



Corporate Sustainability Report

2014



Letter from the Chairman & CEO

Sustainability at Wayne Farms is practiced within virtually every realm of our organization. It influences our ethics, our compliance, our journey to a sustainable supply chain and our employment culture which allows our employees to pursue meaningful and rewarding careers. This report outlines the strides we are making toward preparing for the future, so we can ensure our company is here tomorrow to provide our customers and consumers with safe, affordable food that is ethically raised.

We have made great accomplishments in support of this mission to date through staunch commitments to our four identified pillars of sustainability success: animal welfare; people and community welfare; environmental welfare; and consumer and product welfare.

We have always emphasized a sincere commitment to **animal welfare** and this is most evident with our recent decision to partner with a more stringent, PAACO-certified third party auditor. Our new partner offers a strict animal welfare audit approach based upon years of science-based experience in the animal agriculture and food processing industries. With this program, plus other improvements in housing, feed, and care from our dedicated farmers, we pledge to continue to maximize bird welfare.

Wayne Farms is deeply devoted to the people in our organization and the ten communities of which we are a part. One example of our **people and community welfare** commitment is our success in annual Relay for Life contributions. In 2013, the Wayne Farms Decatur, Alabama team raised \$115,000 to support Relay for Life and was recently recognized as a national "Top Team" by the American Cancer Society!

Our commitment to **environmental welfare** can best be summarized through a major win achieved in our Pendergrass, Georgia complex. The plant recently invested ~\$5MM in a new facility to clean the waste water from the plant before discharging the clean water back into the local creek supply and environment.

Lastly, Wayne Farms is very dedicated to **consumer and product welfare**, ensuring the implementation of strong food safety and quality practices from our farms to our customers' facilities. We are participants in the Global Food Safety Initiative (GFSI) and proud that all of the Wayne Farms processing facilities have achieved SQF 2000 Level 2 certification for the fourth consecutive year.

All aforementioned wins help to preserve the integrity and long-term health of Wayne Farms, but as with anything, there is always room for improvement. We must continue to seek new and different ways in which we can help drive and measure our sustainability success. The entire company has made a commitment to this important initiative and I am confident we will succeed. I want to thank our Wayne Farms family of employees whose leadership, ingenuity and strict adherence to the company's LEAP program (Legally, Ethically, Adding Value and Policy Adherence) has fostered our achievement thus far, and will also guide our future progress and innovation.

Sincerely,
Elton H. Maddox
Chairman and CEO, Wayne Farms LLC



Elton H. Maddox
Chairman & CEO,
Wayne Farms

Company Description

About Wayne Farms

Wayne Farms LLC is the sixth-largest vertically integrated poultry producer (5.45% market share) in the U.S. with annual sales exceeding \$1.9 billion. Wayne Farms owns and operates 11 fresh and further-processed facilities throughout the Southeast, produces more than 2.5 billion pounds of poultry products each year, and employs more than 8,900 individuals.

Wayne Farms' roots extend back to 1965 with the purchase of the initial two Alabama poultry plants which became the foundation of the company. Wayne Farms is the only chicken company that has remained among the Top 10 poultry companies for each consecutive year since the late 1970's.

Wayne Farms is a wholly-owned subsidiary of Continental Grain Company (CGC), which was founded and has been continually held by the Fribourg family since 1813.

About Continental Grain Company (CGC)

Established in 1813 as a grain trading firm based in what is now known as Arlon, Belgium, Continental Grain Company grew to become one of the largest privately held companies in the world. Through its diversified operations and investments, Continental Grain Company builds long-term value in partnership with exceptional management teams.

The Company's goal is to attain financial success in ways that reflect favorably upon its employees and business partners. With a rich entrepreneurial legacy and significant permanent capital, Continental Grain Company continues to seek new global growth opportunities across multiple industries through its investment group, Arlon.

Headquarters: Oakwood, GA

Outside Sales Pounds: 2.5B

Employees: 8,900

Sales Dollars: \$1.9B

Industry Share: 5.45%

Industry Standing: 6th

Facilities: 11

Vision: Wayne Farms is a leader in the B2B poultry market. We strive to be the partner of choice to our customers, employees and communities.

Animal Welfare

Certified Animal Welfare Audits & Training

Wayne Farms has very strict guidelines for every aspect of our business including the policies and procedures ensuring the humane handling and processing of every chicken. Our Animal Welfare Program addresses the handling of birds at the hatchery, in grow-out, during transportation, and at the processing plant. Every employee who comes or may come in contact with our live birds is trained when hired and re-trained annually on Wayne Farms Animal Welfare policies and procedures. Our Animal Welfare policies and procedures maximize bird welfare.

During 2013, Wayne Farms formed a new partnership with a third party PAACO-certified auditing vendor who provides a more stringent auditing and certification program. Farm Animal Care Training and Auditing (FACTA) offers a strict animal welfare audit approach that is based upon years of science-based experience in the animal agriculture and food processing industries. Audits are independently conducted, third-party, objective assessments of the state of animal welfare at the time of the audit. Services are based on individual farm benchmarking by credentialed auditors and educators in an exclusive peer reviewed process. This program exceeds the standard guidelines proposed by the National Chicken Council (NCC). Wayne Farms conducts 2 external and 2 internal audits per complex each year.

In addition to the third party audits, FACTA also provides a detailed animal welfare certification program which takes training down to the individual level as opposed to the organizational level. All individuals who participate in caring for and raising our birds will undergo training and become certified in accordance with the curriculum set forth by FACTA and Wayne Farms.



Photo: Joseph Feeks, PR Works

“Wayne Farms takes animal welfare very seriously and is committed to responsibly raising happy, healthy birds. This commitment is most notable through our stringent training and auditing program, improvements in bird housing, high quality feed, and the dedication of our employees.”

Mark A. Burleson
DVM, MS, DACPV

*Protecting
our
Animals*



Animal Welfare

Dedicated Farmers

Wayne Farms' large network of dedicated family farmers works hard to help us produce the chicken our customers enjoy, and most have been with us for a very long while. In fact, 75% of our family farmers have been raising chickens for Wayne Farms for over 10 years, while 50% have been with us for more than 20 years!

All of our farmers are committed to helping us provide safe, nutritious, and affordable food while taking the utmost care of our animals. Our farmers are responsible for carefully raising healthy, happy chickens while ensuring all strict animal welfare standards are met.

High Quality Feed

Wayne Farms offers a high quality feed to our bird flocks, ensuring healthy, optimal growth. Recently, we began formulating our feed on digestible amino acids as opposed to total amino acids. This means the feed formulation is based on what is actually available to the birds and does not include extra protein which the birds cannot digest. This lessens the waste that shows up in the litter.

Comfortable Housing

With respect to the housing Wayne Farms provides for our birds, the company aims to ensure superior comfort to create happy birds. In very recent years, Wayne Farms increased wind speed in the houses to accommodate the comfort of the birds, especially during the warm weather months. The company has also increased the amount of space the chickens have within the houses and improved the alarms, generator management, and controllers that enable the farmers to properly maintain perfect house temperatures.



"Wayne Farms feeds a higher plane of nutrition than the average big bird company. While this might cost us a little more, we produce a better quality bird because of it."

**Thomas J. Frost, PhD, PAS,
Dipl. ACAN
Director Nutrition and
Research**



"Wayne Farms has plans to build approximately 300 new, state-of-the-art houses with improved wind speed technology. This will help us to ensure the comfort of our birds throughout the growth cycle."

**Jim Shepard,
Wayne Farms, Senior Director
of Live Operations**

People & Community Welfare

People Welfare

Wayne Farms is committed to being a company of choice for our employees. That's why we've created a work environment that fosters learning, growth, and career advancement. In addition, we have chosen to offer our employees an extensive line of benefits that address health, education, and financial security. Wayne Farms works directly with local and state health department officials routinely on a variety of employee health issues. We proactively coordinate with these agencies to ensure that public and employee health standards are at the forefront of our employment practices.

Wayne Farms is committed to fostering diversity among our employment and supplier base and provide equal opportunities to all individuals. We also maintain strict compliance with all labor and immigration regulations, following all necessary protocols including the use of E-Verify, social security number verification, I-9 audits, I-9 employee training for Human Resources staff and ongoing immigration and compliance training for our leadership.

WorkSAFE Program

Our employees are our most important asset. We value our employees and do everything we can to ensure a safe working environment for our workforce. As part of this, Wayne Farms has implemented a behavior based safety initiative called WorkSAFE, which focuses on helping employees identify unsafe behaviors and remain conscious of their environment and potentially dangerous situations.



*Protecting our
People*



People & Community Welfare

As a result of WorkSAFE and extensive safety training, Wayne Farms boasts a solid safety record. We are proud of the results we achieve in our plants and across the company.

The federal government's Occupational Safety and Health Administration (OSHA) uses various statistics to evaluate the effectiveness of the safety culture within a company. Two such measurements are the Total Incident Rate (TIR) and the DART rate which measures the incident rate for recordable cases involving days away from work and days of restricted work activity or job transfer. The table below notes Wayne Farms rate results in these two categories for the past two years. Wayne Farms rates are much better than the most recent (2012) TIR (4.9)¹ and DART (3.3)¹ rates reported by the Bureau of Labor Statistics for the entire poultry industry.

Compliance Dashboard FY14		
	2013	2012
Total Hours Worked YTD:	18,174,021	16,285,235
DART Rate	1.72	1.88
TIR Rate	2.59	2.66

We also feel it important to recognize three facilities in particular that excelled in their safety statistics for 2013.

- The **Dothan, Alabama** and **Enterprise, Alabama** facilities each achieved a DART rate of less than 1.00 for 2013.
- The **Union Springs, Alabama** facility ended 2013 with more than 13,000,000 hours worked without a lost time accident.

Safety Awards

In 2013, eleven Wayne Farms' facilities were honored by the Joint Industry Safety and Health Council for outstanding safety performance, by implementing innovative and effective safety and health programs, at the National Safety Conference for the Poultry Industry. Two of the award winning facilities located in the Pendergrass complex received Awards of Distinction, the highest accolade offered. Eight Wayne Farms facilities received Awards of Honor and another facility received the Award of Merit. Award consideration was based on injury statistics over three years and an evaluation of written applications.

The Joint Industry Safety and Health Council are comprised of members from the U.S. Poultry & Egg Association, National Chicken Council, and National Turkey Federation. Collectively, the three organizations represent companies that produce 95% of the nation's poultry products and employ over 300,000 workers.



"We are extremely proud of the safety programs managed by the Supervisors and Compliance Managers throughout Wayne Farms. I credit the hard work and consistent attention given to our safety processes. Our teams always keep workplace safety top of mind and are constantly looking for new and innovative ways to improve our solid programs."

Reggie McLee, Director of Safety and Loss Prevention

¹ www.bls.gov/iif/oshwc/osh/os/ostb3581.txt



People & Community Welfare

Community Welfare

Wayne Farms LLC and our employees partner in our communities to donate time and money in support of a wide range of humanitarian agencies, such as The United Way, The American Cancer Society, and The Special Olympics. We also encourage and sponsor local involvement of our plant personnel in supporting activities such as "Relay for Life" and "Walk America," volunteer emergency services fundraisers, and food donation efforts.

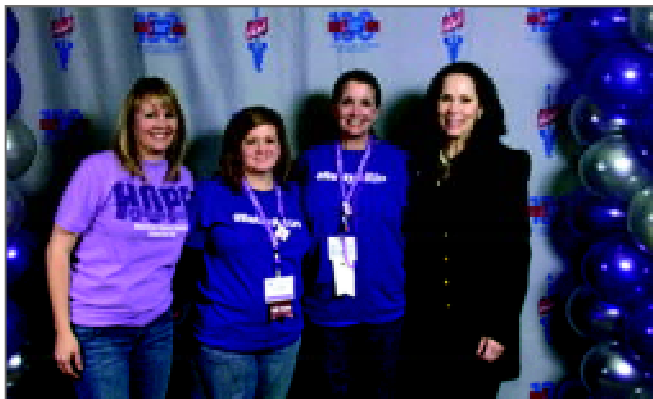
All Wayne Farms facilities have Relay for Life teams and have made great contributions in the battle against cancer. In fact, our facility teams in Decatur, Alabama achieved ranking as #2 largest contributor to Relay for Life in the state of Alabama and #10 in the United States! In 2013 alone, the team raised \$115,000 to benefit the cause, earned designation as a "Top Team" from the American Cancer Society and was invited to participate in the organization's "Top Team Experience," held in Dallas, Texas in March, 2014.

Wayne Farms is also a staunch supporter of the FFA, partnering with the organization in all local Wayne Farms communities, as well as at the national level.



"Cancer has touched every single person in some way and we at Wayne Farms are passionate about doing our part to help find a cure and to also honor those that have battled this disease. Through my work with the Wayne Farms Decatur Relay Team, I can honor my father and cancer survivor, James Arrington, as well as the millions of other victims and survivors of this complex disease."

**Beckie Patrick,
Wayne Farms Decatur Relay
for Life Team Leader**



"Top Team" Photo L to R: Samantha Taylor, VP of Relay for Life; Tina Wiggs, Wayne Farms; Beckie Patrick, Wayne Farms; Lin MacMaster, CRMO, American Cancer Society



*Protecting our
Communities*

Environmental Welfare

Wayne Farms strives to be a good corporate citizen by providing the highest quality, high-protein, poultry products for human consumption and enjoyment, while minimizing the impact on the environment.

Farm Operations

Our farms are independently owned and operated small farm contractors in rural communities with a vested interest in protecting their land and environment. They are required by contract with Wayne Farms to follow all applicable laws including environmental regulations. Annual audits are conducted to ensure compliance.

We require new poultry houses to be energy efficient with insulation, radiant heaters, cool cell/tunnel ventilation, and solid sidewalls. Electric motors have to meet CFM/watt requirements to reduce fuel and electrical use. We are working with our farmers to upgrade existing poultry houses to meet these standards of energy efficiency when economically feasible.

We require our farmers to have a nutrient management plan that ensures compliance with AFO/CAFO regulations. Most farmers apply poultry litter to crops and pastures for use as a natural fertilizer in the proper amounts to prevent runoff. Storm water runoff at our plants is monitored, and as needed, captured and appropriately treated to prevent any contamination of nearby streams and estuaries.

Plant Operations

Our plant operations are continuously seeking new ways to help minimize our overall carbon footprint. Throughout the facilities and all of our processes, our teams are committed to reducing water usage, heightening energy efficiencies, reducing waste, and much more. In 2013, Wayne Farms established several environmental key performance indicators (KPIs) on which each facility will be measured from here on out. Below are the environment KPI results for Wayne Farms encompassing natural gas usage, electricity usage, water usage, and solid waste among all of our facilities:

Fresh Processing Facilities

- o Natural gas usage = 2.39 million BTU/1000 birds slaughtered (range = 1.39-2.91)
- o Electricity usage = 609 KWH/1000 birds slaughtered (range = 396-661)
- o Water usage = 7.18 gal/bird (range = 5.39-8.78)
- o Solid waste = 616 tons/facility (range = 370-991)

Further Processing Facilities

- o Natural gas = 39.62 million BTU/1000 lb
- o Electricity = 449 KWH/1000 lb
- o Water = 36.1 gal/1000 lb
- o Solid waste = 5382 tons for both plants combined



*Protecting our
Environment*

Environmental Welfare

Water Usage

Wayne Farms is committed to reducing water usage by 10% over the next three years. Based on current production, this will be a savings of over 200 million gallons of water annually!

We've installed processed water re-use equipment at our plants to reduce overall potable water usage. In fact our Pendergrass plant, one of our largest, is among the lowest in the industry in terms of gallons of water used per bird processed.

Water Treatment

The Wayne Farms facilities also have a commitment to treating and reusing wastewater. The Pendergrass, Georgia plant recently invested ~\$5MM in a new facility to clean the waste water from the plant before discharging the clean water back into a the local creek supply.

In addition, the Decatur, Alabama further processing plant was recently selected as the winner of the U.S. Poultry & Egg Association's Clean Water Award in the pretreatment category. The awards, presented annually, recognize excellence in the operation of wastewater treatment plants. Several innovative processes were recognized: a combined waste stream from two plants improving effluent water quality, an automated jar testing project, polymer blend consistency, and multiple supervisory control and data acquisition, providing 24-7 coverage for both utilities and wastewater treatment.

Electricity

Our electrical systems have been upgraded to optimize efficiency. Light fixture audits have been performed and changes implemented including motion sensor lighting, lighting timers and energy efficient alternative lighting. We have also invested in direct fire water heaters to more efficiently generate hot water. At our Decatur plant, we replaced a CO₂ pre-chiller with a more environmentally friendly refrigerated pre-chiller to reduce the amount of CO₂ emissions. We have built onsite freezers negating the need for onsite refrigerated storage trailers significantly reducing overall fuel usage. We have converted plant boilers to clean, natural gas.

Reduce, Reuse, Recycle

Wayne Farms is committed to reducing the solid waste sent to landfills by 33% over the next three years through material reduction, reuse and recycling efforts.

Plant operations recycles a long list of materials including: Batteries, Light Bulbs, Tires, Copper, Brass, Stainless Steel, Carbon Steel, Cardboard, Oil Filters, Plastics, Paper, and Aluminum.

We have also reduced usage of disposable plastics by purchasing products in bulk barrels and refilling dispensers. Sanitation tote consumption has been reduced by moving to bulk storage. To use less corrugated material, we have reduced the dimensions of finished product packaging. We utilize recycled paper products wherever possible.

Of significant note, our Wayne Farms Dobson, North Carolina facility recycled 75 tons (18.8%) of solid waste from the facility. This was a great achievement and has caught the attention of our other locations who are seeking new opportunities in recyclable materials.

Lastly, Wayne Farms continues to seek vendor partner programs with organizations who boast solid sustainability records. These range from live haul trucking companies and plastics companies to waste disposal firms.



"Our sustainability team at the Dobson facility is committed to identifying every opportunity possible to protect our environment. I am proud of our progress thus far and look forward to more ideas to come."

Paul Nordin, Complex Manager – Dobson, NC



Consumer & Product Welfare

Product Quality

Providing the highest-quality chicken to our customers is our ongoing focus. As one of the first poultry companies to vertically integrate, we are able to implement strong food safety and quality practices from our farms to our customers' facilities. We ensure the safety and quality of our products through disciplined management, strict policies and dedicated employees. As associates of Wayne Farms, we are all responsible for food safety.

We work in partnership with industry, government, and independent experts to create and implement rigorous food safety and quality practices in all our processing facilities. We use up-to-date, science-based procedures, and we are constantly looking for areas where we can improve.

Food Safety

All Wayne Farms facilities are inspected by the United States Department of Agriculture (USDA). All processing facilities have achieved SQF 2000 Level 2 certification in accordance with the Global Food Safety Initiative (GFSI).

Wayne Farms has ASQ certified personnel to ensure internal audit programs are state of the art. Farms protect flocks through good breeding, and bio-secure environments.

We inspect every bird, and over 30 years of hand deboning married with a bone reduction program ensures that our fresh and further process customers have the highest quality product.

Further processing facilities combine finished product testing with a pathogen free environment to ensure product safety.



*Protecting our Products
and the Public*

Future Action Items

A solid foundation for the Wayne Farms corporate sustainability program has been established and a commitment to continuously improve upon this foundation has been made by the company as a whole. Looking forward, Wayne Farms is eager to continue improvements in the areas of lowering greenhouse emissions, reducing our carbon footprint, strengthening the company's overall economic impact, and further tightening our vendor programs.

In fact, in 2014, we will begin calculating our greenhouse gas emissions using 2013 data for all facilities. This GHG emissions data will then be used to establish goals for carbon footprint reduction over the next three years.

We are excited about the progress our company has made thus far, and even more excited about the plans to come. Each new day will bring new ideas and new opportunities that will help us ensure Wayne Farms will be here tomorrow to provide safe, high quality, affordable food that is ethically raised.

Protecting Tomorrow

