



Our 2016 Sustainability Report



About this Report



Healthier Environment

Made more than
\$12.5 million in cash and
in-kind donations



About Tyson Foods



Healthier Workplace



Healthier Animals

Reduced our OSHA
Recordable Incident Rate
by 19.4 percent in
Fiscal 2016



Healthier Food



Healthier Communities

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About This Report

At Tyson Foods, our strategic intent is to sustainably feed the world with the fastest growing portfolio of protein packed brands. Our purpose is to raise the world's expectations for how much good food can do. We will innovate to develop new solutions that deliver healthier animals, healthier communities, healthier environment, healthier food and a healthier workplace.

Leadership Message

This is an exciting time for Tyson Foods. Since the beginning of 2017, we've been talking about our new purpose, which is raising the world's expectations for how much good food can do. It's a wonderful aspiration that reflects the heart of who we are. Deepening our commitment to a more sustainable food system is part of delivering on our purpose and it's key to the future success of our company. We are renewing our commitment to sustainability, but our commitment is not new. Tyson team members and family farms have been working collaboratively throughout the history of the company and over the last several years to set the stage to accelerate our progress.

As part of our renewed commitment, we're taking a holistic approach to sustainability focused on social, environmental and economic stewardship. It's our belief that only by a comprehensive approach can we make transformational and enduring change for our company, our consumers and customers, our team members and our planet.

Beginning with this 2016 Sustainability Report, our focus areas for Tyson Foods will be **Healthier Animals, Healthier Communities, Healthier Environment, Healthier Food** and **Healthier Workplace**. Workplace includes our nearly 114,000 team members, and Communities are comprised of their families, friends and neighbors in more than 100 communities where we operate in the U.S.

This report reflects on our progress for our fiscal year 2016. We're proud to publish that we've continued to reduce **antibiotics usage** in our broiler chicken supply chain; we've made improvements in **workplace safety** that eclipse our goals; and that more than 280 of our products meet specific **school nutrition regulations** for fat, sodium, and calorie content. We're not perfect. We still face headwinds to progress in some areas, but we always view challenges as opportunities, and for more than 80 years, we have embraced opportunity.

In coming months, we will continue our collaboration with strategic non-governmental organizations that will help us develop science-based environmental targets for our operations. Daily we continue to increase our diligence in animal welfare, and plan to share more publicly soon. Our research and development teams constantly innovate not only to produce great-tasting food that's better with fewer ingredients, but also on packaging that protects food longer and wastes less. The people who work for us and live beside us are the reasons we come to work each day, so we're committed to improving our safety performance while also connecting with the world outside our walls to help reduce hunger and improve lives in the communities we serve.

The world's population is growing at an incredible pace - more than 1 percent each year, according to United Nations. That may not sound like much, but consider the cumulative effect: there will be more than 2 billion additional people on the planet by 2050. They will all need nourishment and we see it as our responsibility to provide quality food, therefore it's important for Tyson Foods to continue to sharpen our commitments to sustainable business practices.

We're dedicated to action and improvements. Some improvements will develop over time, while some will happen quickly; we believe all will be groundbreaking. All will be with the intent to ensure our company delivers on its purpose: raising the world's expectations for how much good food can do.



John Tyson,
Chairman



Tom Hayes,
President and CEO



Justin Whitmore,
Chief Sustainability Officer

Materiality Assessment

Overview

To ensure we are responsibly addressing the sustainability issues, opportunities, and risks of greatest importance to our company and stakeholders, we completed our first sustainability materiality assessment in early 2015. We will update this assessment in fiscal year 2017 and present the results in our next sustainability report.

Identifying Focus Areas

We completed our first task by compiling a preliminary list of 29 relevant sustainability issues using publicly available resources from respected organizations such as the Global Reporting Initiative, the United Nations Food and Agriculture Organization, and other sustainability advocates. We also reviewed various sustainability publications and reports, and benchmarked against our peers and key suppliers, customers, and others we do business with. An internal, cross-functional team of professionals then vetted and refined the issues list and agreed on brief, clear categories and definitions.

Stakeholder Input

To collect stakeholder input about our material issues list, we used an on-line survey and conducted interviews with key individuals. A third-party consultant conducted all internal and external interviews. In addition to identifying material issues, stakeholders were asked to provide feedback on the issue list itself, as well as insight and comments on our approach and performance in these areas.

+ External Stakeholders

For external stakeholders, we used a methodology for rating the issues based on the pervasiveness of concern for the issues across stakeholder categories such as environmental advocates, customers, suppliers, non-government organizations, and academic experts. We conducted 13 interviews with external stakeholders to inform the “importance to stakeholder” score.

+ Internal Stakeholders

Similarly, for the business perspective, our methodology rated issues based on the pervasiveness of concern for the issue across functions and business units. We conducted

25 interviews with key internal decision makers to determine how important each issue was to the business. Additionally, we conducted an on-line survey of more than 230 internal employees (whom we call team members) and asked them to rank the issues of greatest importance and concern to them.

Results

Our sustainability materiality assessment was not meant to be a comprehensive review of all sustainability risks and opportunities. Rather, it was a stakeholder engagement exercise designed to identify environmental, social, and governance issues that could potentially impact our business and stakeholders and improve our company performance.

All of the issues identified require a clear understanding of impacts and the responsible management of risks and opportunities; however, those issues determined to be most material to both our external stakeholders and our business were:

1. Workplace safety
2. Animal well-being
3. Food safety and quality assurance
4. Water management
5. Sustainable agriculture
6. Supply chain management



Going Forward

We are committed to responsibly managing all material issues with diligence and care, and we are deepening our commitment to a more sustainable food system. We will innovate to develop new solutions that deliver healthier food, healthier animals, healthier workplaces, healthier communities and a healthier environment. In this commitment, we see a long-term opportunity to grow and increase profits sustainably. Through our comprehensive, holistic approach we will make long-lasting positive change, for our company, our consumers and customers, our team members and our planet. Below are example of how we are upholding this commitment.

Upholding our Commitment

Healthier Animals

- April 2017 - We strive for sustainable practices in all business areas, including animal well-being. To drive continuous improvement, we've added more than 50 Animal Well-Being

Specialists to work at our live-animal processing plants in the U.S. These positions will work collaboratively with our corporate-based teams and our plants to ensure best-in-class training and practices.

- January 2017 - We've made progress towards our goal to stop the use of shared-class antibiotics in our broiler chicken flocks (those birds raised for meat) by the end of September 2017. Of the broiler chicks placed by Tyson Foods during fiscal 2016, only 1.6 percent were treated on farms by veterinarians with shared-class antibiotics.

Healthier Environment

- April 2017 - Over the last two years, we have granted \$1,000,000 to The Nature Conservancy to support conservation and restoration work occurring on the Elk and Spring rivers in Missouri and the Kings and Buffalo rivers in Arkansas.
- May 2017 - In collaboration with a non-government organization, we are finalizing science-based targets for our greenhouse gas emissions and creating clear water principles and goals that support our ongoing water stewardship initiatives.

Healthier Communities

- March 2016 - Kicked off a pilot of a new workplace education program, called Upward Academy, to focus on the unique needs of immigrant team members and improve engagement of team members at Tyson Foods and in our communities. More than 500 team members are currently enrolled in the program and more than 2,000 hours of instruction were presented through the program in Fiscal 2016.
- May 2017 - In an effort to help combat hunger in Haiti, we announced a \$341,490 grant to OneEgg, a non-profit organization that delivers eggs to children in developing countries. The money will be used for construction of an egg-producing farm in Haiti that will provide animal protein to undernourished children while also establishing an economically sustainable business model from the sale of eggs produced at the farm.

Healthier Food

- October 2016 - Acquired a 5-percent ownership stake in plant-based protein producer Beyond Meat, which provided capital to help the company expand its product portfolio and distribution.
- December 2016 - As part of our commitment to innovation and growth, we launched a [venture capital fund](#) focused on investing in companies developing breakthrough technologies, business models and products to sustainably feed a growing world population.
- April 2017 - Ball Park® brand gave hot dog enthusiasts more reasons to grill out this summer by [announcing the removal](#) of added nitrites and nitrates* from all Ball Park beef hot dogs and eliminating by-products and added fillers from its meat line.

* Except for those naturally occurring in the celery juice powder and sea salt.

Healthier Workplace

April 2017 - As part of our focus on sustainable food production at scale, we announced we are expanding our efforts to create a better workplace at our production facilities. We collaborated with external organizations such as Oxfam America and the United Food and Commercial Workers Union to identify key focus areas. Highlights of our expanded workplace efforts include:

- A continuing commitment to a goal of zero worker injuries and illnesses; striving to achieve a 15% year-over-year reduction in worker injuries and illnesses
- A commitment to a goal of zero turnover; striving for a 10% year-over-year improvement company-wide in Team Member retention
- Expansion of the [We Care safety communications program](#) to all poultry plants and continued participation of hourly workers in plant safety councils
- Expansion of Upward Academy, a life skills program for workers
- Publicly sharing the results of [third-party social compliance audits](#) conducted at our plants

We will continue to engage relevant stakeholders to ensure a best-in-class response to the most material issues, and enhanced communications for better transparency. We're dedicated to action, and our actions will focus on ensuring our company delivers on its purpose: raising the world's expectations for how much good food can do.

Awards and Recognition

Tyson Foods Moves Up in Newsweek's 2016 Green Rankings

In June 2016, we moved up more than 50 spots in the 2016 Newsweek Green Rankings, reflecting our environmental and transparency improvement efforts. We ranked 328th out of 500 companies in the 2016 rankings, compared to 381st last year. Since 2009, the Newsweek Green Rankings has been considered one of the leading corporate environmental rankings, assessing the 500 largest publicly-traded companies in the United States and the 500 largest publicly-traded companies globally on overall environmental performance.

Tyson Foods Named to Food Logistics' Top Green Provider List

In June 2016, Food Logistics, a publication exclusively dedicated to covering the global food supply chain, named Tyson Foods as a Top Green Provider for 2016. The annual Top Green Providers list recognizes companies whose products, services, or exemplary leadership enhance sustainability within the food and beverage industry. Tyson Foods was recognized for efforts to minimize its environmental impact with initiatives designed to reduce truck miles, such as installing ultra-light equipment, using direct ship to customers, and partnering with rail carriers.

Tyson Foods Receives Safety Honors

In August 2016, the Joint Industry Safety and Health Council awarded seven Tyson Foods facilities safety honors during this year's National Safety Conference for the Poultry Industry. The facilities were recognized for the performance they achieved to protect employee health and safety. The Joint Industry Safety and Health Council consists of members from the U.S. Poultry & Egg Association, National Chicken Council, and National Turkey Federation.

Tyson Foods' Arkansas Facilities Receive Award and Recognition

In September 2016, Tyson Foods' Russellville, Arkansas, further processing facility received a full-treatment Clean Water Award from the U.S. Poultry and Egg Association. The award is presented annually to poultry facilities excelling in their efforts at water management. In addition, Tyson Foods' River Valley Animal Foods of Scranton, Arkansas, and Tyson Foods' Rogers, Arkansas, locations received honorable mentions in the full and pre-treatment categories, respectively.

Tyson Foods and Taco Bell Awarded Most Innovative New Product

In October 2016, Tyson Foods was honored as the Prepared Foods Spirit of Innovation Awards Editor's Pick and Most Innovative New Product for the Quesalupa®. The road to the unique Quesalupa® experience wasn't easy. The development of the Quesalupa® product took the Tyson Foods and Taco Bell teams about three years, 2,100 hours filled with innovative thinking, and

hundreds of prototype samples. The Prepared Foods and Ventura Foods Spirit of Innovation Awards, which began in 2003, recognize formulators’ exemplary teamwork and new product achievements on the basis of originality, teamwork and demonstrated sales success.

Recognition for Valuing Diversity

In October 2016 to commemorate October as Disability Employment Awareness Month, Tyson Foods received the Distinguished Business Award from Arkansas Rehabilitation Services, a division of the Arkansas Department of Career Education. The award recognized Tyson Foods as a model employer for valuing diversity and fostering a work environment to advance opportunities for Arkansans with disabilities.

Tyson Foods Earns Top Marks for LGBT Equality

On December 5, 2016, we were recognized by the Human Rights Campaign Foundation as a Best Place to Work for lesbian, gay, bisexual, and transgender (LGBT) Equality. We received a perfect score of 100 percent on the 2017 Corporate Equality Index , a national benchmarking survey and report on corporate policies and practices related to LGBT workplace equality. We join the ranks of 517 major U.S. businesses that also earned top marks this year.

Tyson Foods Tops FORTUNE World's Most Admired List for Food Production

In February 2017, we were recognized by Fortune magazine as No. 1 on the World’s Most Admired Companies list in the Food Production segment. This recognition moves us up four places from our 2016 ranking.

Tyson Foods Receives Telly Award

In May 2016 we received a [Telly Award](#) for our video featuring our Meals That Matter Hero "KNOW Hunger: Queen Lola Feeds Austin." Telly Awards is an international creative award honoring the finest in film, video and commercials.

Key Performance Metrics

Environmental Intensity Indicators*	FY2014	FY2015	FY2016
Energy Use Intensity (btu per pound of finished product produced)	1,158	1,149	1,210
Electricity Intensity (kWh per pound of finished product produced)	0.115	0.117	0.121

Fuel Intensity (Btu per pound of finished product produced)	767.12	750.84	798.86
Water Use Intensity (gallons per pound of finished product produced)	0.90	0.92	0.99
*This footprint includes our energy and water use from our U.S.-based chicken, beef, pork, turkey, and prepared foods processing operations. Information from our auxiliary support locations (e.g., feed mills and hatcheries) and transportation operations are not included in this footprint. Information from our U.S.-based Cobb-Vantress, Inc., and The Pork Group, Inc., subsidiaries is not included in this footprint. Additionally, this footprint does not include Chicago, IL (Bruss), Clearfield, UT; Green Bay, WI; Jacksonville, FL (Bruss), Rancho Cucamonga, CA; San Diego, CA; or Warren, MI. FY15 data is based on a 53-week fiscal year; and FY14 and FY16 are based on a 52-week fiscal year.			

Energy*	FY2014	FY2015	FY2016
Electricity Purchased (kWh)	3,744,681,325	3,847,740,044	3,848,751,002
Fuel Used - includes natural gas, propane, fuel oil, biogas and landfill gas (mmBtu)	24,961,935	24,669,602	25,410,228
Renewable Energy (mmBtu)	572,930	625,968	828,383
Renewable Energy (as percent of total energy used)	1.52%	1.66%	2.15%
Total Energy Used (mmBtu)	37,693,851	37,751,918	38,495,981
*This footprint includes our energy use from our U.S.-based beef, pork, chicken, turkey, and prepared foods processing operations. Information from our auxiliary support locations (e.g., feed mills and hatcheries) and transportation operations are not included in this footprint. Information from our U.S.-based Cobb-Vantress, Inc., and The Pork Group, Inc., subsidiaries is not included in this footprint. Additionally, this footprint does not include Chicago, IL (Bruss), Clearfield, UT; Green Bay, WI; Jacksonville, FL (Bruss), Rancho Cucamonga, CA; San Diego, CA; or Warren, MI. FY15 data is based on a 53-week fiscal year; and FY14 and FY16 are based on a 52-week fiscal year.			

GHG Emissions*	FY2015	FY2016
Direct GHG emissions - Scope 1 (metric tonnes of CO2e)	2,940,496	2,920,188
Indirect GHG emissions - Scope 2 (metric tonnes of CO2e)	2,558,301	2,851,800
Total GHG Emissions (metric tonnes of CO2e)	5,498,797	5,771,988
GHG Intensity (metrics tonnes CO2e per 1,000 pounds of finished product produced)	0.167	0.181

*This footprint includes GHG emissions from our U.S.-based beef, pork, chicken, turkey, and prepared foods processing operations, as well as our auxiliary support locations (e.g., feed mills and hatcheries) and transportation operations. Information from The Pork Group, Inc. subsidiary is also included in this footprint. Information from our U.S.-based Cobb-Vantress, Inc. subsidiary is not included in this footprint. Additionally, this footprint does not include Chicago, IL (Bruss), Clearfield, UT; Green Bay, WI; Jacksonville, FL (Bruss), Rancho Cucamonga, CA; San Diego, CA; or Warren, MI. Since auxiliary support locations are included in this footprint but do not have production data associated with them, our intensity may appear higher since there is not production data included that would offset those emissions. Carbon Dioxide equivalent (CO₂e) is carbon dioxide plus nitrous oxide and methane multiplied by the respective global warming potentials. FY15 data is based on a 53-week fiscal year and FY16 is based on a 52-week fiscal year.

Water*	FY2014	FY2015	FY2016
Total Water Withdrawal (billion gallons)	29.31	30.31	31.36
*This footprint includes our water use from our U.S.-based beef, pork, chicken, turkey, and prepared foods processing operations. Information from our auxiliary support locations (e.g., feed mills and hatcheries) and transportation operations are not included in this footprint. Information from our U.S.-based Cobb-Vantress, Inc., and The Pork Group, Inc., subsidiaries is not included in this footprint. Additionally, this footprint does not include Chicago, IL (Bruss), Clearfield, UT; Green Bay, WI; Jacksonville, FL (Bruss), Rancho Cucamonga, CA; San Diego, CA; or Warren, MI. FY15 data is based on a 53-week fiscal year; and FY14 and FY16 are based on a 52-week fiscal year.			

Environmental Compliance*	FY2014	FY2015	FY2016
Wastewater Permit Exceedances	134	117	68
Notices of Violation (NOV's)	40	29	19
Penalty Amounts Paid Per Fiscal Year	\$354,207	\$403,809	\$92,455
Supplemental Environmental Project Amount Per Fiscal Year	\$19,284	\$220,000	\$—
Superfund Settlements	\$—	\$—	\$17,500
Total Reportable Chemical Releases	21	11	5
*These statistics are representative of all U.S.-based facilities, excluding Cobb-Vantress, Inc. FY14 does not include Hillshire Brands operations.			

Certifications*	FY2015	FY2016
Certified Labs	11	13
Global Food Safety Initiative (GFSI) Certified Plants	100	99
Safe Quality Foods (SQF) Level 3 Certified Plants	11	13

Safe Quality Foods (SQF) Level 2 Certified Plants	2	1
British Retail Consortium (BRC) Certified Plants	85	83
Food Safety System Certification (FSSC) 22000 Certified Plants	2	2
Product Recalls	1 (Ground Beef)	2 (Hot Wings, Chicken Nuggets)
*The number of certifications at our plants in FY16 has decreased from FY15 due to several plant closures.		

Healthy and Nutritious Products	FY2015	FY2016
Smart Snacks in Schools	31	31
Products that meet school nutrition regulations for fat, sodium, and calorie content	280	280
Kid Tested, Kid Approved™ products	46	65
K-12 Products that carry the Whole Grain Stamp	125	122
Products eligible for federal reimbursement in the National School Lunch and School Breakfast Program	112	94
Cool School Café®	—	42

Safety Performance	FY2014 Excludes Hillshire	FY2015 Includes Hillshire	FY2016 Includes Hillshire
Lost Time Incident Rate ¹	0.87	0.87	0.85
Total Recordable Incident Rate ²	8.59	8.16*	6.58
Days Away, Restricted and Transfer Rate ³	5.75	5.37	4.99
*FY15 Total Recordable Incident Rate adjusted from 7.83 to 8.16 to reflect an increase in hearing loss cases related to the conversion of data to a new hearing test vendor.			

¹Number of work-related injury and illnesses that result in one or more days away from work per 100 Team Members.

²Number of work-related injury and illnesses per 100 Team Members.

³Number 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.

Workforce	FY2015	FY2016
Total Number of Employees	113,000	114,000
U.S. Team Members	107,000	108,000
International Team Members	6,000	6,000
Hourly Team Members*	96,000	96,500
Salaried Team Members*	11,000	11,500
Full-time Team Members*	105,000	107,000
Part-time Team Members*	2,000	1,000
Team Members under age 30*	23,000	23,000
Team Members 30-50 years old*	52,000	52,000
Team Members over age 50*	32,000	33,000
Male Team Members*	61%	61%
Female Team Members*	39%	39%
Retention Rate*	72%	64%
Team Members with five or more years of service*	52%	50%
Team Members with 20 or more years of service*	24%	25%
Team Members with 30 or more years of service*	7%	8%
*US/Domestic Employees Only		

About Our Reporting

The Tyson Foods 2016 Sustainability Report covers Fiscal 2016 (October 4, 2015, through October 1, 2016), with select highlights from October 2, 2016, through March 15, 2017, of the company's Fiscal 2017.

As with [previous sustainability reports](#), this report provides a comprehensive and transparent review of our commitment to, and advancement towards social progress, environmental stewardship, economic growth, and product responsibility.

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About Tyson Foods

Tyson Foods, Inc. (NYSE: TSN), with headquarters in Springdale, Arkansas, is one of the world's largest food companies with leading brands such as **Tyson®**, **Jimmy Dean®**, **Hillshire Farm®**, **Sara Lee®**, **Ball Park®**, **Wright®**, **Aidells®**, and **State Fair®**.

We are a recognized market leader in beef, pork, and chicken as well as prepared foods, including bacon, breakfast sausage, turkey, lunchmeat, hot dogs, pizza crusts and toppings, tortillas and desserts.

Our

114,000

team members as of October 1, 2016

\$36,881 (in millions)

reported sales in Fiscal 2016

Approx. 115 countries

in which our products are sold

#1 or #2 brands

in 13 categories

company was founded in 1935 by John W. Tyson, whose family has continued to lead the business with his son, Don Tyson, guiding the company for many years and grandson, John H. Tyson, serving as the current chairman of the board of directors.

Through our [Core Values](#), [Code of Conduct](#) and [Team Member Bill of Rights](#), we strive to operate with integrity and trust, and we are committed to creating value for our shareholders, customers and team members. We also strive to be faith-friendly, provide a safe work environment and serve as stewards of the animals, land and environment entrusted to us.

\$8+ million

invested in communities

8+ million pounds

food donated in Fiscal 2016

400

production facilities and offices world-wide as of October 1, 2016

\$96 million

invested in research and development

Corporate Governance

We are committed to responsible corporate governance, which promotes the long-term interests of shareholders, strengthens the Board of Directors and management accountability, and helps build public trust in our company. We believe maintaining qualified, independent directors with diverse experiences and backgrounds on our Board is an integral part of effective governance.

At the end of fiscal 2016, our Board of Directors consisted of nine members, seven of whom were independent. Of the nine members serving on the board, there were two women and one minority.

Additionally, the Board has appointed one of the independent directors as the non-management lead director.

Following the completion of Fiscal 2016, two board members resigned and three new board members were appointed. Of the 10 members currently serving on the board, eight are independent, three are women, and two are a minority.

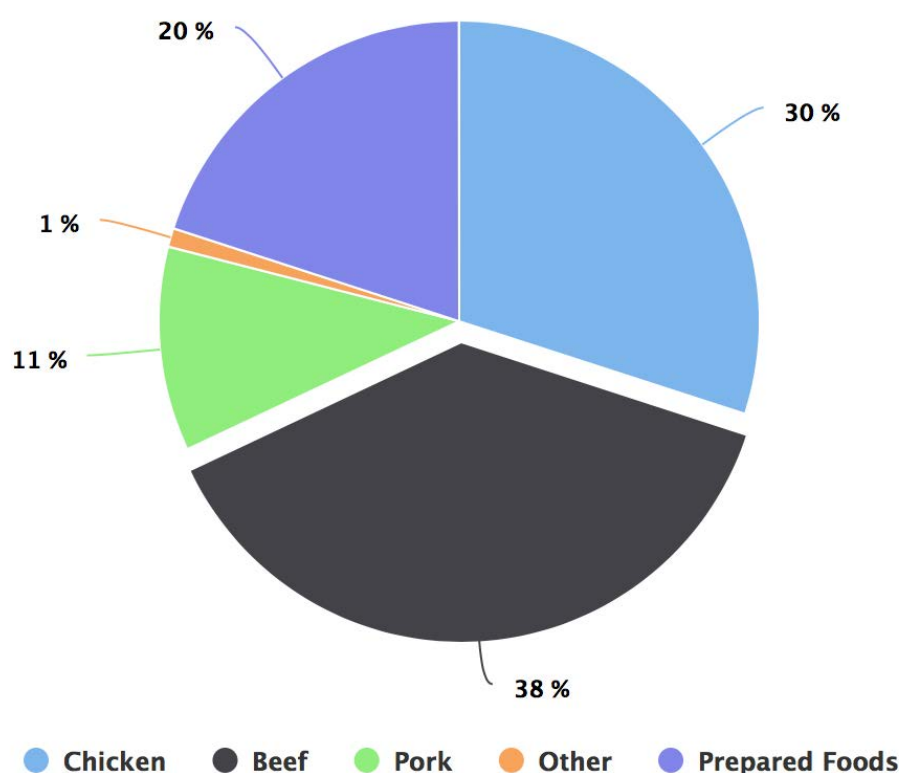
Additional information about our Board and its committees can be found on our [Investor Relations](#) website and in our [2016 Proxy Statement](#).

Learn more about our [corporate governance measures](#), including our Code of Conduct and Corporate Governance Principles.

Financials

With the acquisition of The Hillshire Brands Company in 2014, we added to our growing list of top-selling brands in advantaged categories. Our "Core 9" categories include the No. 1 brands in frozen prepared chicken, hot dogs, branded stacked bacon, frozen breakfast sandwiches, breakfast sausage, smoked sausage, corn dogs, and super premium sausage and the No. 2 brand in branded lunchmeat.

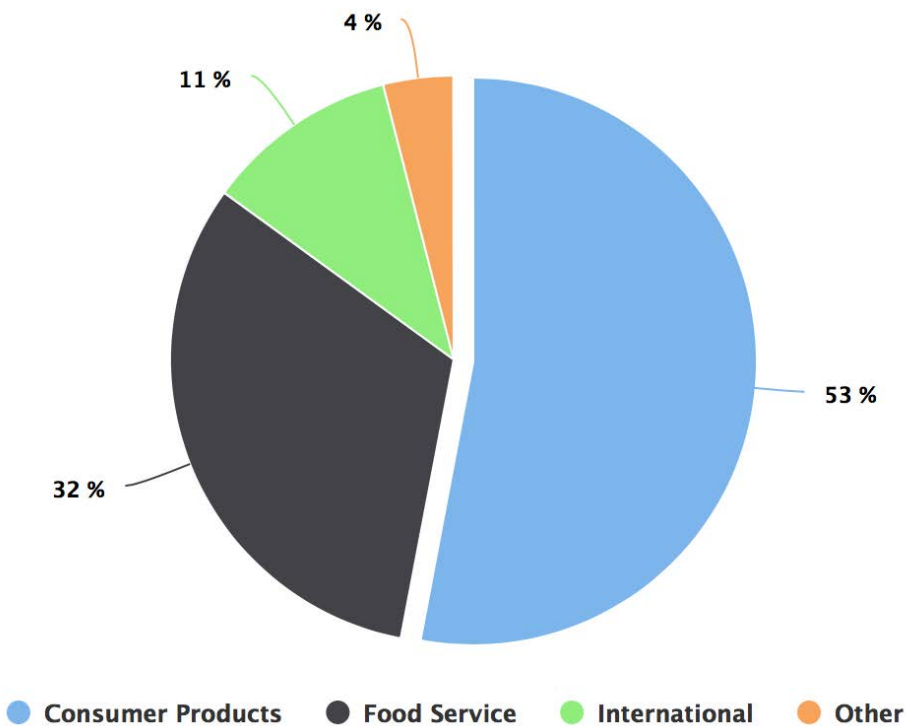
Sales by Segment – Fiscal 2016 Sales \$37 Billion



The depth and breadth of our product portfolio can reach consumers at all meal occasions, at home, and away from home. With an eye to the future, while never forgetting where we came from, our future is bright. And expectations have never been higher at Tyson Foods.

For more information about our company and financial performance, visit our [Investor Relations](#) website and review our [2016 Annual Report on Form 10-K](#).

Sales by Distribution Channel - Fiscal 2016 Sales \$37 Billion



Public Policy

We work on regulatory and legislative policy issues that can have an impact on our business. We do this through our own involvement as an individual company and through membership in industry associations.

Representatives from all parts of our company impact public policy through direct interaction with policymakers, as well as through participation on industry committees and advisory boards. We believe this interaction ensures our views on key issues such as international trade, food safety, immigration, dietary guidelines, and mandatory country of origin labeling are heard and help shape sound public policy.

Corporate Contributions

Through campaign contributions to candidates for the U.S. House and the U.S. Senate, the Tyson Political Action Committee (TYPAC) helps build and maintain relationships with elected officials who support our industry and company. We provided 108,000 U.S.-based jobs in fiscal year 2016 and are dedicated to producing safe, delicious, and nutritious foods at affordable prices.

TYPAC contributed almost \$165,000

to candidates for federal offices for the 2016 Election Cycle. TYPAC does not base its contributions on political party affiliation. Further, TYPAC does not contribute to Presidential Campaigns.

Supply Chain

Engaging our Supply Partners

Responsible, legal, and sustainable procurement practices are an important part of our commitment to doing business the right way.

Keep Local Grain Local

We are committed to building resources for and relationships with the grain farmers that provide homegrown corn for our birds. With a unique business model that focuses on originating grain from the farmer as an end user, we place a high importance on our relationships with local farmers. Our goal is [keep local grain in our local communities](#). We buy local grain, which is used to raise our poultry, feed your community and feed the world. This process begins with our grain farmers.

At Tyson Foods, our supply chain is diverse. We do business with suppliers of the cattle, hogs, and turkeys we use to make our food products, as well as suppliers of equipment, ingredients, packaging materials, and other general business services.

Our [Supplier Code of Conduct](#) clearly presents the principles and high ethical standards we expect our supply partners to work toward throughout the course of our business relationship. Where

appropriate, we strive to include requirements in our supply contracts that emphasize the sustainability objectives shared with our supply partners.

+ Suppliers and the Values We Share

We seek to build relationships with and recognize supply partners who share values similar to ours, especially in these areas:

- Product safety and quality
- Ethical and honest business transactions
- Legal and regulatory compliance
- Employee health and safety
- Animal well-being
- Labor and human rights
- Environmental stewardship
- Sustainability

+ Recognized 20 Premier Carriers of the Year

On April 5, 2016, for the fifth year, we named a select group of third-party carriers as "Premier Carriers of the Year." Carriers of the Year are recognized for their commitment to excellence in customer service, communication, safety, innovation, and for being strong environmental stewards. Most of the 20 honored carriers are repeat recipients.

Supporting Independent Farm Families

We depend on more than 9,400 independent farm families to supply our plants. We strive to support independent producers in their efforts to run their businesses wisely and to be independent and sustainable enterprises.

Founding Member

We are a founding member of the [U.S. Roundtable for Sustainable Beef](#).

Sustainability in the U.S. Beef Industry

In February 2017, McDonald's USA, Tyson Foods, The Samuel Roberts Noble Foundation, Beef Marketing Group and Golden State Foods announced a two-year pilot research project that will seek methods to improve sustainability across the entire beef value chain. Click [here](#) to learn more.

+ 3,659 farmers raised chickens for us in Fiscal 2016.

We supply the birds, feed and technical advice, while the farmers care for the chickens by providing the farm, housing and labor.

+ We bought cattle from 3,764 independent feeders and ranchers in Fiscal 2016.

They supply our beef plants in the Midwest, Southwest, and Pacific Northwest. Our company does not own or operate any feedlots.

+ In Fiscal 2016, we bought pigs from 1,975 independent farmers.

These independent farmers supply our pork plants in the Corn Belt. The farmers are expected to raise hogs that meet our standards for high quality pork.

+ We buy turkeys from approximately 23 independent growers.

These independent growers supply our turkey plant in the Midwest. We also have 72 contract growers raising turkeys owned and fed by a subsidiary of Tyson Foods. All growers are held to the same high standards, raising quality turkeys in the Midwest.

Almost \$15 billion paid

in Fiscal 2016 to independent farmers who supply us with livestock and poultry.

Supplier Diversity

We know that having a diverse group of supply partners makes good business sense. Working with minority-owned, veteran and service-disabled veteran owned, women-owned, and SBA certified small businesses is critical to helping us meet our high standards for quality products and ultimately creates more value for our shareholders. The competitive advantages of embracing the entire business community will continue to grow, and we want qualified and competitive minority, socio-economic disadvantaged, and small business suppliers to share in this growth with us.

Of our overall spending in Fiscal 2016, approximately 12.5% was with diverse supply partners.

Learn more about how minority-owned and small businesses can connect with us on our [supplier diversity](#) page at Tyson Foods.

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Live from the Farm Recording
Posted by **Tyson Foods**
96,800 Views



LIVE FROM THE CHICKEN BARN! We opened our Facebook page to questions and comments about how we care for our chickens, then let our Chicken Cam roll.

Read more below about the improvements we're making.

Posted by [Tyson Foods](#) on Thursday, June 22, 2017

Healthier Animals

We work with thousands of independent farmers every day who help raise the animals we use to produce safe, nutritious food for people all over the world. Ensuring the health and well-being of the animals and treating them responsibly and with respect – it's simply the right thing to do.

As part of our focus on sustainable food production, we have [launched](#) a broad, new animal well-

being initiative that combines the latest technology with high-touch monitoring and training to improve the care of chickens. We have implemented the U.S. meat industry's most extensive third-party remote video auditing (RVA) system, are fielding what is believed to be the world's largest team of animal well-being specialists and will be introducing a pilot project for controlled atmosphere stunning (CAS) at two of our poultry facilities this year.

+ Roll Out of High-Tech, High-Touch Animal Welfare Program

To help monitor live bird handling, the company has rolled out the industry's largest third-party RVA program in the U.S., covering 33 poultry plants. The company is using Arrowsight, a leading provider of remote video auditing technology and data analytics services, which has extensive animal welfare monitoring experience. Video from cameras in Tyson Foods' chicken plants is analyzed by trained off-site auditors and data feedback is provided daily, weekly and monthly to plant management to deliver excellence in animal welfare practices.

Tyson Foods also is launching an innovative RVA pilot project to assess on-farm catching of birds for transport to processing facilities. Video will be audited and analyzed by Arrowsight for adherence to humane treatment of animals, allowing immediate follow-up if any concerns are identified.

In addition to video monitoring, Tyson Foods is also the first in the industry to employ animal well-being specialists across all its beef, pork and poultry operations. The company has trained and deployed nearly 60 dedicated full-time animal well-being specialists. This includes at least one at every processing facility that handles live animals, to work collaboratively with our Office of Animal Well-Being and our plants to ensure best-in-class training and practices. Half of the specialists are also involved in supporting animal well-being on the poultry farms that supply the company.

The specialists have experience in either processing plant or live chicken operations and will have continual training. They have participated in animal welfare webinars and a week-long summit. They are also taking a certification course through the Professional Animal Auditor Certification Organization (PAACO).

Tyson Foods also will launch two pilot projects within the next year to test a process called controlled atmosphere stunning. Support of the use of gas as a more humane way to render the bird unconscious before processing has increased over the past several years among scientists, veterinarians and animal welfare advocates, since it eliminates the handling of conscious birds. The company will evaluate the results of the pilot

program to determine if CAS is a reasonable alternative to the existing method before it makes decisions about deploying it at other facilities.

Read the [press release](#) to learn more.

Added on 6/21/2017

“We serve as stewards of the animals, land and environment entrusted to us,” is one of our [Core Values](#) at Tyson Foods. Our [commitment to animal well being](#) helps us put that Core Value at the forefront of everything we do to ensure the needs of our animals are met, while providing our customers and consumers the quality food they expect and deserve.

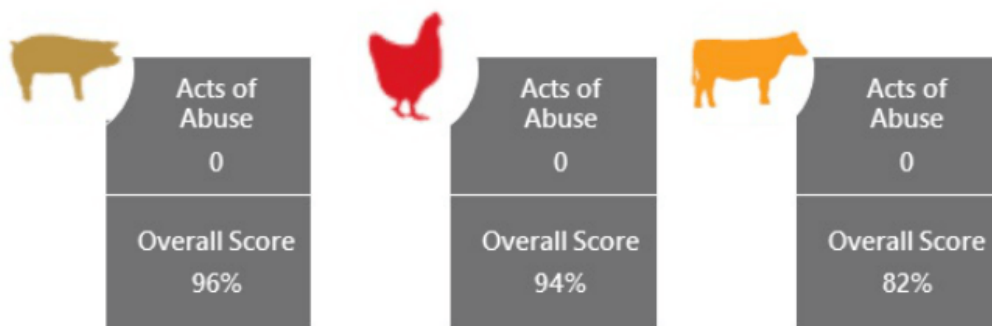
Learn More

Learn more about our animal well-being policies and programs:

- [Animal Housing](#)
- [Antibiotics, Hormones and Steroids](#)
- [Audits and Team Member Training](#)
- [Human Handling and Physical Alterations](#)
- [Supply Partners and Responsible Transportation](#)
- [Research, Partnerships and Advancements](#)

In October 2012, we launched our **FarmCheck®** program. Through this program, third-party auditors check for such things as animal access to food and water, as well as proper human-animal interaction and worker training at the livestock and poultry farms that supply us.

Results Summary of Third Party Audits

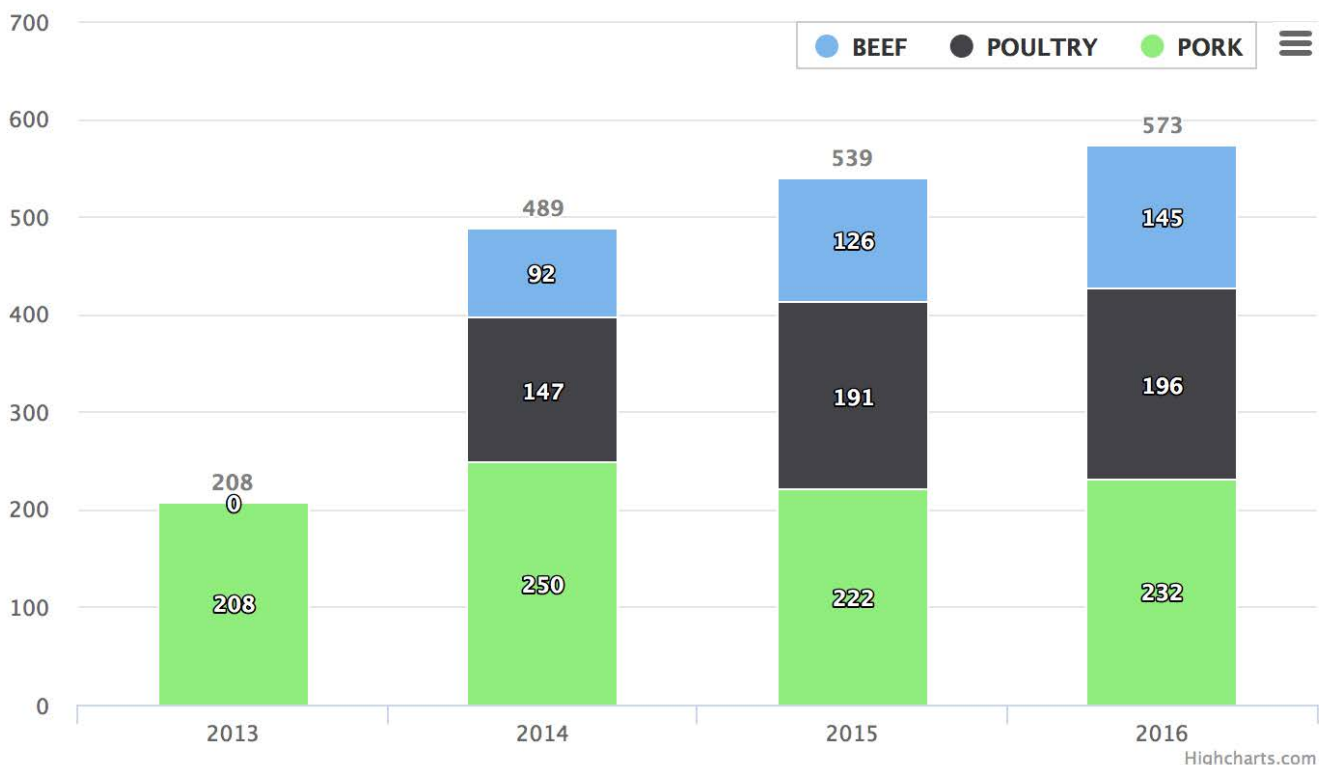


Overall scores of less than 100 percent, were due to a loss of points in one or more of the following areas:

- Site Self-Checks and Assessments
- Facility Repairs
- Training (Records)

Where possible, any areas noted during the audit as "Needing Improvement" are corrected before finalizing the audit. If correction before finalizing the audit is not feasible, a corrective action plan and timeline is established and plan implementation is confirmed.

On-Farm Third Party Audits Conducted



*Combined results from Breeder/Pullet and Catch/Transport audits.

Our **FarmCheck®** program scope is based on a statistical analysis of each protein supply chain. This analysis allows us to determine the number of farms that should be audited each year so that, over a three year period, we can be 99-percent confident that 95-percent or more of our supply chain complies with the standards of the program.

Addressing Animal Well-Being Concerns

In fiscal 2016, there were public reports of three incidents where farmers or team members did not meet our expectations for the proper care and humane handling of animals.

As a company that employs over 114,000 team members and works with more than 9,400 farmers, who raise the animals we process for our food products, we're constantly working to communicate our expectations throughout our workforce and supply chain on important issues such as animal well-being. We do not tolerate mistreatment of animals and immediately take corrective actions for violations of our expectations for the proper care and humane handling of animals, which may include termination of employment or contract.

+ Proper Animal Handling

We believe proper animal handling is an important moral and ethical obligation. Everyone who works with live animals in our plants is trained in humane animal handling practices and instructed to report anything they believe is inappropriate. Annual training is also conducted with all contract farmers raising animals for us to ensure they know and follow proper animal well-being expectations and handling practices. Team members are expected to report unacceptable behavior to their supervisor, or they have the option of using our anonymous compliance and Ethics Help Line, which will be posted in all live animal-processing plants.

Third-Party Remote Video Auditing

In 2016, we began implementing third-party remote video auditing of live bird handling at all of our U.S. chicken processing plants. We continue to look at ways to improve this process, and we're exploring the option in our beef and pork operations.

Our Commitment

Our Commitment to Animal Well-Being

We strive for sustainable practices in all business areas, including animal well-being. Our company's Core Values include a commitment to serve as stewards of the animals entrusted to us. [Our Animal Well-Being Policy](#) includes our pledge to be diligent in leading the pursuit of new methods and technologies to improve animal well-being. Through this policy, we emphasize the importance of responsible animal care and continuous improvement to the independent farmers who supply livestock and poultry to our company. In addition, we understand the importance of the internationally-recognized Five Freedoms for animal well-being and urge independent farmers to strive to follow these fundamental principles.

The Five Freedoms (Animal Well-Being)

1. Freedom from hunger and thirst
2. Freedom from discomfort
3. Freedom from pain, injury, or disease
4. Freedom to express normal behavior
5. Freedom from fear and distress

Increased Focus

To drive continuous improvement, we're adding more than 50 Animal Well-Being Specialists to work at our live-animal processing plants in the U.S. These positions will be guided by corporate-based Animal Well-Being Senior Managers who will work collaboratively with our Office of Animal Well-Being and our plants to ensure best-in-class training and practices.

CO₂ Stunning for Our Pork Facilities

After extensive research, we recognized the benefits of CO₂ stunning systems in pork processing and are diligently working to implement these systems in our fresh pork plants. We've already equipped our Logansport, Indiana, and Waterloo, Iowa, pork plants with these systems. Over the next several years, we plan to transition all of our pork plants to CO₂ stunning.

Research Opportunities

With guidance from our **FarmCheck®** program's Animal Well-Being [Advisory Panel](#), we seek to find better ways to responsibly care for animals raised for food through scientific study. The panel helps us determine research priorities and ways to improve the **FarmCheck®** program. With a focus on animal well-being, the panel also provides guidance and direction on various projects throughout the year, such as blueprint reviews on facility design. The panel also helps us make informed decisions about new animal well-being technologies.

We partnered with researchers on potential animal well-being improvements in animal mobility and lameness, antibiotics alternatives, and good production management. As part of this effort, we provided approximately \$70,000 in funding for university, agricultural, or company-initiated research. Learn more about [our research partnerships and related efforts](#).

Antibiotic Use in Broiler Chickens

Antibiotic resistance is a global concern, and we want to be a part of a lasting solution.

April 2015

We announced we would work to stop the use of shared-class antibiotics in our broiler chicken flocks (those birds raised for meat) by the end of September 2017.

+ Types of Antibiotics

There are two types of antibiotics:

1. Those used to treat illness in both humans and animals, referred to as shared-class antibiotics.
2. Antibiotics used in animal health only, which are never used in human health.

+ Shared-Class as Defined by the American Veterinary Medical Association (AVMA)

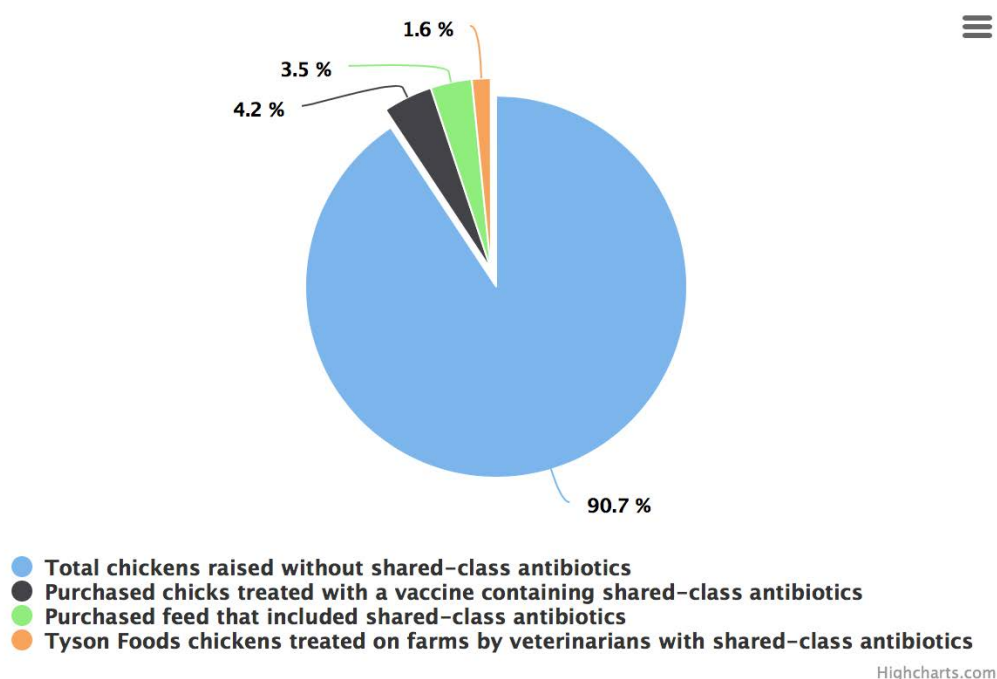
Shared-Class Antibiotics

Antibiotics are grouped into "classes" based upon how they kill or suppress the growth of bacteria. The vast majority of antibiotic classes are approved for use in both humans and animals, with only a few exceptions that can only be used in one versus the other. Shared-class antibiotics can be administered to both classes – humans and animals.

We've made great progress toward our goal.

Shared-Class Antibiotics Used in Broiler Chicken Production Fiscal 2016

October 4, 2015 - October 1, 2016



Of the broiler chicks placed by Tyson Foods during fiscal 2016, only 1.6 percent were treated on farms by veterinarians with shared-class antibiotics. However, due to constraints in our supply chain, we purchase feed that includes shared-class antibiotics from another poultry company at one location, and we purchase a limited number of broiler chicks from a breeding company that receive a vaccine while inside the egg that includes antibiotic to prevent infection in the embryo. If these two factors were excluded, the total number of Tyson Foods broiler chickens raised without shared-class antibiotics for fiscal 2016 is 98.4 percent.

February 2017

We announced we would be [expanding our no antibiotics ever \(NAE\) chicken offerings](#). This expansion makes us the world's leading producer of NAE chicken.

Why We Sometimes Use Antibiotics in Raising Broiler Chickens

While we've made great progress toward our goal, our veterinarians will still prescribe shared-class antibiotics for the health and well-being of sick flocks when no other alternatives are available. It's the goal of our veterinarians to prescribe the proper antibiotic that treats the disease quickly and most effectively. This is done only when necessary to minimize suffering.

With the exception of the 3.5% of our broiler chickens that were given feed that included shared-class antibiotics in fiscal year 2016, we do not use antibiotics for growth promotion in broiler chicken operations. Animal-health-only antibiotics are used in our broiler chicken operations to prevent or control the spread of disease. Shared-class antibiotics are sometimes prescribed by our veterinarians to treat sick chickens at specific farms.

The elimination of shared-class antibiotics in our broiler flocks is a process, not an overnight matter. Through continued improvements in animal husbandry; housing; sanitation; selective breeding; and the use of antibiotic alternatives such as essential oils, botanicals, and probiotics, we believe we can improve bird health and reduce the need for shared-class antibiotics.

Antibiotics in Turkey Production

- Approximately 70 percent of our turkeys come from integrated farms raising birds owned by Tyson Foods.
- The remainder of our turkeys are purchased from independent farmers.
- We purchase one-day old turkey poults that are vaccinated at the hatchery from commercial suppliers. Antibiotics are not administered at the hatchery.
- We do not use growth promotion antibiotics or ractopamine in our turkey feed.
- When antibiotics are needed, they are only administered through drinking water under the directive of a veterinarian.
- Our focus is to decrease shared-class antibiotics through innovations and alternatives.

How Antibiotics are administered to Broiler Chickens

Broiler chickens can be given antibiotics in three ways: an injection at the hatchery (in the egg or chick), through their feed, and in drinking water at the farm.

At the farm, our veterinarians will sometimes prescribe antibiotics that are added to drinking water to treat sick chickens or control disease. This is the **only** way we administer shared-class antibiotics to our broiler chickens because it's not feasible to treat chickens individually.

Our Veterinarians and Treatment Time

A team of veterinarians and technical specialists perform on-farm visits to assess the nutrition, health, and well-being of our broiler chickens. If they diagnose a flock with a specific disease, and a shared-class antibiotic is required, the veterinarian will provide a written prescription similar to the way medical doctors prescribe antibiotics for humans.

Shared-class antibiotics are not administered for the entire life cycle of the chicken – only for the duration that's needed pursuant to veterinarian recommendation. Depending on the illness and shared-class antibiotic type, the average treatment lasts three to five days. When antibiotics are used in livestock and poultry, strict withdrawal periods are followed before the animals are processed for food. USDA regularly tests meat and poultry for antibiotic residues and reports the results annually as part of the [U.S. National Residue Program for Meat, Poultry and Egg Products](#). This program ensures that meat and poultry products that go to market are free from antibiotic residues.

Certificates and Partnerships

We actively seek new partnerships and relevant certification programs focused on animal well-being practices.

Our animal well-being team is involved in numerous committees and participates in multiple meetings with customers focused on animal well-being. They're also members of several organizations working to advance animal well-being and participate in industry discussions to further their expertise. We also have team members who are certified members of the Professional Animal Auditor Organization (PAACO) as meat plant auditors and instructors, as well as PAACO poultry welfare auditors.

+ Thirty of Our Poultry Complexes Now Have USDA Process Verified Programs

The [USDA Process Verified Program](#) is executed by USDA's Quality Auditing Division. The

program serves as a means to evaluate and verify that agricultural processing claims are properly supported by a documented management system with independent verification. Within Tyson Foods, 30 of our poultry processing complexes have Process Verified Programs (PVP) related to restricted antibiotic use.

We also participate in the School Food Focus Certified Responsible Antibiotic Use program. This program is also verified through USDA's PVP services and focuses on minimizing on-farm antibiotics that are considered to be important to human medicine. Click [here](#) to learn more about the program.

+ Tylan and Roughage Experiment on Finishing Cattle

We're providing funding for a project to better understand the effects of removing tylosin, an antibiotic and bacteriostatic feed additive, from finishing cattle. This project will focus on the performance of roughage (fibrous indigestible material in vegetable foodstuffs that aids the passage of food and waste products through the gut) on cattle growth, carcass characteristics, and prevalence of liver abscesses. The objective of the study is to determine if tylosin and roughage concentration impacts occurrence and levels of antimicrobial-resistance genes and bacteria in the feedyard and processing plant environments.

+ Poultry Lighting Project

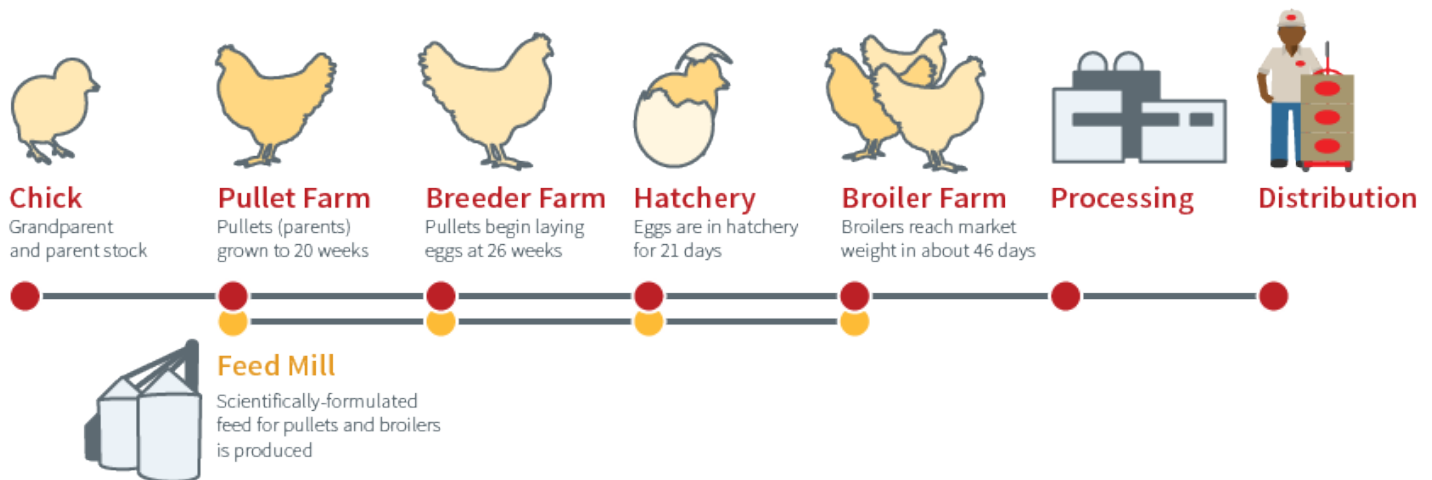
The University of Arkansas will be looking into the issue of light intensity and length of light exposure for broiler production. We're providing funding for the project, and the data may help improve current practices and bird welfare.

Our Supply Chain and Antibiotics

Most of the animals we use to produce our products are raised by farmers. We rely on more than 9,400 independent farmers and expect them to provide healthy chickens, cattle, hogs and turkeys

that have been treated properly and raised with modern, proven animal-care practices.

Our chicken operations are vertically integrated, as illustrated below. This model allows us to manage antibiotic use over the lifespan of the birds we own even before they arrive at our processing facilities. For cattle, hogs, and the majority of our turkeys, we rely on the U.S. Food and Drug Administration (FDA) for guidance and must seek solutions collaboratively with our suppliers.



+ Managing Antibiotic Use

In fiscal 2016, we continued to support the industry on antibiotic stewardship, with education being a key focus area. With the change in the [U.S. Food and Drug Administration's Guidance for Industry #209 and #213](#), which we support, recognized the need to focus on team member and independent farmer education. Under this guidance, animal pharmaceutical companies were required to phase out the use of medically important antibiotics for growth promotion by the end of 2016.

Messaging and education materials were created to inform farmers of the importance of the new guidance and how it would impact their practices as well as the sustainability of the industry.

Additional information was created that offered farmers guidance on how to meet the requirements of 209 and 213 and the importance of consulting with their veterinarian. We also created an information toolkit for our Procurement, Sales and Food Safety Quality Assurance teams to keep them up to date on the efforts taking place to reduce the use of shared-class antibiotics and ensure responsible use when antibiotics are prescribed.



Healthier Environment

Why is the environment important to us? Simple – it's where our food comes from.

At Tyson Foods, we're committed to respecting and conserving the environment and natural resources we depend on to run our business. This is essential to doing business in a sustainable way, and it's one of our [Core Values](#) – “to serve as stewards of the animals, land, and environment entrusted to us.”

+ Environmental Commitments We Focus on Every Day

Our commitment to respecting and conserving the environment is broad. To get there, we focus on the following interrelated commitments each day:

- Alignment of our leadership from the executive team to every operating location to recognize the importance of environmental protection as we work
- Protecting the environment through pollution prevention and continuous improvement
- Compliance with environmental laws, regulations, and other requirements
- Setting higher standards for ourselves where challenges are found
- Finding opportunities, using best practices, and measuring and benchmarking our performance against our goals and peers to reduce environmental impacts
- Open communication with our team members, contractors, and suppliers to validate they're awareness of their environmental responsibilities at our locations
- Engaging community leaders, regulators, and non-government organizations on topics about the environment and our performance

As part of our commitment to the environment, we have an Environmental Management System (EMS) in place at each of our facilities in the United States. Our EMS is designed to:

Minimize

Minimize the environmental footprint of our operations in the communities where we work and live

Support

Support achievement of our environmental sustainability goals and ensure compliance with laws

Improve

Help us achieve and continually improve environmental compliance and performance

Modeled after the International Organization for Standardization 14001 (ISO-14001), we implemented an Environmental Management System (EMS) in phases from 2004 to 2009. We continually review and revise the components of our EMS as we identify opportunities to drive company-wide environmental improvement.

Supported by our Executive Leadership Team, our EMS presents a documented framework of policies and procedures we follow to support our core value of environmental stewardship.

We believe protecting the environment and conserving natural resources is essential for maintaining clean air, water and land in our communities and the world. We serve as stewards of the animals, land and environment entrusted to us and we set goals to achieve the highest level of environmental excellence in all company operations.

We rely on our EMS to follow established practices:

- Identifying and communicating environmental requirements and potential concerns to team members and leadership
- Assigning and scheduling completion of environmental tasks
- Creating policies and procedures
- Retaining records
- Environmental education and training

- Planning for future activities and change
- Responding to emergencies
- Correcting issues and preventing recurrence
- Reviewing our performance and setting improvement goals

Our EMS follows the Plan-Do-Check-Act cycle for environmental activities in order to continually improve our environmental performance and practices.

12 Plants Recognized for Emergency Management Systems and Continuous Environmental Improvement

In January 2016, we were again recognized by the North American Meat Institute for continuous environmental improvement for developing and implementing Environmental Management Systems at our plants. Eleven of our beef and pork facilities received a Tier 3 recognition and one poultry facility received a Tier 2 recognition. The program begins with Tier 1 as a basic environmental commitment and advances to Tier 4 which recognizes an ISO 14001 management system. [Learn more about the awards program.](#)

Small Gestures Make Big Impact on Earth Day

As a part of our commitment to environmental stewardship, team members throughout our company celebrated Earth Day by coming up with fun and innovative ways to engage in conservation and give back to Mother Nature. A few of those stories are below.



In collaboration with the Pollinator Partnership, team members planted five plots at our World Headquarters in Springdale, Arkansas, with a variety of plant species to serve as a refueling station for monarch butterflies as they migrate. The [Pollinator Partnership](#) works exclusively to save pollinators such as bees, bats and butterflies that support ecosystems and are vitally important to agriculture.



Nearly 50 of our locations participated in Earth Day activities.

- Team members at our Zeeland, Michigan, plant volunteered to remove invasive plant species at local parks. The plant also encourages recycling throughout the year. From January 2016 through March 2016, Zeeland team members recycled an average of 3,500 pounds of material each month from their homes. The plant also recycled more than 1.3 million pounds of cardboard, plastic and paper as well as 139,000 pounds of metal and more than 12,000 pounds of wood during the three-month period.



- The Arkansas Forestry Commission donated 400 Willow Oak trees to our North Little Rock, Arkansas, plant, which allowed each team member between two and three trees to plant at the location of their choice.
- Our New Holland, Pennsylvania, complex celebrated Earth Day the entire week by distributing information covering a variety of environmental topics. Eleven team members were randomly selected to receive environmentally friendly prizes such as energy-saving light bulbs, plants, “green” cleaning products and bird feeders.
- Team members from our Berryville and Green Forest, Arkansas, complex presented a water quality and reuse seminar to 5th graders from the Berryville School District. Another group from Berryville worked with the Kings River Watershed Partnership to clean a six-mile stretch along

the bank of the river in western Carroll County. Team members from our Green Forest Plant also participated in a street clean-up.

Energy

Every day, we use energy for powering processing equipment; cooking, chilling, and freezing product; transporting product to distribution centers and customers; and more.

The main types of energy we use in our operations include electricity, fossil fuels, and biogas. Our normalized energy use increased by five-percent from fiscal year 2015 to fiscal year 2016.

Energy Use*	FY2014	FY2015	FY2016
Total Energy Use All Sources (million mmBtu)	37.69	37.75	38.50
Energy Use Intensity Btu used to create a pound of finished product	1,158	1,149	1,210
Electricity (million MWh)	3.74	3.85	3.85
Fuel Includes natural gas, fuel oil, propane, biogas and landfill gas (million mmBtu)	24.96	24.67	25.41
Renewable Energy Includes biogas and landfill gas (mmBtu)	572,930	625,968	828,383
% Renewable Energy Of total energy used	1.52	1.66	2.15

*This footprint includes our energy use from our U.S.-based beef, pork, chicken, turkey, and prepared foods processing operations. Information from our auxiliary support locations (e.g., feed mills and hatcheries) and transportation operations are not included in this footprint. Information from our U.S.-based Cobb-Vantress, Inc., and The Pork Group, Inc., subsidiaries is not included in this footprint. Additionally, this footprint does not include Chicago, IL (Bruss), Clearfield, UT; Green Bay, WI; Jacksonville, FL (Bruss), Rancho Cucamonga, CA; San Diego, CA; or Warren, MI. FY15 data is based on a 53-week fiscal year; and FY14 and FY16 are based on a 52-week fiscal year.

Energy and Water Management at Obion County, Tennessee

Our Obion County poultry complex launched a pilot project in February 2014 to provide continuous information and alerts about energy and water use related to production targets and goals. When the facility had real-time insight into how energy and water were being used, they were quickly able to take corrective action in situations where energy or water was being used inefficiently. Since the start of this project, the facility has achieved more than a 20-percent reduction in energy use and a 15-percent reduction in water use.

Saved enough to power 5,610 homes.

The energy-efficiency improvement at Obion County is equivalent to the amount of power required for more than 5,600 Tennessee residential customers for one year, according to information from the U.S. Energy Information Administration.

Saved 1.16 billion bottles of water.

Our water-efficiency improvement at Obion County is equivalent to providing more than 1.16 billion 16.9-ounce bottles of water or supply 1,052 families of four with water for one year, according to information from the U.S. Environmental Protection Agency's **WaterSense**® Partnership Program.

Reducing Energy Use at Our Fresh Meats Operations

Across our Fresh Meats operations, several initiatives were completed in Fiscal 2016 that reduced our overall energy consumption and associated carbon emissions.

In our Dakota City, Nebraska, and Perry, Iowa, facilities, we replaced traditional boiler burners with high-efficiency models that improved fuel-efficiency by two to three percent. That change will save more than \$17,000 and 6,600 mmBtu per year. Installation of these more efficient boiler burners is already underway at our Amarillo, Texas, location, and a fourth location is being evaluated. Control systems have also been installed to optimize energy use in the majority of the boilers we operate. The boilers are fine-tuned quarterly to ensure maximum operating efficiency.

We're saving approximately \$114,000 and 33,000 mmBtu of natural gas per year by using stack-draft regulators at our Joslin, Illinois, and Dakota City, Nebraska, facilities to capture heat from the boiler exhaust and re-supply it to the boiler, improving fuel efficiency by approximately five percent; evaluation is underway for installation at a third location.

Biogas Production

At six of our production locations, we have covered wastewater treatment lagoons. Covering the lagoons allows us to capture the biogas generated from the lagoons. Biogas is generated by bacteria consuming nutrients in the wastewater, which then produces methane and carbon dioxide gases.

We burn 600 million cubic feet of biogas.

In a typical year, we burn 600 million cubic feet of biogas in our boilers. This is equivalent to the amount of natural gas used by 7,400 homes annually.

We clean up the biogas by removing some of the sulfur and water, and then use the biogas in the plant boilers (at four of the six plants), allowing us to use less natural gas. This practice takes advantage of a renewable fuel source, helps reduce greenhouse gas emissions, and reduces the amount of natural gas we need to purchase.



Greenhouse Gas Emissions

Our operations (including plants and trucks) use various fuels, which include biogas, diesel fuel, fuel oil, natural gas, and propane; electricity; and refrigerants. This energy use results in emissions

of greenhouse gases (GHG) and other air pollutants. Our goal is to use renewable fuels like biogas from our wastewater treatment operations, where practical, and to make efficient use of energy to minimize emissions.

+ What are Scope 1 and Scope 2 Emissions?

◦ Scope 1 emissions are direct GHG emissions from sources that are owned or controlled by us. For example, this may include emissions from fossil fuels burned on site and emissions from our owned or leased vehicles.

◦ Scope 2 emissions are indirect GHG emissions resulting from the off-site generation of electricity, heating and cooling, and steam we purchase.

GHG Emissions*	FY2015	FY2016
Total GHG Emissions (Scope 1 and Scope 2) Metric Tonnes CO ₂ e	5,498,797	5,771,988
GHG Intensity Metric Tonnes CO ₂ e generated to produce 1,000 pounds of finished product	0.167	0.181
Direct GHG Emissions – Scope 1 Million Metric Tonnes CO ₂ e	2,940,496	2,920,188
Indirect GHG Emissions – Scope 2 Million Metric Tonnes CO ₂ e	2,558,301	2,851,800

*This footprint includes GHG emissions from our U.S.-based beef, pork, chicken, turkey, and prepared foods processing operations, as well as our auxiliary support locations (e.g., feed mills and hatcheries) and transportation operations. Information from The Pork Group, Inc. subsidiary is also included in this footprint. Information from our U.S.-based Cobb-Vantress, Inc. subsidiary is not included in this footprint. Additionally, this footprint does not include Chicago, IL (Bruss), Clearfield, UT; Green Bay, WI; Jacksonville, FL (Bruss), Rancho Cucamonga, CA; San Diego, CA; or Warren, MI. Since auxiliary support locations are included in this footprint but do not have production data associated with them, our intensity may appear higher since there is not production data included that would offset those emissions. Carbon Dioxide equivalent (CO₂e) is carbon dioxide plus nitrous oxide and methane multiplied by the respective global warming potentials. FY15 data is based on a 53-week fiscal year and FY16 is based on a 52-week fiscal year.

Wastes

We continue to focus on increasing our recycling efforts for cardboard, paper, plastic, and wood through partnerships with our waste handlers and ongoing plant surveys and waste stream evaluations to determine where we have opportunities to improve. Our efforts also include maximizing waste compactor loads to minimize hauls, which reduces truck fuel usage and GHG emissions.

+ Sustainable Use

In our animal processing operations, we not only harvest the meat for use in operations, but also use the majority of the by-products, such as hides, skins, bones and blood to create salable materials. Virtually nothing is wasted. The newest [Meat MythCrusher video](#), produced by the North American Meat Institute (NAMI) and American Meat Science Association (AMSA), gives a good description of this process.

Although we do not have waste metrics to report at this time, we are working to put an enterprise-wide system in place that will allow us to better understand our waste footprint and report these metrics in the future. We continue to investigate new recycling avenues for our waste streams as well as to reduce the amount of waste we send to landfills across the company. We have also been evaluating opportunities to apply "zero waste" to our operations.

Eliminating Wasted Food

Our goal is simple: eliminate wasted food.

We optimize packaging to keep food fresh through its intended use-by date, and we offer portion controlled options to reduce waste and label guidance on preparation, cooking, storage, sell-by and best-if-used-by dates. We use state-of-the-art food safety techniques that protect shelf-life.

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.

We're experts in efficiency and continual improvement. We recycle by-products into other useful things like animal feed, biofuels, and fertilizer. We also repurpose by-products into items such as cosmetics, leather, fertilizer and pharmaceutical ingredients.

We are looking to invest in leading edge technologies with our Tyson New Ventures group as a way

to help address food loss across our entire industry.

We also fight both wasted food and hunger by donating 10 million pounds of protein annually to food banks across the country. We partner with nongovernmental organizations to teach people how to choose and prepare inexpensive, nutritious meals and stretch their Supplemental Nutrition Assistance Program dollars and champion food efforts in many of the communities where we live and work.

Water

Our first priority is to ensure the wholesomeness and safety of our food products, and water is essential to producing safe food. We also understand the important balance between protecting product quality and conserving a natural resource. Success in this area requires a holistic approach to water stewardship, beginning with the responsible use of this resource at our operations.

We recognize water of suitable quality and volume is a finite resource. That's why, in the spring of 2016, we began the installation of new measuring and continuous monitoring equipment at our U.S. plant locations that enable personnel to better manage water use in real-time. Our goal is to reduce the amount of water used to produce each pound of product by 12%, by the end of 2020, using Fiscal 2015 as the baseline year. Our water intensity increased by nearly seven percent as compared to Fiscal 2015 due to a decrease in overall production resulting from various facility renovations and upgrades during the year, combined with enhanced food safety measures.

The majority of water we use in our direct operations is treated and returned to the environment. We also use technology and reclamation systems to conserve water. More information on these efforts can be found [here](#).

Food safety and quality is our first priority.

We will never reduce water usage in situations where food safety and quality could be compromised.

Our efforts include the following oversight and direct management activities:

Compliance with regulatory discharge permits.	Setting internal standards and practices for water stewardship.

Measuring and monitoring water usage and discharge at our operations.	Seeking feedback on our efforts from customers, regulators, consumers and non-government organizations.
Growing our understanding of our water footprint for raw-materials.	Sharing information regarding our water stewardship efforts inside and outside the company.
Evaluating short-and long-term water supply risk.	



Water Use*	FY2014	FY2015	FY2016
Total Water Use Billion Gallons	29.31	30.31	31.36
Water Use Intensity Gallons used to produce a pound of finished product	0.90	0.92	0.99

*This footprint includes our water use from our U.S.-based beef, pork, chicken, turkey, and prepared foods processing operations. Information from our auxiliary support locations (e.g., feed mills and hatcheries) and transportation operations are not included in this footprint. Information from our U.S.-based Cobb-Vantress, Inc., and The Pork Group, Inc., subsidiaries is not included in this footprint. Additionally, this footprint does not include Chicago, IL (Bruss), Clearfield, UT; Green Bay, WI; Jacksonville, FL (Bruss), Rancho Cucamonga, CA; San Diego, CA; or Warren, MI. FY15 data is based on a 53-week fiscal year; and FY14 and FY16 are based on a 52-week fiscal year.

Wastewater Reuse

At our Pasco, Washington; Holcomb, Kansas; and Madison, Nebraska, Fresh Meats plants, we reused more than two billion gallons of wastewater for crop irrigation. This not only conserves water, but allows the nutrients in the wastewater to be used to grow crops and reduce the need to purchase manufactured commercial fertilizer. More than four million pounds of nutrients were collected and redistributed by beneficial soil irrigation practices through this process.

Transportation

We continue to be a proud partner and leader in [EPA's SmartWay® program](#). In fiscal 2016, EPA named us a **SmartWay** Excellence Semi-Finalist, a selection based on the environmental performance we demonstrated via the **SmartWay** Partner Tools and the requirement of our carriers to move freight as **SmartWay** participants.

52 million over-the-road truck miles eliminated

Key initiatives, along with the support of our team members and partners, helped us eliminate more than 52 million over-the-road truck miles during the last fiscal year.

In addition to being an active participant of the **SmartWay** program, we continue to work on reducing our environmental impact and improving our overall sustainability with several initiatives designed to reduce truck miles on our nation's highways.

- We continue to find new opportunities to save truck miles by shipping directly to a customer's dock. By altering order patterns and volumes to allow direct shipping, we saved more than 2.59 million truck miles.
- By using rail to ship food and other products to our customers, we saved more than 50 million truck miles.

Packaging Sustainability

Our approach to improving the sustainability of our packaging is to leverage the 5 Rs (Remove, Reduce, Reuse, Recycle and Renew) during design without sacrificing quality or product protection. We focus on increasing the use of recyclable and renewable materials, as well as reducing

packaging. We continue to explore opportunities to source renewable packaging materials internally and monitor the industry for new developments in technology.

+ Leveraging Tools for Improved Sustainability

- 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 developing sustainable packaging. The two packaging labs are equipped to enable engineers to conduct extensive testing to optimize final package designs.
- An example of one of the tools is a compression strength tester, which is used to determine the optimal case strength required to ship a product without incurring damage. The labs are also fully equipped with multiple types of testing and design tools. The packaging machines in our pilot plants enable the team to quickly and accurately scale up concepts and prototypes from initial consumer research to final package specifications.

+ Partnering with Strategic Suppliers

- We also leverage suppliers' specialized testing capabilities to evaluate some of our more unique packaging materials. We partner with third-party suppliers to conduct International Safe Transit Association testing, which helps us develop the ideal packaging structure, guaranteeing quality, integrity and minimal packaging.
- Our internal logistics CO2 /fuel analysis tool helps us quantify the impact associated with shipping finished goods. We use the recommended packaging metrics and definitions made available by the Sustainable Packaging Coalition and the Global Packaging Project. This allows us to align with the packaging industry's standards for terms, metrics, and packaging sustainability reporting.

8.3 million pounds of fiber saved

More than eight million pounds of fiber was reduced from corrugated boxes and paperboard cartons.*

Audits Result in Fiscal 2016 Improvements

We partner with our packaging suppliers to investigate new opportunities to make our packaging more sustainable. Our strategic packaging suppliers conduct quarterly audits at our production locations to identify potential areas for improvement.

We eliminated nearly 500,000 pounds* of plastic from flexible films and bags.

Our corrugated boxes are produced from 100-percent renewable material, contain 30-percent post-consumer recyclable packaging, and are **Sustainable Forestry Initiative®** (SFI) program certified.

*All packaging reductions highlighted above occurred at varying times during FY16 and total reductions and savings noted assume current product volumes.

Compliance Metrics

	FY2014	FY2015	FY2016
Wastewater Permit Exceedances	134	117	68
Notices of Violation (NOV)	40	29	19
Penalties Per Fiscal Year Details on penalties incurred that were over \$5,000 are provided in the table below.	\$354,207	\$403,809	\$92,455
Supplemental Environmental Project Amount Per Fiscal Year	\$19,284	\$220,000	\$—
Superfund Settlements	\$—	\$—	\$17,500
Total Reportable Chemical Releases	21	11	5

These statistics are representative of all U.S.-based facilities, excluding Cobb-Vantress, Inc. FY14 does not include Hillshire Brands operations.

Details on Penalties Incurred over \$5,000

Fiscal Year	Location	Penalty	Description
2016	Dakota City,	\$7,500	We agreed to a Consent Decree issued by the State of

	Neb.		Nebraska regarding excess air emissions associated with our Clean Air Act (CAA) permit when we experienced a burner mechanical failure that required us to flare biogas instead of using it as a renewable fuel.
2016	Rome, Ga.	\$3,000	We agreed to a penalty for not having a Clean Air Act permit for the plant. In addition to the penalty, \$12,036.85 was paid in back CAA permit fees.
2016	Carthage, Miss.	\$65,000	We signed an Agreed Order under the Clean Water Act issued by the State of Mississippi for a wastewater discharge from a leak in a lagoon.
2016	Iva Lee, Ala.	\$10,000	We agreed to a Clean Air Act Consent Order issued by the State of Alabama regarding a malfunction of air pollution control equipment.
2016	Ward Transformer Superfund Site	\$10,000	We agreed to a cash-out settlement to resolve potential liability for a CERLCA site.
2016	U.S. Scrap Superfund Site	\$7,500	We agreed to a cash-out settlement to resolve potential liability for a CERCLA site.

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

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Healthier Workplace

Our success depends on all of us working as a team, so we call our employees team members. Team members enjoy many rights, benefits, and responsibilities at our company, such as a safe workplace, freedom from discrimination and retaliation, and compensation for work performed.

Our talent strategy is to attract, grow, reward, and retain the best talent because team members are the heart of our company and its success, and culture is the connecting thread that drives our talent strategy. Our culture is rooted in our [Core Values](#), which are brought to life each day through our [5Cs team behaviors](#) (Caring, Candor, Creativity, Collaboration, and Commitment).

We've always been committed to supporting our employees and have sound workplace practices in place, but also want to do better. That's why we're [taking steps](#) that include expanding training, improving workplace safety and compensation, increasing transparency and helping workers with life skills.

Improving Workplace Safety

In October 2015, we launched a nine-plant pilot project designed to improve workplace safety communication, awareness, operational practices, and provide more detailed data about safety.

+ Safety Pilot Plan Addresses Key Areas

- Improving prevention strategies through better workplace process design
- Enhancing information systems to provide data to predict safety hazards and prevent them
- Expanding our safety management practices for independent contractors

- Aligning safety structure, governance, and resources at the plant level including one-on-one communication between supervisors and hourly team members focused on safety
- Coaching our operational leaders to identify hazards and prevent injuries

The results have been positive, and we have transitioned from a pilot making this platform our safety foundation. We've expanded the number of plant locations in the program to 50, with the expectation that all Tyson Foods' facilities will complete the program.

Our safety foundation emphasizes:

- The identification and collection of indicators to assess the probability of an incident occurring
- Using precursors, or leading indicators, identified during the risk assessment to prevent injuries
- Reviewing current processes and identifying opportunities to prevent injuries through process design
- Changing team member behavior through coaching and mentoring

Safety Performance

19.4% Reduction in Incident Rate

In Fiscal 2016, we reduced our Total OSHA Recordable Incident Rate by 19.4%, compared to Fiscal 2015.

To assess progress on our aspiration of zero work-related injuries, we measure our health and safety performance using traditional Occupational Safety and Health Administration's (OSHA) incident calculations. We're committed to a 15% year-over-year reduction in our Total OSHA Recordable Incident Rate. We are pleased with our 19.4% in 2016, which accounts for all Tyson Foods' locations, including Hillshire Brands locations. Fiscal 2015 was the transition year to incorporate Hillshire locations into Tyson Foods' OSHA rate data, which is shown. We did not incur any workplace fatalities in Fiscal 2016.

Safety at Tyson Foods							(including Hillshire)	
	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
1								

Lost Time Incident Rate	1.46	1.44	1.41	1.20	1.02	0.87	0.87	0.85
Total Recordable Incident Rate ²	10.52	10.60	10.01	9.85	9.57	8.59	8.16*	6.58
Days Away, Restricted, and Transfer Rate ³	7.01	7.30	7.00	6.71	6.62	5.75	5.37	4.99
*FY15 Total Recordable Incident Rate adjusted from 7.83 to 8.16 to reflect an increase in hearing loss cases related to the conversion of data to a new hearing test vendor.								
¹ Number of work-related injury and illnesses that result in one or more days away from work per 100 team members.								
² Number of work-related injury and illnesses per 100 team members.								
³ 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.								

Looking Ahead

In fiscal 2017, we will continue building upon the foundation created through the Safety Process Improvement Plan, focusing on three key areas:

- Leveraging insights gained from our hourly team member interactions
- A new software system producing real-time data to all levels in the organization and improved indicators leading and lagging
- Effective communication enterprise-wide through alerts and lessons learned

Reducing Workplace Injuries and Illnesses

In February 2017, we announced a goal of reducing workplace injuries and illnesses by 15-percent year-over-year.

Our Team Members and Hiring the Best

Inclusion will continue to unlock the potential of our collectively unique and powerful team. Through our policies and practices, we strive to foster an inclusive workplace and community because we know it takes the skills, thoughts, backgrounds, and talents of all our 114,000 team

members to contribute to the collective success of our company.

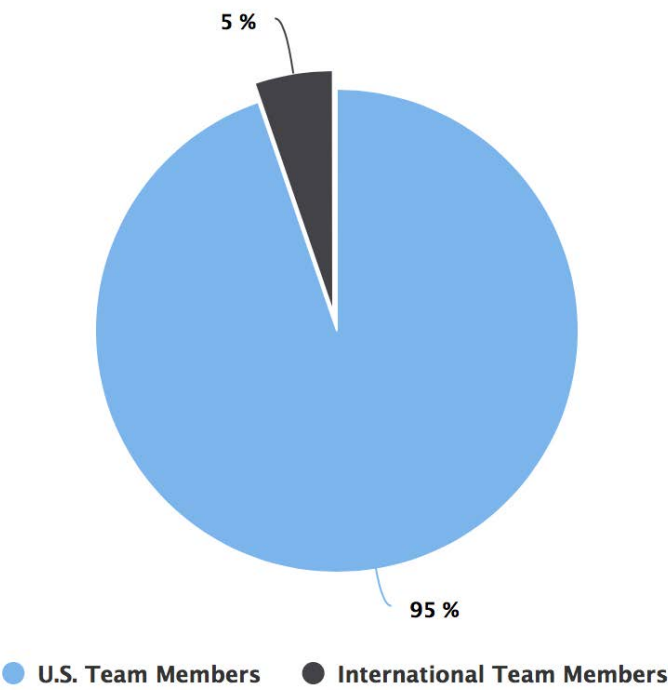
+ Embracing Inclusion and Diversity

As a Tyson Foods family, we embrace all of our team members regardless of race, color, national origin, religion, retaliation, age, disability, genetics information, sex (including pregnancy), sexual orientation, gender identity, veteran status, or any other protected status.

114,000

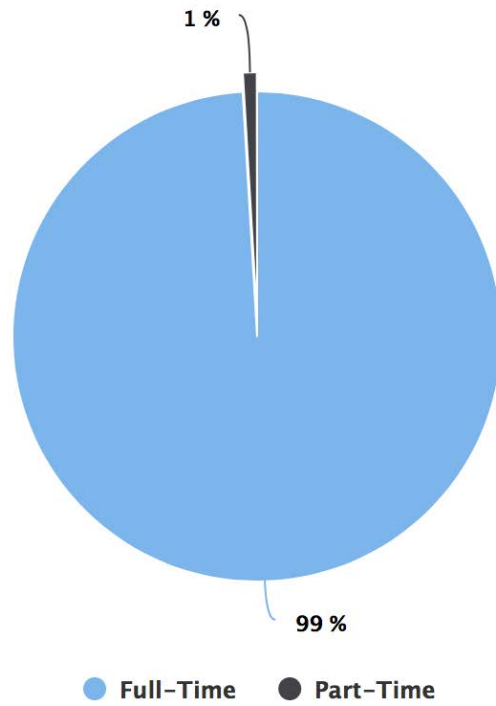
Total Workforce

U.S. vs. International Team Members

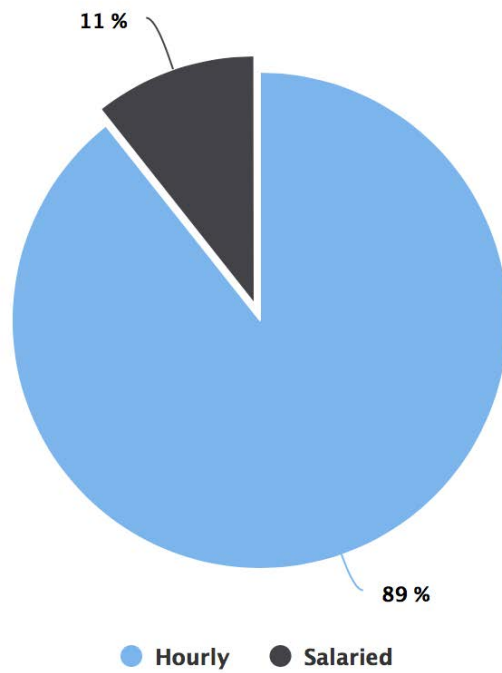


U.S./Domestic Employees Only as of October 10, 2016.

Full-Time vs. Part-Time Team Members*

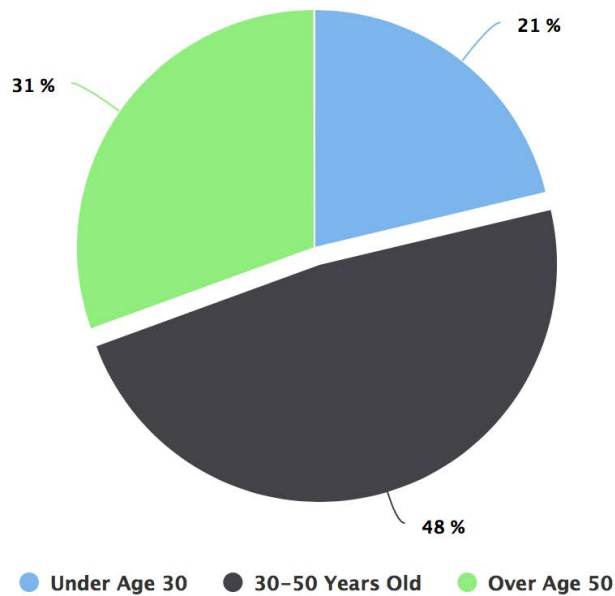


Salaried vs. Hourly Team Members*



*U.S./Domestic Employees Only as of October 10, 2016.

Team Member Age*



*U.S./Domestic Employees Only as of October 10, 2016.

64%

Retention Rate for U.S. Team Members in Fiscal Year 2016.

10% Improvement Goal

In April 2017, made a commitment to a goal of zero turnover; striving for a 10% year-over-year improvement company-wide in team member retention.

50%

Half of our Team Members have five or more years of experience. Of those, 25 percent have 20 or more years and nearly eight percent of our team members have 30 or more years of service.

Hiring the Best

We're committed to building a talent-rich organization to ensure Tyson Foods is a talent magnet. As an equal opportunity employer, we maintain and administer policies and practices that ensure

our compliance with federal, state, and local employment laws. We partner with several agencies, including local job services, and host numerous job fairs throughout the year to attract and recruit the most qualified and diverse candidates with the education, skills, and experience that align with both the current and future needs of our company. Below are a few highlights of those efforts.

- We use our internal talent acquisition team, external recruiting vendors such as Direct Employers, and a network of more than 2,000 on-line job boards to attract qualified and diverse talent, both at the local and national level.
- In Fiscal 2016, we hired 1,361 veteran and military spouses. We focused on military recruiting through our Camo to Khaki program and attended 20 military recruiting fairs to hire transitioning service members and veterans.
- We are actively engaged in college recruiting and attended 60 campus-related events in 2016. Diversity recruiting continues to be a prime focus area, where we led recruiting efforts at 11 diversity-focused Historically Black Colleges and Universities and the Hispanic Association of Colleges and Universities.
- Focusing on inclusion, we attended our first Lesbian, Gay, Bisexual, and Transgender (LGBT) recruiting fair in partnership with our PRIDE business resource group.
- Our hiring of Arkansans with disabilities in Fiscal 2016 earned us the Distinguished Business Award from the Arkansas Lt. Governor as a model employer for valuing diversity and fostering a work environment to advance opportunities for Arkansans with disabilities. These recruiting efforts are paired with annual training from the Arkansas Department of Rehabilitation Services.

Find a [career opportunity](#) with us and read our [Equal Opportunity and Affirmative Action](#) statement.

Human Rights and Labor Relations

Our human rights practices are grounded in our [Core Values](#), [Code of Conduct](#), and [Team Member Bill of Rights](#). These documents outline the many rights, benefits, and responsibilities enjoyed by our team members. Our programs and policies support the principles contained within the [United Nation's Universal Declaration of Human Rights](#) and the [International Labor Organization Fundamental Principles and Labor Standards](#). These rights are bolstered by the Ethics Help Line, annual Compliance Training, and the Social Compliance program.

Ethics Help Line

We are committed to “Doing What’s Right”. This isn’t just a phrase for us, it's how we operate and conduct our business on a day-to-day basis. Team Members are actively encouraged to ask questions if uncertain about a situation and are obligated to report suspected violations of our Code of Conduct or the law. Various channels of reporting are provided to ensure those asking questions, raising complaints, or reporting suspected violations are comfortable with the process.

Methods of Reporting Suspected Violation of the law or our Code of Conduct

- Speaking with a supervisor or member of local management
- Speaking with the local human resources representative
- Contacting the human resources director: hr@tyson.com
- Contacting the Corporate ethics and compliance department: ethics@tyson.com
- Submitting complaints via an online Ethics Web Line: www.tellysonfirst.com
- Using the Ethics Help Line: 1-888-301-7304

Use of the Ethics Help Line is always an option and actively encouraged for those who:

- Feel uncomfortable reporting to local management or human resources
- Believe concerns raised locally are not being addressed
- Would like to remain anonymous

+ The Ethics Help Line is operated by an independent third party.

Services in multiple languages are provided, and it's available 24 hours a day, seven days a week by phone or the Internet. Calls are answered by trained operators, are not recorded, and details of the call are sent directly to the corporate ethics and compliance department. Both call and web-based allegations may be placed confidentially and anonymously.

Many anonymous reporting systems either limit the types of issues that may be reported (i.e., “only complaints involving financial impropriety or retaliation”), and/or refer matters for investigation with no method of ensuring completion. The framework supporting the Ethics Help Line has no such parameters or limitations.

Communication and training regarding use of the Ethics Help Line is addressed during orientation for new team members and is reinforced through annual training. Posters

displaying the means of contact for the Ethics Help Line are prominently displayed throughout all company facilities.

The Ethics Help Line received 3,840 calls during Fiscal 2016 or, on a per capita basis, 3.37 calls per 100 Team Members. Of the total reports, 76.5 percent were unsubstantiated following investigation. While the option to report anonymously is always available, 66 percent of those making reports in Fiscal 2016 chose to provide contact information. In comparison, data provided by a reputable benchmarking report shows that, on average, only 42 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.

Complaint Areas (%) FY16

The availability of the Ethics Help Line creates an atmosphere in which all are free to report complaints or concerns of any type, with an understanding that the issue(s) will be addressed and appropriate actions taken. This collaborative process ensures Team Members' voices are heard and that we are committed to "Doing What's Right".

+ Annual Compliance Training

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

Labor Relations

We respect each team member's legal right to organize without fear of retaliation, repression, or any other form of discrimination.

- As of October 1, 2016, approximately 29,000 team members in the U.S. were subject to collective bargaining agreements, with approximately 43 percent of those team members at locations either under negotiation for contract renewal or included in agreements expiring in fiscal 2017.
- Approximately 4,000 team members in foreign countries were also subject to collective bargaining agreements during that time.
- There were zero lost workdays related to disputes, strikes, or lockouts.

Social Compliance Program

Our Social Compliance Program allows us to be more proactive in our social compliance efforts. Our goal is to provide our customers transparency into our workplace conditions so they have a reasonable assurance of our commitment to social responsibility.

+ Key Elements of Our Social Compliance Program



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

- Use a reputable third-party firm to provide audit services

+ Third Party Audits of Social Compliance Program

A third-party firm audits approximately 25 of our production facilities per year. The auditors use Workplace Conditions Assessment criteria to verify our adherence to social compliance standards. We believe our comprehensive audit program is efficient and effective for us and our customers. On request, we share the summary audit reports for each production facility with customers and post the [social compliance achievement awards](#) on our website.

Compensation and Benefits

\$4.6 Billion

U.S. Payroll

We share our success with our team members, and we consider our compensation and benefits package to be one of the best in the industry. We believe team member compensation should be commensurate with performance. Compensation, recognition, and development are all important parts of the value our team members derive as employees.

\$13.73

Average Hourly Pay Rate for U.S. team members

\$1,013,921

Educational assistance provided to team members

Benefits

We’re also committed to partnering with our team members to help them become better health-care consumers. Providing affordable health, life, dental, vision, and prescription drug benefits to our team members and their families is an important part of that partnership. In 2016, we announced an array of new benefit offerings and improvements to benefits that are available to team members in calendar year 2017.

\$546,140,434

Benefits Cost for U.S. Operations

Below is a table detailing the benefits offered to our team members by employment status in 2016.

Team Member Benefits

	Team Members Eligible for Benefit by Employment Status					
Benefit	Temporary	Part-Time	Full-Time Hourly	Full-Time Management Non-Exempt	Full-Time Salaried	Full-Time Management Support
Company paid accidental death and dismemberment plan	●	●	✓	✓	✓	✓
Company paid life insurance	●	●	✓	✓	✓	✓
Bereavement pay, paid sick days, jury duty pay, and military pay*	●	●	✓	✓	✓	✓
Chaplaincy program	✓	✓	✓	✓	✓	✓
Educational assistance program (employees	●	●	✓	✓	✓	✓

only)						
Flexible spending accounts (e.g. healthcare and childcare)	●	●	✓	✓	✓	✓
Free diabetic test strips through mail order	●	●	✓	✓	✓	✓
Free medical expert opinion program	●	●	✓	✓	✓	✓
Free weight management program	●	●	●	✓	✓	✓
Free online health risk assessment and wellness portal	●	●	●	✓	✓	✓
Free pregnancy support program	●	●	✓	✓	✓	✓
Full service credit union	✓	✓	✓	✓	✓	✓
Long-term care insurance	●	●	✓	✓	✓	✓
Medical, dental, vision, and prescription medication coverage	●	●	✓	✓	✓	✓
Merchant discount/computer purchase program	✓	✓	✓	✓	✓	✓
Non-tobacco use premium incentive and free tobacco cessation program	●	●	✓	✓	✓	✓
Paid maternity leave	●	●	✓	✓	✓	✓

Product discounts through company-owned stores	✓	✓	✓	✓	✓	✓
Retirement Savings Plan (401k)	✓	✓	✓	✓	✓	✓
Short-term (company paid) and long-term disability	●	●	✓	✓	✓	✓
Stock options (only offered to salaried team members at certain grade levels)	●	●	●	●	✓	●
Stock Purchase Plan	✓	✓	✓	✓	✓	✓
Vacation days and paid holidays	●	●	✓	✓	✓	✓
Voluntary accidental death and dismemberment plan	●	●	✓	✓	✓	✓
Voluntary life insurance plan	●	●	✓	✓	✓	✓
Voluntary Critical Illness, Accident and Whole Life coverage	●	●	✓	✓	✓	✓
\$0 generics for certain maintenance medications	●	●	✓	✓	✓	✓
*Unless required by law, as negotiated in a collective bargaining agreement, or as specified in pre-existing company policy, hourly workers do not receive paid sick days. However, the company does pay short-term disability for up to 13 weeks (after a five-day waiting period) and also offers long-term disability coverage at a competitive group rate. It provides 60% of their earnings tax free for up to 10 years. Relocation assistance is also provided for some positions.						

Our Chaplaincy Program

Being faith-friendly is a part of our culture. To be faith-friendly means welcoming team members from all faith traditions and world views and treating each in a respectful manner. We strive to be faith-friendly by respecting and acknowledging all faiths in a manner that is respectful of customs, traditions and beliefs. At the heart of this commitment is a profound respect for our culture that centers on the idea that faith and traditions enrich the workplace. Currently, more than 95 chaplains provide compassionate pastoral care to team members and their families, no matter what their religious affiliations or beliefs might be.

Inclusion, Diversity, and Development

We are committed to maintaining a culture that fosters inclusion and diversity. We've made great strides in the integration of our inclusion and diversity strategy, including a relaunch of the team member on-boarding experience to make the process more inclusive and a revamp of our talent management strategy.

On-boarding Process Improvements

A key change in our on-boarding process was to open the opportunity to a much broader audience of team members.

On day one of employment, through our ENGAGE experience, we provide all new management and management support team members a three-hour orientation to the company. This orientation includes a company overview and information about the benefits we offer and the company's ethics and compliance requirements. Team members working in our production plants participate in a similar orientation, with an added emphasis on workplace safety.

After the initial orientation program, the on-boarding experience is comprised of six one-hour sessions that are offered twice a year. All recently hired management and management support team members are eligible to participate. The program is designed to increase inclusion by cultivating a sense of belonging through a greater understanding of our culture and our business. The program also provides new team members a chance to build relationships with other team members across the company. In addition, our Business Resource Group (BRG) leaders open and close these sessions as a way to provide information about the company's BRGs and to invite the new team members to join.



A key accomplishment in 2016 included recognition as Best Place to Work for LGBT Equality by the Human Rights Campaign Foundation's 2017 Corporate Equality Index.



2016 Employee Diversity	Executives	Hourly Employees	Salaried Employees	Company-wide
Asian	1.4%	12.3%	2.6%	11.2%
Black or African American	2.3%	25.7%	10.1%	23.8%
Hispanic or Latino	2.9%	30.4%	11.4%	28.2%

American Indian or Alaskan Native	1.3%	0.9%	0.9%	0.9%
Native Hawaiian or Pacific Islander	—%	1.8%	0.1%	0.6%
Two or more races	0.3%	0.6%	0.6%	0.6%
White	91.8%	28.3%	74.3%	33.7%

Business Resource Groups

We have five Business Resource Groups (BRGs) including Leaders of Tomorrow (Young Professionals), Multicultural, Pride Network, Veteran's, and Women's BRGs that provide business impact, community outreach, and TEAM Member support and development through various activities at our Chicago, Dakota Dunes, and Springdale locations.



Our PRIDE BRG participated in the annual Chicago Pride Parade in June 2016.

Diversity at Tyson Foods in 2016

- Females represented nearly 39 percent of our workforce.
- Ethnic minority Team Members represented 66 percent of our workforce.
- Of our Board of Directors, 78 percent were male and 22 percent were female. Additionally, all nine were over the age of 50.
- Of the nine members serving on our Board of Directors, two were women and one a minority.

Development

In support of our talent-strategy objectives of zero talent outages and succession-versus-replacement, we focus on building capabilities of our team members to keep pace with the emerging needs of our customers and consumers. Whether for new-hire on-boarding or ongoing individual and/or team development, we provide many opportunities to ensure team member engagement, career development, and growth.

+ Ensuring Success through Team Member Performance

We offer a robust performance-management process focused on collaboration and engagement, which we believe are critical to our continued success. Our process includes cascaded goal setting, cross-functional feedback, growth and development planning, and Mid-Year and Year-End reviews.

More than 15,000 Management and Management Support (4,553 team members in corporate roles and over 10,855 in field and plant-based roles) team members participated in the annual Mid-Year and Year-End performance review process to measure individual success against the “What” (business results) and the “Why” (demonstration of our 5C team behaviors).


[Our Story](#)
[Innovation](#)
[Loved Brands](#)
[Responsible Food](#)
[We Care](#)
[Transparency](#)
[Home](#)
[Sustainability](#)
[2016 Report on Healthier Food](#)

Healthier Food

Tyson Foods' brands are No. 1 in eight categories*, including **Jimmy Dean**® breakfast sausage, **Tyson**® frozen prepared chicken (Tyson®), **Jimmy Dean**® frozen breakfast sandwiches, **Hillshire Farm**® smoked sausage, **Ball Park**® hot dogs, **State Fair**® corn dogs, **Wright**® Brand stacked bacon, and **Aidells**® super premium sausage.

*Based on Branded \$ Share Position. Sources: IRI, Total US Multi-Outlet, data thru 2/26/2017


Jimmy Dean


Sustainable Food Production in the Marketplace

Successful companies know their future depends on providing the quality products customers and consumers expect and deserve. We've become a leader in branded protein because of our strong belief in this statement. Our approach to food safety and quality is comprehensive, preventive, and proactive. We implement controls and measures at every level to make sure our products are second to none in food safety and quality.

We're also working to provide consumers options for healthier eating and balanced lifestyles, while demonstrating that great taste, high quality and good health can all work together.

Food Safety and Quality Assurance at a Glance*	FY2015	FY2016
Food Safety and Quality Assurance Team Members	2,500	2,592

Certified Labs	11	13
Global Food Safety Initiative (GFSI) Certified Plants	100	99
Safe Quality Foods (SQF) Level 3 Certified Plants	11	13
Safe Quality Foods (SQF) Level 2 Certified Plants	2	1
British Retail Consortium (BRC) Certified Plants	85	83
Food Safety System Certification (FSSC) 22000 Certified Plants	2	2
Product Recalls	1(Ground Beef)	2(Hot Wings, Chicken Nuggets)
*The number of certifications at our plants in FY16 has decreased from FY15 due to several plant closures.		

We assess our products for improvement during product research and development, packaging development, manufacturing and production, marketing and promotion, storage and distribution, and use. We believe this approach helps guarantee the safety and quality of our products from the farm all the way to the dinner table. We are fully committed to our Core Values statement “**We feed our families, the nation, and the world with trusted food products.**”

Food Safety and Quality

Sustaining our company’s future means we must place the highest priority on food safety and quality. We use state-of-the-art food safety systems, the latest laboratory procedures and equipment, provide education and information that helps our customers and consumers use our products safely, continuously improve our product safety, and demand safe raw materials and ingredients from our suppliers.

+ Learn more about safe food.

- [Safe Food](#)
- [Food Safety and Quality Assurance Team](#)
- [Food Safety Farm to Table](#)
- [Food Safety Topics](#)
- [Laboratory Services](#)

- Resources for Customers
- **Sentinel Site Program®**

Supporting Our Customers and Consumers

We offer consumers many tools and resources to help them safely prepare and serve our products once they get them home. At www.tyson.com, customers and consumers can find a variety of information about food safety, from tips for buying, storing, thawing, preparing, and cooking our products, to meal ideas, promotional information, economical protein solutions, and feeding children healthy protein products they love.

Staying in Touch

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

244,000 Inquiries

During fiscal year 2016, we heard from approximately 244,000 customers and consumers.

Research and Development

Our two state-of-the-art Research & Development (R&D) facilities are located in Springdale, Arkansas, and Downers Grove, Illinois. They're the hub of exploration for our company, allowing us to leverage rapid prototyping and scientific approaches to understanding product attributes important to consumers.

Innovation

We've assembled a world-class R&D team of food scientists; chefs; health and wellness leaders; and packaging, engineering, sensory, and regulatory experts. This team transforms our company's new product ideas into great food products.

Growth Performance

Our innovation efforts continue to bring to market a wide variety of new products that meet consumers' desire for fresh food, more protein, and convenience with offerings that can be eaten seamlessly throughout the day. We continue to drive growth through strong innovation as shown by our retail innovation vitality index. The index measures the percent of our net revenue that comes from innovations launched over a three-year horizon, with the best in class range hovering between 13-15 percent. In Fiscal 2016, our index remained at a best-in-class level of 14 percent. Innovation-related net revenue growth in fiscal years 2014 to 2016 increased by 21 percent. We will continue to innovate to develop new solutions that deliver healthier food, healthier animals, healthier workplaces, and a healthier environment.

484 New Products Launched in Fiscal 2016

Our R&D team is constantly working to serve our customers and consumers delicious new products they'll love.

1,500 and Counting

At any given time, more than 1,500 R&D projects are in the works.

Culinary Commitment

Innovative product development includes a collaborative process between our chefs and food scientists to provide a culinary-enriched development process blending culinary arts with the science of food. This culinary direction helps to ensure flavor drives our product development and helps our innovation team explore customer needs through a culinary lens.

Our professional culinary team brings expertise from a variety of different backgrounds, including chain and independent restaurants, hotels, catering, R&D, nutrition, education, and more. Our culinary team's services range from generating new product ideas to complete product development, utilizing a proprietary system to inform sourcing of ingredients, package design, product cooking procedures, food styling, photography and menu innovation.

Packaging: Prototype to Concept

Ideas are explored with a focus on fulfilling emerging consumer needs and planning the future for packaging products. Our packaging labs are equipped to enable engineers to conduct extensive testing that will optimize final package designs. The labs contain multiple types of testing and design tools, including a 3-D printer and a digital Computer Aided Design (CAD) cutting table for rapid part-making. Using full-scale packaging equipment in our pilot plants, our packaging innovation and development department also has the ability to pack products for focus group use, in-home use, and market testing opportunities. We continue to explore opportunities to source renewable packaging materials and monitor the industry for new developments in technology.

Process Engineering

Process Research and Development Engineers work to optimize manufacturing systems that produce our food products. They develop and identify processes for new products or find methods to improve current processes creating improved efficiencies for the company. One key aspect of process development is to create systems to ensure our products can be reproduced with consistency over time and ensure our products are safe and wholesome for the consumer. Our engineers also support our retail and food service businesses with initiatives related to innovation and cost savings.

In addition to the cost savings initiatives, our Process Development Group filed a number of patent applications and developed several trade secrets in an effort to protect our intellectual property. Our process engineers look to identify new technologies that create a competitive and sustainable advantage for the enterprise in the marketplace.

What's next?

That's the question our R&D team asks every day when they set to work. Their eyes on the future, they keep us focused on creating value for our customers and consumers with the food products they desire and deserve. They help us identify opportunities by aligning company strategies and capabilities with consumer and marketplace trends.

Learn more about our [R&D](#) efforts.

Responsible Ingredient Sourcing

We're committed to providing the world with trusted food products, and we partner with ingredient suppliers who share the same commitment. All ingredient suppliers must comply with food safety

regulations and standards that apply to their operations, such as those set forth by USDA, FDA, Good Manufacturing Practices, and Hazard Analysis and Critical Control Points. We also require ingredient suppliers commit to the [Global Food Safety Initiative](#) and gain certification against one of the benchmarked standards.

+ **We spend more than \$1 billion annually on ingredients.**

These ingredients become part of our finished products. In addition to major purchases of agricultural commodities, such as wheat, corn, rice, soy, dairy, and vegetables, we also purchase ingredients that provide flavor, protect product integrity, promote food safety, and offer additional value to our customers.

+ **Most of our ingredients are from U.S. suppliers.**

While we do not disclose, for competitive reasons, specific details about the source of our ingredients, the majority of our operations are based in the U.S., and we purchase most of our ingredients from U.S.-based suppliers.

In addition to food safety, our ingredient sourcing team focuses on eliminating supply risk. By vetting multiple suppliers for each ingredient, we ensure redundancy in our supply chain. We also ensure each supplier has a robust continuity plan so we can continue to supply our customers with safe, quality food if there is an interruption in one part of the supply chain.

+ **Palm Oil Commitment and Statement on GMOs**

Learn more about our [palm oil commitment](#) and review our [genetically modified organism](#) statement.

Promoting Health and Nutrition and Providing

Specialty Products

Health and wellness are important to our customers and consumers. We make a variety of food products that deliver on taste, nutrition, and convenience that can fit into any lifestyle. Appropriate labeling of products and ingredients is one important aspect of serving consumers' needs. We're committed to ensuring our products are packaged and labeled according to our high standards and meet government regulations.

No Antibiotics Ever

In February 2017, [we announced](#) we will expand our No Antibiotics Ever (NAE) chicken offerings, making us the world's leading producer of NAE chicken.

Our **NatureRaised Farms®** brand products come from animals that are never given antibiotics, are fed a 100% vegetarian diet, and are 100% natural*. Our **Open Prairie™ Natural Angus** brand products and our **Open Prairie** Natural Pork products come from animals that are raised without antibiotics or added hormones**.

*Minimally processed; no artificial ingredients

**Federal regulations prohibit the use of added hormones in pork

Reducing Sodium

As part of our continuing efforts to provide healthful food options to meet consumers' and our customers' needs, we're focused on ways to limit the use of sodium in our products without significantly affecting flavor or compromising food safety.

Gluten Free Products

Consumers with celiac disease, gluten intolerance or a wheat allergy can trust **Tyson®** gluten free chicken nuggets and breast strips to deliver on flavor and convenience. Both products are, 100% all natural (minimally processed with no artificial ingredients), contain no preservatives or fillers, and are made with white meat chicken. In addition, to our gluten free protein products, we offer waffles, pancakes, French toast sticks, cereals and more, that are [gluten free](#) and include whole grains to meet the growing need for expanding nutrition options.

Partially Hydrogenated Oils

R&D product developers are nearing completion of the removal of partially hydrogenated oils (PHO) from our products in order to comply with the most current [Food and Drug Administration's](#)

(FDA) regulations. We are on track to have all PHO removed from our products by summer 2017, well ahead of the FDA 2018 compliance date.

Dietary Guidelines for Americans

The [2015-2020 Dietary Guidelines](#) for Americans were released in January 2016. The guidance comes every five years and is the backbone of all federal feeding programs, such as the National School Lunch, Head Start, and Adult Feeding programs. It's also used as a resource for health professionals and policymakers. The current guidelines reaffirmed the role of lean meat and poultry in a healthy diet.

+ 2015-2020 Dietary Guidelines for Americans

2015-2020 Dietary Guidelines for Americans reaffirm the role of lean meat and poultry in a healthy diet. The dietary guidelines are intended to help Americans choose foods that help maintain health. As noted in the guidelines, people eat foods and nutrients in combination, not isolation; so it makes sense that the focus of this release of the guidelines is on overall eating patterns. Healthy eating patterns include protein foods from both plant and animal sources. As noted in the [key recommendations](#), "a variety of protein foods," includes lean meat and poultry, seafood, eggs, legumes (beans and peas), and nuts, seeds, and soy products, and minerals, that help keep us strong and healthy at all ages.

We provide a variety of protein choices for all meal and snack occasions to support healthy eating patterns. Following healthy eating patterns is vital to health. We believe the key to a healthy lifestyle includes a balanced diet with a variety of foods in sensible amounts and regular physical activity across the lifespan.

Source: Dietary Guidelines for Americans 2015-2020 eighth edition

NEW LABEL / WHAT'S DIFFERENT

Servings:
larger,
bolder type

Nutrition Facts	
8 servings per container	
Serving size	2/3 cup (55g)
Amount per serving	
Calories	230
% Daily Value*	
Total Fat 8g	10%
Saturated Fat 1g	5%
Trans Fat 0g	
Cholesterol 0mg	0%
Sodium 160mg	7%
Total Carbohydrate 37g	13%
Dietary Fiber 4g	14%
Total Sugars 12g	
Includes 10g Added Sugars	20%
Protein 3g	
Vitamin D 2mcg	10%
Calcium 260mg	20%
Iron 8mg	45%
Potassium 235mg	6%
* The % Daily Value (DV) tells you how much a nutrient in a serving of food contributes to a daily diet. 2,000 calories a day is used for general nutrition advice.	

Serving sizes
updated

Calories:
larger type

Updated
daily
values

Actual
amounts
declared

New
footnote

New:
added sugars

Change
in nutrients
required

New Nutrition Facts Label

On May 27, 2016, the Food and Drug Administration (FDA) finalized a new and improved [Nutrition Facts label](#) for packaged foods sold in the United States. The new label reflects improvements to help consumers make informed food choices. Key changes include an updated design giving more visual emphasis to calories and serving size, reflects updated information about nutrition science specific to added sugars, dietary fat, and vitamins and minerals, and includes an update on some serving sizes and labeling requirements for certain package sizes.

Tyson Foods is excited to move forward with the new Nutrition Facts label on our FDA products in the coming years and are closely following guidance from USDA for meat and poultry products.

Stepping Up For Back-To-School

The combination of Tyson Foods and Hillshire Brands in August 2014 created a single company with a portfolio that includes recognized brands, such as **Tyson®**, **Bosco™**, **Jimmy Dean®**, **Ball**

Park®, **State Fair®**, **Chef Pierre®**, **Sara Lee®**, **Van's®** and **Mexican Original®**. We put our hearts into creating the safest, most wholesome products available, including those we make for our Tyson Food Service K-12 school business.

Serving Great School Lunches

- 31 products meet USDA's "[Smart Snacks in Schools](#)" regulations.
- More than 280 products meet specific school nutrition regulations for fat, sodium, and calorie content.
- 65 **Kid Tested, Kid Approved™** products.
- 122 products carry the Whole Grain Stamp from the [Whole Grain Council](#).
- 94 products are eligible for federal funds reimbursement for schools and meet school lunch nutrition standards through 2022.
- 42 products are part of **Cool School Café®** which offers reward points to schools for purchasing those products. The points can be used to purchase items of benefit to the school district.

With breakfast continuing to be a fast growing daypart of school nutrition and schools looking for new food items to serve, we have given school many more reasons to partner with Tyson Food Service K-12 during the past year.

- New **Bosco™** breakfast sticks are available in three great flavors and come individually wrapped or bulk: Egg and Cheese, Bacon Egg and Cheese, and Ham and Cheese.
- New **Chef Pierre®** four ounce muffins that are individually wrapped and meet the two-ounce grain credit for the National School Breakfast program. Available in Blueberry, Banana and Double Chocolate.
- New **Tyson Wei Café™** brand, which offers six ethnic style products as well as increased marketing support and recipes that schools can access to add diversity to their menus.
- New **Tyson®** Buffalo flavored glazed chicken drumstick for schools are a great dark meat chicken item that helps them keep their federal funds usage in balance.
- Our redesigned [K-12 FOCUS Magazine](#) that educates K-12 foodservice operators about our leading brands and line up of featured products. These branded product lines offer wholesome nutritious choices for breakfast, lunch, and snacking that can help improve student meal participation.

+ Patron Member of the School Nutrition Association

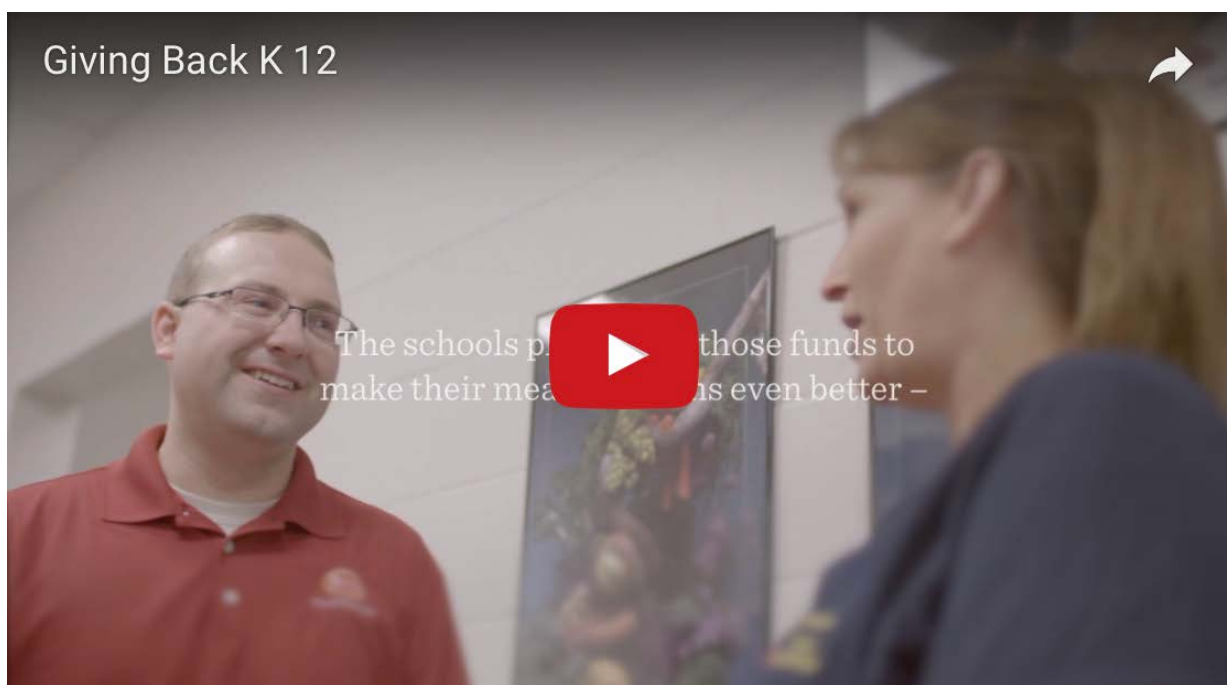
We remain an active, longtime sponsor and Patron Member of the [School Nutrition Association](#), a national, nonprofit professional organization representing more than 55,000 members who provide high-quality, low-cost meals to students across the

country. Specifically, the association ensures all children have access to healthy school meals and nutritional education.



Giving Back to K-12

In July 2016, more than 3,500 school nutrition professionals gathered in San Antonio, TX for the School Nutrition Association's Annual National Conference. Tyson Foodservice K-12 had a very strong presence while showcasing several new innovative items and inspirational recipes featuring items from our K-12 FOCUS Magazine across our various brands. One main highlight of the show was when we gave grants to seven different schools totaling \$20,000 in the Tyson Great Grant Giveaway. The schools planned on reinvesting their grants to further enhance their foodservice operations. The Tyson Foodservice K-12 team plans to continue this tradition at the upcoming 2017 ANC show in Atlanta, GA.



Responsible Marketing and Advertising

Our principal marketing objective is to be the primary provider of chicken, turkey, beef, pork, and prepared foods products for our customers and consumers. We use our national distribution system and customer support services to achieve the leading market position for our products. We identify distinctive markets and business opportunities through continuous consumer and market research.

+ We Don't Advertise to Children

Our print ads are targeted to adults, including parents and single-person or dual person households who prepare meals at home. We do not advertise to children and we have policies in place that prevent children from providing personal information via our website.

+ We Make Judicious Use of Social Media

We make judicious use of social media, such as Facebook, Twitter and Pinterest to provide opportunities for our consumers to interact with our products and share product information with their friends and families.

+ We Support Our Brands, But We are Careful about Product Claims

We grow our leading brands while supporting our strong regional and emerging brands primarily through well-defined, product-specific advertising and public relations efforts that are focused toward key consumer targets with specific needs.

Point-of-sale and marketing materials, as well as advertisements used by all Tyson Foods businesses, receive thorough internal business-unit and legal review to ensure appropriate controls over use of intellectual property and the accuracy of every product claim. We advertise in accordance with guidelines from the Federal Trade Commission

and voluntary review organizations such as the Advertising Self-Regulatory Council, which includes the National Advertising Division and the Children's Advertising Review Unit of the Better Business Bureau, and [SocialMedia.Org](#). The internal reviews we conduct also ensure the label claims made on our products are approved by the USDA Food Safety Inspection Service and meet FDA ingredient, packaging and labeling regulations.

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[Our Story](#)[Innovation](#)[Loved Brands](#)[Responsible Food](#)[We Care](#)[Transparency](#)[Home](#)[Sustainability](#)[2016 Report on Healthier Communities](#)

Healthier Communities

We're raising the world's expectations for how much good food can do. At Tyson Foods, we have more than 114,000 team members dedicated to that purpose, and in pursuing that purpose, we're leading the way in sustainable food. Nowhere is that better reflected than in our work to build healthier communities, including our 16-year focus on hunger relief, as well as our **Meals that Matter**® disaster relief initiative, support of health and nutrition partnerships globally, education efforts, focus on environmental and sustainable agriculture, and community development programs.

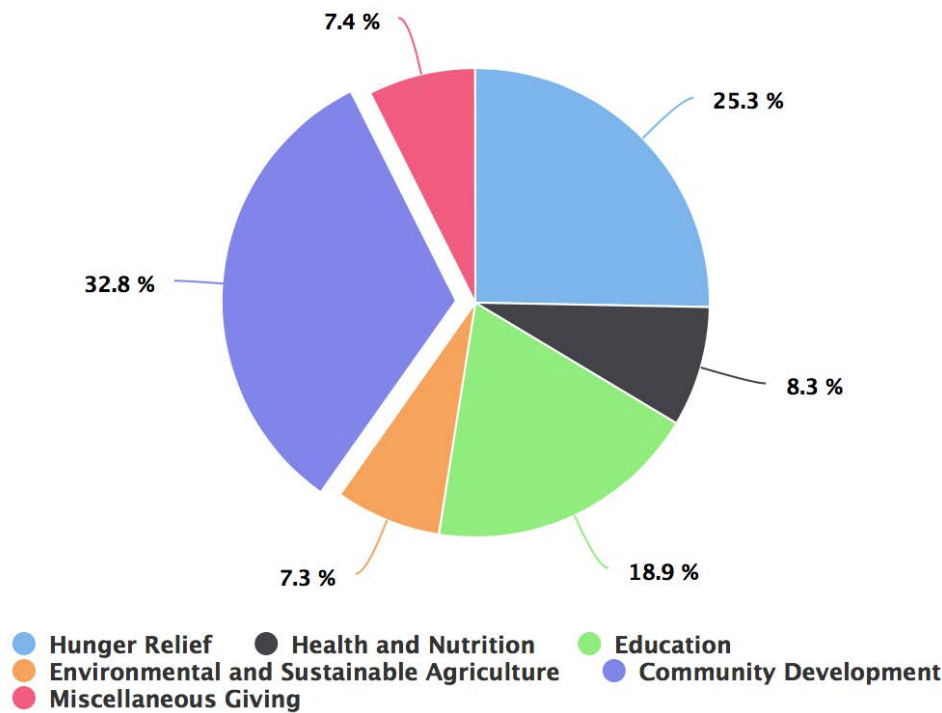


Grant Applications

Learn more about [grant applications](#) for our Corporate Social Responsibility (CSR) Programs.

More than \$8 million was donated in fiscal year 2016.

Total Charitable Donations in Fiscal 2016



Hunger Relief

From our thousands of food bank donations over the years, grants to community organizations, and hunger-related volunteerism, we continue to focus on hunger relief efforts.

\$12.5 million donated toward 50-in-5 Commitment!

We donated \$12.5 million in 2016 in cash and in-kind donations toward our commitment to give \$50 million in five years to [hunger relief efforts](#).

8+ million pounds of food donated

We donated 8.2 million pounds of food in Fiscal 2016; 7.5 million pounds of that was for hunger relief.

133,615 pounds of food donated for diversity organizations

We supported various state and national diversity groups, including the Arkansas Martin Luther King Commission, the League of United Latin American Citizens, and the National Urban League with product donations for various events and programs.



The KNOW Hunger Chicago program, made possible by a \$150,000 grant from Tyson Foods to National Urban League, launches at the Greater Chicago Food Depository with a donation of 33,000 pounds of protein and a back-to-school event for Chicago school-age children.



Hunger Relief Programs and Partnerships

This year marks the 16th anniversary of support for our [Hunger Relief Program](#), which is designed to encourage people to KNOW the scope of hunger in their own communities and get involved in relief efforts.



Team Members in Northwest Arkansas participate in one of our Pack Shack events to help support hunger relief in their community.

Feeding America

Tyson Foods partners with Feeding America and its network of food banks to provide financial and product donations, extra-hands, and pro bono volunteers, as well as board service and disaster-relief partnership. We have many projects with them, and they include the Tyson Foods Protein Sourcing Innovation Fund to help food banks in Tyson Foods' communities with innovative sourcing projects and collaborations.

We also work with Feeding America when we deploy our **Meals That Matter**® disaster relief program to areas affected by a major tragedy.



Our **Meals That Matter** disaster relief team responds to Baton Rouge, Louisiana, following flooding that devastated the area.

Tyson Foods **Meals That Matter** disaster relief team provided and served 229,000 meals to victims, volunteers and first responders during Fiscal 2016. The **Meals That Matter** disaster relief team deployed to the following disaster sites:

- Baton Rouge, Louisiana, in response to flooding,
- Appomattox, Virginia, in response to a tornado
- Columbia, South Carolina, in response to flooding



Meals That Matter disaster relief team serving in Baton Rouge.

Donations of Food to Other U.S. Disaster Locations

Although the **Meals That Matter** disaster relief team may not deploy to all disasters, Tyson Foods still provides assistance to affected communities with product donations. During the 2016 fiscal year, Tyson Foods donated 347,527 pounds to nationwide disaster relief efforts, including the following locations:

- Oct. 2015 - Harvest Hope Food Bank, Columbia, South Carolina
- Oct. 2015 - Second Harvest Metrolina Food Bank, Charlotte, North Carolina
- April 2016 - Food Bank of Beaumont, Texas
- June 2016 - Mountaineer Food Bank, Gassaway, West Virginia
- June 2016 - Facing Hunger Food Bank, Huntington, West Virginia
- Aug. 2016 - Greater Baton Rouge Food Bank, Louisiana

Our Disaster Relief Partners

- Team Rubicon - We've partnered with [Team Rubicon](#) since 2013.
- Feeding America - We make use of [Feeding America's](#) network of food bank resources, community contacts, storage, and volunteers when we deploy or send food donations to

disaster sites.

- Salvation Army - We look for [Salvation Army](#) Crisis Centers for site setup during **Meals That Matter** relief team deployment.
- Bimbo Bakeries - We worked with [Bimbo Bakeries](#) for bakery items (especially bread and buns) during some deployments in 2016. We [formalized this partnership agreement in 2017](#), as well as a partnership with Hugg & Hall Equipment Co.

Share Our Strength and No Kid Hungry

In Fiscal 2016, we began a two-year, \$300,000 commitment, as a national innovation partner supporting after-school meals innovation for Share Our Strength's No Kid Hungry campaign.

Supper in the Classroom Increases Access to After-school Meals

We partnered with Share our Strength for Supper in the Classroom. The program is a proven way to reach more students. Schools that have tried it report more kids eat supper than lunch! Find out more about Supper in the Classroom and other innovative after-school meal programs at [Share our Strength's website](#).

The Umbrella Model Increases Participation in After-school Meals

As a National No Kid Hungry Innovation Partner we supported Share Our Strength's pilot of The Umbrella Model in 16 middle and high schools. The Umbrella Model is an after-school meal delivery model that can boost student participation. Meals are available and promoted to all students, whether or not they participate in after-school activities. Find out more about the umbrella model and other innovative after-school meal programs at [Share our Strength's website](#).



Meals That Matter Hunger Hero Kenzie Henson helps distribute food at the Making a Difference Food Pantry she founded.

Supporting the Unsung Heroes of Hunger Relief

We know our company's donations of cash and food for hunger relief make a difference, but we also know we can't do it alone. That's why we're seeking out the unsung heroes who work hard every day to feed their neighbors and find innovative solutions to end hunger. We recognized three **Meals That Matter® Heroes** in Fiscal 2016. Watch their videos and learn more about the incredible work these heroes do in their communities.



Meals that Matter Hero® - Kenzie Hinson



Helping Lola feed Austin, TX



Miles that Matter Engages Team Members in Exercise, Hunger Relief

In September 2016, we donated 50,000 pounds of protein to the Northwest Arkansas Food Bank in honor of the company's inaugural Miles that Matter initiative.

Beginning in June, more than 500 team members from Northwest Arkansas participated in the program by walking, running or cycling on the Razorback Greenway. For every mile completed, we pledged to donate one pound of protein to the food bank, up to 50,000 pounds. Team members finished the summer with more than 12,000 total miles.

Health and Nutrition

Grant to support One Egg

One Egg helps create economically sustainable egg farms in developing countries to provide much-needed animal protein to children in those countries.

One Egg's Project in Haiti



In Fiscal 2016, we provided funding to support One Egg's mission to create an economically sustainable egg farm in Haiti, providing eggs as a protein source to undernourished children. One Egg partners with preschools and orphanages to deliver eggs to children. By working with local suppliers of eggs, they provide a consistent demand for high quality product at a fair price, while partnering with poultry experts to help train the farmers in poultry science and farm operations. Team members from Tyson Foods and our subsidiary Cobb-Vantress provide skills-based volunteering for One Egg projects as well as poultry expertise. The children who receive eggs through One Egg have seen marked improvements in physical development and higher attendance rates at schools.

This early intervention is laying the foundation to support the physical and mental development for

each participating child.

Education

Upward Academy – Supporting and Engaging Immigrant Team Members

In collaboration with the Cisneros Center for New Americans, we piloted a new workplace education program, called Upward Academy, at three of our processing locations in Northwest Arkansas to focus on the unique needs of immigrant team members and improve engagement of team members at Tyson Foods and in our communities. The program has seen tremendous early success.

Upward Academy Success in Fiscal 2016

500+ team members enrolled

Team members can enroll in daily classes and monthly community workshops.

2000+ instructional hours

More than 2,000 hours of instruction were presented through the program in Fiscal 2016.

100% score on team member satisfaction survey

Team members were surveyed in the classes and all reported they were more satisfied at work since starting classes.

+ Upward Academy Mission

Upward Academy's mission is to elevate team members and community partnerships by providing free and accessible ESL, GED, citizenship, and functional literacy classes to all plant team members. In addition to these core classes, the program also provides

workshops on financial and tax literacy, legal issues, healthcare, safety, and accessing community resources and services. Ultimately, the vision is to establish Tyson Foods as an industry leader in employee care by providing an innovative, best-practices-based, and on-site workplace education program.



Students enjoyed our interactive booth at the 89th Annual National FFA Convention and Expo from Oct. 19-22, 2016, in Indianapolis. More than 60,000 people attended the convention in which students were encouraged to use social media, specifically Snapchat, and our company-sponsored #myAGstory.

National FFA Organization

Our partnership with the [National FFA Organization](#) in Fiscal 2016 included financial support for FFA's Living to Serve hunger relief and environmental initiatives, agriculture literacy and advocacy, continued national officer training at Tyson Foods corporate office, career development events, and the My Journey/Ag Career Network. In addition, our team members participated in numerous volunteer activities, and we helped support the FFA National Convention.

Environment and Sustainable Agriculture

Tyson Foods Fellows™ Program

We developed the [Tyson Foods Fellows program](#) to share our knowledge about food production, agriculture, and sustainability with people in need around the world. By engaging our team members to work with partner organizations on specific projects, we hope to extend our reach beyond our domestic hunger relief efforts to areas of the world that rely on subsistence agriculture and don't have the capabilities of producing a sustainable source of food. Aside from giving food or money, we know that teaching others can have a far-reaching and long-lasting impact, long after we leave.



Volunteers help with tree planting along the Kings River as a part of our Nature Conservancy partnership in Fiscal 2016.

Nature Conservancy

Our partnership with the Nature Conservancy's Arkansas Chapter in 2016 included a grant and volunteer support to help the chapter restore a section of the Kings River watershed, monitor sediment reduction, and survey a tributary and plan its restoration. The donation and volunteer support will also help complete projects on the Elk River and build on enrolling conservation easements in the Buffalo National River watershed. These efforts will help reduce erosion and subsequent sedimentation in three priority watersheds in the Ozark Mountains.

Community Development

Tyson Family and Tyson Foods Give \$15 Million to Arkansas Children's Northwest

The Tyson Family and Tyson Foods made a significant investment in the Northwest Arkansas region with a gift of \$15 million for the construction of Arkansas Children's Northwest. The children's hospital is being built in Springdale, Arkansas, and will serve all of Northwest Arkansas. [Read the news release.](#)



Arkansas Children's Northwest Tyson Family Tower is unveiled at a news event announcing a \$15 million gift from the Tyson Family and Tyson Foods to Arkansas Children's.

Pro Bono Day Makes Lasting Impact

As a company, one of the ways we give back is by supporting the communities in which we live and work. In late June, Springdale, Chicago and Dakota Dunes team members participated in a Community Impact Day, a pilot pro bono program offered through a partnership with the Taproot Foundation that allows professionals to share their time and talents to help nonprofit organizations build capacity. We participated in done-in-a-day volunteer events at all three corporate office locations.

- Springdale marketing team members helped the Ozark Literacy Council (OLC) develop a strategic marketing plan.
- Five Chicago team members assisted Purple Asparagus – a nonprofit that educates children, families and the community about eating that's good for the body and the planet – with its performance measurement support.

Some of our warehouse team members in Dakota Dunes helped the Food Bank of Siouxland improve its warehouse systems.

Supporting the Jones Center in Northwest Arkansas

Tyson Foods provided a \$1 million donation for operating costs to the Jones Center in Springdale, Arkansas, in December 2015 and a \$750,000 donation to the center in August 2016 for the interior renovation and expansion of its fitness center and food court area. The Jones Center provides multi-generational social, education, business, and recreational opportunities to an estimated one million visitors annually. [Read the news release.](#)

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