

LWG is a multistakeholder group that works to advance traceability back to hide facilities for their 400+ members, which include leather manufacturers, suppliers and brands like Tyson Foods. The organization promotes sustainable and environmentally sound business practices and implements an environmental compliance and performance capabilities assessment of leather manufacturers. We’ve been a member of LWG since 2008, collaborating with other brands, suppliers, retailers, NGOs and technical experts to advance sustainable business practices in the leather industry. We’ve held a seat on the LWG board of the executive committee for three consecutive years.



Shane Miller,  
Senior Vice President & General  
Manager Beef Enterprise

### Partnerships

## Sustainably Sourcing Leather, Together

### Helping Support Supply Chain Transparency

“PrimeAsia has built its business on a platform of transparency, environmental stewardship, sustainability and continuous measurable improvement. One of the critical measurements we rely on for our own business and for our supply chain is the Leather Working Group (LWG) audit criteria to determine best in class. Tyson, as a core supplier to PrimeAsia, has continued to demonstrate their commitment to the same values, and this commitment is recognized by their Gold LWG accreditation. PrimeAsia remains committed to doing business with a supply chain that shares our values, and we are honored to have Tyson as one of our core suppliers.”

Jon Clark CEO PrimeAsia Leather

“Tyson Fresh Meat and Hides & Tannery Group have been members of Leather Working Group Ltd (LWG) since 2008 and were among the first leather manufacturers to have their facilities audited. As an elected member of the Executive Committee of LWG for the last three years, Tyson’s input has helped steer the direction and work of the group, ensuring it continues to meet the needs of its members and the wider leather supply chain. Tyson’s commitment to leading and demonstrating environmental improvement is evident, and we hope to continue supporting Tyson in their efforts for environmental stewardship.”

Deborah Taylor, Manager, LWG



# Workplace



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# Our Commitment to Workplace

Enable our team members to reach their unique potential.

## Our Goals

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

Create a safe workplace by reducing OSHA recordables by 10 percent year-over-year\*

Build a highly engaged team with a 10 percent increase in retention

## FY2018 By-the-Numbers

 **22%**  
Reduction in total recordable incident rate

 **30**  
Team members piloted a financial literacy program

 **61.3%**  
Retention rate

**5,129**  
Total non-English-speaking team members offered access to ESL

 **33**  
Plants offering ESL and citizenship classes through Upward Academy

 **48%**  
U.S. team members with five-plus years of Tyson experience

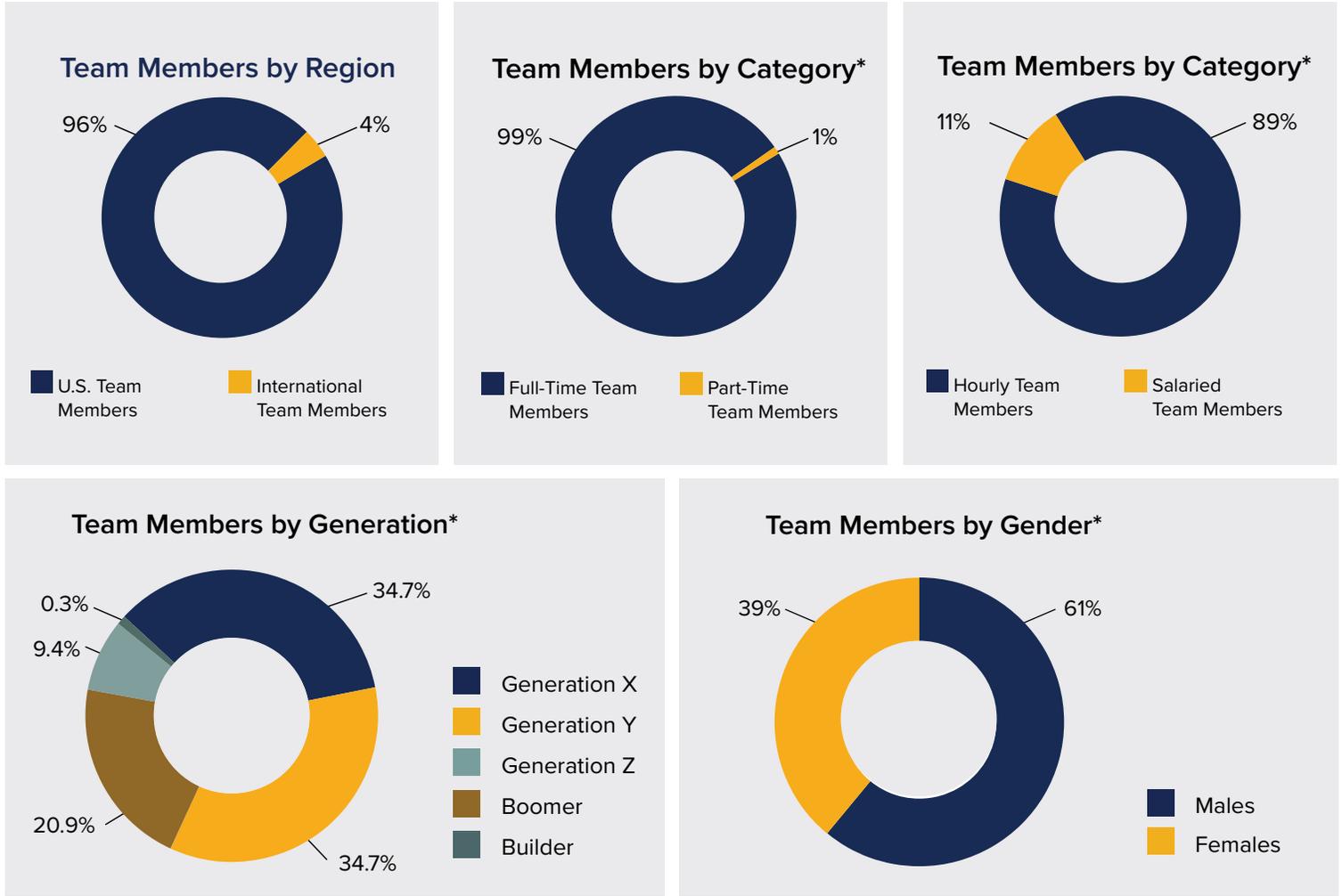


## FY2018 Key Achievements

- Reduced our total recordable incident rate by 22 percent compared to FY2017.
- 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 in 2018.
- Created a new talent mapping process and developed succession plans for key leadership roles to build a more robust pipeline of talent across our company.
- Continued commitment to the [CEO Action for Diversity & Inclusion™](#), signing for the second year, and remained focused on advancing inclusion and diversity in the workplace.
- Established a Disability and Accessibility Awareness [Business Resource Group](#) (BRG) and launched monthly mentoring circles within our women's BRG.
- Expanded the We Care safety initiative to all plants.

\*This goal has been revised 15 percent to 10 percent. Our OSHA recordable rate is now [below the Bureau of Labor Statistics \(BLS\) industry average](#) and we will target a 10 percent reduction going forward.

### FY2018 By-the-Numbers



TEAM MEMBERS BY ETHNICITY*	COMPANYWIDE	HOURLY	SALARIED
Asian	10.9%	12.5%	3.1%
Black or African American	24.8%	27.6%	9.6%
Hispanic or Latino	27.9%	30.6%	11.6%
Native American/Alaskan	0.8%	0.8%	0.9%
Native Hawaiian or other Pacific Islander	2.3%	2.7%	0.2%
Two or More Races	0.7%	0.7%	0.6%
White	32.6%	25.1%	74.0%

\*U.S./Domestic employees only as of September 2018, excluding American Proteins, Tecumseh Poultry and Keystone Foods.

# Engagement & Retention

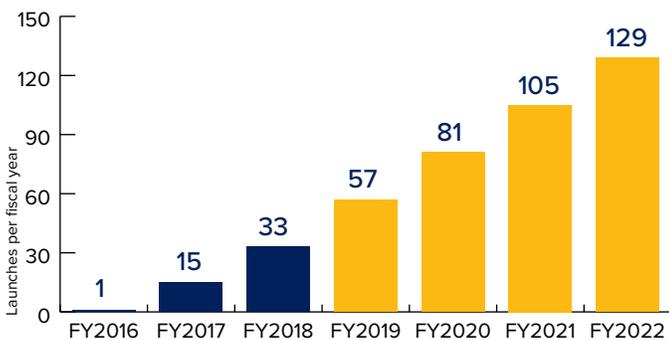
We embrace the diversity of our team members, customers, stakeholders and consumers – their unique backgrounds, experience, thoughts and talents. Everyone is valued and appreciated for their distinct contributions to the growth and sustainability of our business.

## FOSTERING AN ENGAGED & EMPOWERED WORKFORCE

We're a company built on faith, family, hard work and a tradition of doing what's right. Maintaining a culture that reflects our core values is an ongoing task as we acquire new companies and grow our business. Our team members play a key role in helping us stay true to these values. We support them by making sure they have the tools and resources they need to be successful and by establishing transparent, two-way communication with new and current employees.



### Total Upward Academy Locations/Projections



In FY2018, we expanded our language and life skills program, known as Upward Academy, to 33 Tyson locations, with plans to eventually make it available to all team members.

## About Our Workforce

The majority of our workforce – some 102,000 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 nearly 13,000 U.S. team members are salaried and primarily work in plant management support and corporate positions.

**Workplace Goals**

 <p><b>1</b></p> <p><b>10 percent reduction in OSHA recordable incidents</b></p>	 <p><b>2</b></p> <p><b>10 percent increase in employee retention</b></p>	 <p><b>3</b></p> <p><b>Extend ESL and financial literacy training to all hourly employees</b></p>
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Since FY2017, we have been making progress on programs to better support our hourly team members in the areas of workplace training, safety, compensation and benefits and life skills. To measure progress against these initiatives, we are working toward three workplace goals, all of which are ongoing, year-over-year goals. We are proud to report that we exceeded our 15 percent target in FY2018 by reducing incidents by 22 percent compared to FY2017. Because of this great progress, we are now [below the Bureau of Labor Statistics \(BLS\) industry average](#) for food manufacturing. Therefore, we changed the goal from 15 percent to a 10 percent reduction target in FY2019 which we feel is more sustainable. Read more in the [Safety section](#) of this report.

Our second goal is to achieve a 10 percent increase in employee retention. In FY2018, retention decreased slightly over the previous fiscal year. Wage pressure combined with the lowest unemployment rates the U.S. has experienced in decades have made it increasingly difficult to stabilize our workforce and achieve the desired level of improvement in retention. A strong focus on becoming the employer of choice and investing in our team members, however, has led to improvements in wages, work schedules, facilities, recognition and engagement. Employee engagement, in turn, drives improvements in operational efficiency, safety and our team members’ well-being. That’s why, for example, in FY18 our hourly safety committee team members received training on the company’s We Care process, which is grounded

in building a safety culture based on human relations. We also continue to strengthen our communications at all levels of the organization to eliminate unsafe behaviors and conditions and the engagement of our hourly team members is a vital part this process. We will continue to invest in these areas, which we believe will help ensure retention as national trends change.

We are encouraged about our forward momentum as the first quarter of FY2019 shows a positive trend. We are benefitting from record high retention while keeping team members safer than ever as a result of proactive measures to promote a culture of safety and caring in our plants. Work schedules are changing to promote a more equitable work/life balance which not only results in improved attendance, but also makes our operations more efficient. This practice has made Tyson the employer of choice in a number of labor markets and has improved our performance in a number of industry benchmarks.

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 while better positioning them to realize their full personal potential. In FY2018, we expanded our language and life skills program, known as Upward Academy, to 33 Tyson locations, with plans to eventually make it available to all team members. Read more about the [Upward Academy program](#).

Across all business units, we continue to execute a project for “span of control” that involves hiring additional production supervisors to help drive improvements in safety, retention and performance.

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

We continue to collaborate 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 nearly 30,000 workers.

### The Tyson Culture

We onboard new team members by educating them about the Tyson culture and company history. We strive for a consistent, inclusive culture where all work ladders up to one common company purpose.



### Talent Strategy

Our talent strategy is focused on attracting the best talent – recognizing and rewarding their performance, while developing and retaining them. Within Tyson’s Talent & Culture function, our talent acquisition team equips and enables our businesses to hire talent that solves future business challenges through standardization, talent strategy and engagement. The team focuses on development of sourcing strategies that identify best-in-class target industries, companies and schools to acquire desired capabilities. Our recruitment efforts also aim to build 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:



We may not be perfect, but we can always be better. [See how](#) Tyson team members pursue good in all they do.

- *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 maintain 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.

In 2018, Tyson’s talent acquisition team worked consistently to advance our employment brand through efforts like updating our career site and creating print and online career [journey profiles](#) to show what it’s like to work and grow at Tyson. We have also created a [unique approach](#) to minimize skills gaps while creating an easier path for those interested in an industrial maintenance career. Over the next two years, we will partner with 60 technical school programs across the U.S. to provide student-focused plans that offer critical trade experience before graduation. For example, through our [CONNECT 4 program](#), high-school students in three Carroll County, Arkansas public schools will have an opportunity to be introduced to the industrial world. Programs like Connect 4 allow students to develop both theoretical and practical knowledge of industrial maintenance, a trade specialty with 85 different skills.

To further move the needle on succession planning, we created a new talent mapping process that begins with the team member’s perspective on career aspirations and focuses more intentionally on investing in the development of a team member to proactively build a more robust pipeline of talent. This new process provides leaders within functions across the organization even greater visibility into our pool of exceptional talent. We also established succession plans for key leadership roles and development plans to support those team members who have been identified as successors to ensure they are ready to step in when the opportunity arises. Over the course of 2018 all management roles were mapped, and we have been continuously activating succession plans.



**In FY2019 we will be implementing Workday, a best-in-class, mobile-friendly HR platform that manages all people-related activities, from hire to retire, in a single system.**

Tyson has enhanced other aspects of the team member experience to increase satisfaction and adapt to the changing reality of our workforce. We updated, for example, our employee recognition portal, providing expanded resources, templates and tools for people managers to use. To address our diverse talent management needs, in FY2019 we will be implementing Workday, a best-in-class, mobile-friendly HR platform that manages all people-related activities, from hire to retire, in a single system. Workday will empower leaders with insights into their teams’ skillsets with user-friendly, real-time embedded reporting to help them make data-driven talent decisions.

A comprehensive talent strategy is increasingly becoming table stakes in the workplace. In FY2019, we will continue to build on our foundation by focusing on team member experience, removing barriers to engagement, further modernizing the human relations process, focusing on hourly team member retention and accelerating the impact of best-in-class talent practices.

**Team Member Onboarding**

Our onboarding program and new-hire portal, Launch, 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. Launch provides 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 designed to help managers in onboarding new team members. These 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.

Launch ensures that all new corporate team members have a consistent experience and an increased sense of belonging at Tyson Foods. Given Tyson’s growth, Launch is already helping us onboard new organizations after an acquisition 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. Preliminary survey and focus group data reveal that new hires have found Launch helpful in their onboarding process. Specific elements that new hires say are most helpful include:

- Plans that contain 30-, 60- and 90-day roadmaps for onboarding
- The Launch New Hire Portal, which includes milestone tasks and resource guides
- Launch Missions, a gamification solution that has helped new hires further immerse themselves in our company and culture

Based on the success of this program, our corporate HR team is working with HR partners in our plants to adapt Launch elements for onboarding management and management support in that environment. Once piloted, we will identify opportunities to replicate the Launch platform for our hourly team member population.



**Our new hire portal, Launch, ensures that all new corporate team members have a consistent experience and an increased sense of belonging at Tyson Foods.**

In FY2018, we developed a new process to onboard Tyson team members who join Tyson as the result of mergers and acquisitions (M&A). For each function involved in M&A, we identified steps to ensure smooth transitions throughout, as well as project leads who will act as communication liaisons and help scale and resolve issues. We developed templates and documentation and will maintain these in one location for ease of use and accuracy.

## Team Member Training

In FY2018, we enhanced training efforts with a new online learning library. This library is accessible to all Tyson team members who have access to our company intranet. The learning platform offers more than 2,000 learning resources, such as articles, videos, training workbooks and expert interview podcasts on topics such as leadership, stress management, strategy and communication. We also offer comprehensive training programs for plant leaders at all levels. These include:

- *Complex Management Leadership Development Program (CMLDP)*: A leadership development program that culminates in a presentation to senior leadership. Participants are asked to consider what changes they can make in their plants, as well as other changes they could make in their personal and professional lives. In 2018, we scaled this program from eight classes down to four.
- *Operations Leader Boot Camp*: A program that includes leadership training, Lean training and in-plant application of lessons learned. This year, we expanded Lean training and added community service projects to the program.

We know that people don't leave life behind when they come to work. [Learn how our chaplains support team members through life's challenges.](#)

- *Supervisor Boot Camp*: A combination of leadership and hands-on training within our plants and live operations. This program now includes emotional intelligence leadership training and a waste elimination project that leads to substantial cost savings each year.
- *Health and Safety and Continuous Improvement Teams*: Leadership from these teams have identified a training synergy opportunity. We are working to align on a structured, standardized model for delivering plant safety leadership training through a productivity system developed by our Continuous Improvement team. These training sessions will be further utilized to develop structured daily requirements within a production system that enables plant leaders to better monitor and manage the daily expected takeaways from our safety We Care program.

## Faith in the Workplace

Tyson's culture is what we call "faith-friendly." Many team members come to work with a set of beliefs about themselves, their world and how they should live in it. Our team members' beliefs matter, and their respectful expressions are welcomed. Tyson established a chaplaincy program in 2000 that has since grown to more than 100 dedicated chaplains representing more than 31 different faith groups available at our plants to listen, offer support and talk to team members about daily life.

## Our Team Growth Playbook

We hold a deep respect for team collaboration, and we recognize that each team member plays a critical role in the team's ability to achieve collective goals. We also know that great teams grow every day, prompting us to continuously develop our team skills. Even our Executive Leadership Team is investing time on team development and organizational talent, including a quarterly off-site strategy meeting. At Tyson, our playbook consists of four winning strategies:

- *Align* – Defining team purpose, committing to shared responsibility of team goals, and establishing team procedures and behaviors that support collaboration.
- *Evolve* – Team members individually assess their teams against five well-demonstrated team enablers, as well our Core Behaviors. Assessment results are presented, and teams are given feedback that highlights key areas of opportunity.
- *Adapt* – Teams receive tailored skill development that allows them to continuously meet and exceed business objectives over time.
- *Energize* – Our teams are encouraged to connect and network, including taking part in Business Resource Group events or partnering with our Corporate Social Responsibility team.



# Compensation & Benefits

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

## INVESTING IN COMPETITIVE WAGES & BENEFITS

We work to ensure that team members receive fair compensation commensurate to their experience and skills, as well as competitive compensation within the local labor markets. As a result, our compensation program varies by market and by position, allowing us to provide a competitive total rewards package.

Many of our team members are compensated at an hourly rate for production or maintenance work in our processing plants. We've made improvements in pay and benefits while also creating new employee relations enhancements that differentiate us from competition and align with our effort to create the most desirable workplace possible. Our Compensation Department regularly conducts wage surveys and reviews cost-of-living indicators and community norms. In FY2018, the average hourly pay rate for our U.S. team members was \$14.96. 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.

We are continuously researching and developing driver-focused pay programs to grow and develop our fleet, as well as combat the driver shortage impacting the industry.

We utilize various pay programs to incentivize our drivers to optimize their mileage and stay safe on the roads.

For the first time in 2018, in accordance with a new Securities and Exchange Commission rule, Tyson disclosed the ratio of our CEO's annual total compensation for the fiscal year to the median of the annual total compensation of U.S. team members. The ratio of total annual compensation for President and CEO Tom Hayes, who served until September 2018, to the median amount for U.S. team members was approximately 256:1. Because the SEC's rules for calculating this ratio allow companies to adopt a variety of methodologies, apply certain exclusions, and make reasonable estimates and assumptions, the pay ratio reported by other companies may not be comparable to our pay ratio.

## Benefits

We are dedicated to providing our team members and families with affordable health, life, dental, vision and prescription drug benefits. In fact, we require all regular, full-time team members who have completed 59 days of employment to have health care coverage through either the company-sponsored health plan or through a family member's plan. This means that 100 percent of Tyson's eligible team members have access to health care coverage.



Other benefits include paid vacations and holidays, eligibility to participate in a 401(k) retirement savings program and an employee stock purchase program, short- and long-term disability coverage and educational assistance. We also offer an employee assistance program through which team members can speak confidentially with a licensed professional counselor who can provide short-term help with concerns that may impact mental well-being, such as addiction, anxiety disorders, depression, stress and other emotional health issues. This program is offered at no cost to eligible team members, their spouses, dependent children, parents and parents-in-law.

**Expansions at our distribution centers in Pottsville, Pennsylvania and Macon, Georgia as well as a new distribution center in Denton, Texas, will add more than 300 jobs to local communities in the coming years.**

We invested in several benefit improvements during 2018 that included a new program through Rethink that supports families covered by the Tyson Group Health Plan who are raising children with learning or behavior challenges. An adoption policy, which also includes surrogacy time, was implemented in January of 2019 and increased paid leave time from five days to four weeks. We also added three additional days of paid paternity leave, coverage for certain fertility expenses through Progyny and coverage for Applied Behavior Analysis (ABA) for Autism Spectrum Disorder. With

these changes, premiums increased by 5 percent for all team members. Over the past few years, we have also increased efforts to engage team members and their covered dependents to improve their health and well-being. We are trying to address this issue creatively with the services and support programs we provide, including: telemedicine; biometric screenings; postcards from vendors outlining health and well-being programs; outreach from third-party administrators regarding programs and how to reduce ER services; and other segmented communication efforts.

### Team Member Benefits



### Team Members Eligible for Benefit by Employment Status

BENEFIT	TEMPORARY	PART-TIME	FULL-TIME HOURLY	FULL-TIME & NON-EXEMPT MANAGEMENT	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., health care and child care)			✓	✓	✓	✓
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*			✓	✓	✓	✓
Long-term incentives (LTI) (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 percent of their earnings tax free for up to 10 years.

\*\*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 a 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.

# Inclusion & Diversity

We embrace the diversity of our team members, customers, stakeholders and consumers – their unique backgrounds, experiences, thoughts and talents.

*Flags hanging in a hallway of our Dakota City, Nebraska, facility celebrating the diversity of team members who work there.*

## **BUILDING INCLUSIVENESS & CELEBRATING DIVERSITY**

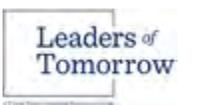
Tyson has a diverse workforce, with many team members who are recent immigrants to the United States. Numerous languages are spoken across our processing facilities, with as many as 11 languages spoken at a single plant. This diversity is our strength. These differences lead to more innovation, better supplier and customer relationships, and a competitive advantage in the marketplace. Our inclusion and diversity efforts focus on ensuring that we recruit, develop and retain a diverse group of team members, and that all team members have an opportunity to grow and develop personally and professionally.

Accordingly, 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, genetic 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. Everyone is valued and appreciated for their distinct contributions to the growth and sustainability of our business. This focus extends to our supply chain, through which we work with many minority-owned, veteran- and service-disabled-veteran-owned, women-owned and Small Business Association (SBA) certified small businesses.

Tyson Foods is a member of [CEO Action for Diversity & Inclusion™](#), a group of more than 500 CEOs who have committed themselves and the companies they lead to advance inclusion and diversity in the workplace. Signatories must do more than talk the talk: they commit to taking meaningful actions to transform their workplaces and sharing both successes and challenges with other companies. In 2018, Tyson submitted several [actions](#) that were featured on the CEO Action website, including creation of a disability awareness business resource group (BRG) and mentoring circles.

### Business Resource Groups

The new Disability and Awareness BRG joins five other groups that 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. In 2018, our BRGs held their first all-BRG leadership meeting, where they discussed Tyson’s diversity strategy and ways to coordinate their efforts. Our six BRGs include:

BRG	PURPOSE	FY2018 ACCOMPLISHMENTS
	Supports a safe and inclusive environment for individuals with disabilities and those who support them through building awareness, continuing education and advocacy to create real change.	Launched their group with an informative webinar about disability in the workplace.
	A group of multigenerational professionals dedicated to the retention and development of talent to ensure the future success of Tyson Foods through fostering a community and developing opportunities for team members.	Participation in Earth Day and assisting with the development of a sustainability initiative, including a recycling program.
	Committed to preserving, teaching and appreciating the rich and diverse cultures of our Tyson team members. It honors our past, celebrates our present, and sustains a future of inclusion and diversity in accordance with Tyson’s core values and 5Cs.	Hosted its first successful “Cook Your Culture” event in Chicago and participated in Chicago’s Bud Billiken Parade.
	Committed to supporting all team members through a welcoming environment where everyone can reach their full potential by bringing their authentic selves to work each day.	Participated in the Reaching Out MBA Conference.
	A group of individuals committed to enhancing Tyson Foods, our community and ourselves by supporting veterans and their families. We strive to help our veterans recognize Tyson Foods as the place to further their careers after the completion of their military service.	Participated in Wreaths Across America, including corporate and plant locations in the activity.
	Strives to advance women and transform Tyson’s workplace through engagement, networking and career development.	Launched Mentoring Circles, monthly sessions held with Senior Director-level mentors and small groups of team members. Celebrated International Women’s Day with a video titled <a href="#">#WhyNotHer?</a>



“*Inclusion and diversity are an integral part of our culture at Tyson Foods. It’s important for us as an industry leader to have a seat at the table during these discussions. By ensuring all of our team members feel valued and have access to the same opportunities, we can set the example for others to follow.*”

—  
Justin Ransom,  
Senior Director, Sustainable Food Strategy

**Diversity Recognition**

As a direct result of our commitment to robust inclusion and diversity practices, Tyson Foods was recognized for the third year in a row with a perfect score of 100 on the Human Rights Campaign Foundation’s 2018 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 nondiscrimination workplace protections, domestic partner benefits, transgender-inclusive health care benefits, competency programs and public engagement with the LGBTQ community.

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**In 2018, we invested \$262K in Diversity & Inclusion efforts in the NW Arkansas region through a Tyson Foods Community Cornerstone Grant to EngageNWA.**

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Tyson also received the Agricultural Influencer Award from the Cultivating Change Foundation and participated in the fourth annual Cultivating Change Summit, which aims to elevate the presence of LGBTQ individuals in the agriculture industry. Justin Ransom, Tyson’s Senior Director of Sustainable Food Strategy, participated in a panel to share Tyson’s strategies and programs related to LGBTQ employees and received the award on Tyson’s behalf.

The Network of Executive Women (NEW) helps support women in the consumer products and retail industries and drives gender parity. In 2018, NEW’s Northwest Arkansas chapter recognized Tyson’s outstanding engagement. Of all chapter sponsors, Tyson posted the highest event registration, most members and most representation on the chapter’s leadership board.



# Health & Safety

Taking care of business means taking care of each other.

## INTEGRATING HEALTH & SAFETY INTO EVERY PROCESS

Team members in our processing plants use their hands every day — harvesting animals, cutting meat, packaging food and performing other manual tasks. Ensuring all of these tasks are done in the safest manner is our utmost priority. We are committed to improving the health and safety of our employees by setting bold goals, building strategic communication and training systems, creating a safety culture and rewarding safety excellence.

### A Safe Work Environment

We aim to prevent injuries from occurring by creating a safe place to work. Tyson employs more than 550 health and safety team members across the company who focus on safety training, safety audits, ergonomics, health care and more.

Our operations have had ergonomics programs since the late 1980s that continually explore ways to make production jobs easier. Program efforts include developing improvements in equipment, tools and processes to make jobs less physically demanding. Examples include changing the height of work stations, adding space between workers and developing more ergonomically designed tools. It's not unusual for us to make changes in workstations, equipment or processes based on the feedback we receive from hourly team members who are part of one of our ergonomics committees.



We help plant workers stay safe and healthy with practices such as rotating team members between certain processing jobs to help prevent fatigue, ensuring production equipment is working properly and providing rest breaks. The timing and frequency of rest breaks for team members at our plants varies by type of operation, state law requirements, and the preferences of the USDA inspectors and our team members. In general, some plants have one 30-minute unpaid break or more per shift, while others have two breaks of more than 20 minutes. Production supervisors are required to allow team members to leave the production line for restroom breaks.

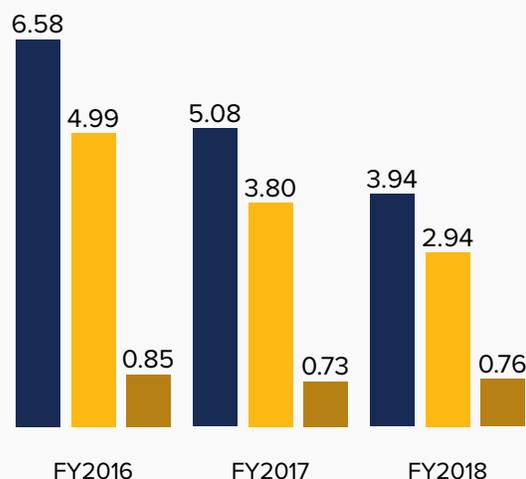
The drivers who transport our products across the country face a distinct set of risks that we continually work to address. We introduced new safety features in 2018 to help drivers stay safe on the roads while loading and unloading. For example, a rough textured coating to the steps of all new trucks will increase traction, helping to prevent slip and fall injuries. A “smart valve” on new trucks allows drivers to overinflate a truck’s airbags, which in turn enables them to raise a trailer’s dolly legs off the ground instead of straining to do so manually. We are also training drivers on defensive driving habits and using technology to introduce advanced safety features and truck drivers’ use of those features to aid in further training.

### Goals & Progress

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, using traditional Occupational Safety and Health Administration (OSHA) incident calculations. In FY2018, we reduced our total recordable incident rate by 22 percent compared to our FY2017 performance. Continuing to reduce workplace injuries and illnesses will build on the significant progress that has been realized in recent years. After losing two employees to nonproduction activities in FY2017, we were pleased to report zero workplace fatalities in FY2018.

Our total recordable incident rate has decreased for the past three consecutive fiscal years. This progress has been the result of evolving our approach to health and safety from a compliance-based focus to one that incorporates behavior and engineering-based components of health and safety. Our strategy now more closely tracks, measures and analyzes team members’ behaviors and responses. When an incident occurs, we go straight to the source to collect data and analyze the root cause of an incident. This allows us to make decisions based on actionable

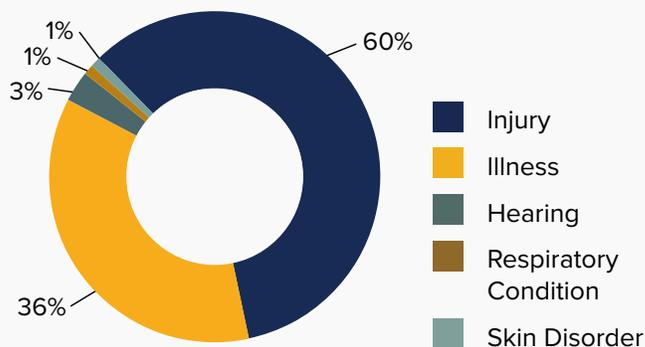
### Safety at Tyson Foods\*



- Total Recordable Incident Rate:** Number of work-related injuries and illnesses per 100 team members.
- Days Away, Restricted and Transfer Rate:** 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.
- Lost Time Incident Rate:** 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. AdvancePierre Foods, American Proteins Inc. and Tecumseh Poultry are included in FY2018 but not prior years.

### FY2018 OSHA Recordables by OSHA Illness Section



**Our total recordable incident rate has decreased for the past three consecutive fiscal years.**

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. In this way, we look at safety, not 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.

## Training & Communication

Team members spend many hours each year training to work safely and to have a clear understanding of possible health and safety hazards related to their jobs. New team members receive awareness-level training regarding the health and safety hazards and procedures appreciable to their jobs and work areas in their facility. Approximately 30 health and safety topics are discussed during this training. Managers in operations undergo regular training on processes and best practices, and we support their continual professional education and development.

We are exploring the use of [virtual reality for safety training](#). A pilot program in FY2018 focused on general safety awareness and allowed for training on hazardous situations without imminent danger for the team member. A review of data and feedback will determine the effectiveness and value of this approach.

Beyond formal training, communication is critical to ensuring that health and safety changes filter across the enterprise. We have a two-pronged approach to communication. We leverage our safety governance structure 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. In addition, we leverage our technology capabilities to disseminate information quickly across the enterprise if needed. Our plants have safety committees that meet at least monthly, and at some sites more frequently, for roundtable discussions involving plant management and hourly team members.

An important way we reach team members is through our We Care safety program which is designed to improve plant safety communications, awareness and practices. In FY2018, we expanded our We Care safety program to include all Tyson plants. This allowed us to leverage a



safety governance structure led by our Executive Safety Council that was formed in 2016. This leadership team establishes enterprise safety programs and expectations, which then disseminate to plant safety councils and hourly safety committees. We feel this will further improve safety communications, awareness and practices.

## Valuing Team Members' Voices

Our team members are important participants in driving a culture of safety at Tyson. We leverage the insights of safety committees we have in place at all plants. Safety committees raise health and safety concerns to management and work collaboratively with them to create action plans and implement solutions. Committee members encourage safety awareness, promote team members' interest in health and safety issues, engage team members in safety initiatives and motivate others to follow safe work practices.

Committees also help conduct workplace safety inspections and offer an additional avenue for team members to report safety hazards or concerns.

These committees include management and hourly team members representative of our workforce at each facility across job categories, gender and demographics. Language accommodations allow non-English-speaking team members to participate. Team members are compensated for their time and are free to participate under our nonretaliation policy. Reports from plant safety committees are made available to all hourly team members and shared with management to ensure enterprisewide communication about new or emerging safety issues in our plants.

Production line speeds in our plants follow USDA limits and vary based on stage of production, layout and capacity of a plant and number of workers available. Appropriate staffing for a production line is set by industrial engineers who conduct studies to determine the number of people needed to safely yet effectively process certain product mixes. Safety is a key consideration, and team members may stop a production line at any time for worker or food safety issues, without fear of retaliation. Safety committee members help ensure team members feel comfortable asking for a line to be stopped when necessary.



Five-minute safety stretch

Safety committees also encourage team members to report injuries received on the job, regardless of how minor an injury may be. We follow a systematic approach for the early reporting, intervention, evaluation and treatment of injuries and illnesses, and do not retaliate against team members for reporting.

### Oversight & Recognition

Tyson is committed to third-party auditing and regular reporting. We publicly report our annual progress on injury, illness and retention rates. We also post [achievement awards](#) recognizing plants that scored 85 percent or higher on our third-party social compliance audits, which include safety topics. Frequent safety audits from plant and corporate safety and health professionals are essential parts of our continual improvement in workplace safety.

Each year, we honor locations that achieved specific measurable safety goals for the year. The awards help us reinforce our values of providing a safe workplace for our team members. Our award criteria raise awareness of key safety issues, promote continual improvement and recognize locations for making significant progress.

### Partnerships

## Sustainably Feeding the World, Together

### Expanding Our Workplace Safety Efforts

Tyson Foods and the United Food and Commercial Workers International Union (UFCW) have a shared goal – to take care of our people. That’s been true since 1988, when we launched a landmark ergonomics program that has reduced workplace injuries and illnesses in our beef and pork operations. In the 30 years since, our partnership has grown into one that union leaders call a model for the food industry.

Together, Tyson and UFCW have developed safety programs including Project “Why Not,” which encourages management, front-line workers and the union to evaluate job functions for ergonomic improvement, and appoints safety captains responsible for day-to-day safety and ergonomic monitoring. The secrets to our success are collaboration and communication, which means staffing and certifying adequate numbers of interpreters, listening to team members when they have concerns, and prioritizing and addressing concerns that are raised.

Our next step is expanding this work to our poultry plants, where UFCW represents workers at 12 locations. As we gain insights from these collaborative safety programs, we share learnings with our non-union plants, allowing all team members to benefit.



# Ethics & Compliance

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

## OPERATING WITH THE HIGHEST LEVEL OF ETHICS

Our ethics are guided by our core values, [Code of Conduct](#), Team Behaviors (also known as our 5Cs) and [Team Member Promise](#), which outline team member rights, benefits and responsibilities. Policies and practices follow the human rights principles set forth in the United Nations Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Team member rights are further strengthened through annual compliance training, the Social Compliance auditing program and the Ethics Help Line.

### Social Compliance Program

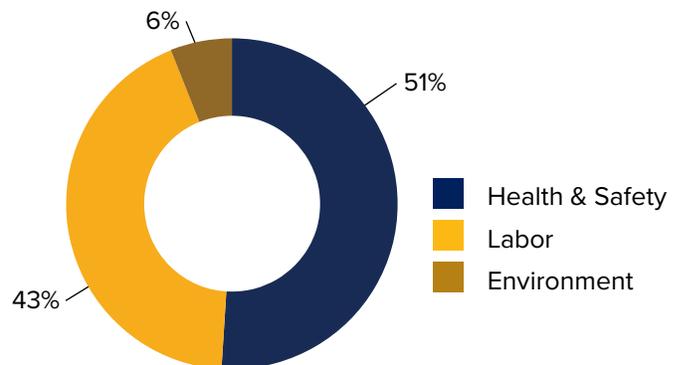
Our Social Compliance program began in 2015 and allows us to be more proactive in our social compliance efforts. Our goal is to ensure our team members understand their rights, benefits and responsibilities while also providing our customers visibility into our workplace conditions, which include worker treatment, voice, compensation and safety so they have a reasonable assurance of our commitment to social responsibility. Key elements of the program include:

- Maintaining a Social Compliance Committee (SCC) to provide oversight.
- Responding to all self-assessment questionnaires.
- Maintaining memberships in Sedex, SAFESUPPLY and EcoVadis, which are external customer-supplier data exchanges dedicated to empowering responsible supply chains.
- Using a reputable third-party firm to provide audit services.

### Third-Party Audits of Social Compliance Program

We utilize a third-party firm that is a member of Association for Professional Social Compliance Auditors (APSCA) to audit approximately 25 percent of our production facilities each year. The auditors use Workplace Conditions Assessment (WCA) criteria to verify adherence to the four pillars of social compliance standards in labor, health and safety, environment and business integrity. A representative WCA Report is provided [here](#) as an example. We believe our comprehensive audit program is efficient and effective for us and our customers.

### FY2018 WCA Audit Findings



In 2018, there were 31 production facilities audited with an average score of 96 percent. Achievement awards recognizing plants that scored 85 percent or higher are posted on our [website](#). While we are proud of our overall performance against the WCA criteria, we do recognize there are opportunities for improvement. The audit findings depicted in the chart have all been remediated.

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. 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.

### Annual Compliance Training

We require all of our team members and directors to participate in annual compliance training to ensure they understand that our policies prohibit any kind of illegal or unethical behavior and that they are obligated to report suspected violations promptly.

### Ethics Help Line

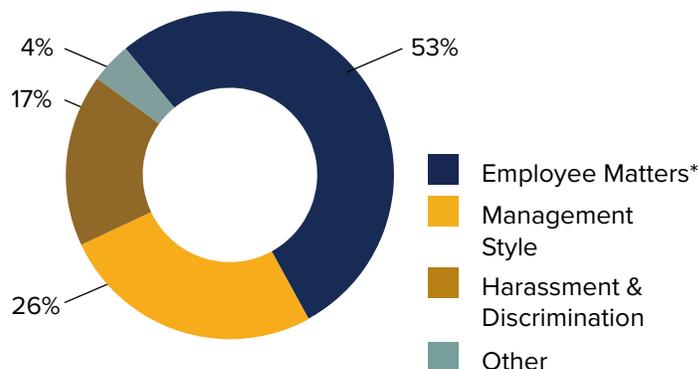
At Tyson Foods, team members' voices are meant to be heard. All team members are actively encouraged to speak with local management, human resources representatives, or to contact the ethics and compliance department or the human resources director regarding any ethics questions, complaints or concerns 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 if they 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. Services are available in multiple languages by phone or the Internet.

During FY2018, our Ethics Help Line received 5,379 contacts. Of the total calls, 76.8 percent were unsubstantiated following investigation. The remaining 23.2 percent of calls were investigated and resolved. While the option to report anonymously is always available, 61.0 percent of those making reports in FY2018 chose to provide contact information. In comparison, data provided by a reputable benchmarking report shows that, on average, only 58.4 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



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

# Community



The Tyson Foods Meals that Matter® Disaster Relief team deploys to Lumberton, NC, in the aftermath of Hurricane Florence.

## IN THIS SECTION

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# Our Commitment to Community

Support the communities we serve where help is needed most.

## Our Goal

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



130

Total Number of Grants Awarded

## FY2018 By-the-Numbers



2,068,970

Meals that Matter® Servings\*

\*Includes 868,970 servings to Hurricane Florence victims and 1,200,000 to Hurricane Michael victims.



\$51.6K

Average Grant Awarded



3,079,410

Non-Hunger Relief Servings  
(Product Donations)



46,065,388

Hunger-Relief Servings  
(Product Donations)



\$25,249,803

Total Social Investment



## FY2018 Key Achievements

- Conducted community social baseline assessments in more than 20 communities to better understand the risks and impacts of our business in the communities where our team members live and work.
- Addressed food insecurity in the communities where we operate through strategic grants, product donations and partnerships, including providing \$1.2 million to 18 Feeding America food banks in 15 states.
- Invested \$600K in grants to health care institutions to help team members have better access and understanding of health care.
- Expanded Upward Academy, our team member education program, to a total of 33 Tyson facilities in six states.

# Community Impact

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

## UNDERSTANDING OUR LOCAL COMMUNITY IMPACTS

We own and operate facilities in more than 100 communities across the U.S. Most of our 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 these communities and ensuring our neighbors and team members have opportunities to grow, learn and thrive.

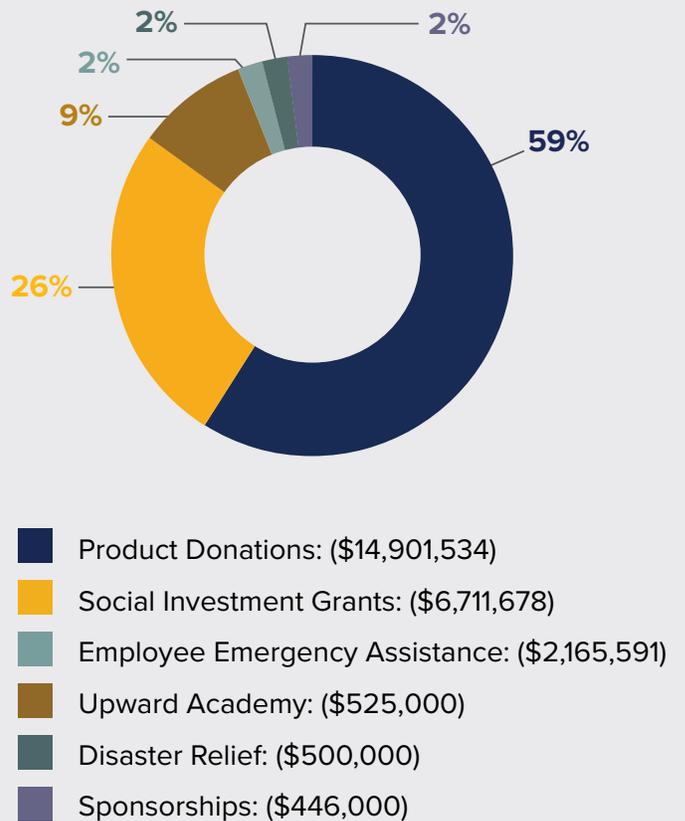
The CSR team utilizes the company’s resources, expertise and talent to be a good employer for Tyson team members, an engaged neighbor within our communities and a valuable partner to our stakeholders.

Our efforts are focused where we can uniquely add value, take advantage of our strengths, and generate the most impact from both business and social perspectives.

Specifically, CSR works to:

- Address hunger insecurity by expanding access to protein.
- Improve the stability of hourly team members and their families, which in turn, stabilizes plant operations.
- Support market access and growth for Tyson Foods and its subsidiaries.
- Improve quality of life in the communities where we operate.

Total Charitable Donations by Focus Area



## Community Social Baseline Assessments

To better serve our communities, we want to understand the diverse needs and makeup of our team members and communities. Since 2017, we've conducted independent community social baseline assessments of our operations in over 20 Tyson Foods plant communities. The assessments examined the impacts and risks in the communities where we do business, and how we might be a better neighbor and employer of choice.

We interviewed hourly team members, management staff and community stakeholders to identify the most significant areas of concern. We noted a clear, interdependent relationship between housing, transportation and child care and encouraged careful assessment of primary and secondary causes for concern. The assessments revealed many challenges that our team members face.

The following are the primary challenges ranked in order of opportunity and importance to the company:



Housing



Transportation



Child Care



Team Member Cultural Inclusion & Integration



Health Care



### Partnerships

## Addressing Child Care and Housing

### Research to Find Solutions

Tyson will build and open a new poultry complex in Humboldt, Tennessee that will employ an estimated 1,500 people. Two critical and related factors with the plant's success are being able to attract and retain a qualified workforce from the available pool of residents. Tyson and community stakeholders believe the area has a shortage of available and affordable childcare providers, which will limit the number of residents available for work. Insufficient childcare facilities are a disincentive to employee retention.

Another social challenge in Humboldt is the shortage of available and affordable housing units near the plant that may limit the number of residents available for work. Insufficient housing facilities increase the costs



of transportation and serve as an additional disincentive to employee retention.

In 2018, we performed a community impact assessment in Humboldt, which led us to further explore a housing and childcare study. We awarded a \$115,000 grant to the University of Tennessee to oversee applied research focused on addressing child care and housing challenges. The overall goal of this research is to assess the childcare and housing shortage and develop three scenarios for how the company and the community can jointly solve the matter.

Study participants agreed and endorsed two proposals for next steps in building effective social challenge management approaches, including:

- *Conducting a Feasibility Assessment and Pilot Project:* In October 2018, we launched an exploratory pilot in Humboldt, Tennessee, to determine the range of solutions and their associated costs/benefits for addressing these social risks and impacts – especially housing and child care, with a focus on the interrelationship between transportation, housing and child care. The process will result in a comprehensive recommendation for addressing the risk/challenge. See the sidebar “Investing in Our Humboldt Community” for more information.
- *Launching a Voluntary Assessment Program:* In October 2018, we launched a social risk/impact assessment program where plants can voluntarily request an assessment of their community risks and impacts. This program focuses on communities where challenges are estimated to be significant.

To further address the concerns revealed by the social impact assessment, we decided to take a new approach to our community investments and focused on making investments to mitigate the social challenges that we share with the communities in which we operate. Our investments in the Humboldt community for health care access and education are two examples of how this approach came to life in 2018.

### A Shift to Social Investment

Our corporate responsibility programming reflects a new vision based on two key principles:

- 1 Ensuring initiatives are focused on delivering a quantifiable social or economic “return” for the investment of time, energy and money**
- 2 Building win-win strategies and partnerships**



Community leaders, elected officials, and Tyson managers are working closely to find solutions to housing and child care issues in Humboldt, Tennessee.

These guiding themes serve as pillars for how we develop and manage all we do, and nowhere is that more prevalent than with our grantmaking activities.

We seek to make strategic investments that will yield a positive social change to ensure all stakeholders benefit.

To realize our corporate grantmaking strategy we have made several changes:

- In partnership with community stakeholders, we developed an investment strategy based on the most important social risks facing the community and company: hunger relief and reducing the social challenges that cause instability in our hourly team members’ lives.
- Tyson’s grant solicitation process is targeted to prioritize communities where we have a plant.
- The grant solicitation process centers on “closed” invitations where we invite select nonprofits to respond to a request for proposals; however, we also have an “open” category where nonprofits can submit requests based on their interests.
- All grant applicants must articulate a “Performance Target” – a quantifiable goal they seek to attain by using Tyson’s grant money, as well as information about how they will measure progress.
- Tyson actively relies on an internal Advisory Committee to help make investment decisions and ensure transparency with spending practices.

## Noteworthy Investments in Hunger Relief

Last year, Tyson made 46 grant awards to reduce hunger, spending over \$2.4 million. Our goals were twofold:

- To provide short-term hunger relief by supporting nonprofits that buy and distribute food monthly via mobile pantries. Here we invested in 12 projects that covered 11 states. Tyson is working to increase the quantity and quality of food provided by specifying a minimum number of people to be served monthly, and requiring that 75 percent of the food provided be comprised of fresh/frozen vegetables, fresh/frozen fruits and fresh/canned animal-based protein.

**46**  
grants

**Tyson spent over \$2.4 million in grant money to reduce hunger in 2018.**

- To build the physical infrastructure of food banks to store, refrigerate and deliver food throughout a region. Here we made eight investments across six states. One interesting example can be seen with our investment in the Northeast Iowa Food Bank’s “cold repacking room,” where they expect to increase their ability to distribute a total of 240,000 pounds of protein while generating an additional \$60,000 in revenue.

“

*By investing in a range of community partners, we’re taking the next step toward reaching our goal of recruiting, retaining and engaging the most diverse and skilled group of team members possible.*

—  
**Hector Gonzalez,**  
Vice President,  
Human Resources, Poultry

”

### Partnerships

## Building Community Connections, Together

### Support for New Immigrants

Helping immigrants to the U.S. feel welcome while providing support to access the services they need to contribute and thrive in their new communities is a critical way Tyson gives back. In FY2018, we made a [grant to EngageNWA](#), an organization that operates as part of the Northwest Arkansas Council, to enhance the region’s ability to ensure an inclusive and welcoming environment for everyone who makes Northwest Arkansas home. The grant will help the City of Springdale convene underrepresented residents to give input on the city’s future; teach residents about accessing and engaging with city services and leadership opportunities; develop content in multiple languages, including English, Spanish and Marshallese; and pair new arrivals to the region with mentors to help them connect to the community.

We are also collaborating with [One Siouxland](#), a nonprofit in Sioux City, Iowa, to support newcomers to the area, many of whom are immigrants. Between 2010 and 2015, immigrants accounted for more than 75 percent of Sioux City’s population growth. Through a grant from Tyson, One Siouxland will hold 15 workshops in the region over the next year to help these new arrivals adapt, integrate and thrive in the community.



## Noteworthy Investments in Nonprofit Support

Tyson Foods recognizes the significant role nonprofits play in contributing to a community’s overall quality of life. In fact, we invest a significant amount of our financial and technical resources in nonprofits to accelerate the development of their capacity to serve the community. We believe a healthy community has a vibrant nonprofit sector.

Yet, in an era of growing demand and shrinking resources, nonprofits are being asked to do more with less. A key challenge is meeting the immediate need for services while building strong, resilient organizations to sustain and grow their impact over time. Unfortunately, during times of scarcity, investments that ensure the livelihood of the organization (e.g., talent development, strategic planning, board governance improvements) are reduced. Tyson Foods wants to partner with select nonprofits to ensure that doesn’t happen.

In FY2018, we provided \$649,875 in grants to help nonprofit organizations across our footprint build their capacity to govern and become financially independent, funding 23 projects that assisted 20 distinct communities. Major initiatives included:

In rural America, Tyson funded **20 SCHOLARSHIPS** for food banks to send their development officers to university philanthropy training programs.



College internships: A total of **60 COLLEGE STUDENTS** in Northwest Arkansas, Siouxland and Chicago were provided an **EIGHT-WEEK PAID SUMMER INTERNSHIP** to assist community organizations with their work while gaining valuable professional experience with diverse social issues and careers in the nonprofit sector.



In Chicago, Forefront led a cluster of **HUNGER RELIEF ORGANIZATIONS** through the Impact Capacity Assessment Tool to better understand their organizational strengths and weaknesses, followed by a series of targeted training events.



In Northwest Arkansas, BoardSource conducted customized training for **19 NONPROFITS** to enhance the leadership skills of board members while instilling improved governance practices.



In Siouxland, the Nonprofit Center at La Salle University directed a **10-MONTH CAPACITY BUILDING PROGRAM FOR 12 NONPROFITS** designed to help them implement best practices. Each organization completed a confidential organizational assessment that evaluated their operational practices in 10 key areas, including mission, technology, information technology and fund development.



## Investing in Health Care Access & Education for Our Team Members

We also support programs that reduce the barriers to health care for our team members and the communities in which they live and work. Our goal is to improve the health of our hourly workers by partnering with local health care nonprofits to increase access. Given the nature of hourly jobs, employees are often undereducated, lack significant financial resources, may not speak English and are unfamiliar with the American health care system.

Collectively, these variables can undermine the long-term health of the employee and their family. When sickness or injury occurs, adverse consequences such as absenteeism, lost wages and debt place further burdens on an already vulnerable life. Health-related issues are one of several factors that can decrease a person’s quality of life and destabilize their employment.



To help immigrant team members and community members, Tyson made over \$600,000 in grants to community health care providers in four states during FY2018.

To help immigrant team members and community members better access and understand health care services, Tyson made over \$600,000 in grants to community health care providers in four states during FY2018. A donation to Northwest Arkansas-based providers aims to facilitate access to health literacy and care for Marshall Islander and Hispanic individuals. Materials and resources to be developed include educational training videos, cultural competency training events, community health worker training and diabetes self-management education.

We also hosted an oral health event in FY2018 in collaboration with the Ronald McDonald House Charities – Arkansas, University of Arkansas for Medical Sciences, Hark and Arkansas, Children’s Hospitals. The event took place in Springdale, Arkansas and was available for all team members in the Northwest Arkansas area as well as the community-at-large. At approximately four plants and corporate offices, hundreds of people received a free dental assessment and cleaning along with referrals to community dentists.



Tyson matches donations up to \$1,000 per year per team member.

## Team Member Giving

Tyson team members join in our spirit of giving through donations and support of volunteer projects. In 2018, we incorporated matched giving into our employee giving model. Giving Together is our matched giving program, through which Tyson matches donations up to \$1,000 per year per team member. Through the program, team members can donate directly to the charities and nonprofit organizations of their choice via our online giving platform. We also expanded the list of eligible organizations for the program, allowing team members to donate to K-12 schools, colleges and universities, among many other groups.

# Hunger Relief

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.

## HELPING TO FEED THOSE MOST IN NEED

More than 41 million Americans live in food-insecure households, according to Feeding America. Hunger exists in every state, city and community in our country. 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 over five years to fight hunger. As of the end of FY2018, we had donated \$45.9 million toward this pledge. We anticipate meeting our \$50 million target in FY2019.

In 2018, we focused our food insecurity efforts on providing strategic grants and food product donations to regional food banks serving our communities, collaborative partnerships with hunger-related organizations, kicking off our Community Pantry initiative, and our Meals that Matter® and Miles that Matter programs.

\$  
**\$45.9**  
million

At the close of FY2018, Tyson had donated \$45.9 million toward their "50 in 5" pledge.



The Tyson Foods Meals that Matter® disaster relief team feed hurricane victims and volunteers in the aftermath of Hurricane Florence.

## Miles that Matter

Our [Miles that Matter](#) program encourages team members to walk, run or cycle for charity. For every mile logged, we donate a pound of food to a local food bank. In 2018, we expanded the program to an additional eight sites, taking it from one chapter in FY2017 with donations of approximately 50,000 pounds to nine chapters in FY2018 with total donations of more than 250,000 pounds.



## Community Pantry Initiative

We also kicked off our Community Pantry initiative, which is designed to develop a best-in-class model for community food pantries. The program aims to increase the provision of high-quality protein and other foods in the community while enhancing the pantries' capacity to provide food and decreasing costs to secure it. At the same time, it increases the number of distribution outlets for food as well as the capacity of pantries to receive chilled and frozen protein. Increasing community pantry capacity enables Tyson to donate product more directly to people facing food insecurity in our communities. It also serves to decrease costs associated with transporting excess product greater distances to regional food bank locations.

In late FY2018, we began piloting a program in a community pantry in Wilkesboro, North Carolina, called the Samaritan Kitchen of Wilkes, and are still processing the key learnings. We're expanding the pilot in 2019 to include an additional 12-15 pantries in other plant communities. When considering pantries for the pilot project, we evaluate the following criteria:

- Estimated storage capacity and ability to receive product, including chilled and frozen product.
- Ability of the pantry to handle large-volume donations in terms of staffing, equipment and operating hours.
- Whether the pantry owns or leases their building to determine whether capital investments have longevity.
- Current operating hours and/or willingness to change operating hours to accommodate community demand.
- Operating budget and ability to sustain facility for a three-year period.
- Sustainability of staffing plan and reliance on volunteers
- Alignment of pantry's service area with communities near Tyson Foods plants.



Pat Bourke,  
Manager,  
Social Responsibility

### Partnerships

## Sustainably Feeding the World, Together

### Sharing Food with Our Neighbors

Running a corporate cafeteria can be unpredictable, with customer traffic varying by hundreds of people per day. At our Springdale headquarters, the kitchen prepares by making more food than necessary to avoid running out. This means that there are often large quantities of leftovers that are perfectly safe to eat – but no one at the company to eat them.

That began to change when Tyson's CSR team provided grants to the University of Arkansas and Arkansas Tech University to fund their food recovery programs.

"We saw how well their programs were working," says Pat Bourke, program manager for our CSR team, "and we decided to partner with the cafeteria team to launch our own initiative using best practices from the universities."

Now, at 2 p.m. sharp every Monday through Thursday, cafeteria staff at our Springdale headquarters move buffet pans to the kitchen, where volunteers from one of two local nonprofits pack and take surplus food back to their facilities to serve clients. The process takes as little as 10 minutes, but it makes a big difference: since June 2017, Tyson has donated more than 12,000 pounds of food that would have otherwise gone to waste.



Samaritan Community Center chefs Leslie Tucker and Mason Thomason pack up leftovers at the Tyson Foods Springdale HQ cafeteria.

## 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, reduce food waste within our operations. Product donations are also the main vehicle through which our team members engage with communities, whether

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

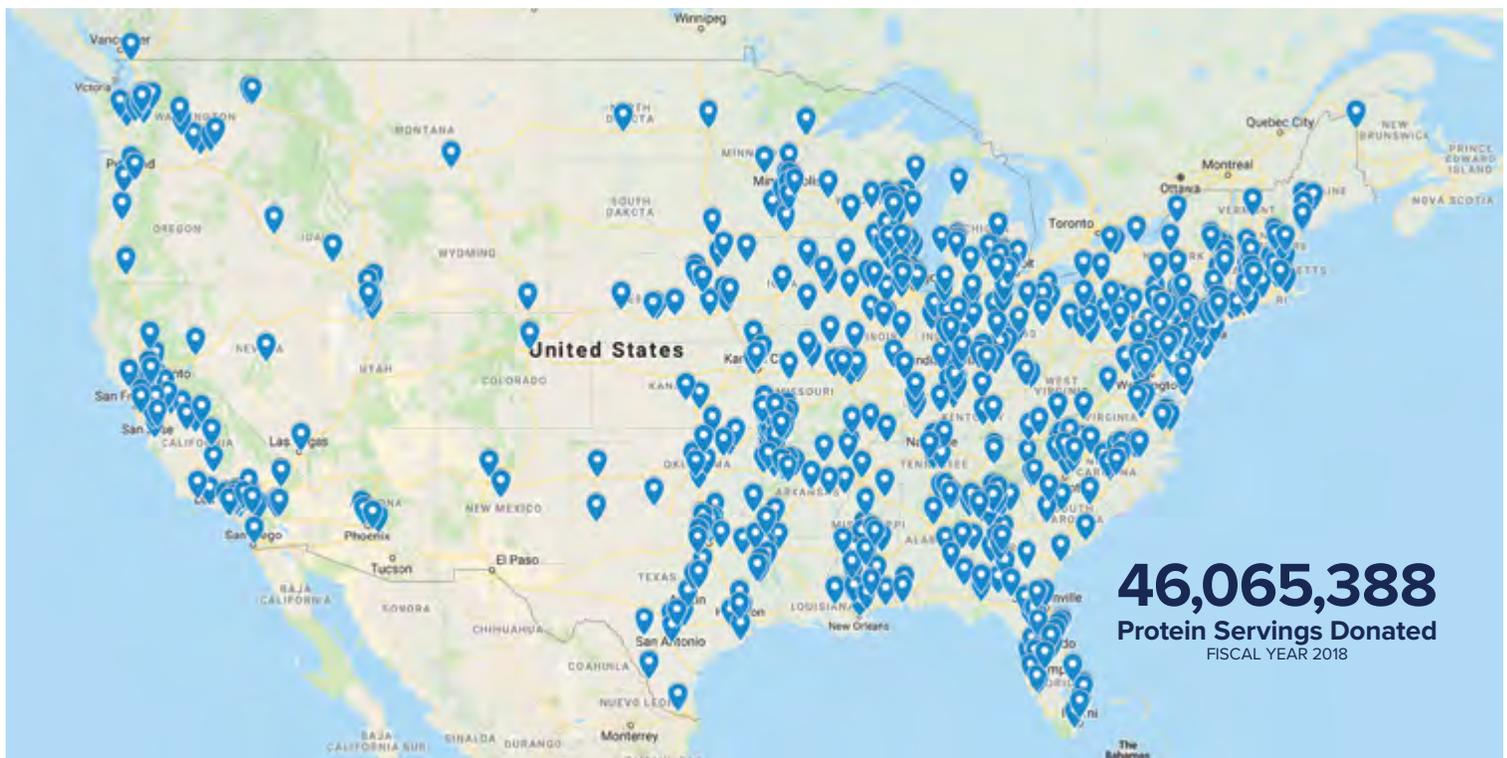
In FY2018, we donated more than 46 million servings of protein to hunger relief efforts across the U.S. From FY2017 to FY2018, we increased our total (hunger and non-hunger) product donations by 2,183,659 servings.

	HUNGER RELIEF DONATIONS*	NON-HUNGER DONATIONS**	TOTAL***
Servings Donated	46,065,388 (11,516,347 lbs.)	3,079,410 (769,852 lbs.)	49,144,798 (12,286,199 lbs.)
Donation Value	\$14,391,538	\$1,287,739	\$15,679,277

\*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 (e.g., Boy Scouts, fire departments, charity dinners)

\*\*\*This is a combination of hunger-relief donations (e.g., food banks, food pantries, etc.) and non-hunger-relief donations (donated to organizations for purposes of fundraising, events, etc.)



## Strategic Partnerships

### Feeding America

We are a Mission Partner with [Feeding America](#), donating cash and in-kind donations as well as volunteers, board service and disaster relief partnership support to the organization and its network of food banks. In May 2018, we announced a \$1.2 million investment in grants to 18 Feeding America food banks in 15 states. The investments represent approximately 4 million pounds of food or the equivalent of 16 million servings of protein that will be distributed to address food insecurity.

In 2018, we announced results from our Tyson Foods Protein Innovation Fund, which we established in 2015 in collaboration with Feeding America. 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. With the goal of sourcing more protein to feed food insecure families, the Fund invests in furthering food banks' understanding of meat processors and connecting them with more farmers and processors. Projects financed by the Protein Innovation Fund in FY2018 provided more than 800,000 pounds of additional animal protein to feed families facing hunger while also generating information for Feeding America's nationwide network of food banks.

Our grants support a variety of critical capacity expansions that help food banks increase their ability to store, process and deliver food, such as building new warehouse capacity, purchase of refrigerated delivery vehicles, launching a mobile food pantry program and support of fundraising education. Grant recipients included:

- Arkansas Food Bank, Arkansas
- Second Harvest Inland Northwest, Washington
- Northern Illinois Food Bank, Illinois
- Greater Chicago Food Depository, Illinois
- High Plains Food Bank, Texas
- Northwest Arkansas Food Bank, Arkansas
- Second Harvest Community Foodbank, Missouri
- Mississippi Food Network, Mississippi
- San Antonio Food Bank, Texas
- Food Bank for the Heartland, Nebraska
- Gleaners Community Food Bank of Southeastern Michigan, Michigan
- Second Harvest Food Bank of East Central Indiana, Indiana
- Community Food Bank of Central Alabama
- River Bend Food Bank, Iowa

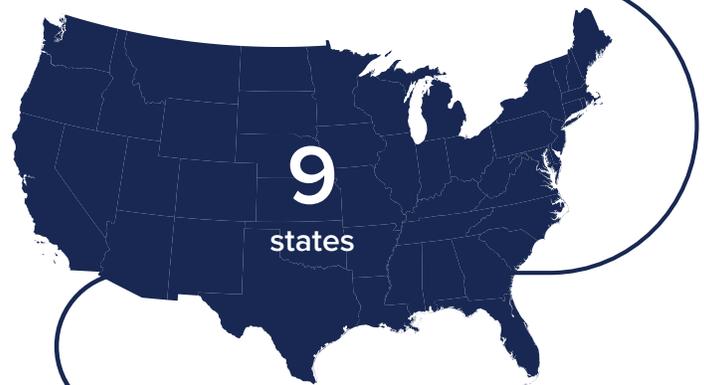
## The Tyson Foods Protein Innovation Fund



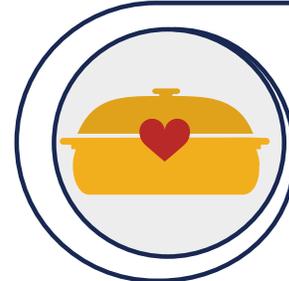
\$1 million  
in Grants



10 Feeding America Food Banks



1.3 Million Pounds of  
Protein Sourced and  
Distributed



4.5 Million  
Servings

## Supporting Social Enterprise

The goal of our social enterprise projects is to help solve hunger by finding a mutually beneficial solution to bolster nonprofit organizations that support hunger relief, while also growing the business. By working on a business solution, we create greater potential for long-term scalable hunger relief with more impact.

Our work with OneEgg and [No Kid Hungry](#) to create shared value and promote social enterprise has placed us at the forefront of purpose-driven growth for a major protein company. Both projects focus on child hunger: our No Kid Hungry project is focused on afterschool meals and helping kids get the nutrition they need to grow and thrive, while the One Egg project is focused on helping kids get egg protein in underdeveloped markets.



### No Kid Hungry

In the fall of 2017, Tyson Foods and the No Kid Hungry campaign renewed their commitment to expand afterschool meal access across the country. With less than one afterschool supper served for every 20 free or reduced-price school lunches, there is an incredible opportunity for growth in this space. Understanding this gap and building upon their work to date, Tyson Foods and No Kid Hungry launched a new two-year Afterschool Meals Innovation partnership. As of June 1, 2018, No Kid Hungry has awarded 22 Tyson-funded CACFP At-Risk Afterschool Meals grants to districts contracting with food service management companies. In total, these grant awards amounted to \$102,725 and are projected to add an additional 648,234 afterschool meals in the 2018-19 school year.



### Partnerships

## Sustainably Feeding the World, Together

### Changing Lives with OneEgg

Tyson and our subsidiary Cobb-Vantress began a partnership with [OneEgg](#) in 2017 to deliver eggs – a great portable protein source – to children in developing countries. Our grants have helped launch projects in six countries and now help more than 10,000 kids receive an egg a day. In 2018, we expanded the program beyond Haiti, Rwanda and Uganda to include Ethiopia, Honduras and Nepal.

From a social enterprise perspective, we help farmers learn to raise chickens that produce the eggs, which are donated to schools for the kids to eat as a dietary supplement. The remainder of the farmers' eggs are sold on the open market and help to create economic development and a desire to consume eggs and chickens locally.

We promote sustainable farming and business practices to the farmers who participate in the program. The Tyson Foods Fellows® program provides technical expertise in an ongoing partnership with OneEgg and in-country charitable and business partners. Through the technical expertise of the Fellows, we can meet farmers where they are and help them find solutions that make sense given their resources, market dynamics and capabilities for growing chickens.

Partners in each country lend expertise regarding local community needs. One of these partners is Moushumi Shrestha, who began donating eggs to schoolchildren after the 2015 earthquake in Nepal. Working with OneEgg is allowing her to grow her impact, enabling her family farm to train new poultry growers, donate more eggs, and launch a public awareness campaign about the importance of protein in childhood development.

“I am really excited about this partnership,” Shrestha says. “Together, we are going to build more farms and donate more eggs to more schools.”

To learn more, [watch this video](#) about how we expanded our partnership with OneEgg to Nepal.

# Disaster Relief

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

## MEALS THAT MATTER® WHEN IT MATTERS MOST

Through our Meals that Matter® disaster relief program, we help to deliver and serve food to local communities heavily impacted by natural disasters and experiencing an increased level of food insecurity. The centerpiece of the program is 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 to [Team Rubicon](#) two Mobile Command Centers, which include sleeping quarters, and office and storage space for staff and volunteers.

Our Meals that Matter® Disaster Relief Team helped cook and serve more than 2 million meals to victims, volunteers and first responders during relief efforts for hurricanes Florence and Michael in September and October 2018. Approximately 85 team members deployed to disaster areas and cooked for the people on-site in Walmart Supercenter parking lots. Highlights included:

- After Hurricane Florence hit the Carolinas, team members traveled to Fayetteville and Wilmington, North Carolina, to serve 868,970 meals.
- In the wake of Hurricane Michael, team members delivered 1,200,000 meals in Cuthbert, Cordele and Dawson, Georgia, as well as Callaway, Florida.

## Meals that Matter® Program Partners

We've continued to add key partnerships to our corporate partner network, collaborating to implement the Meals disaster-relief program in the field. Here's what our valued corporate partners bring to the table:



Network of food banks, resources, community contacts, volunteers and storage



Emergency response teams staffed by military veterans and first responders



Provider of bread to pair with Tyson proteins



Provider of dipping sauces to pair with Tyson proteins



Lighting, power, material handling and HVAC equipment



Provider of egg products to pair with Tyson proteins

# Team Member Social Responsibility

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

## EMPOWERING TEAM MEMBERS THROUGH UPWARD ACADEMY

Helping our team members succeed is not only the right thing to do, but also benefits our business by increasing retention. By educating and investing in our people, we encourage them to stay with us for the long term. Many of our front-line team members are new immigrants to the U.S. and come from dozens of different countries; up to 50 different countries may be represented within a single plant in some instances. A general lack of access to resources has also left many team members with low literacy, limited English proficiency and skills gaps.

Our Corporate Social Responsibility team aims to address these unique and shifting challenges through our innovative team member education program, Upward Academy. In partnership with local community organizations, Upward Academy helps team members develop important life skills, offering free and accessible classes in English as a Second Language (ESL), High School Equivalency (HSE), U.S. citizenship, financial literacy and digital literacy. To make it as easy as possible for team members to attend, we offer classes in our plants immediately before and after shifts.



After piloting the program in 2016, all surveyed team members who participated reported being more satisfied at work after attending Upward Academy classes. A return on investment interim report in 2018 revealed that Upward Academy realized a 123 percent return on team member retention in 16 poultry plants. Learn more about the results of this study in this [video](#). Based on this success, Tyson has committed to making Upward Academy available to all U.S. team members within the next few years.

To that end, we significantly expanded the program over the last year. We launched Upward Academy in 18 new plants in four new states, including Arkansas, Nebraska, North Carolina and Texas. By the end of FY2018 we had deployed Upward Academy to 33 Tyson Foods processing plants in six states (AR, NE, NC, NJ, MO, TX). In April 2018, we reached a major milestone, surpassing 100,000 hours of instruction for the program. At the close of FY2018, we logged more than 160,000 hours of instruction.

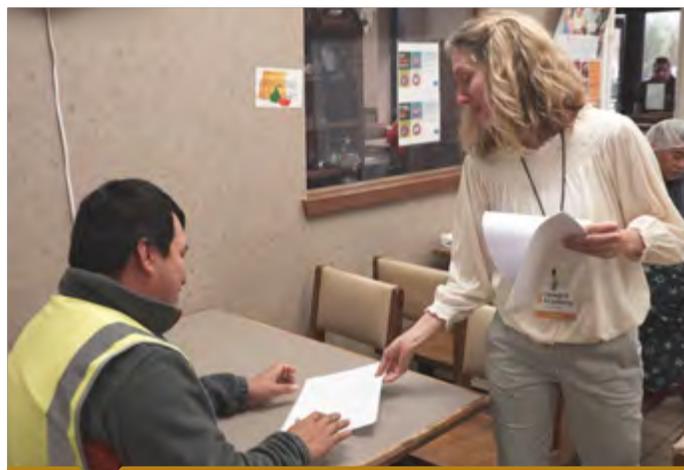
### Increasing Financial & Digital Literacy

In 2018, we built out financial and digital literacy components of the program as well as soft-skills development. In partnership with Lutheran Immigration and Refugee Services, we created Investing in Tomorrow, an eight-week financial literacy program to help team members better understand how to navigate both their personal finances and the U.S. financial system as a whole. Partnering with our Information Technology team, we also began developing a digital learning infrastructure that will include a digital platform, digital capabilities, digital curriculum and digital literacy classes.

### Building Strategic Partnerships

We established partnerships at the federal and state level to enable more efficient allocation and implementation of resources at the local level.

We also built intentional relationships nationwide with professional adult education organizations to better align our programmatic goals with national trends around integrating adult basic education with workplace skills and education. For instance, to advance our public-private partnerships, we formed a relationship with the [Coalition on Adult Basic Education \(COABE\)](#), the largest professional membership of adult educators in the United States.



Arkansas Governor Asa Hutchinson and the Arkansas Department of Career Education recognized Upward Academy as a Champion for Arkansas' workforce.

### Workforce Development Certificate

Because Tyson plants are predominately in rural areas with limited labor pools, the company relies on developing and promoting talent internally. Many front-line employees' literacy levels prevent them from qualifying for roles beyond the processing lines. Many may not even qualify to enter a state-sponsored career readiness certificate program.

Corporate Social Responsibility has partnered with our Human Resources team to develop a Workforce Development Certificate (WDC) that will allow front-line employees to learn the basic skills they need to apply for jobs beyond the front processing line. Initially, certificate components will include math, language, soft skills and digital literacy. From there, the WDC will be developed with subject matter expertise from adult education providers and tailored specifically to our company's needs. Curriculum will be taught by state adult education instructors using funds earmarked for workforce development. We plan to continue to develop the certificate, with the goal of piloting it in FY2020.

## Upward Academy's Impact

Participating  
Plants



6  
states



1,200 (approximately) Team Members  
Actively Enrolled

160,000 Instructional  
Hours Logged



86% of Participants Surveyed  
Said Upward Academy Helped  
Them Better Communicate  
with Supervisors



For Every \$1 Invested  
in Program, Tyson  
Saves \$1.23 in Expenses

## Measuring Social Capital

In 2018, we surveyed team members during Upward Academy launches to collect social capital data, providing a baseline of information for measuring program impacts and planning and implementing future changes. The survey measured trust, community involvement, civic society participation and social networks. It also measured confidence in interactions with new people, other team members, supervisors and job performance.

## Upward Academy Team Member Spotlight

We asked some of our Upward Academy team members what they viewed as the personal benefits of participating as students in the program. A male Somali team member and Upward Academy ESL student at a Texas plant responded, "Now I go to the clinic on my own, I talk to my supervisor without assistance, and I express myself in school and in the community without any help. I go to school, and I speak English. I go to the doctor, I speak English. I can talk to my non-Somali friends in English. Now I am more confident and do not need an interpreter."



We are honored that our Upward Academy program received the 2019 ATD Innovation in Talent Development award from the Association for Talent Development. This award is given in recognition of an innovation that has a measurable impact on an organization or audience, is moving the talent development industry forward, is sustainable, and is replicable within or outside the talent development field.

# GRI Content Index

# GRI Standards

DISCLOSURE NUMBER	DISCLOSURE TITLE	2018 RESPONSE
GRI 102: General Disclosures		
<b>ORGANIZATIONAL PROFILE</b>		
102-1	Name of the organization	Tyson Foods, Inc.
102-2	Activities, brands, products, and services	<a href="#">Approach – Our Business</a>
102-3	Location of headquarters	Springdale, Arkansas
102-4	Location of operations	<a href="#">Approach – Our Business</a>
102-5	Ownership and legal form	Publicly traded company (NYSE: TSN)
102-6	Markets served	<a href="#">Approach – Our Business</a>
102-7	Scale of the organization	<a href="#">Approach – Our Business</a>
102-8	Information on employees and other workers	Approach – Our Business
102-9	Supply chain	<a href="#">Approach – Our Business</a>
102-10	Significant changes to the organization and its supply chain	<a href="#">Tyson Foods 2018 Form 10-K (page 3)</a>
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	<a href="#">Approach – Stakeholder Engagement</a>

DISCLOSURE NUMBER	DISCLOSURE TITLE	2018 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.
<b>STRATEGY</b>		
102-14	Statement from senior decision-maker	<a href="#">Our Approach – President &amp; CEO Message</a>
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards, and norms of behavior	<a href="#">Approach – Sustainability Strategy</a>
<b>GOVERNANCE</b>		
102-18	Governance structure	<a href="#">Our Approach – Governance</a>
<b>STAKEHOLDER ENGAGEMENT</b>		
102-40	List of stakeholder groups	<a href="#">Approach – Stakeholder Engagement</a>
102-41	Collective bargaining agreements	<a href="#">Tyson Foods 2018 Form 10-K, page 6</a>
102-42	Identifying and selecting stakeholders	<a href="#">Approach – Stakeholder Engagement</a>
102-43	Approach to stakeholder engagement	<a href="#">Approach – Stakeholder Engagement</a>
102-44	Key topics and concerns raised	<a href="#">Approach – Stakeholder Engagement</a>
<b>REPORTING PRACTICES</b>		
102-45	Entities included in the consolidated financial statements	<a href="#">Tyson Foods 2018 Form 10-K (Exhibit 21)</a>
102-46	Defining report content and topic Boundaries	<a href="#">Approach – Materiality</a>
102-47	List of material topics	<a href="#">Approach – Materiality – Sustainability Materiality Matrix</a>
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	Any changes are footnoted as part of the data presentation within the body of the report.
102-50	Reporting period	The editorial content of the Tyson Foods 2018 Sustainability Report generally covers subject matter for FY2018 (October 1, 2017 through September 29, 2018) and some of fiscal year 2019.
102-51	Date of most recent report	2018

DISCLOSURE NUMBER	DISCLOSURE TITLE	2018 RESPONSE
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Leigh Ann Johnston Director, Sustainable Food Strategy leigh.ann.johnston@tyson.com 479-290-3419 Mailing Address: Tyson Foods, Inc. 2200 W. Don Tyson Parkway, CP005 Springdale, AR 72762-6999
102-54	Claims of reporting in accordance with the GRI Standards	Core
102-55	GRI content index	GRI, pages 106-111
102-56	External assurance	This report is not externally assured.
<b>GRI 200: Economic</b>		
<b>GRI 205: ANTI-CORRUPTION</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Approach – Governance</a> <a href="#">Tyson Code of Conduct</a> <a href="#">Workplace – Ethics &amp; Compliance</a>
103-2	The management approach and its components	<a href="#">Approach – Governance</a> <a href="#">Tyson Code of Conduct</a> <a href="#">Workplace – Ethics &amp; Compliance</a>
103-3	Evaluation of the management approach	<a href="#">Workplace – Ethics &amp; Compliance</a>
205-1	Operations assessed for risks related to corruption	<a href="#">Workplace – Ethics &amp; Compliance</a>
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOR</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Approach – Governance</a> <a href="#">Tyson Code of Conduct</a>
103-2	The management approach and its components	<a href="#">Approach – Governance</a> <a href="#">Tyson Code of Conduct</a>
103-3	Evaluation of the management approach	<a href="#">Approach – Governance</a> <a href="#">Tyson Code of Conduct</a>
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">Tyson Foods 2018 Form 10-K, pages 15, 85-86</a>
<b>GRI 300: Environmental</b>		
<b>GRI 302: ENERGY</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Environment – Energy &amp; Emissions</a>
103-2	The management approach and its components	<a href="#">Environment – Energy &amp; Emissions</a>
103-3	Evaluation of the management approach	<a href="#">Environment – Energy &amp; Emissions</a>
302-1	Energy consumption within the organization	<a href="#">Environment – Energy &amp; Emissions</a>
302-3	Energy intensity	<a href="#">Environment – Energy &amp; Emissions</a>
302-4	Reduction of energy consumption	<a href="#">Environment – Energy &amp; Emissions</a>

DISCLOSURE NUMBER	DISCLOSURE TITLE	2018 RESPONSE
<b>GRI 303: WATER AND EFFLUENTS</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Environment – Water</a>
103-2	The management approach and its components	<a href="#">Environment – Water</a>
103-3	Evaluation of the management approach	<a href="#">Environment – Water</a>
303-1	Interactions with water as a shared resource	<a href="#">Environment – Water</a>
303-2	Management of water discharge-related impacts	<a href="#">Environment – Water</a>
303-3	Water withdrawal	<a href="#">Environment – Water</a>
303-4	Water discharge	<a href="#">Environment – Water</a>
303-5	Water consumption	<a href="#">Environment – Water</a>
<b>GRI 305: EMISSIONS</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Environment – Energy &amp; Emissions</a>
103-2	The management approach and its components	<a href="#">Environment – Energy &amp; Emissions</a>
103-3	Evaluation of the management approach	<a href="#">Environment – Energy &amp; Emissions</a>
305-1	Direct (Scope 1) GHG emissions	<a href="#">Environment – Energy &amp; Emissions</a>
305-2	Energy indirect (Scope 2) GHG emissions	<a href="#">Environment – Energy &amp; Emissions</a>
305-4	GHG emissions intensity	<a href="#">Environment – Energy &amp; Emissions</a>
305-5	Reduction of GHG emissions	<a href="#">Environment – Energy &amp; Emissions</a>
<b>GRI 306: EFFLUENTS AND WASTE</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Environment – Water</a>
103-2	The management approach and its components	<a href="#">Environment – Water</a>
103-3	Evaluation of the management approach	<a href="#">Environment – Water</a>
306-3	Significant spills	<a href="#">Environment – Strategic Approach</a>
<b>GRI 307: ENVIRONMENTAL COMPLIANCE</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Environment – Strategic Approach</a>
103-2	The management approach and its components	<a href="#">Environment – Strategic Approach</a>
103-3	Evaluation of the management approach	<a href="#">Environment – Strategic Approach</a>
307-1	Non-compliance with environmental laws and regulations	<a href="#">Environment – Strategic Approach</a>

DISCLOSURE NUMBER	DISCLOSURE TITLE	2018 RESPONSE
GRI 400: Social		
<b>GRI 402: LABOR/MANAGEMENT RELATIONS</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Workplace – Engagement &amp; Retention</a>
103-2	The management approach and its components	<a href="#">Workplace – Engagement &amp; Retention</a>
103-3	Evaluation of the management approach	<a href="#">Workplace – Engagement &amp; Retention</a>
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.
<b>GRI 403: OCCUPATIONAL HEALTH AND SAFETY</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Workplace – Health &amp; Safety</a>
103-2	The management approach and its components	<a href="#">Workplace – Health &amp; Safety</a>
103-3	Evaluation of the management approach	<a href="#">Workplace – Health &amp; Safety</a>
403-9	Work-related injuries	<a href="#">Workplace – Health &amp; Safety</a>
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>		
103-1	Explanation of the material topic and its Boundary	<a href="#">Workplace – Engagement &amp; Retention</a>
103-2	The management approach and its components	<a href="#">Workplace – Engagement &amp; Retention</a>
103-3	Evaluation of the management approach	<a href="#">Workplace – Engagement &amp; Retention</a>

DISCLOSURE NUMBER	DISCLOSURE TITLE	2018 RESPONSE
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 FY2018 in which the right to exercise freedom of association and collective bargaining were at risk. We maintain a <a href="#">Code of Conduct</a> and <a href="#">Team Member Promise</a> 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 <a href="#">Supplier Code of Conduct</a> 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	<a href="#">Workplace – Ethics &amp; Compliance</a>
103-2	The management approach and its components	<a href="#">Workplace – Ethics &amp; Compliance</a>
103-3	Evaluation of the management approach	<a href="#">Workplace – Ethics &amp; Compliance</a>
412-1	Operations that have been subject to human rights reviews or impact assessments	<a href="#">Workplace – Ethics &amp; Compliance</a>

**GRI 416: CUSTOMER HEALTH AND SAFETY**

103-1	Explanation of the material topic and its Boundary	<a href="#">Food – Consumer Nutrition</a> <a href="#">Food – Food Safety &amp; Quality</a>
103-2	The management approach and its components	<a href="#">Food – Consumer Nutrition</a> <a href="#">Food – Food Safety &amp; Quality</a>
103-3	Evaluation of the management approach	<a href="#">Food – Food Safety &amp; Quality</a>
416-1	Assessment of the health and safety impacts of product and service categories	<a href="#">Food – Food Safety &amp; Quality</a>
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">Food – Food Safety &amp; Quality</a>

**GRI 419: SOCIOECONOMIC COMPLIANCE**

103-1	Explanation of the material topic and its Boundary	<a href="#">Approach Governance</a> <a href="#">Tyson Code of Conduct</a> <a href="#">Workplace – Ethics &amp; Compliance</a>
103-2	The management approach and its components	<a href="#">Approach Governance</a> <a href="#">Tyson Code of Conduct</a> <a href="#">Workplace – Ethics &amp; Compliance</a>
103-3	Evaluation of the management approach	<a href="#">Approach Governance</a> <a href="#">Tyson Code of Conduct</a> <a href="#">Workplace – Ethics &amp; Compliance</a>
419-1	Non-compliance with laws and regulations in the social and economic area	<a href="#">Tyson Foods 2018 Form 10-K, pages 15, 85-86</a>

# UNGC Index

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## Human Rights

### UNGC PRINCIPLE

### REPORT LINKS

1. Businesses should support and respect the protection of internationally proclaimed human rights.

[Tyson Code of Conduct Workplace > Ethics & Compliance > Social Compliance Program](#)

2. Businesses should make sure that they are not complicit in human rights abuses.

[Tyson Code of Conduct Team Member Promise Workplace > Ethics & Compliance > Social Compliance Program](#)

## Labor Standards

### UNGC PRINCIPLE

### REPORT LINKS

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

[Tyson Code of Conduct Team Member Promise Workplace > Engagement & Retention > About our Workforce](#)

4. Businesses should uphold the elimination of all forms of forced and compulsory labor.

[Tyson Code of Conduct Workplace > Ethics & Compliance > Operating with the Highest Level of Ethics](#)

5. Businesses should uphold the effective abolition of child labor.

[Tyson Code of Conduct Workplace > Ethics & Compliance > Operating with the Highest Level of Ethics](#)

6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.

[Workplace > Inclusion & Diversity > Building Inclusiveness & Celebrating Diversity](#)

## Environment

### UNGC PRINCIPLE

### REPORT LINKS

7. Businesses should support a precautionary approach to environmental challenges.

[Environment > Strategic Approach > Environmental Governance](#)

8. Businesses should undertake initiatives to promote greater environmental responsibility.

[Environment](#)

9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

[Environment > Energy & Emissions > Biogas Production – The Tysons's Solar-Powered Feed mill](#) and [Environment > Nutrient Management](#)

## Anti-Corruption

### UNGC PRINCIPLE

### REPORT LINKS

10. Businesses should work against corruption in all its forms, including extortion and bribery.

[Approach > Governance Tyson Code of Conduct Workplace > Ethics & Compliance](#)

# ESG Data Center

TOPIC	FY2016	FY2017	FY2018
<b>Corporate Metrics</b>			
<b>FINANCIAL IMPACT</b>			
Revenues (\$ billion)	\$36.88	\$38.30	\$40.10
Net Income (\$ billion)	\$1.77	\$1.778	\$3.027
Total Assets (\$ billion)	\$22.37	\$28.066	\$29.109
Research and Development Spending (\$ million)	\$96	\$113	\$114
<b>PRODUCTION</b>			
Beef (approx. avg. head per week)	125,000	130,000	133,000
Pork (approx. avg. head per week)	415,000	424,000	408,000
Chicken (approx. avg. pounds per week)	35,000,000	35,000,000	37,000,000
Prepared foods (approx. avg. pounds per week)	66,000,000	75,000,000	66,000,000
<b>SUPPLIERS</b>			
Total Farmers	9,421	9,331	9,248
Chicken Farmers	3,659	3,672	3,564
Cattle Farmers	3,764	3,790	3,775
Hog Farmers	1,975	1,774	1,811
Turkey Farmers	23	95	98
<b>Food</b>			
<b>FOOD SAFETY &amp; QUALITY ASSURANCE (FSQA)</b>			
Certified Labs*	13	16+	16
Global Food Safety Initiative (GFSI) Certified Plants	99	108	106
Safety Quality Foods (SQF) Level 3 Certified Plants	13	24	23
Safety Quality Foods (SQF) Level 2 Certified Plants	1	0	2
British Retail Consortium (BRC) Certified Plants	83	82	79
Food Safety System Certification (FSSC) 22000 Certified Plants	2	2	2
Product Recalls**	2 (Hot Wings®, Chicken Nuggets)	2 (Popcorn Chicken, Chicken Patties)	1 (Food Service Chicken Product)

TOPIC	FY2016	FY2017	FY2018
<b>Animal Welfare</b>			
<b>TOTAL THIRD-PARTY FARMCHECK® PROGRAM AUDITS</b>	573	539	538
<b>KEY WELFARE INDICATORS*</b>			
<b>Broiler Chickens</b>			
Transport Liability	–	--	99.83%
Non-Damaged Wings	–	--	98.88%
Acceptable Paw Scores	–	--	78%**
<b>Cattle &amp; Hogs</b>			
No Falls	–	--	99.15%
Not Prodded	–	--	99.15%
Acceptable Wait Time	–	--	94.02%
<b>Environment</b>			
<b>COMPLIANCE METRICS*</b>			
Notices of Violation (NOV)	19	75	40
Penalties Per Fiscal Year	\$94,855	\$208,965	\$2,012,765
Total Reportable Chemical Spills (e.g., chemicals, fats, oils, fuels)	18	9	1
<b>WATER</b>			
Water Use Intensity* (gallons used to produce a pound of finished product)	1.05	1.05	1.01
Water withdrawal* (billion gallons)	31.34	31.89	31.56
<b>Water withdrawal by source</b>			
Municipal Water	77%	78%	80%
Well Water	23%	22%	20%
<b>Water Discharge by Destination</b>			
Fresh Surface Water	49%	46%	45%
Irrigation	9%	13%	11%
Publicly Owned Treatment Facility	42%	41%	44%
Water reused (billion gallons)	2+	2+	2+
Wastewater nutrients collected and reused (pounds)	4+	3+	4+

TOPIC	FY2016	FY2017	FY2018	FY2018 WITH ACQUISITIONS
<b>ENERGY AND EMISSIONS</b>				
Greenhouse Gas Emissions Intensity (metric tons CO2e to produce 1,000 pounds of finished product)	0.018	0.019	0.018	0.020
Energy Use Intensity* (Btu used to produce a pound of finished product)	1,619	1,614	1,593	1,802
Total Energy Use	48.23	48.97	49.60	56.11
Non-renewable Fuel (Million mmBtu)*	32.57	33.74	34.47	39.96
Electricity (Million mmBtu)*	14.55	14.56	14.75	15.63
Renewable Fuel (Million mmBtu)*	1.11	0.66	0.38	0.52
Scope 1 GHG Emissions (Million Metric Tonnes CO2e)	2.90	3.22	3.12	3.50
Scope 2 GHG Emissions (Million Metric Tonnes CO2e)	2.25	2.53	2.57	2.73
TOPIC	FY2016	FY2017	FY2018	
<b>WASTE GENERATION*</b>				
Waste Generated (million pounds)	2,804	2,980	3,710	
Waste to Landfill (million pounds)	287	334	370	
Waste Diverted from Landfill (million pounds)	2,517	2,646	3,340	
Recycle & Beneficial Reuse** Rate	90%	89%	90%	
Landfill Waste Intensity (pounds landfilled to produce 100 pounds of finished product)	0.94	0.98	1.19	
<b>Workplace</b>				
<b>WORKFORCE</b>				
U.S.	108,000	117,000	116,000	
Outside U.S.	6,000	5,000	5,000	
<b>Team Members by Gender*</b>				
Male	61%	61%	61%	
Female	39%	39%	39%	
<b>Team Members by Category*</b>				
Full-Time Team Members	99%	99%	99%	
Part- Time Team Members	1%	1%	1%	
Salaried Team Members	89%	89%	89%	
Hourly Team Members	11%	11%	11%	
Retention Rate	64%	66%	61.3%	

TOPIC	FY2016	FY2017	FY2018
<b>COMPENSATION &amp; BENEFITS</b>			
Average Hourly Pay for U.S. Team Members	\$13.73	\$14.78	\$14.96
<b>HEALTH AND SAFETY*</b>			
Total Recordable Incident Rate: Number of work-related injuries and illnesses per 100 team members.	6.58	5.08	3.94
Lost Time Incident Rate: Number of work-related injury and illnesses that result in one or more days away from work per 100 team members.	4.99	3.80	2.94
Days Away, Restricted and Transfer Rate: 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.	0.85	0.73	0.76
<b>ETHICS &amp; COMPLIANCE</b>			
Number of facilities audited	25	27	31
Average Score	93%	95%	96%
<b>WCA Audit Findings</b>			
Health & Safety	37%	63%	51%
Labor	59%	29%	43%
Environment	4%	8%	6%
Business Integrity	0%	0%	0%
Ethics Help Line Contacts Received	3,840	4,761	5,379
Help Line Contacts Investigated	3,141	3,927	4,337
Unsubstantiated After Investigation	76%	78%	77%
Calls investigated and resolved	24%	22%	23%
Help Line contacts referred to other teams for resolution	699	834	1,042
<b>Ethics Help Line Compliant Areas</b>			
Employee Matters	55%	52%	53%
Harassment & Discrimination	18%	17%	26%
Management Style	24%	26%	17%
Other	3%	5%	4%

# ESG Data Center Endnotes

## FOOD

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

\*\*In 2018, we voluntarily recalled 260 cases of Tyson Foodservice chicken product after being notified by a supplier that an ingredient sent to Tyson Foods may contain pieces of blue and clear soft plastic. This ensured that no affected product was sold in stores. Tyson Foods received no reports of illnesses associated with the affected product, and the U.S. Department of Agriculture has classified this as a Class II recall with a low health risk.

## ANIMAL WELFARE

\*Percentage acceptable of animals and trailers audited against [NAMI Recommended Animal Handling Guidelines \[June 2017 Rev. 1\]](#) for cattle and hogs and [NCC Welfare Guidelines for Broilers](#).

\*\*We are committed to continuous improvement in animal welfare and our opportunity is to improve paw scores during winter weather. Paw condition can be impacted in winter weather by factors such as low temperatures and moisture. Our goal is to improve paw scores in winter months by five percent year-over-year. We will report our progress against this goal in our annual sustainability report.

## ENVIRONMENT

### Compliance Metrics

\*These statistics are representative of all U.S.-based operations, excluding Cobb-Vantress, AdvancePierre, Original Philly, Tecumseh Poultry, American Proteins and Keystone Foods.

### Water

\*This footprint includes data from our U.S.-based operations. Information from our U.S.-based Cobb-Vantress, The Pork Group, hog buying stations, Tecumseh Poultry, American Proteins and Keystone Foods are not included in this footprint. FY2018 data includes AdvancePierre and Original Philly acquisitions, FY2016 and FY2017 data does not.

### Energy and Emissions

\*This footprint includes data from our U.S.-based operations, including The Pork Group and hog buying stations. Keystone Foods and the Grayridge elevator are excluded from all years of data.

- The first three columns of data (FY2016, FY2017 and FY2018) are aligned with information used to set our science-based target (SBT) that was approved in July of 2018.
- The final column of data (FY2018 with Acquisitions) represents the growth that has occurred at Tyson Foods since we set our SBT with the acquisitions of American Proteins (four rendering plants in Georgia and Alabama and 13 blending facilities located throughout the southeastern and midwestern U.S.); AdvancePierre Foods (10 facilities, two distribution centers and three support centers); Original Philly (two plants in Philadelphia, Pennsylvania); three Tennessee grain elevators; and North Carolina grain elevator.
- Next year, we will continue to expand our footprint with data from the acquisitions of Keystone Foods, Grayridge Elevator and BRF S.A. We plan to adjust our baseline to account for our continued growth in 2021.

### Waste Generation

\*This footprint includes data from our U.S.-based operations. Information from our U.S.-based Cobb-Vantress, The Pork Group, hog buying stations, Tecumseh Poultry, American Proteins, Original Philly and Keystone Foods are not included in this footprint. FY2018 data includes AdvancePierre. Landfill intensity is based on production locations.

\*Beneficial reuse can include activities such as composting, land application and digestion.

## WORKPLACE

### Workforce

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

### Health and Safety

\*Data includes Cobb-Vantress U.S. facilities. AdvancePierre Foods, American Proteins Inc. and Tecumseh Poultry are included in FY2018 but not prior years.

# UNSDG

Tyson supports the United Nations Sustainable Development Goals and its 2030 agenda for sustainable development. As elsewhere in our approach to sustainability, we have looked at the goals through the lens of sustainability and have found seven that directly align with our business and sustainability initiatives. We will begin demonstrating that alignment as part of our annual reporting practices and plan to periodically revisit all 17 goals to determine if more opportunities exist for alignment.

U.N. SUSTAINABLE DEVELOPMENT GOALS	LEARN MORE:
 <p><b>2 ZERO HUNGER</b></p> <p>We address hunger insecurity by expanding access to protein. In addition to developing nutritional products, we provide strategic grants and food product donations to regional food banks serving our communities and we are involved in collaborative partnerships with hunger-related organizations.</p>	<p>Food – Consumer Nutrition                      Food – Innovation                      Food – Food Safety &amp; Quality                      Food – Progressive Beef                      Community – Community Impact                      Community – Hunger Relief                      Community – Disaster Relief</p>
 <p><b>3 GOOD HEALTH AND WELL-BEING</b></p> <p>Responsible nutrition is integrated into our company’s purpose of raising the world’s expectations for how much good food can do. Additionally, we are committed to improving the health and safety of our employees by setting bold goals, building strategic communication and training systems, creating a safety culture and rewarding safety excellence.</p>	<p>Food – Consumer Nutrition                      Food – Innovation                      Food – Food Safety &amp; Quality                      Food – Progressive Beef                      Workplace – Health &amp; Safety                      Workplace – Team Member Social Responsibility                      Community – Community Impact</p>
 <p><b>4 QUALITY EDUCATION</b></p> <p>Tyson believes in lifelong learning and professional development through continual investment in our workforce. We aim, especially, to enable hourly employees to access to English as a second language and extend financial literacy training to all employees. Enhancing both of these life skills helps employees better integrate into the communities where they live and work and better position them to realize their full personal potential. We also provide grants for scholarships and other capacity building programs to build skills and leadership qualities in the communities where we operate.</p>	<p>Workplace – Engagement &amp; Retention                      Community – Team Member Social Responsibility                      Community – Community Impact                      Workplace – Compensation and Benefits</p>
 <p><b>6 CLEAN WATER AND SANITATION</b></p> <p>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. We aim to protect the health of communities who share water sources with us and accordingly, have implemented stringent processes to comply with all federal and state regulations.</p>	<p>Food – Food Safety &amp; Quality                      Food – Responsible Sourcing                      Environment – Strategic Approach                      Environment – Water                      Environment – Nutrient Management                      Environment – Material Resources</p>

# UNSDG



	<p>We work to ensure that employees receive fair compensation that is commensurate to their experience and skills, as well as to offer competitive compensation that takes local labor markets into consideration. Our employment policies and practices follow the human rights principles set forth in the United Nations Universal Declaration of Human Rights and the International Labour Organization’s Fundamental Principles and Rights at Work.</p>	<ul style="list-style-type: none"> <li>Workplace – Engagement &amp; Retention</li> <li>Workplace – Compensation &amp; Benefits</li> <li>Workplace – Health &amp; Safety</li> <li>Community – Community Impact</li> <li>Community – Team Member Social Responsibility</li> </ul>
	<p>We strive to sustainably feed the world by optimizing the productivity of our supply chain and protein operations, raising animals in a responsible manner and minimizing the natural resource intensity of our environmental footprint where feasible.</p>	<ul style="list-style-type: none"> <li>Food – Responsible Sourcing</li> <li>Animal Welfare – Animal Welfare Approach</li> <li>Animal Welfare – Welfare in the Value Chain</li> <li>Animal Welfare – Innovations in Animal Welfare</li> <li>Environment – Strategic Approach</li> <li>Environment – Water</li> <li>Environment – Energy &amp; Emissions</li> <li>Environment – Nutrient Management</li> <li>Environment – Material Resources</li> </ul>
	<p>Tyson is committed to meaningful reduction of our carbon footprint at every stage of our value chain. This commitment is underscored by a new Science-Based Targets initiative to reduce our GHG emissions by 30 percent by 2030.</p>	<ul style="list-style-type: none"> <li>Food – Responsible Sourcing</li> <li>Environment – Strategic Approach</li> <li>Environment – Water</li> <li>Environment – Energy &amp; Emissions</li> <li>Environment – Nutrient Management</li> <li>Environment – Material Resources</li> </ul>



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