

COMPANY STEWARDSHIP FY2019 REPORT



We Believe in Responsible Food and Agriculture®





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Chairman & CEO's Message

As we celebrated the PERDUE[®] brand's 50th anniversary in 2018 and look to our company's 100th anniversary in 2020, we are building on our past as we get ready for the next 100 years. It's important to remember where we came from, our humble beginnings on the Eastern Shore of Maryland, while we embrace the business we have become. A quote from Jim's dad, Frank Perdue, says it well: "I would far rather be the best than the biggest."

Despite being a much larger and more complex company today, we continue to strive to be the best through our vision "to be the most-trusted name in food and agricultural products." We strive to align our practices with the values of our stakeholders and, in doing so, act with responsibility. That is the foundation of our corporate stewardship platform: "We believe in responsible food and agriculture.[®]"

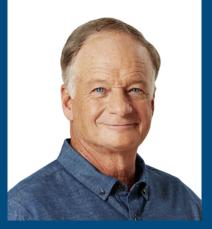
In this report, you'll see that we continue to get better through the practice of leading by listening, to those both inside and outside our company. We listened and learned from advocacy groups at our third Animal Care Summit and are enlisting farmers to help us create better poultry house enrichments. And, in our second appearance in the Business Benchmark on Farm Animal Welfare, we were among the top 17 companies in the world and the top two in the U.S.

We asked our associates across the company to help identify obstacles and find solutions through innovative approaches such as "Rally Weeks", allowing us to make good progress toward our 2022 environmental goals. Leading by listening to our associates was also evident at our first Diversity and Inclusion Forum which, along with ongoing Diversity and Inclusion Councils within our operations, helped propel us onto the Forbes Best Employers for Diversity list.

We are proud to share the progress we've made but we are certainly not done. Today, we are well-positioned to continue listening as we enter our second century. Four fourth-generation family members now work in the company, and they continue to carry our values forward as we work to be better, and move ever closer to becoming the most-trusted name in food and agricultural products.

Thank you for reading,

Jim Perdue, Chairman Randy Day, Chief Executive Officer Our Stewardship Value: We protect the environment, ensure the well-being of our associates, provide for the welfare of the animals in our care, live up to our civic responsibilities and generate earnings for the future of our company.



Jim Perdue Chairman



Randy Day Chief Executive Officer



Executive Summary

2018 Highlights:

As we look back at 2018, it was a year of advancement in making organic chicken more accessible, building momentum in our industry-leading animal care commitments, and making progress in the key areas of environment, diversity and inclusion, communities and people, reinforcing our stewardship platform: "We believe in responsible food and agriculture[®]."



FOOD:

We believe in responsibly producing safe, high-quality, trusted and affordable food.

- Grew our leadership in organic chicken with the introduction of the PERDUE® SIMPLY SMART[®] Organics chicken line
- Continued to introduce new products that • meet demand for both convenience and sustainability



ENVIRONMENT:

We believe in being responsible stewards of our natural resources.

- Made progress on our five-year goals for reduction in greenhouse gas, water use and solid waste
- Processed soybeans with renewable energy and recycled water at our Pennsylvania commercial crushing plant



ANIMAL CARE:

We believe in responsibly raising animals for food.

- Hosted our third annual Animal Care Summit, reporting our progress toward goals outlined in 2017 and committing to next steps
- Committed to research different chicken breeds as part of our continuous improvement in poultry care.
- Continued to bring high welfare levels to live bird handling, beginning at the farm
- Worked with our farmers to create better poultry house enrichments
- Achieved Tier Two ranking—the second best—in the global 2018 Business Benchmark on Farm Animal Welfare for the second straight year



PEOPLE & PARTNERS:

We believe in being a responsible employer, investing in our associates' growth, safety and well-being.

- Received 24 safety awards from the Joint Industry Safety and Health Council
- Hosted first Diversity and Inclusion Forum
- Named a "Best Employers for Diversity" by Forbes
- Increased hourly production pay rates and paid out a profit-sharing bonus to all eligible associates
- Recognized for our Health and Wellness Program





We believe in being responsible members of the communities where we do business.

- Provided food, financial aid and volunteer support to natural disaster relief efforts; including hurricanes and flooding in the Carolinas and wildfires in Sonoma County in California
- Recognized as a Mission Partner by Feeding America for 2018
- Provided more than \$1.5 million in grants through the Franklin P. and Arthur W. Perdue Foundation
- Perdue Truckers paid tribute to fallen heroes through partnership with Wreaths Across America
- Coleman Natural pledged \$800,000 to Pups4Patriots Program



We believe in helping agricultural customers prosper with flexible, forward-thinking solutions.

- Improved organic grain supply chain efficiency through lease warehouse at Port of Baltimore
- Reaped improved service for farmers at harvest time



We believe in responsibly contributing to the economic stability of our company and our business partners.

- New advertising helps promote organic chicken and convenience
- Reaching millennial shoppers with a fresh look for PERDUE[®] Fresh Chicken
- Celebrating 50th anniversary of PERDUE[®] Branded Chicken
- Investing in our operations to meet customer demand





The Perdue farmhouse is a constant reminder of our nearly 100-year heritage. Located across the street from our Corporate Office in Salisbury, Md., it serves as a reminder that we are a family owned company built upon the values of Quality, Integrity, Teamwork and Stewardship.

Compliance & Ethics are Prerequisites to Trust

We operate all of our facilities in compliance with:

- All local, state and federal laws and applicable international agreements
- The rules and regulations of private and public agencies having jurisdiction over Perdue

We are committed to:

- Managing our business ethically and with a sense of responsibility and stewardship
- Respecting human rights and dignity
- Upholding and protecting the legal rights of our associates

We expect the same from our suppliers and business partners.

Code of Ethics

Perdue's Code of Ethics governs our business behavior and conduct. To this end, all salaried associates are required to sign a Code of Ethics Statement that they will abide by our expected code of conduct. All associates are required to follow our policies and are expected to base their actions and decisions upon our values.

This includes acting with honesty and integrity at all times.

Our Values Shape Our Future

Our values were established nearly a century ago on Arthur and Pearl Perdue's family farm, and they continue to guide our actions today as we work toward our Vision: "To be the most trusted name in food and agricultural products.[®]"

Quality

We live up to the standards and expectations of Our Quality Policy.

Integrity

We do the right thing for the right reason and always keep our promises.

Teamwork

We work together to accomplish something greater than one could alone.

Stewardship

We protect our environment, ensure the well-being of our associates, provide for the welfare of the animals in our care, live up to our civic responsibilities and generate earnings for the future of the company.



FOOD We believe in responsibly producing safe, high-quality, trusted & affordable food.

We're Growing Our Leadership in Organic Chicken

he fall 2018 conversion of our PERDUE[®] SIMPLY SMART[®] line of fully cooked, breaded products to PERDUE[®] SIMPLY SMART[®] Organics combined the convenience and choice consumers want with the benefits of

USDA Organic certification. With that, we introduced a new level of affordability and accessibility to our organic products. We carried over the benefits of the original line, including heat-and-serve convenience, simple, recognizable ingredients and 25% less fat and most with 50% fewer calories compared to USDA data for breaded, fried boneless chicken.

With PERDUE[®] SIMPLY SMART[®] Organics products joining the PERDUE[®] HARVESTLAND[®] organic chicken line, we now offer consumers a full range of fresh and frozen organic products available at the stores where they already shop.



PERDUE[®] SIMPLY SMART[®] Organics fully cooked products are now the No. 1 brand of prepared organic chicken in the U.S. offering 14 varieties across frozen and refrigerated prepared.

PERDUE[®] HARVESTLAND[®] Organic has seen a 55 percent increase in sales^{*} from increased distribution, continuing to increase access to affordable organic chicken for consumers. Consistent with the organic mindset, PERDUE[®] HARVESTLAND[®] Organic uses a BPA-free 100 percent recyclable PET tray, with the same recyclability as a water bottle!



*as measured by IRI total Multi Outlet data ending 1.27.19



With the initial introduction of PERDUE[®] Fully Cooked Chicken Sausages, we now provide consumers three flavors of completely pork-free sausage products that expand our no-antibiotics-ever offerings.



Niman Ranch Introduces Four New Sausages to Expand Frozen and No-Sugar Offerings

Niman Ranch introduced four new sausage options to further support their full carcass, nose-to-tail hog and beef production programs to help independent family farmers and ranchers thrive. The no-sugar frozen country-style and sweet-Italian ground sausages add a specialty retail offering in the freezer case. Linguica and no-sugar hot links were part of consumer testing to help grow the successful Niman Ranch sausage line. The four new gluten-free breakfast and dinner sausages have no nitrites or nitrates and, like all Niman Ranch products, the new offerings were raised with no antibiotics or added hormones-ever, on small, sustainable farms and ranches committed to the highest animal welfare standards to produce the finest tasting meats.



Coleman Natural®* & Budweiser® Introduce New Natural Meat Line

Targeting the millennial consumers to stop and shop in the processed meat case, Coleman Natural^{®*} and Budweiser[®] launched a partnership with five new items combining slow-roasted, all-natural Coleman^{®*} pork, with no-antibiotics-ever and no added hormones, and an iconic American beer brand.



The five new products include barbeque and grilling items: St. Louis Style Pork Spareribs in full and half racks, Pulled Pork, Jalapeño Cheddar Brats and Beer Brats. The St. Louis Style Pork Spareribs and Pulled Pork are drenched in tasty Budweiser[®] sauce, and the Jalapeño Cheddar Brat and Beer Brats are made with Budweiser[®] American lager.

Delivering Trust Across Multiple Brands & Proteins

Through our PERDUE[®], COLEMAN NATURAL[®] and COLEMAN ORGANIC[®], NIMAN RANCH[®] and local brands, we're bringing innovation to market while raising animals to higher standards. That's made us a leader in all-vegetarian-fed, no-antibiotics-ever chicken, turkey, pork, beef and lamb, and USDA certified organic chicken. We also have a full range of foodservice products, from conventional to organic, and Perdue International reaches customers around the globe.



Keeping the No-Antibiotics-Ever Promise

When it comes to antibiotics, we continue to say no, providing a full roster of raised-without-antibiotics brands, including PERDUE[®], COLEMAN NATURAL^{®*} and NIMAN RANCH[®]. (Of course, our organic products are no-antibiotics-ever.)

Our 2016 announcement that we converted all of our chicken production to a no-antibiotics-ever program remains the tipping point that moved no-antibiotics-ever into the mainstream.



Local Means Local

Words matter, especially when it's a promise on a package. When we acquired Draper Valley Farms in Washington State and Petaluma Poultry in California, their operations became part of Perdue, but their brands remained strictly local.

Petaluma Poultry's ROCKY the Free Range Chicken® and ROSIE The Original Organic Chicken® are locally raised in and around Sonoma County. Draper Valley Farms' ROXY™ the Organic Chicken, RANGER® the Free Range chicken and DRAPER VALLEY FARMS chicken are all raised in the Pacific Northwest.



Growing Organic, the Right Way

To us, organic is more than a product claim, it's a commitment to how we raise and produce food. Our organic certification covers not only the end product, but every step in the process — including free-range farms with large pastures — all the way to market.

Through Perdue AgriBusiness, we have direct access to organic grains and soy. We verify integrity – from the organic farm raising the grain, to the feed, on to the farm raising the chickens. This includes third-party testing at origination and destination, and documentation requirements that exceed those of the USDA.





Food Safety & Quality: Foundations of Trust

We're Committed to Quality

Quality is a commitment we live up to with annual goals, audits and measurements at every step in the supply chain. Our quality improvement process engages all associates in problem-solving because we believe in making things better together.

At our Perdue Foods Innovation Center, we check our products against the competition. We share the results of our consumer hotline calls and consumer and customer concerns with operations and management, including Chairman Jim Perdue, to zero in on any issues.

Food Safety Originates on the Farm & Never Stops

Our comprehensive farm-to-fork food safety program begins with healthy animals, and includes our allvegetarian diet free of animal by-products. It continues through processing, packaging and distribution, and it includes consumer education and awareness. We put an emphasis on early interventions and never let up on any of our efforts. Food safety teams at our plants share ideas and technologies across the company to drive continuous improvement. We back up those efforts with in-house microbiology labs to test products for food safety.

- Our products, including those sold at retail, for foodservice and for export, meet the requirements of the Global Food Safety Initiative (GFSI).
- We were one of the first companies to use High Pressure Pasteurization for enhanced food safety, adding an extra layer of assurance for our readyto-eat products, such as PERDUE[®] SHORTS CUTS[®] sliced, fully cooked chicken breast strips.
- We have longstanding practices to protect the safety and integrity of our products, including full traceability, and as always, we continue to meet the standards prescribed by federal, state and local authorities to ensure the safety of our products, including as it relates to bioterrorism.







A Dedication to Health & Nutrition

We have options for a variety of consumer and customer needs, from products made with simple ingredients, such as our PERDUE[®] SIMPLY SMART[®] line, to gluten-free products that meet the standards of the Gluten-Free Certification Organization.

We continue to make our PERDUE® branded products even healthier:

- Our low-fat refrigerated products have less fat than comparable breaded, fried boneless chicken products, according to USDA data
- Our whole grain breaded line meets USDA Dietary Guidelines for whole grains
- We have retail and foodservice products which carry a "Child Nutrition" label, which indicates its contribution toward the USDA's daily Child Nutrition Meal Pattern Requirements
- We use only white-meat chicken and no fillers
- We continue to strive to lower sodium levels and to meet consumer taste preferences and functional processing requirements

Our COLEMAN NATURAL[®] and COLEMAN ORGANIC[®] processed products, including sausages and bacon, contain no added nitrites, nitrates or artificial preservatives.

Most of our PERDUE[®] HARVESTLAND[®] foodservice items contain no artificial additives, nitrates or nitrites.







^{*68,244} pounds of PERDUE® SIMPLY SMART® Organics frozen, fully cooked gluten-free & 16,001 pounds of PERDUE® Fun Shapes refrigerated chicken breast nuggets

ENVIRONMENT

We believe in being responsible stewards of our natural resources.

Driving Collaboration and Finding Common Ground With Environmental Stakeholders

Perdue has a long history of stewardship, as embodied in our Values of People, Products, Profitability and Planet. That's stewardship on behalf of our associates, of the products we produce, of the company for its future success, and of the resources we use. That mindset has continued as the company has become more public about its commitments to be a good steward, particularly in the areas of environment and animal welfare. It is what drives a spirit of collaboration and finding common ground with stakeholders who are interested in what we do, and it is an approach that's served us well.

Our openness to acknowledging and embracing other points of view is evident through our no-antibiotics ever and animal welfare initiatives. We have simultaneously taken this same approach in the environmental arena.

We are proud of the number of relationships Perdue has built with environmental groups. Perdue associates hold board member or commissioner positions for multiple organizations, including the Oyster Recovery Partnership, Alliance for the Chesapeake Bay, Sustainability Advisory Board for the Smeal College of Business at Penn State University, Dean's Global Leadership Council for the University of Maryland College of Agriculture and Natural Resources, Maryland State Commission for Environmental Justice and Sustainability Communities, and a Steering Committee member of the Delmarva Land and Litter Challenge. Over a year's time, we will meet with more than 40 different non-government organizations and other stakeholders to find areas of common interest, how we can be better, and how to drive real change that is best for all our stakeholders and the environment.

Delmarva Land and Litter Challenge (DLLC) is an excellent example of multi-stakeholder engagement and an approach to address a common goal. The DLLC is made up of river keepers, environmental groups, farmers, poultry companies, and state and federal agencies. The group has not always agreed on solutions or approach. However, positive relationships have been built and varying viewpoints, stakeholder opinions and perspectives have been shared. We continue to work on understanding the overall nutrient balance on Delmarva and how best to approach policy and all parties to make sure the right nutrients go to the right place at the right time to grow our food while reducing the potential impact to the environment. It's a long process, but we're confident we will get there.

Most recently, we are excited to build a new partnership with Shorerivers – a local water keeper on the Eastern Shore of Maryland and continue our work with the Alliance for the Chesapeake Bay to communicate opportunities to use grant money and other resources to implement best management practices on farms. These opportunities are exciting because they help the farmers that grow our food both financially and technically to reduce environmental impacts.

At Perdue, what we have known for a long time is that farmers are the best stewards of our land, and if they have access to the resources, they will do what is best for their farm and for the environment.

We are committed to strengthening our environmental stewardship, with the help of these many partners.

Steve Levitsky Vice President of Sustainability

ENVIRONMENT



Tracking Our Aggressive Five-Year Environmental Sustainability Goals

In 2018, we elevated efforts by establishing aggressive five-year goals for reductions in greenhouse gases, water use and solid waste by 2022.

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As we promised, here is our progress toward these goals:



REDUCED OUR GREENHOUSE GAS INTENSITY BY





INCREASED SOLID-WASTE DIVERSION FROM LANDFILLS BY



Our long-standing environmental sustainability efforts have included goals for reducing our environmental footprint. Compared with our 2015 baseline, we have:



In 2019, we will focus on regaining our progress in reducing water and fossil fuel use to achieve our 2022 goals.

Processing Soybeans with Renewable Energy & Recycled Water

In building Pennsylvania's first large-scale, commercial soybean crushing plant in Bainbridge, Pa., Perdue AgriBusiness tapped into existing waste-to-energy and reduced transport emissions in greenhouse gas emissions (Scope 1, 2 and 3) over current operations.

Perdue formed a unique partnership with the Lancaster County Solid Waste Management Authority (LCSWMA), which allows the Bainbridge plant to have a smaller environmental footprint than the typical soybean processing plant.

LCSWMA brings in 97% of Lancaster County's municipal waste and burns it to generate steam to power a turbine that supplies 30 megawatts (MW) of energy to the grid. Prior to the operation of the soybean plant, a large majority of the let-down steam from the turbine was vented to the atmosphere, thus not making use of its heat and energy potential. The Bainbridge plant is now utilizing the energy from that let-down steam for both grain drying and soybean plant operations, in lieu of operating a fossil fuel-fired boiler. In calendar year 2018, Perdue purchased 355 million pounds of steam from LCSWMA, which is equivalent to burning 500,000 cubic feet (MCF) of natural gas.



Perdue also purchases our process water from LCSWMA, whose water source is the effluent from the Elizabethtown, Pa., wastewater treatment plant. In 2018, Perdue purchased 17.8 million gallons of water from LCSWMA, which would have otherwise been drawn directly from a municipality or other water source.

Completing the circle, Perdue sends used process water back to LCSWMA, who treats and reuses it as a part of their zero discharge program. Perdue sent 18.2 million gallons of wastewater back to LCSWMA in 2018, which otherwise would have to be treated and potentially discharged to the Susquehanna River.

ENVIRONMENT



Washington, IN., Facility Increases Total Landfill Diversion to 92 Percent

Going from zero waste diversion to diverting 1.5 million pounds of unrecyclable trash to energy production last year has contributed to the Washington, IN., turkey processing facility's continued growth in landfill diversion, now at 92 percent. Trash that previously was landfilled now goes to a thermal conversion center where it is turned into steam and electricity destined for the Indianapolis power grid. The plant also increased its recycling of cardboard, plastic buckets (including metal handles), food-grade trays and other plastic. Pounds of waste going to landfill declined significantly, a 68 percent reduction over the prior year, with the amount of materials being recycled reaching 84 percent.

Simple Water Test Results in Significant Energy Savings

Perry, Ga., facility Environmental Manager Stacie Harris and team identified the four 300-horsepower blowers in the wastewater treatment plant as a prime opportunity for reaching the plant's energy reduction goals. The blowers supply air to the aeration basins to keep the microbiological "bugs" alive and healthy. The key to reducing fan use was found in a simple test, called a jar test, that when done consistently helps assure appropriate pre-treatment of water going to the basin. Good pre-treatment avoids under- or over-feeding the bacteria and keeps oxygen levels stable. The result has been an average of 10 percent energy savings per month versus the previous year. An unexpected benefit has been \$100,000-plus in cost savings on pre-treatment chemicals.





Water "Sheriffs" Arrest Water Waste

A one-week focus on reducing water use and waste is delivering long-term results in three Perdue facilities. Continuous Improvement managers at Concord, N.C., Monterey, Tenn., and Petaluma, Calif., conducted Rapid Results Rallies in November 2018 to put a focus on saving water. A clever approach used at two locations was to designate "Water Sheriffs" who "arrested" department or team leads for wasting water. It was up to the associates on each team to "bail" them out by identifying water saving opportunities and scoring points for positive activities.



Water use at the Monterey facility is down by 21 percent, for a savings of nearly 75,000 gallons a day, while Concord's use has declined by 23 percent, or 52,000 fewer gallons a day.

Poultry Litter a Valuable Resource for Farmers Who Raise Our Poultry

The farmers who raise our poultry retain ownership of their litter because it is a resource that has financial value to them. For farmers whose crops need the nutrients in poultry litter, it can offset the costs of chemical fertilizers while improving soil quality. For those who cannot or do not want to use their litter, it is an agricultural commodity that can be sold to generate additional farm income or bartered. As such, the litter from a typical poultry farm is worth several thousand dollars per year to the farmer.

Since poultry houses are enclosed and there is no liquid waste, there is no manure discharge from poultry houses. The small amount of manure deposited outside the house on free-range farms helps to support the vegetation in the pasture area.

Litter, like any other fertilizer, is used by farmers in accordance with nutrient management plans that match fertilizer application to the needs of each crop, minimizing the potential for nutrient run-off. We also require all of our poultry farmers to have a nutrient management plan for the poultry operation. In addition, state regulations, such as the Phosphorus Management Tool (PMT) in Maryland, further regulate the movement and placement of poultry litter and fertilizers.

While poultry farmers are responsible for making sure litter from their farms goes to an approved use, crop farming and poultry production are two separate activities.

- The amount of nutrients applied to crops is regulated by nutrient management plans and other applicable state regulations, and crop farmers apply fertilizer accordingly. Therefore, the presence of poultry operations does not change the amount of nutrients applied to land, but the source of those nutrients may differ.
- Litter stored on the farm is kept in covered storage buildings to prevent run-off.

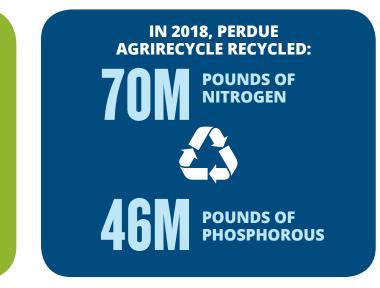




Recycling Nutrients to Protect the Chesapeake Bay and Improve Soil

After almost two decades, Perdue remains the only poultry company on Delmarva protecting the Chesapeake Bay and inland coastal bay watersheds by recycling nutrients from poultry production and processing, including poultry litter and hatchery waste.

Our Perdue AgriRecycle composting operation, which replaced an energyintensive drying-and-pelleting process, entered its second full year turning nutrient-rich by-products of poultry production and processing into a wide range of soil amendments that improve soil quality, increase water retention and reduce runoff.





Conserving & Recycling

Our renewable energy efforts include:

- Two solar panel installations that reduce carbon emissions by 3,000 tons per year
- A biomass boiler that burns soybean stalks, pods and woodchips, providing steam for soybean processing while generating electricity back to the grid, reducing CO2 output by 18,000 tons each year
- An innovative system that captures methane from a wastewater pond to fuel a generator and uses heat from the generator to provide hot water, cutting CO2 output by 52,000 tons annually

Water reuse:

- Downstream reuse in our harvest plants recycles water for non-food-contact use and reduces the volume going to wastewater treatment
- Recirculating cooling towers in Perdue AgriBusiness significantly reduce the amount of water used for soy processing

Community Outreach

Helping Beautify Our Communities

Through Project Clean Stream, a company-wide effort launched in 2008 to help protect and enhance the environment in our communities, Perdue associates have removed more than 80 tons of trash and debris from local ponds, streams, roadways and parks.





Perdue continues to help restore the Chesapeake Bay's fragile oyster population. Since the program began in 2011, associates joined the Oyster Recovery Partnership in Maryland to fill more than 7,200 shell bags and provide a home for more than 7 million new oysters in the Bay. The partnership has planted over 8 billion new oysters since its founding in 1994.





ANIMAL CARE

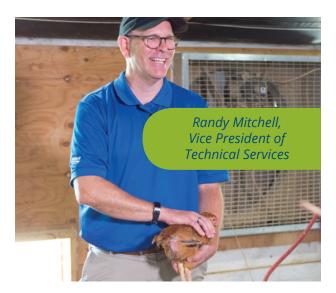
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We believe in responsibly raising animals for food.

Our Third Animal Care Summit: Strengthening Bonds with Diverse Stakeholders

s another step on our journey to change how we raise chickens, our third Animal Care Summit brought together animal care experts, representatives of animal welfare advocacy groups, animal care researchers, customers and farmers. Over two days, we shared our progress and goals and received feedback on how we can continue our leadership in enhancing animal welfare standards.

Farming Research to Improve Poultry Welfare



At our Research Farm, we're learning about different chicken breeds and studying the effects of brighter light, more space, outdoor access and enrichments – all part of our continuous improvement in poultry care.



Building Trust Through Transparency: Progress & Goals

Our Third Animal Care Summit coincided with the release of our 2018 Perdue Commitments to Animal Care update report. We reported on our continued progress, including:

- Committing to adding windows to 100 percent of chicken houses, after our research confirmed the benefits from natural light
- Identifying alternative breeds that meet the demand from customers who want higher welfare chickens
- Recommitting to better relationships with the farmers who raise our chickens, including incentives that reward welfare outcomes in addition to productivity
- Moving to higher welfare controlled atmosphere stunning
- Increasing transparency by publishing audit results and reporting on animal care incidents

Holding a High Ranking in the Business Benchmark on Farm Animal Welfare

In our second appearance in the Business Benchmark on Farm Animal Welfare, we were among the top 17 companies in the world and the top two in the U.S. Even with tightening standards, we remained at Tier Two ranking. Our continued efforts to change how we raise chickens, Niman Ranch animal protocols and the Coleman Natural move to 100 percent crate-free pork production all contributed to our score.

ANIMAL CARE





Dedicated covered truck trailers help reduce stress and risk of injury and improve bird comfort enroute to the harvest plant.

Continuing to bring higher welfare levels to live bird handling

Keeping the promises made in our Perdue Commitments to Animal Care, we followed up the move to controlled atmosphere stunning at our Milford, Del., harvest plant with a \$20-million capital investment to further improve live bird handling, beginning at the farm.

Newly designed transport modules and dedicated truck trailers reduce stress and the risk of injury while improving bird comfort from the farm to the harvest plant. At the plant, trailers are moved to an enclosed, temperature-controlled room. Transport modules are then transferred to the controlled atmosphere stunning system, eliminating the dumping of live birds onto the conveyor belt, while the controlled atmosphere stunning system renders the birds irreversibly unconscious before they are transferred to the processing line.

Engaging Our Farmers to Create a Better Enrichment

As part of our journey of continuous improvement in animal care, we engaged our farmers to create better poultry house enrichments that allow chickens to do what they do naturally — act like chickens. In fact, we launched a "New Chicken Enrichment Contest" to engage farmers and their families to submit ideas. Who better to create a better enrichment than those who spend the most time with our birds and probably best understand their behaviors than the farmers who care for them daily.







A Commitment to Customers Committed to Higher Welfare

We're committed to meeting the demand from current and future customers for poultry raised to higher welfare standards, including the "2024" criteria outlined in the "Joint Animal Protection Organization Statement on Broiler Chicken Welfare Issues" and by the Global Animal Partnership (GAP).

- We're moving to Controlled Atmosphere Stunning, with one chicken system in place
- We conducted research into slower-growing higher welfare breeds, and identified commercially viable options
- We're enhancing housing environments, including natural light and enrichments.

We're Raising Animals for High Standards

The Perdue Poultry Care Program encompasses all phases of our supply chain, including breeder and hatchery operations, appropriate comfort and shelter on the farms, comprehensive healthcare and monitoring, nutrition, catching, transporting and harvesting.

Our USDA Process Verified Program for Poultry Care provides the added assurance of an audited program with more than 50 documented points from hatchery to harvest, and it covers all our growing areas and harvest operations.

Our Poultry Care Program combines principles from the National Chicken Council, our own best practices and the Perdue Commitments to Animal Care initiatives to create a baseline of care that helps ensure the health, comfort and safety of every chicken we raise.

For poultry raised indoors, we use temperature-controlled housing with fresh-air ventilation. In the house, chickens are protected from the elements, disease and predators, and they are given constant access to food and water, sufficient room to move and exhibit most natural behaviors, and periods of light and darkness.

ANIMAL CARE PERDUE



Our Position on Animal Care & Welfare

Our animal care and welfare programs encompass all phases, including breeder operations, hatchery, appropriate comfort and shelter on the farms, comprehensive veterinary care and health monitoring, nutrition, catching, transportation and harvesting. All of the animals for our products are raised:

- Without the use of crates or cages, including gestation and farrowing crates for sows
- Without drugs for growth promotion (Federal law prohibits the use of hormones and steroids in poultry and pork, and we also don't use any growth promoting drugs, including beta antagonists or ractopamine.)
- With an emphasis on the freedom to express natural behaviors
- On an all-vegetarian-diet with no animal by-products
- In audited and verified animal care programs.

Our approach to animal care is a process of continuous improvement involving a wide range of stakeholders, with a commitment to transparency. We believe that welfare goes beyond meeting the physical needs of animals and that



success is measured by more than efficiency and productivity. This includes our **Perdue Commitments to Animal Care** program, an ongoing effort that is changing the way we raise chickens.

Mistreatment or abuse of animals is never tolerated. All associates handling live animals are provided training, including their responsibility to report any violations of our animal welfare policies. The farmers who raise animals for us share equal responsibility to provide care according to our best practices and standards, and to alert us to any issues involving animal health or welfare.

As part of our commitment to meeting the demand for chickens raised to higher welfare standards, we continue to study alternative and slower-growing chicken breeds.

Global Animal Partnership Certified Farms

In addition, our organic chickens are raised on farms rated GAP 2 or higher by the Global Animal Partnership. On GAP 2–4 farms, to protect birds from the elements, they are allowed outside during the daytime once their feathers are fully developed, which is typically around 4 weeks of age. Birds may come indoors at night and when temperatures are too cold for their comfort. For GAP 5 farms, birds have outdoor perches and are allowed 24-hour access to the pasture area. This program uses a breed that is better suited to the outdoors.

Coleman Natural Hogs

We work directly with family farmers who share our commitment to raising hogs without antibiotics or ractopamine in a low-stress environment. Our farmers' sow operations do not use gestation or farrowing crates. Our hogs are raised in a combination of pastures, hoop barns, outdoor lots and controlled-atmosphere barns with fresh-air ventilation.

American Humane Association certification provides third-party verification for every step of live production, transport and harvesting. Furthermore, some of our hogs are raised in accordance with the Global Animal Partnership standards.



Niman Ranch

Niman Ranch is a community of more than 740 independent family farmers and ranchers who raise pork, beef and lamb traditionally, humanely and sustainably to deliver the finest-tasting meat.

NIMAN RANCH® products are all third-party certified under the Certified Humane® program and from animals raised by small, independent U.S. family farmers and ranchers who adhere to some of the strictest animal welfare protocols in the industry, including:

- No antibiotics—EVER
- No added hormones—EVER
- No beta antagonists or other growth-promoting drugs
- Never fed animal by-products
- No gestation or farrowing crates
- Raised outside on pasture or in deeply bedded pans

Many of our products are raised in accordance with the Global Animal Partnership standards.



- **0** gestation or farrowing crates for hogs
- Toll-Free hotline to report welfare violations
- 45% of poultry houses have windows
- 15% of poultry houses have enrichments
- 13% of poultry houses have outdoor access
- 0 growth-promoting drugs



- 100% of chickens raised under no-antibiotics-ever protocols
- 100% of hogs raised under no-antibiotics-ever protocols
- USDA Process Verified Programs for all poultry

- 100% of hog production third-party verified
- 100% of animals raised under documented responsible care protocols
- 100% of farmers and associates handling live animals receive welfare training









We Continue to Move Beyond Diversity to Inclusion

n 2018, we brought our leaders and managers together for the company's first Diversity and Inclusion Forum, which included a keynote address by Marley Dias, the 13-year-old teen activist whose #1000BlackGirlBooks social media campaign went viral in 2015.

Our CEO, Randy Day, who is championing diversity and inclusion in our company, first became aware of Dias when she addressed a meeting of the CEO Action for Diversity and Inclusion, of which Day is a member. He was so impressed with this young woman "schooling a room full of CEOs" on the topic they came together to discuss, he knew he had to bring her to Perdue.

Our leaders and managers also participated in interactive Unconscious Bias Training to help them recognize those biases in themselves and in the workplace.

We recognize as a company we can do all the right things to increase diversity and support inclusion, but we know if we don't change inside, we won't reach our goals. We continued to move from accepting diversity to celebrating diversity. Perdue has established Diversity and Inclusion Councils within its operations, and many locations hold annual Diversity Days to celebrate the diversity of languages, cultures and backgrounds of our associates.

We are striving to create an environment in which everyone feels welcome, regardless of gender, race, religion or sexual orientation, and where we welcome diversity of thought, experience and perspective.

We recognize the need to do more, including increasing the representation of people of color and women in senior management positions, as well as continuing to identify, encourage and promote from within our diverse hourly production workforce.

PEOPLE & PARTNERS: OUR ASSOCIATES





A 'Best Employer for Diversity'

Perdue Farms was named one of the "Best Employers for Diversity" by Forbes for 2019. This recognition of our journey towards a more diverse workforce and inclusive workplace is a result of the commitment of our associates and leadership team. We celebrate the unique talents and rich backgrounds of our associates that reflect the values and commitments of our company.



Continuing Our Leadership in Workplace Safety

In 2018, the Joint Industry Safety and Health Council recognized Perdue with two dozen workplace awards for consistently implementing innovative and effective workplace safety and health processes and systems. Twenty-four Perdue facilities in nine states, including 17 food-producing plants, received awards.

Award consideration was based on injury statistics over three years and an independent panel of judges' evaluations of written applications.

PEOPLE & PARTNERS: OUR ASSOCIATES





Award-Winning Health & Wellness Programs

Perdue HealthWorks[®], dedicated to helping associates and dependents become as healthy as possible and to offering the best medical care possible through Perdue Wellness Centers and the Perdue Health Improvement Program (HIP), received several awards for workplace health in 2018.

AAOHN Employer of the Year

Perdue was named Employer of the Year by the American Association of Occupational Health Nursing (AAOHN). The company was recognized for supporting and encouraging the advanced certification of the nursing staff that serves the workforce.

American Heart Association Bronze Award

The American Heart Association (AHA) awarded Perdue its Work Place Health Achievement Index Bronze Award. The award recognizes the health of the workplace and its workforce based on a comprehensive organizational self-assessment and review by AHA.

Healthiest Maryland Business Award

The Maryland Department of Health and Mental Hygiene recognized Perdue with its 2018 Gold Wellness at Work Award for the company's leadership in programs that help ensure the health and wellness of the workforce, including its network of on-site wellness centers and Health Improvement Program.







An Investment in Associate Health & Well-Being

Through the combination of Wellness Centers that serve as on-site doctor's offices and our voluntary company-wide Health Improvement Program, we're investing in the health and well-being of our associates.

Our network of 20 Wellness Centers, located at most of our major facilities, enables associates participating in our health coverage plan to see a doctor or other health care provider on-site without losing time away from work and with no copay. Most Perdue Wellness Centers include fully equipped on-site doctor's offices staffed by health care providers from the community. Services provided include primary care treatment for illnesses and injuries, physicals, ongoing treatment for chronic issues, OB/GYN services, prenatal care and pediatric care.

Associates and their eligible dependents can schedule appointments during their shifts, which means they still get paid for that time, and associates participating in our insurance program pay nothing.





HIP Provides Prescription for Health & Wellness

Our voluntary Perdue Health Improvement Program (HIP) provides free annual wellness screenings and supports associates in their efforts to eliminate lifestyle risk factors and manage controllable diseases through one-on-one counseling, health education and workplace programs.

Through the combination of HIP and Wellness Centers, we're able to help associates identify and manage health risks—including diabetes, high blood pressure or high cholesterol levels—or reduce risks from smoking, weight, diet or lack of exercise.



Our emphasis is on creating a culture of wellness, in which our success is measured by improvements in the health of our associates.





An Investment in Our Associates' Education

We're committed to creating opportunities for our associates to grow, personally and professionally. In 2018, Perdue launched a company-wide program to enable associates to earn an accredited high school diploma through a partnership with the Penn Foster Online High School Diploma program. There's no cost to associates.





Wages, Working Conditions, Compliance, & Our Responsibility to Our Associates & Communities

We are committed to involving our associates in creating a safe, secure, inclusive, productive and healthy work environment with competitive wages and benefits, and to complying with all applicable laws and regulations. This includes:

- Continuously working to improve associate safety, health and wellness
- Treating all associates with dignity and respect, promoting diversity and inclusion and ensuring equal opportunity
- Protecting associate rights, encouraging engagement and providing mechanisms for work grievances without retribution
- Measuring and fostering associate satisfaction
- Setting annual "People" goals to move forward toward improving associate safety, retention, health and engagement









PEOPLE & PARTNERS: OUR ASSOCIATES

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Providing Competitive Wages & Benefits, & Complying with All Applicable Laws

We offer competitive wages and a comprehensive benefits package, including options for medical, dental and vision coverage, a 401(k) savings plan with dollar-for-dollar match up to 5 percent of pay, and profit-sharing bonuses. Annual compensation surveys confirm we remain competitive in each employment market.

- The combination of pay rate and company-paid benefits puts the total compensation for our production associates above \$18 per hour at all locations.
- Our average hourly production rate is 172% of the Federal minimum wage, which is also above the 2017 Federal Poverty Guidelines for a family of four and above minimum wage in all the states and localities in which we operate.
- Our health care coverage design is in accordance with the requirements of the Affordable Care Act. Perdue pays 70% of the cost of insurance and the associate pays 30%.
- "Sick time" or short-term disability coverage is available all to associates at a cost of \$3.05 per week.
- Perdue associates accrue Paid Time Off (PTO) hours after 90 days of employment that can be used for vacation, sick leave or any personal need for time off. Time is not lost, and associates can accrue a bank of up to 125% of their PTO allotments.

• We provide all required Personal Protective Equipment (PPE) to all associates, free of charge.

We continue to comply with all applicable wage and hour laws and regulations, including those related to minimum wage, overtime compensation, piece rates and any/all legally mandated benefits.

- We ensure all associates work within the limits of regular and overtime hours. Where overtime is required, those associates are normally granted at least one day off in every seven-day period.
- We pay "punch-to-punch" to ensure our associates are paid for all donning and doffing time. We conduct monthly First and Last Principal Activity audits in all plants to ensure we remain in full compliance. Two recent Department of Labor Wage and Hour audits (2013 and 2014) found our practices to be fully in line with all applicable laws, including the Fair Labor Standards Act.
- We provide associates a full accounting of all time worked, with direct deposit to a debit card or bank account. We have kiosks at all our plants where associates can view or print pay stubs, or they can view them online.

PEOPLE & PARTNERS: OUR ASSOCIATES

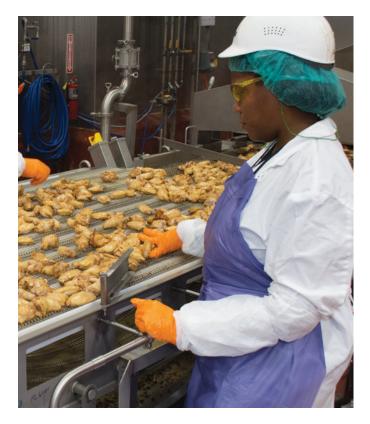


In most of our production facilities, we provide two 30-minute breaks per day, and in others, we provide one 30-minute lunch break and two other shorter breaks.

We maintain adequate staff to accommodate associate requests for bathroom breaks within a reasonable time, and we pride ourselves on the cleanliness and appearance of our restroom facilities.

We publish all associate policies and procedures for our associates to view via kiosks in our plants or from their HR departments.

We also require that our associates and anyone working on our behalf – including business partners, vendors, service providers, independent contractors and each of their subcontractors – comply with all the laws and regulations in the countries in which they and Perdue operate, as well as with our company's procedures and policies.



In particular, Perdue Farms requires that everyone in our supply chains adhere to an absolute prohibition on the use of human trafficking, slavery or involuntary labor of any kind, including child labor and indentured labor.



PEOPLE & PARTNERS: OUR ASSOCIATES





Continuously Improving Associate Safety, Health & Wellness

Our safety programs create a culture of safety at our operations and position our workplaces as among the safest in the manufacturing sector, with key OSHA metrics better than the manufacturing sector as a whole, and among the best among poultry companies.

- We employ a full Corporate Safety and Security Staff, have safety and security managers in each facility and safety teams consisting of both hourly and management associates that constantly monitor safety procedures. We continuously review and make improvements to our safety policies and procedures to ensure ongoing improvement.
- We provide new associate and ongoing safety training, including training for new procedures and equipment to ensure ongoing safety.
- Our sites have and continue to maintain safe line speeds.
- We continue to evaluate new technology to reduce risk exposures on our production lines. This includes adjustable work stations where our safety teams, including hourly associates, provide input on ergonomics. As evidence of our program's success, Perdue was recognized in 2016 by OSHA as a leader in ergonomic improvements.
- Job rotation is required and monitored.
- Proper recording and reporting of all safety incidents, including "near misses," is addressed during orientation and team meetings throughout the year.





Most of Perdue's on-site Wellness Centers include fully equipped "doctor's offices" staffed by healthcare providers from the community, providing associates and their dependents convenient access to primary care. As of January 1, 2018, we eliminated the copay for associates participating in our health plan to use the Wellness Center, including doctor and other health care provider appointments. Associates can make appointments during work hours and "stay on the clock" during their appointments.

Our voluntary Health Improvement Program (HIP) helps associates adopt healthy lifestyles and targets major preventable diseases such as diabetes and hypertension, resulting in measurable improvements in associate health and wellness.

Top: Associates at Perdue's Wellness Center in Prince George, Va., have access to fresh vegetables at an on-site garden.

Right: Ergonomics are an important part of our workplace health and safety program, and not limited to our plants.







Treating All Associates with Dignity & Respect, Promoting Diversity & Inclusion, & Ensuring Equal Opportunity

Perdue is committed to treating all associates with dignity and respect and has a strong policy against any form of discrimination, harassment or abuse. This includes discrimination or harassment based on race, national origin, gender, gender identity, sexual orientation or religious beliefs. Any individual found guilty of this type of conduct would be dealt with severely, up to and including termination of employment.

We take pride in the diversity of our workforce and the manner in which our facilities attract and bring together people from different racial, ethnic, religious and cultural backgrounds.

As part of our Equal Employment Opportunity Policy, we reaffirm our commitment to recruit, hire, train, promote and administer all personnel actions without regard to color, religion, age, sex, gender identity, national origin, marital status, sexual orientation, veteran status, status as a qualified individual with a disability, and any other characteristic protected by law. In 2014, we committed to move beyond diversity by taking a more active role in creating an inclusionary workplace. We now have our Inclusion Council, composed of diverse associates representing different areas of the company, providing direct input to the senior management team. In 2017, Perdue's vice president of human resource services assumed additional responsibility as Chief Diversity and Inclusion Officer, and Perdue Farms is signatory to CEO Action for Diversity and Inclusion.

Further, as a government contractor/subcontractor, we annually write Affirmative Action Plans for each unit within the company and as part of that exercise we thoroughly analyze all company practices to ensure discrimination does not exist. Perdue encourages diversity through targeted recruiting strategies.







Employee Rights, Voice & Engagement

We prefer to take a team approach to management, and the Perdue Continuous Improvement Process encourages associate involvement and engagement by seeking their input, experience and insights to help us improve our processes, increase efficiencies and reduce waste. Committees such as Safety Teams, Diversity and Inclusion Teams, Green Teams, and teams focused on food safety and quality include both hourly and salaried associates working together.

We hold associate roundtables on a regular basis in which associates can bring up any topic they wish to discuss. A rotating schedule ensures we include almost all of our hourly associates during the year.

We provide all associates with several mechanisms to air their grievances or concerns.

- Our Open-Door Policy allows any associate to speak to any member of management at any time.
- Our "Speak Up, We're Listening" confidential hotline allows associates to call a third-party, toll-free hotline to anonymously report suspected illegal or unethical activity.
- Our Peer Review Program allows associates who have been disciplined or terminated to appeal their cases in front of a panel of their peers, selected by them, from a group of trained panelists. If the panel's decision is to remove the discipline or reinstate the associate, that decision is final.







We strive for an environment in which a union would have nothing to offer our associates. We believe that when and if problems arise, they are best worked out with honest and frank discussions in an atmosphere of mutual trust, respect and cooperation directly between management and associates.



Perdue conducts 100% associate surveys every two years, with "pulse" surveys of 25% of the workforce on the in-between years. These are conducted by an outside third party specializing in employee surveys.

In a survey of more than 17,000 associates conducted in 2018:



ABOUT THEIR JOBS

WERE POSITIVE ABOUT SAFETY AND WORKING CONDITIONS







Our Communities



Supporting Our Neighbors in Times of Natural Disasters

Hurricane Florence

In the wake of historic flooding caused by Hurricane Florence, we delivered a half million pounds of protein — the equivalent of 416,000 meals, to Feeding America-affiliated food banks in the Carolinas to help residents and recovery efforts in communities impacted by the disaster.

As part of our response, the PERDUE[®] Chicken Food Truck team deployed to and prepared more than 2,000 pounds of chicken and served more than 5,000 sandwiches over a 12-day period in Maxton and Lumberton in North Carolina. Perdue associates in the region helped the food truck team distribute meals to first responders, volunteers and those in the community impacted by the flooding.

We also donated more than \$200,000 through the Franklin P. and Arthur W. Perdue Foundation to support local American Red Cross chapters.

California Wildfires

During the tragic wildfires in Sonoma County, our Petaluma Poultry Food Truck provided support to the local community, first responders, medical staff, evacuees and volunteers by serving more than 1,320 chicken lunches and dinners over a one-week period in the neighboring cities of Petaluma, Santa Rosa and Redwood Valley, Calif.







Our Food Trucks Supported Our Communities

On the West Coast, our ROCKY[®] and ROSIE[®] Chicken Food Truck supported more than 40 community and retailer events, and raised nearly \$25,000 for 13 different local charities throughout Northern California.

On the East Coast and in the Midwest, the PERDUE[®] Chicken Food Truck, in its second year of operation, attended 23 events in 10 states, logging more than 8,000 miles. Perdue raised \$12,600 to support local charities.

Making the Fight Against Hunger Local

In additional to our nearly two-decade relationship with Feeding America, we support our local food banks through:

- Associate voluntarism, fund-raising and food drives
- Technical and consulting advice
- Equipment donations, including refrigerated trailers and warehouse equipment
- Backhauling through Perdue Transportation

Perdue AgriBusiness donated 100 tons of organic compost to the Food Bank of Delaware for its onsite farm.

PEOPLE & PARTNERS: OUR COMMUNITIES





Our Approach to Hunger Relief



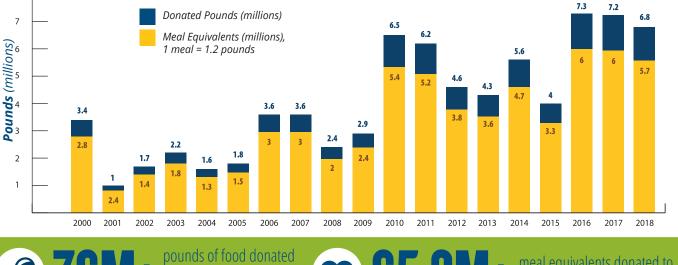
2018 Perdue Strike Out Hunger Challenge on Delmarva

Franklin P. and Arthur W. Perdue Foundation Grant in support of the Food Bank of Delaware Bridgewater, Va., associates volunteering at the Blue Ridge Area Food Bank

A Mission Partner with Feeding America



In 2018, for the third year in a row, Feeding America recognized Perdue Farms as a Mission Partner for our donation of more than 6.8 million pounds of food products. As part of our 19-year partnership with Feeding America, Perdue Farms committed to donating a million pounds annually. In that time, we provided the Feeding America network of community food banks with more than 76 million pounds.



to Feeding America

since 2000

meal equivalents donated to Feeding America since 2000





The Franklin P. and Arthur W. Perdue Foundation

The Franklin P. and Arthur W. Perdue Foundation is the charitable-giving arm of Perdue Farms. Through grants, we strive to support organizations and programs that benefit the communities where our associates live and work. We work to strengthen our communities by focusing our efforts on education, agriculture, the environment, health and social services, public safety, and fighting hunger and poverty. We also support events that celebrate the heritages and cultures of our communities.

In 2018, the Perdue Foundation Awarded:



Together We Can End Hunger On Delmarva

Striking Out Hunger on Delmarva

Perdue Farms once again teamed up with the Delmarva Shorebirds — the Class A affiliate of the Baltimore Orioles—and three Delmarva food banks for the annual Perdue Strike Out Hunger Challenge on Delmarva to deliver 160,000 meals across Delmarva communities in 2018.

The 2018 Perdue Strike Out Hunger Challenge on Delmarva provided the forum to continue the awareness and community engagement that began with Perdue's sponsorship of the 2011 South Atlantic League Perdue Strike Out Hunger All-Star Game promotions.

Since then, the Shorebirds and food banks have embraced the Strike Out Hunger Challenge to generate more than 960,000 meals for those in need on Delmarva.

To drive the Perdue Strike Out Hunger Challenge on Delmarva, Perdue Farms issued a \$15,000 challenge grant, which the Perdue Foundation funded. The grant benefited the Maryland Food Bank – Eastern Shore Branch, the Food Bank of Delaware, and the Foodbank of Southeastern Virginia and the Eastern Shore. Each of the food banks was required to engage the Delmarva community to raise the equivalent of 10,000 meals in order to claim its equal share of the \$15,000 challenge grant. This included any combination of pounds of food collected, funds collected and donated or volunteer hours throughout the duration of the Shorebirds' season.

Additionally, Perdue donated \$10 each time the Shorebirds' pitchers struck out an opposing batter, up to \$5,000.

The Perdue Strike Out Hunger Challenge, in collaboration with the Delmarva Shorebirds, the region's three food banks in Maryland, Delaware and Virginia, and the community at large, is raising awareness and resources to help eliminate hunger in our communities.



Saluting Our Fallen Heroes

For the 11th year in a row, Perdue truckers, many of them military veterans, participated in Wreaths Across America in December, delivering more than 25,000 wreaths to cemeteries from New York to Florida. Their journey included deliveries to the United States Naval Academy Cemetery in Annapolis, Md., the United States Military Academy West Point Cemetery in New York, and Arlington National Cemetery in Virginia. Since 2007, Perdue drivers have delivered more than 225,000 wreaths.

In 2018, Perdue drivers continued their traditional wreath-laying ceremony at the Wicomico County War Memorial in Salisbury. Perdue drivers who are veterans themselves placed seven ceremonial wreaths at the war memorial as part of the event.





A Convoy for Special Olympics

Our Drivers Deliver Goodwill & Support

Renewing a Holiday Tradition

Perdue truck drivers renewed a 35-year company tradition, delivering a little holiday cheer to residents of the Holly Center, a Maryland state residential facility in Salisbury, Md., for people with mental and physical disabilities, through Operation Teddy Bear.

Inspired by the Red Sovine country music hit "Teddy Bear," Operation Teddy Bear enables Holly Center residents to take a ride with Perdue's professional drivers. The caravan of trucks, adorned with holiday decorations, navigates residents on an 11-mile loop through Wicomico County.

In 2018, Perdue drivers with their big rigs once again participated in the World's Largest Truck Convoy in support of Special Olympics. Perdue drivers have supported the Delaware Special Olympics convoy since its inception in 2003, while 2018 marked Perdue's third year participating in the Special Olympics North Carolina convoy in Charlotte.

We Support Associate Fundraising

Perdue Farms supports and encourages the fundraising efforts of our associates. Many of our facilities lead their communities in fundraising for such non-profit agencies as United Way, March of Dimes and American Cancer Society.

Uniting Our Efforts

In 2018, Perdue associates and the Franklin P. and Arthur W. Perdue Foundation raised more than \$584,000 for local United Way campaigns in our communities. Our associates' personal donations represent the largest percentage of contributions to support local United Way campaigns. The Perdue Foundation provides partial matching grants to support associates' contributions and other funding that supports United Way partners in the communities where associates live and work.

United Way Global Partnership

In 2018, Perdue Farms was named a United Way Global Corporate Leadership Partner by United Way Worldwide, recognizing the company's more than 30-year partnership with United Way.



Collecting bikes for The Salvation Army's Angel Tree program.

Supporting The Fight Against Cancer

Our associates raised nearly \$256,000 in support of the American Cancer Society's Relay for Life in Maryland, North Carolina and Virginia. Our Lewiston, N.C., team raised nearly \$150,000 in 2018.



Since 2001, Perdue associates in Lewiston, N.C., have personally contributed more than \$1.3 million in support of the Bertie County Relay for Life and in doing so have earned national recognition for their effort.

Coleman Natural Pledges \$800,000 to Pups4Patriots Program

Coleman Natural Foods announced an \$800,000 pledge to support the American Humane Pups4Patriots[™] program, a national initiative that finds dogs in need of forever homes and trains them to become life-saving dogs for veterans with post-traumatic stress and traumatic brain injury.

Coleman Natural Foods is an American Human Certified producer for its natural pork products. This designation helps assure customers that the food on their plates was raised humanely under the science- and evidencebased protections established by American Humane.



PEOPLE & PARTNERS

Our Agricultural Customers/Grain Farmers



Improving Organic Grain Supply Chain Efficiency

long-term warehouse lease for an organic grain receiving and storage facility at Tradepoint Atlantic at the Port of Baltimore in Maryland will better position the company to meet demand for organic feed ingredients.

We work directly with local farmers and traders in the United States, Europe, South America and Asia to source organic grains and soybeans. This new facility will be part of an integrated supply chain that enables us to increase business and reduce cost while maintaining the quality of our organic products.

Reaping Improved Service at Harvest Time

Investments and expansion of grain receiving facilities, increased operating hours during harvest and re-commitment to serving the farmer meant shorter wait times at our elevators.





85 MILLION

BUSHELS OF GRAIN STORAGE AT FACILITIES FROM NEW YORK TO GEORGIA, & AS FAR WEST AS INDIANA

300 MILLION

8,500+ FARMERS WE PURCHASE GRAINS FROM

Refining Options for Edible Oils

Our edible oil refinery achieved Non-GMO Project Verified status for non-GMO soybean and canola oils. Along with the ability to custom blend oils, we offer healthier profiles with oils from DuPont Pioneer Plenish[®] soybeans. Perdue AgriBusiness is positioned to help our edible oil customers keep pace with changing consumer expectations.







Perdue AgriBusiness

Feeding Animal Agriculture

Perdue AgriBusiness is expanding our ability to supply internal and external customers with conventional and organic feed ingredients. By focusing on digestive health, amino acids and fatty acids, Perdue's Animal Nutrition Group is developing science-based products and services for the poultry and dairy industry. These products and services enhance nutrient utilization, supporting animal health and producer profitability.

Milking Greater Yields

Our science-based dairy amino acid supplements optimize milk yields and milk components, improving the bottom line for dairy farmers.

Farmers Grow It & We Buy It

From the changeable weather to the volatile commodity markets and the ripple effects of global trade policies, farmers face uncertainty from the time they have faith to put seed in ground. One certainty is the Perdue AgriBusiness "you grow it, we'll buy it" promise to local farmers. Our focus on local origination ensures farmers they'll have a competitive local market for the row crops they choose to produce. We'll never turn farmers away.





Supporting Farmers Supports Our Business

Since the construction of our first grain receiving facility in Salisbury, Md., in 1960, Perdue AgriBusiness has been focused on bringing value to the farmer – recognizing that viable crop farms are the foundation of our supply chain. While our business has grown significantly in size and scope, we remain focused on helping farmers optimize the profitability of their operations.

Connecting local farm fields to global markets

Our network of elevators and rail, truck and marine transportation provides Mid-Atlantic farmers with access to domestic as well as international markets, increasing demand for their crops.

Boosting farm revenue through specialty crops and seeds

By creating and supporting markets for specialty crops, such as high-erucic acid rapeseed and DuPont® Pioneer® Plenish® high oleic acid soybeans, along with organic grains and cover crops such as winter wheat, we continued to provide opportunities for farmers to diversify their operations and potentially increase revenue per acre.





Reaching Around the Globe, Around the Year

With a local presence in South America through our merchandising office in São Paulo, Brazil, Perdue AgriBusiness has developed the relationships and resources to originate millions of bushels of ag commodities for export.

Coupled with the Perdue AgriBusiness deep-water port in Chesapeake, Va., this enables Perdue AgriBusiness to access harvests in the northern and southern hemispheres and be a year-round supplier to our customers.

Perdue AgriBusiness exports grains, soybeans, soymeal and soy oil by vessel and containers, and our Chesapeake facility is connected to the eastern U.S. through grain receiving and handling network by barge, rail and truck.



Supporting the Next Generation of Farmers

Perdue Farms continued its support for the National Future Farmers of America Organization by providing FFA members the opportunity to grow into leaders, build their communities and strengthen agriculture through Supervised Agricultural Experience (SAE) grants.

In 2018, Perdue provided a \$10,000 grant from the Franklin P. and Arthur W. Perdue Foundation, the company's charitable giving arm, to the National FFA Foundation to fund SAE grants in selected states. FFA members who wish to initiate or improve their supervised agricultural experiences can apply for an SAE grant. The SAE Grants Committee selects the recipients of grants, which are based primarily on financial need.

FFA Blue Jacket Program

Perdue provided a \$1,000 grant to the Delaware FAA Association to help fund the Delaware Farm Bureau's Blue Jacket Bonanza Program, which provides FFA students who do not have the financial means a chance to earn their own Blue Jackets. Our support provided jackets for 20 future farmers.







Our Business Partners & Company



Largest poultry company in the U.S. by sales (7% of market)

Largest poultry company in the U.S. by production Perdue AgriBusiness ranks among the top U.S. grain companies





Reaching Millennial Shoppers with a Fresh Look for PERDUE® Fresh Chicken

ith a contemporary design featuring playful illustrations and vibrant colors, we introduced a fresh new look for our PERDUE[®] brand fresh chicken, the fourth major packaging update in the half-century history of the brand. Extensive research and testing helped us develop packaging that appeals to a new generation of shoppers while strengthening relationships with loyal brand consumers.

The design also better highlights our trusted product attributes, including no-antibiotics-ever, 100-percentvegetarian-fed with no animal by-products and raised cage-free with no hormones or steroids. (While Federal regulations prohibit the use of hormones and steroids in poultry, consumers look for the assurance of this claim.)

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More than 65% of brand consumers surveyed favored the new design and millennial participants told us they preferred our updated look 200% more.





New Advertising Helps Promote Organic Chicken & Convenience

In 2018, the PERDUE[®] brand continued to leverage the third and fourth generation of family advertising spokespersons in national TV ads to promote USDA-certified organic chicken and the convenience consumers desire.

Chris Perdue and Ryan Perdue, part of the fourth generation of Perdue family working in the business, joined their father, chairman and long-time advertising spokesperson Jim Perdue, in two new commercials featuring PERDUE[®] HARVESTLAND[®] organic chicken and PERDUE[®] FRESH CUTS[®] pre-cut boneless, skinless chicken breasts.

"Family has always been an important part of the Perdue story," said Jim Perdue. "Our advertising featuring Perdue family brand spokespersons is but one small part of our story. Today, there are four fourth-generation family members working in the company, and they continue to carry our values forward as we prepare to enter our second century in 2020."





Celebrating 50th Anniversary of PERDUE® Branded Chicken

Fifty years ago, the introduction of PERDUE® branded chicken forever transformed the chicken business and went on to make history. In 2018, Perdue Farms commemorated the 50th SALLS BALLS anniversary of the PERDUE® brand at the hometown harvest plant in Salisbury, Md., that produced CELEBRATING those very first chickens.

It was at the Salisbury plant that the late Frank Perdue established the quality standards that set his chicken apart from the competition, changing chicken from a commodity to branded product. In just a few years, thanks to the

en 1968 PERDUE ORIGINAL PERDUE anniversa now-famous "It takes a tough man to make a tender chicken" advertising campaign, the Perdue name became as recognized in its New York and Northeast markets as many other iconic brands.

Today, the PERDUE[®] brand is the No. 1 brand of fresh chicken and No. 1 organic brand in the United States, with a rapidly growing portfolio of

no-antibiotics-ever products under the PERDUE®, PERDUE® SIMPLY SMART® and PERDUE® HARVESTLAND® brands, and USDA-certified organic chicken MAR, under the PERDUE® HARVESTLAND® Organic brand.

> The brand that started a half century ago in Salisbury is now a leader in no-antibiotics-ever, organic and advancements in how we raise chickens, and is continuing to deliver innovative ideas in chicken products.

The celebration also marked the 50th anniversary of the opening of the processing plant. That first plant – which continues to produce PERDUE® branded chicken today - was instrumental in Perdue's evolution from a local company raising chickens sold at live auctions to the fourth-largest poultry company in the U.S.

CHICKEN .

A Distribution Hub to the Southeast

Our Southeast Distribution Center in Rincon, Ga., officially opened in 2018, enabling us to meet the growing demand for no-antibiotics-ever and organic chicken, and help maintain the high level of customer service and reliability customers expect from Perdue.







Investing in Customer Service & Quality Products

In 2018, we continued to invest millions in our foods operations to improve customer service and meet demand for our products.

Perdue Cook Plant Expansion

In 2018, we invested \$42 million to expand our Perry, Ga., cooking operation, where we produce a variety of frozen, cooked chicken products for consumers and restaurants, and created more than 120 new jobs in Houston County. A new third cooking line helps us meet demand for no-antibiotics-ever and organic chicken products.

Investing in Our Dillon Operation

A \$20 million investment at our Dillon, S.C., operation also supports demand for NAE chicken products with our foodservice customers. The expansion also included a state-of-the art cooler and new loading dock, and created about 100 new jobs.

Expanding Our Pork Operation

To help meet growing demand for custom cuts in our specialty pork business, and enhance customer service and reliability, we invested \$29 million in a two-story 50,000-square-foot expansion of its pork harvest operation in Sioux Center, Iowa. The expansion is expected to create some 50 new jobs.

The expansion at the plant, which produces premium pork products for Niman Ranch[®], Coleman Natural[®] and Sioux Preme[®] brands, includes additional production capability with state-of-the art automation.



Niman Ranch Pledges to Double Farmer Network

As part of its leadership in sustainable agriculture and humane livestock practices, Niman Ranch pledged to double its network and add more than 750 independent family farmers and ranchers in the next 10 years.

Niman Ranch launched a recruitment effort to include a first-of-its-kind Gilt and Boar Gift program for young farmers, recent college graduates and those who have served in the military. Niman made \$300,000 in sows available to qualifying individuals who are looking to get started in farming, grow their herds, improve their genetics and ultimately make more money.

The Next Generation Scholarship Fund, a yearly program targeting farm families to allow their children to go to college without significant debt so they can return to the farm, awarded more than \$150,000 in scholarships to more than 32 students.





The Family Story Continues

Perdue Farms has remained family-owned for 99 years, and the Perdue family is committed to continuing that legacy into our next century. Two generations work in the company and the family is committed to keeping Perdue Farms a family-owned, values-driven business. Chairman Jim Perdue is the third generation to lead our company. In addition, four members of the next generation of Perdues are currently working in the business.

Strong Values Guide Us Through Tough Times

As with everyone else in the protein business, Perdue Foods is responding to an unprecedented glut of meat, including the lowest chicken markets in recent history. While weak commodity markets kept animal feed prices low, those same markets presented challenges for Perdue AgriBusiness. These same challenges continue.

Our company remains strong, with diverse businesses, strong brands, and, most importantly, the commitment of our family ownership. The Perdue family's dedication putting trust foremost requires us to gauge all of our actions against our Values – Quality, Integrity, Stewardship and Teamwork.

Our Value of Stewardship requires us to respond to challenging time, but we are doing so and staying true to all of our Values.





Responsibly Contributing to Our Business Partners

As a family-owned, privately held company, we make business decisions that effectively balance our long-term strategies with short-term requirements while staying true to what we believe in. That way, we can make sure our actions bring us closer to our goals. We have a core code of conduct and ethical practices, which we share with all associates and recommunicate to managers annually.

We also know that our ability to contribute positively to others depends on the resources we generate through our business. Our value of stewardship includes the responsibility to generate profitable growth to support the strategic plans of our company, sustaining us into the future.

We understand that our success goes hand in hand with our ability to help our business partners including our customers, farm partners and vendors — be successful. This is founded in our core values of integrity and teamwork, and it extends into our strategic growth plans.

Investing in Customer Service & Quality Products



We continued to invest millions in our harvest and cooking plants, increasing efficiencies, improving product quality, strengthening food safety, and creating a safer and more productive workplace.

PEOPLE & PARTNERS: OUR BUSINESS PARTNERS & COMPANY





Supporting Our Farm Family Partners

The majority of our chickens and turkeys are raised on local farms by more than 2,200 independent farmers contracted to care for our poultry on their farms.

Our poultry house contracts are designed to help insulate farmers from most of the financial risks associated with raising chickens and turkeys – including volatile markets – while providing year-round farm income and rewarding top performance. Those contracts were developed with input from our farmers and written in plain English, and they include provisions for peer review to resolve issues between the company and our farmers.

The Contract Growing Relationship

Perdue has been contracting with farmers to raise our poultry since the 1950s. Many of the farm families raising our chickens have been with our company across multiple generations, with sons and daughters deciding to build poultry houses based on the experiences of their parents and grandparents. Our ability to attract new farmers is dependent upon the trust we earn within the farm community.

Farmers are paid for raising the chickens, with higher pay going to those who are most efficient. A contract poultry operation is like any other business in that farmers need to reinvest in their operations to remain competitive. In addition, standards related to food safety, bird health and welfare and environmental stewardship change over time as a result of, among other things, advances in animal husbandry, changing consumer and customer expectations and new laws and regulations. However, Perdue often provides no-interest financing and other incentives to assist farmers with necessary upgrades.

Under the contract growing relationship:



Perdue delivers day-old chicks to the farms and provides feed, veterinary care and advice.



Our flock advisors, veterinarians and poultry care officers – backed by an advanced team of scientists and laboratory technicians working with leading research and analytical equipment – assist our farmers.



Perdue maintains ownership of the chickens, and the farmers are responsible for providing housing that meets Perdue's standards, and caring for the birds.



Our Standards

We have high standards for how we expect our birds to be raised, including no-antibiotics-ever protocols, poultry care programs that exceed the norm for the U.S. poultry business, environmental stewardship and the expectation that farmers raising our chickens will be good neighbors.

We promise to consider our farmers when making changes. We are modifying our business relationships with contracts that reward care and welfare, in addition to production and efficiency.

Farms raising our poultry are subject to third-party certifications and verifications, including our USDA Process Verified Program for Poultry Care, USDA Certified Organic and Global Animal Partnership certifications.





Niman Ranch Farmers

The NIMAN RANCH[®] brand joined the Perdue family in 2015. Niman Ranch is a community of more than 740 independent family farmers and ranchers who raise pork, beef and lamb traditionally, humanely and sustainably.





Coleman Natural Hog Farmers

Farmers who raise hogs for sale to Coleman Natural put in extra work to meet our care standards, including no antibiotics ever and an all-vegetarian diet. In turn, they receive a premium price for their animals. We help them with veterinary and technical support.





Governance & Accountability

Stewardship is part of our culture, goals and day-to-day operations

- Our company's sustainability platform, "We believe in responsible food and agriculture," is part of our formal vision-and-values framework and communicated to all associates. Our company's Values are Quality, Integrity, Teamwork and Stewardship, and our stewardship goal reads: We protect the environment, ensure the wellbeing of our associates, provide for the welfare of the animals in our care, live up to our civic responsibilities and generate earnings for the future of our company.
- Ensuring adherence to our values, including the stewardship platform, is the responsibility of the Chairman and a shared accountability of all associates.
- Each year, our company sets goals in the areas of people, products, planet and profitability and communicates those goals to all associates. All

managers are held accountable for goals in the areas of associate safety, health and retention; product quality, safety and customer service; environmental stewardship; and financial performance. The board and senior leadership approve these goals. The board reviews results, and progress toward the goals factors into management compensation.

 Our Vice President of Sustainability reports directly to the CEO and is responsible for developing our environmental stewardship goals. For our environmental stewardship goals, we measure reductions in intensity (use per pound of product). While annual reductions or increases in production impact our results from one year to the next, we feel this metric encourages ongoing responsibility and makes us accountable for responsible growth.



United Nations Sustainable Development Goals

1 ^{NO} ₽overty

1. No Poverty

- Competitive wages and benefits, including medical, dental and vision plans
- Increase in hourly production compensation—total hourly compensation, including benefits, exceeds \$18, and average hourly production rate is 179% of the federal minimum wage
- 401(k) with matching contributions
- Training, opportunities for advancement and tuition reimbursement, along with commitment to affirmative action, diversity and inclusion
- Support for community nonprofits addressing issues related to poverty
- In 2018, Perdue Foundation awarded \$252,000 in grants to fight hunger and poverty



2. Zero Hunger

- Economic opportunities in rural communities
- Feeding America Mission Partner and support for hunger relief efforts
- In 2018, donated 6.8 million pounds of protein to Feeding America
- In 2018, Perdue Foundation awarded \$252,000 in grants to support hunger relief initiatives
- In 2018, donated 1 million-plus pounds to food banks to support disaster relief



- Voluntary associate Health Improvement Program with 87% participation
- On-site Wellness Centers with \$0 co-pay
- Healthier product choices

- Support for community nonprofit health agencies
- In 2018, Perdue Foundation awarded \$186,000 in grants for healthcare and related services



- Associate tuition reimbursement
- Support for local schools and educational programs
- In 2018, Perdue Foundation awarded \$250,000 in grants for education and literacy programs, \$70,000 in scholarships and \$83,000 for social and mentoring programs

5. Gender Equality

- Commitment to equal opportunity, diversity, inclusion and affirmative action
- Strong policy against any form of discrimination, harassment or abuse



- Reduced water use intensity by 6.9% toward 2022 goal of 25% reduction of potable water use
- Perdue AgriRecycle facility recycling over 2 billion pounds of poultry litter over the last 18 years and moving approximately 50% to outside the Chesapeake Bay Basin
- Planet Scorecard with annual goals to reduce water usage
- Annual environmental audits of wastewater pre-treatment and treatment facilities
- Planet Scorecard includes audit and compliance scores
- GEMI local water tool for water risk assessments at all our large facilities



7. Affordable & Clean Energy

- Reduced greenhouse gas intensity by 4.8% toward a 2022 goal of 30% reduction of scope 1 and 2 carbon equivalent emissions
- Planet Scorecard sets annual goals to reduce fossil fuel and electricity usage
- Two solar farms producing 2.8 MW of renewable energy
- Methane from Cromwell, Ky., anaerobic lagoon produces electricity, reducing CO2e emissions by approximately 100,000 tons
- Cogeneration plant uses biomass to produce steam for our Cofield, NC feed mill
- Soybean crushing plant in Bainbridge, Pa., taps existing Lancaster County Solid Waste Management Authority waste-to-energy and reduces transportation miles to reduce greenhouse gas emissions by 72%



8. Decent Work & Economic Growth

- Safe, productive and rewarding work environment
- Treating associates with dignity and respect
- Opportunities for economic advancement



- Reinvestment in our operations, facilities, and research and development
- In 2018, invested more than \$126 million in major facility expansions and technology enhancements
- Investment in long-term warehouse lease for organic grain receiving and storage at Port of Baltimore

UN SDG Alignment FY2019 Company Stewardship Report

10 REDUCED

10. Reduced Inequalities

- Competitive wages and benefits
- Opportunities for advancement
 Economic investment in rural communities



11. Sustainable Cities & Communities

- Responsibly contributing to the economic development of our communities
- Feeding America Mission Partner and support for hunger relief efforts
- In 2018, donated \$204,000 to disaster relief through local American Red Cross chapters
- In 2018, donated 1 million-plus pounds to food banks to support disaster relief
- Energy and water reduction efforts, environmental compliance efforts
- Associate volunteer hours for community projects
- In 2018, Perdue Foundation awarded \$1.5 million in grants to 101 non-profit organizations, including \$392,000 for community improvement and public safety



12. Responsible Consumption & Production

- Commitment to environmentally responsible practices
- Transparent and informative labeling and marketing
- Third-party verifications, certifications and USDA Process Verified Programs



- Reduced greenhouse gas intensity by 4.8% toward a 2022 goal of 30% reduction of scope 1 and 2 carbon equivalent emissions
- Planet Scorecard with annual goals to reduce fossil fuel and electricity usage
- Two solar farms producing 2.8 MW of renewable energy
- Methane from Cromwell, Ky.,; Cofield, N.C. anaerobic produces electricity, reducing CO2e emissions by approximately 100,000 tons
- Cogeneration plant uses biomass to produce steam for our Cofield, NC feed mill

HIE BELOW WATER 44. Life Below Water

- Perdue AgriRecycle facility recycling over 2 billion pounds of poultry litter over the last 18 years and moving approximately 50% to outside the Chesapeake Bay Basin
- Reduced water use intensity by 6.9% toward 2022 goal of 25% reduction of potable water use
- Planet Scorecard with annual goals to reduce water usage
- Jim Perdue is the Chairman of the Board of the Oyster Recovery Partnership
- Completed 9th year of bagging oyster shell and spat for Oyster Recovery Partnership – 514 volunteers, 859 cages filled (750,000 oysters), 8,943 shell bags created (3,577,200 oyster spats)
- Provided monetary and volunteer support for Alliance for Chesapeake Bay Project Clean Stream for 11 years. Over the time period, 7,489 Perdue associates have volunteered and removed in excess of 470,000 pounds of trash from local streams and planted more than 4,000 trees
- Salmon-Safe certification for Draper Valley Farms operations



15. Life On Land

- Perdue AgriRecycle facility recycling over 2 billion pounds of poultry litter over the last 18 years and moving approximately 50% to outside the Chesapeake Bay Basin
- Provided monetary and volunteer support for Alliance for Chesapeake Bay Project Clean Stream for 11 years.
- Collaborated with NGO Fresh Energy in Maryland to pass Pollinator-Friendly Designation Program bill for commercial ground-mounted solar facilities
- Decreased solid waste sent to landfills by 74.5% toward a 2022 goal of divert more than 90% of our solid waste
- Member Roundtable on Sustainable Palm Oil
- Agronomy services and products to promote healthy soils
- Support for land conservancies
- In 2018, Perdue Foundation awarded \$154,000 in grants for environmental and agricultural programs



• Commitment to diversity and inclusion



- Developing and expanding relationships with NGOs and advocacy groups
- Work with multiple stakeholders to identify shared goals



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