## FY2018 BY-THE-NUMBERS

### Sales by Segment
- Beef: 37%
- Pork: 11%
- Chicken: 30%
- Prepared Foods: 10%
- Other: 1%

### Sales by Distribution Channel
- Consumer Products: 48%
- Industrial/Other: 11%
- Foodservice: 37%
- Other: 30%

### Global Workforce (U.S. / International)
- U.S.: 5,000
- Outside U.S.: 116,000

### Sales by Segment
- 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
- Total Farmers: 9,248
- Chicken Farmers: 3,564
- Cattle Farmers: 3,775
- Hog Farmers: 1,811
- Turkey Farmers: 98

### Scale & Scope Fiscal 2018
- Revenues: $40.1B
- Net Income: $3.027B
- Research and Development Spending: $114M
- Total Assets: $29.109B

### Operations, Major Sales Markets
- Operations
- Major Sales Markets
Tyson plays a critical role in feeding the world. Sustainably. Responsibly.

This responsibility calls on our company to constantly think about how to reshape elements of the global food system and to lead change. The challenges we face are massively complex, and we will only be successful by bringing together an extensive network of partners and focusing on a shared mission.

As the world must feed 83 million more people each year, we choose to lead along with our partners.

A Sampling of our Many Partnerships Helping Us to Sustain Our World

- World Resources Institute
- Environmental Defense Fund
- Progressive Beef™
- School Nutrition Association
- Share Our Strength/No Kid Hungry
- Global Food Safety Initiative
- Foundation for Food and Agriculture Research
- U.S. Department of Energy Better Buildings, Better Plants Program
- EPA SmartWay® Program
- American Institute for Packaging and the Environment
- Sustainable Packaging Coalition
- Meals that Matter®
- CEO Action for Diversity & Inclusion™
- United Food and Commercial Workers Union
- Feeding America
- OneEgg
- No Kid Hungry
- Team Rubicon
- Coalition on Adult Basic Education
- Oxfam America
- Farmers Business Network
- My Farms
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.”
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.
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.

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 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.

“*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.*”
• 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.
FY2018 Key Achievements

Food

• 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 ¡Yappah!™ 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.

Animal Welfare

• 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.
Environment

• 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.
• Began planning two pilot programs, in partnership with Environmental Defense Fund, that will accelerate sustainable food production by helping improve nutrient and conservation management practices on 500,000 acres of row crop corn.

Workplace

• 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.

Community

• 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.
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.”
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.”
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.

Partnerships

Preserving Land for the Next Generation, Together
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:

1. **Establish public, bold and enterprise-wide commitments across our material sustainability issues and report regularly on our progress.**

2. **Build a pipeline of new sustainability initiatives to deliver on our new commitments, while continuing to execute on existing programs.**

3. **Increase transparency and engagement with key stakeholders, including our team members, customers, investors, consumers and NGOs.**

4. **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.
## Commitments

Tracking progress toward our commitments.

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

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<th>GOAL</th>
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<td><strong>COMMITMENT: REDUCE OUR ENVIRONMENTAL IMPACT AS WE FEED THE WORLD</strong></td>
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| Reduce greenhouse gases (GHG) by 30 percent by 2030 | ■ | • Partnered with World Resources Institute in FY2017 and early FY2018 to develop a science-based target for GHG emissions  
• In Q2 FY2018, publicly announced our a GHG emission reduction target of 30 percent by 2030  
• In Q4 of FY2018, received approval from the Science Based Target initiative (SBTi) for our reduction target  
• 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 |
| Reduce water intensity by 12 percent by 2020 | ■ | • Decreased 2.96 percent since FY2015 (baseline) |
| Increase sustainable land and stewardship practices on 2 million acres by 2020 | ■ | • Partnered with Environmental Defense Fund on two pilot programs that will help improve nutrient management on 500,000 acres of corn |

**COMMITMENT: SUSTAINABLY FEED THE WORLD WITH SAFE, HIGH-QUALITY AND NUTRITIOUS FOOD PRODUCTS**

Sustainably offer protein and food products that consumers want | ■ | • Launched 359 new products in 2018 and invested $114 million in R&D |

**COMMITMENT: ENABLE OUR TEAM MEMBERS TO REACH THEIR UNIQUE POTENTIAL**

Build a highly engaged team with a 10 percent increase in retention | ■ | • 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. |
| Create a safe workplace by reducing OSHA recordables by 10 percent year-over-year | ■ | • Reduced OSHA recordables by 22 percent from FY2017 to FY2018 |
| Aspire to offer English as a second language and financial literacy training to all employees | ■ | Upward Academy is currently available to team members in 33 locations and is expected to expand to an additional 24 locations in FY2019 |

**COMMITMENT: SUPPORT THE COMMUNITIES WE SERVE WHERE HELP IS NEEDED MOST**

In 2015 pledged $50 million in cash or in-kind donations to fight hunger by 2020 | ■ | • Donated $2.442 million towards hunger relief  
• Served 2,068,970 meals as a part of our Meals that Matter® program  
• Donated products that provided 46,065,388 servings to ease hunger relief  
• Total contribution thus far = $45.9 million |

**COMMITMENT: TRANSPARENTLY ADVANCE ANIMAL WELFARE AND EXPERIENCE**

Deploy the most transparent welfare practices in food | ■ | • Began disclosure of six key welfare indicators:*  
• Broiler Chickens: Transport Livability 99.83%; Non-Damaged Wings 98.88%; Acceptable Paw Scores 78%;**  
• Cattle & Hogs: No Falls 99.15%, Not Prodded 99.15%, Acceptable Wait Time 94.02% |
| Be a leader in animal experience research and innovation | ■ | • Piloted new technologies in areas such as controlled atmospheric stunning  
• Continued to implement largest industry third-party remote video auditing system  
• In 2018 become the first beef processor to license the Progressive Beef™ program, a comprehensive quality management system for cattle feeding operations |

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*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.
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.

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.

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.
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.