Sustaining Our World

2017 SUSTAINABILITY REPORT
EXECUTIVE SUMMARY
Today, Tyson Foods is proud to produce 1 in 5 Pounds of all chicken, beef and pork in the U.S. and export food to more than 100 countries across the globe.

That means approximately 2 Billion more people will need daily nourishment, and protein is an essential part of that nourishment.

There are 7.6 Billion people in the world today.
By 2030, there will be 8.6 Billion.
By 2050, there will be 9.8 Billion.

Our strategy is to Sustainably Feed the World with the fastest-growing protein brands.
Leadership Message

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

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

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

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

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TOM HAYES,
PRESIDENT & CEO

#1 Food Production
2017 AND 2018 FORTUNE MOST ADMIREDA COMPANIES

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

Accomplishing this and other goals will require significant collaboration, with Tyson Foods playing a leadership role in partnership with others across our industry. We’re up for the challenge – and along the way, we pledge to be transparent about the progress we’re making. That’s the kind of company we are, and that’s why I want to lead this business.

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

Tom Hayes
President & CEO, Tyson Foods
An Integrated Approach to Sustainability

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

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

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

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

1) **Listen to stakeholders.** That means farmers and ranchers, NGOs, policymakers and others in our industry. This is the only way to truly understand what we need to accomplish – and more importantly, how we can do it together.

2) **Identify groundbreaking opportunities.** We’re looking across our five key pillars – food, animals, environment, workplace and communities – for ways to transform how we work.

3) **Get going!** We’re sharing our vision publicly. We’re investing. And most importantly, we’re holding ourselves accountable for progress.

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

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

Everyone has an opinion on big food. It’s easy to criticize us when you don’t understand our reality. We’re a big company, yes – but we’re made of individual faces and names. These individuals are some of the hardest-working people I’ve ever met – and together, we’re committed to feeding the world sustainably.

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

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

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

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

Q: What actions are you taking around the environment?

A: We’re making significant commitments, including the largest-ever land stewardship commitment by a U.S. protein company – supporting improved environmental practices on 2 million acres of cropland by 2020. People may not realize that our supply chain relies on grain to feed livestock and poultry. As we looked at holistic ways we could make a real difference on the environment, this rose to the top. It’s part of our larger commitment to reduce greenhouse gas emissions 30 percent by 2030.

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

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

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

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

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

Solving complex challenges isn’t easy, but we’re making progress every day. I look forward to seeing what we accomplish by this time next year, in collaboration with our many stakeholders and partners.
2017 Highlights

Food

Launched Tyson New Ventures to invest in opportunities to address food waste, food insecurity and alternative proteins.

Removed added nitrates and eliminated all by-products and added fillers from Ball Park® retail meat products.

Sourced 40 Million bushels of locally grown corn for our poultry feed mills.

Transitioned all K-12 commodity chicken products to include No Artificial Ingredients and the USDA-verified claim of chicken raised with No Antibiotics Ever.

Animal Well-Being

Led an animal welfare program with the world’s largest team of animal well-being specialists.

Implemented the industry’s most expansive third-party remote video auditing system to assist in monitoring live bird handling in our poultry plants.

Committed to sharing progress against key welfare indicators, such as wait time to unload cattle and hogs, starting in FY2018.

Removed all human-use antibiotics from our broiler chicken flocks.

Opened our 75,000-square-foot, state-of-the-art Incubation Technology Center in Springdale, Arkansas.
Environment

Set a goal in 2015 to reduce water use intensity 12 percent by 2020.

Worked with WRI to establish a science-based reduction target of 30 percent by 2030 for greenhouse gas emissions in both our direct operations and supply chain.

Committed to increase sustainable land stewardship practices on 2 Million acres by 2020.

Reduced 8 Million pounds of fiber from corrugated boxes and paperboard cartons during 2017.

Workplace

Announced workplace goals for safety, retention and training.

Signed the CEO Action for Diversity and Inclusion pledge.

Reduced our total recordable incident rate by 22 percent as compared to our FY2016 performance.

Launched a suite of workplace enhancements to support our hourly team members in the areas of training, safety, compensation and benefits, and life skills.

Implemented varying levels of hourly pay increases at all poultry plants, and increased benefits 3 to 5 percent for all team members.

Developed a new onboarding program, which offers new corporate team members the resources they need to reach their full potential.

Community

Donated nearly 39 Million servings of protein and $3.6 Million in cash toward our 2015 pledge to fight hunger in the U.S.

Deployed Upward Academy at 20 sites to provide team members, primarily those who are immigrants, with life skills education programs.

Provided and served nearly 3.8 Million meals to victims, volunteers and first responders of disasters through our Meals that Matter® Disaster Relief Team.

Launched an independent Social Baseline Study of our operations to better serve our communities and understand the diverse needs and makeup of our team members.
A Strategy For Raising Expectations

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

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

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

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

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

Journey to Sustainability

At Tyson Foods, we’re committed to feeding the world and doing it responsibly. Learn more about our holistic approach to sustainability.
Tyson Foods’ refreshed strategy will advance sustainability in five key areas:

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

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

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

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

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

## Environment

- Reduce our environmental impact as we feed the world
  - Reduce greenhouse gases by **30%** by 2030
  - Reduce water use intensity by **12%** by 2020
  - Increase sustainable land stewardship practices on **2M Acres** by 2020

## Workplace

- Enable our team members to reach their unique potential
  - Aspire to offer English as a second language and financial literacy training to all team members
  - Reduce OSHA recordables by **15%** year-over-year
  - Increase retention **10%** year-over-year

## Communities

- Support the communities we serve where help is needed most
  - Pledged **$50 Million** in cash or in-kind donations to fight hunger by 2020

## Animals

- Transparently advance animal welfare research and experience
  - Deploy the most **Transparent** animal well-being practices in food
  - Be a leader in animal **Experience** research and innovation
About Tyson

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

Value-Added Foods: Value-added chicken, beef and pork, pepperoni, pizza toppings, bacon, deli meats, hams, franks, snacks, appetizers, side items, prepared meals, meal kits and fully cooked dinner meats

Prepared Foods: Pizza crusts, tortillas, soups, sauces, appetizers and side items

Commodity Meat and Poultry: Fresh chicken, beef and pork, and specialty meats

READ THE COMPLETE TYSON 2017 SUSTAINABILITY REPORT AT www.tysonsustainability.com