



CONTENTS

1.0 Sustainability at Tyson Foods – A Proud Heritage	5.0 Products
1.1 Tyson Foods' Sustainability Mission Statement	5.1 Managing Food Safety and Quality
1.2 A Message from our President and CEO	5.2 Supporting Our Customers and Consumers
1.3 A Message from our Chief Environmental, Health, and Safety Officer	5.3 Product Research and Development
1.4 The Foundation of Our Company – Our Core Values	5.4 Promoting Nutrition and Health
	5.5 Responsible Marketing and Advertising
	5.6 Animal Well-Being
2.0 Tyson Foods at a Glance	6.0 Profits
2.1 Our Customers and Consumers	6.1 Corporate Governance and Compliance
2.2 A Diversified Business Model	6.2 Company Strategy and Financial Performance
2.3 Our Operations	6.3 Our Supply Partners
3.0 People	6.4 Supporting the Family Farmer
3.1 Ethics	6.5 Renewable Products
3.2 Recognizing an Exceptional Workforce	6.6 Building a Multinational Enterprise
3.3 Ensuring the Health and Safety of Our Team Members	6.7 Public Policy and Political Contributions
3.4 Hunger Relief	6.8 Ethanol and Animal Feed
3.5 Charitable Giving	7.0 Our Approach to Sustainability Reporting
4.0 Planet	7.1 Material Issues
4.1 Our Environmental, Health, and Safety Policy	7.2 Growing Successful Partnerships – Stakeholder Engagement
4.2 Our Environmental Team	7.3 Restatements and Changes in Reporting
4.3 Environmental Management System	7.4 Data Integrity
4.4 Auditing Our Performance	
4.5 Data Collection and Assurance	8.0 Global Reporting Initiative Index
4.6 Managing Our Environmental Footprint	8.1 Acknowledgements
4.7 Environmental Fines and Penalties	8.2 Contacts
4.8 Awards and Recognitions	



1.0 SUSTAINABILITY AT TYSON FOODS – A PROUD HERITAGE

As we enter our 75th year of business, we find ourselves thinking back to 1935 when our founder, John W. Tyson, began hauling chickens from Springdale, Arkansas, to poultry markets in Kansas City and St. Louis, Missouri. In the spring of 1936, John delivered his first load of 500 Arkansas-grown chickens to Chicago and netted a profit of \$235. Within a year, John was hauling loads of Arkansas chickens to new markets in Cincinnati, Detroit, Cleveland, Memphis, and Houston. Although no one realized it at the time, John was laying the foundation for the modern day poultry business and Tyson Foods.

Today, Tyson Foods is one of the world's largest processors and marketers of chicken, beef,

and pork food products. As our company has grown, so have our responsibilities. We understand our actions and decisions have an impact. We recognize the global community we serve faces unparalleled economic, environmental, and social issues, such as increased unemployment rates, resource scarcity, and extreme hunger and poverty. Understanding and addressing these issues is consistent with the Core Values of our company.

We believe our triple-bottom-line success, including social progress, environmental excellence, and economic growth, will continue as we strive to do the right thing with respect to *people, planet, and profit*. Sustainability touches every aspect of our company and our operations.

Accordingly, we define sustainability in a way that brings responsibility and accountability into every business activity and process. Our Core Values and focus on sustainability guide our actions on important issues such as hunger relief, food safety, environmental protection and resource conservation, animal well-being, ethical business practices, the health and safety of our Team Members, and returning a profit to our shareholders.

We are committed to building the world's most extraordinary food company, and to conducting business in a manner that builds financial success, respects the environment, and supports those in need.



1.1 TYSON FOODS' SUSTAINABILITY MISSION STATEMENT

Tyson Foods, Inc., recognizes the importance of being a responsible corporate citizen. Our Core Values – which define who we are, what we do, and how we do it – are the foundation of corporate sustainability at Tyson. We are committed to making our company sustainable – economically, environmentally, and socially. Our progress in this endeavor will be measured by how we develop and market our products, how we care for the animals, land, and environment entrusted to us, and how we treat people, including our Team Members, consumers, suppliers, and the communities in which we live and operate.

A handwritten signature in black ink that reads "John Tyson". The signature is written in a cursive, flowing style.

John Tyson
Chairman, Tyson Foods, Inc.

1.2 A MESSAGE FROM OUR PRESIDENT AND CEO

“It’s our time” is a familiar phrase around the halls of Tyson Foods recently. We are excited about our great team, the future of our company, and the opportunities we have not only to feed the world, but to leave this world a better place than we found it because we adhere to sustainable business practices. It’s our time because we have the best people, customers, assets, brands, and core values to guide us on our journey.

The business case for sustainable practices is positive, bottom-line impact. Improving conditions for our people, planet, and profit makes economic sense. That bottom line argument is even more important in this tough economy – especially for our Team Members and shareholders.

As our sustainability practices evolve, we know we must focus on what’s right for our business. We care deeply about issues such as hunger relief, food safety, animal well-being, the health and safety of our Team Members, environmental protection, resource conservation, and returning profits to our shareholders. Accordingly, we have set the following four sustainability goals to measure our progress:

- Reduce our water usage by 10 percent over a two-year period as compared to our water usage levels at the end of fiscal year 2008;
- Produce up to 75 million gallons of bio-fuel a year from animal fat within the next four years;
- Donate millions of pounds of protein annually to Feeding America food banks across the country; and
- Support government policies that will not overuse food, such as corn for renewable fuel, and encourage efforts to find non-food sources of renewable energy.

We will keep our sustainability efforts focused, measured, and supportive of our business. We look forward to working with our customers, suppliers, and others on common-ground sustainability efforts. Not every effort works well for every company, but by carefully selecting opportunities for collaboration, we can share ideas and leverage resources toward impressive achievements.

Some of our recent sustainability successes include:

- Dynamic Fuels, a joint venture between Tyson Foods and Syntroleum Corporation, broke ground in October 2008 on a plant that will convert low grade, inedible fats and greases into renewable transportation fuels for the civilian and military markets. The facility, located in Geismar, Louisiana, is currently scheduled to begin production in 2010, with an expected total capacity of 75 million gallons per year of renewable diesel fuel.
- In July 2008, we began pursuing our Global Food Safety Initiative (GFSI) certification. The GFSI is a partnership between food safety experts from retailer, manufacturer, and foodservice companies that focuses on the continual improvement of food safety management systems. As of September 2009, 67 of Tyson Foods’ U.S.-based facilities have been certified against the British Retail Consortium Global Standard for Food Safety.
- We are committed to the safety and health of our Team Members. During fiscal year 2009, the company reduced its Total Recordable Incident Rate by 19.2 percent and its Days Away, Restricted, and Transfer Rate by 20.7 percent. In addition, we improved our internal safety metric score by 14.1 percent during fiscal year 2009.
- Another aspect of our ongoing commitment to the health and safety of our Team Members is ergonomics. On November 24, 2009, Tyson Foods and the United Food and Commercial Workers Union completed the 20th year of a workplace ergonomics program that is making meat processing jobs safer and has helped reduce worker injuries and illnesses such as strains and sprains.

I know Tyson Foods’ Team Members will provide the energy, ideas, and leadership to continue our successful sustainability efforts. We’re proud of the work we have done and the opportunities ahead, as we continue to learn and progress as a company.



Donnie Smith
President and Chief Executive Officer
Tyson Foods, Inc.



1.3 A MESSAGE FROM OUR CHIEF ENVIRONMENTAL, HEALTH, AND SAFETY OFFICER

Our company's Core Values are the framework of our sustainability practices, which are focused on people, planet, and profit. In other words, sustainability at Tyson Foods is about doing the right thing in all aspects of our business.

Striving everyday to provide a safe work environment for our Team Members and to serve as stewards of the environment are integral components to how we plan our days, do our work, check our performance, and continually improve. We are often asked if there are benefits to sustainability. The short answer is yes. The benefits range from "feeling good about our company" to the creation of innovative products and measured improvements.

We are proud to present our third sustainability report, which provides details about our business and how we go about making a sustainable difference for the future. As we have planned and acted upon our sustainability journey, key topics such as human safety, hunger, water resources, climate change, renewable fuels, safe food production, animal welfare, recycling, and the disposal of discarded materials continue to be a part of our success and hold our attention toward continual improvement.

There are benefits for companies that choose to follow a path toward sustainability. Here are a few key highlights on safety and environmental efforts.

Health & Safety

One of our Core Values is striving to provide a safe work environment for our Team Members. We do this by making sure safety is everyone's job, every day. Over the past four years our Total Occupational Safety and Health Administration (OSHA) Recordable (TOR) and Day Away Restricted and Transfer (DART) injury and illness rates have trended downward. During FY 2009 we experienced a 19.2 percent reduction in TOR and 20.7 percent reduction in DART. Unfortunately, while we have achieved numerical improvements, we also experienced the work-related deaths of two Team Members during 2008-2009. These unfortunate incidents are felt by our entire organization and serve as a constant reminder of why nothing should stand in the way performing our work safely.

Listening to our people is one of the single most important aspects of safety success. Consistent, repetitive safety communication and training are also vital. Monthly safety review calls are held in each of our business units and involve multiple levels of management, including a span of Team Members from plant supervisors to executive managers. Our facilities have safety committees made up of hourly and managerial Team Members who meet regularly to communicate, discuss performance, perform root-cause analysis of specific incidents, and develop preventive actions to drive continual improvement.

We work collaboratively with OSHA in response to complaints and inspections. During FY 2009 we received 23 complaints and 28 inspections. In addition, we received 63 citations (26 of which were withdrawn), seven of which have been settled, and 30 of which remain under negotiation. We endeavor to work with the regulatory community in a positive, open manner with the interest of our people's safety as top priority.

One facet of sustainability is the ongoing investment in the care and longevity of our Team Members. For over two decades, Tyson has employed ergonomics to help create a user-friendly work environment. Committing to work smarter and deploy methods to make tasks more efficient and easier to accomplish (ergonomics) has many benefits.

Take for instance, the following three examples. First, we ask people to do their jobs right – the first time, every time. When work is easier to accomplish, people can "hit their mark." Proper ergonomic design of work helps people do quality work, rather than challenging them. Second, we ask people to work hard – a good day's work for a good day's pay. When work is easier, people can accomplish more. Improvements in productivity, inside the company and out, arise from better methods and technology that makes work easier. This, too, is part of the equation of ergonomics. Third, we desire

productive and quality work not only today, but tomorrow, next week, and next year. Making work easier helps prevent injuries and illnesses, such as strains/sprains or musculoskeletal disorders (MSDs).

Ergonomics involves fitting work to our people, rather than making people try to fit work that may not be optimally designed or well-suited to them. To make this concept a reality, Tyson uses a formal structured approach to ergonomics, including (1) management commitment of resources; (2) extensive training conducted at many levels in the organization; (3) jobs are systematically reviewed with structured checklists and a variety of analysis tools; (4) risks that may be identified are driven to root cause; and (5) teams of stakeholders — the same folks who get the training mentioned above — work together to brainstorm, design, and implement solutions. This can range from improved tools and fixtures, to better techniques or methods, to clearer instructions — making worker easier for the body and mind.

If someone is hurt on the job, Tyson Foods has a very capable medical management team that works to identify and treat issues early, before they become serious. Treatment is monitored and dynamically managed to return Team Members to work as quickly as possible (sometimes immediately in an altered role).

Some recent ergonomic success stories have included:

- Tyson Fresh Meats (formerly known as IBP, inc.) and the United Food and Commercial Workers (UFCW) union completed last year the 20th year of a workplace ergonomics program that is making meat processing jobs safer. Some of the key elements of

the program include ongoing ergonomics training for production workers; the involvement of hourly workers as ‘ergonomic monitors’; work-site analysis and the redesign of work stations and equipment; and a medical management program focused on early detection and treatment of workplace injuries and illnesses. The success of this program has been the dedication and feedback from workers who serve as safety and ergonomics monitors. The teamwork between hourly production workers, plant managers, and corporate management teams has been very important to the ongoing success of the program.

- Technology for quantifying knife sharpness has reduced injury (90 percent reduction in first injury reports at our Temperanceville, Virginia, facility) and provided objective feedback that allows us to take control of our sharpening process (knives now more than twice as sharp at Obion County).
- Ergonomics design criteria for manual debone lines in poultry processing plants have resulted in injury and illness rates that are 20-percent lower than previous generation equipment installations.
- Enhanced trailer specifications and concentrated material handling training for drivers has resulted in a \$300,000 savings in workers compensation costs for the Texas Route Sales Delivery organization (zero injuries to date through the 11th month of the fiscal year).
- *Ergonomics in the Poultry Industry: A Review of 25 Years of Industry Efforts* is a recent poultry industry study conducted by the Joint Industry Safety and Health Council

(made up of members of the U.S. Poultry and Egg Association, National Chicken Council, and National Turkey Federation). The study reports the industry’s efforts in the prevention and early treatment of musculoskeletal disorders (MSDs). It also discusses how OSHA has focused attention on the poultry industry and the positive results achieved from OSHA and the industry working together. MSDs in the poultry industry have declined 75 percent during the last 25 years.

Environmental, Health and Safety Management System (EHSMS)

At the end of 2008, we finished implementing Environmental, Health and Safety Management Systems (EHSMS) at all of our operating facilities in the U.S. and Mexico. This system meets the requirements of the International Organization for Standardization (ISO) continual improvement process for environmental management known as ISO 14001. We complemented this by incorporating the principles of the Occupational Health and Safety Assessment standard known as OHSAS 18001 to support our integrated management approach for the environmental, health, and safety disciplines. Management system audits are scheduled to begin during 2010 to monitor and continually improve performance.

Environmental Stewardship

While we discuss solutions to global concerns like water conservation and climate change, we have chosen to concentrate our efforts in these areas on how we conduct business. For example, our annual water usage for the production of food products in FY 2009 was 25.5 billion gallons. At the end of 2010, we will evaluate water usage and conservation progress

against the 10-percent reduction goal set in 2008. Based upon the results, a new goal will be developed considering a number of factors, including finding a balance for the expectations of regulatory authorities for food safety and environmental protection.

Our water conservation efforts, along with several facility closures, led to a water usage reduction of 7.6 percent between October 2004 and September 2009. This is equivalent to a 13.9 percent reduction in the number of gallons used per pound of finished product.

We operate 34 full treatment and 42 pretreatment wastewater systems and monitor our compliance against permit requirements. It is our goal to prevent potential permit exceedances and notices of violation through the use of predictive analytical indicators to monitor compliance and identify positive or negative trends. When trends indicate the potential for non-conformance, remedial actions are taken to return to normal operation. We measured an increase in permit exceedances between fiscal years 2008 and 2009 following three years of a declining trend. Appropriate corrective actions were taken to determine the root causes, identify preventive actions, and return to full compliance. We also measured an increase in Notices of Violation (NOVs) during this same period and took similar actions to mitigate the causal factors and find preventive actions for successful future operation.

Climate Change

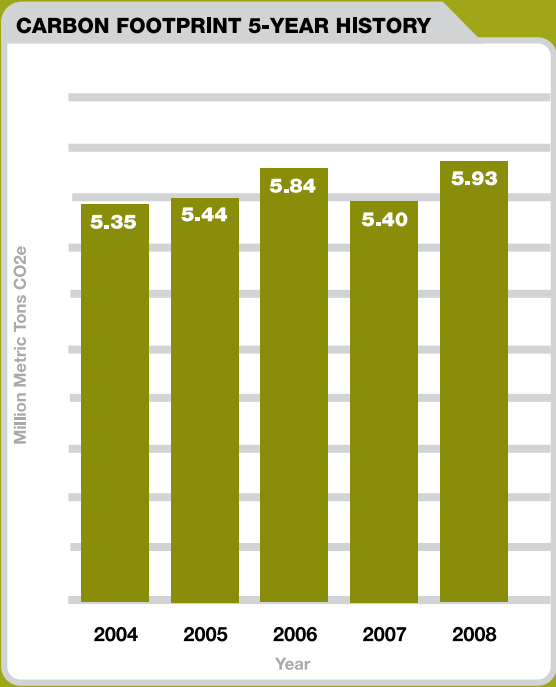
Our climate change efforts have included: (1) becoming a partner in the U.S. Environmental Protection Agency (USEPA) *Climate Leaders*™ program in 2004 (The program is a voluntary partnership challenging businesses to reduce

their Greenhouse Gas (GHG) emissions); (2) completion of a comprehensive carbon footprint inventory for domestic operations; (3) public disclosure of our carbon footprint since our baseline year of 2004; (4) operation of covered anaerobic wastewater lagoons at six of our food processing facilities, four of which have biogas systems using the methane generated as boiler fuel; (5) creating and trading carbon off-set credits in the voluntary carbon market; (6) preparation for compliance with EPA's mandatory GHG reporting rule, with the first report due in 2011; and (7) becoming an EPA SmartWay Partner as both a shipper and carrier.

During 2010, we have begun a more deliberate effort in the measurement of energy usage and setting goals for our business units to improve their energy consumption budgets. Our initial focus has been low-cost and no-cost improvements, and capturing energy footprint data for use in longer term evaluations of energy equipment and future capital expenditure possibilities to lower energy cost and consumption.

The company's GHG footprint during calendar year 2004 (defined as our baseline year) was 5.35 million metric tons. This baseline inventory included data related to facility fuel and electricity usage, transportation fuels, refrigeration usage, and anaerobic biogas production. Based on this inventory, the company is considering setting GHG emission-reduction goals during fiscal year 2010. In light of the current uncertainty surrounding the legislative and regulatory initiatives dealing with climate change, however, Tyson Foods may choose to delay its decision on goal setting in order to better understand the future legal landscape and role of carbon in the economy. The company is committed to

making appropriate reductions and investing in energy-efficient projects to improve bottom-line performance.



Sustainability is truly about everything we do at Tyson Foods. Routine interaction with our customers, neighbors, Team Members, friends, and other stakeholders enables us to hear and consider many points of view and allows collaboration on common-ground sustainability efforts to make our business stronger.

Kevin Igli
Kevin Igli
Chief Environmental, Health, and Safety Officer
Tyson Foods, Inc.

1.4 THE FOUNDATION OF OUR COMPANY - OUR CORE VALUES

Tyson Foods' vision is to be the world's first choice for protein solutions, while maximizing shareholder value. Our Core Values are fundamental to our company. They shape and direct our strategy and inspire us daily. They are integral to the way we do business. Our Core Values guide our relationships with our Team Members, customers and consumers, suppliers, and independent producers. Our goals, programs, and metrics are derived from and support our Core Values.

Tyson Foods' Core Values

We are a company of people engaged in the production of food, seeking to pursue truth and integrity, and committed to creating value for our shareholders, our customers, and our people in the process.

Who we are:

- We strive to be a company of diverse people working together to produce food.
- We strive to be honorable people.
- We strive to be a faith-friendly company.

What we do:

- We feed our families, the nation, and the world with trusted food products.
- We serve as stewards of the animals, land, and environment entrusted to us.
- We strive to provide a safe work environment for our Team Members.

How we do it:

- We strive to earn consistent and satisfactory profits for our shareholders and to invest in our people, products, and processes.
- We strive to operate with integrity and trust in all we do.
- We strive to honor God and be respectful of each other, our customers, and other stakeholders.





2.0 TYSON FOODS AT A GLANCE

Tyson Foods originated in 1935 when founder John W. Tyson started hauling chickens from Springdale to markets in Kansas City and St. Louis. He later expanded his business by producing and selling baby chicks and feed to farmers, and in October 1947, he established Tyson Feed and Hatchery, Inc. The company entered the chicken processing business in 1958 after building its first plant in Springdale, Arkansas.

The company changed its name to Tyson's Foods, Inc., in 1963, the same year it had its first public offering of common stock and acquired Garrett Poultry, a poultry processing plant, feed mill, and hatchery in Rogers, Arkansas.

Don Tyson assumed the leadership of the company in 1967, after his father died in an automobile-train accident. Under Don's leadership, the company's poultry business grew rapidly through a series of acquisitions, including the purchase of such companies as Holly Farms and Hudson Foods. These strategic acquisitions made the company, which was renamed Tyson Foods, Inc., in 1972, the nation's leading poultry company.

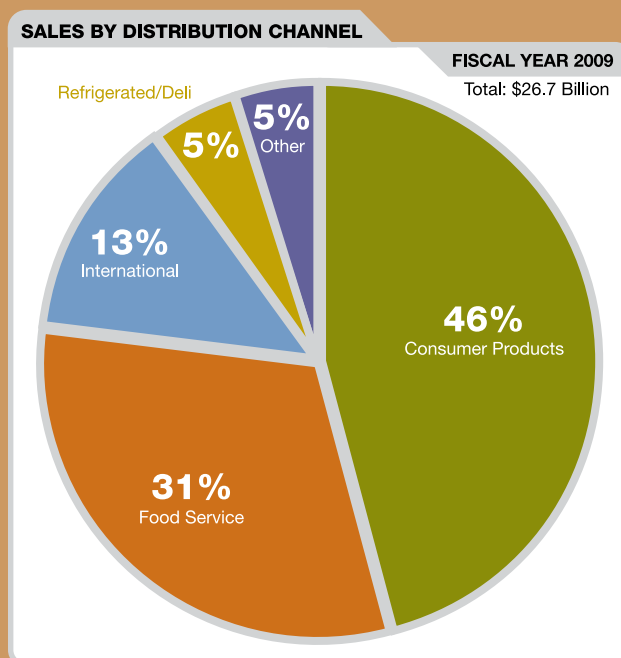
Don's son, John H. Tyson, became chairman of the board in 1998 and chief executive officer in 2000. Under his leadership, the company initiated another major acquisition in 2001, when Tyson Foods bought IBP, inc., the world's largest supplier of beef and pork.

In 2007, Tyson Foods entered into a joint venture with Cactus Feeders, Inc., and Cresud S.A.C.I.F.yA to create the first vertically integrated beef operation in Argentina and announced the creation of Dynamic Fuels LLC, a 50-50 joint venture with Syntroleum Corporation to produce synthetic fuels made from by-product fats, greases, and oils to target the renewable diesel markets. In 2008, Tyson Foods entered the poultry business in South America by acquiring three chicken companies in southern Brazil.

Today, Tyson Foods [NYSE: TSN] with headquarters in Springdale, Arkansas, is one of the world's largest processors and marketers of chicken, beef, and pork; the second-largest

food production company in the Fortune 500; and a member of the S&P 500. The company produces a wide variety of protein-based and prepared food products and is the recognized market leader in the retail and foodservice markets it serves. Tyson provides products and services to customers throughout the United States and more than 90 countries. The company has approximately 117,000 Team Members employed at more than 400 facilities and offices in the United States and around the world.

In fiscal year 2009, Tyson Foods represented 20 percent of U.S. chicken production, 22 percent of U.S. beef production, and 18 percent of U.S. pork production. In fiscal 2009, the company's average weekly production included 41.4 million chickens, approximately 139,400 cattle, and 393,300 hogs. The company generated total sales of approximately \$26.7 billion in fiscal 2009. This includes \$3.4 billion in international sales.



Through its Core Values, Code of Conduct, and Team Member Bill of Rights, Tyson Foods strives to operate with integrity and trust and is committed to creating value for its shareholders, customers, and Team Members. The company also strives to be faith-friendly, provide a safe work environment, and serve as stewards of the animals, land, and environment entrusted to it.

Tyson Foods' vision is "to be the world's first choice for protein solutions while maximizing shareholder value, living our Core Values, and fostering a fun place to work." The company's mission is to produce and market trusted, quality food products that fit today's changing lifestyles and to attract, reward, and retain the best people in the food industry.

Want To Know More?

- You can learn more about Tyson Foods, its history, and its operations in the Tyson Fact Book, which is available by clicking on <http://ir.tyson.com>.
- Learn more about our major shareholders in our proxy statement available through our Investor Relations Web site at <http://ir.tyson.com>.
- If you are interested in Tyson Foods' financial performance, we invite you to review our 2009 Annual Report on Form 10-K available through our Investor Relations Web site at <http://ir.tyson.com>.

2.1 OUR CUSTOMERS AND CONSUMERS

We are dedicated to developing a best-in-class, value-added product portfolio that meets the needs of our customers and consumers. We are well positioned to provide the products people want, from the most basic cuts of meat to fully-prepared meals. Moreover, we are the only company selling chicken, beef, and pork through all major distribution channels including consumer products, foodservice, and international.

Consumer Products

The Tyson® brand is one of the most recognized brands in the United States retail channel, including all major grocery chains, wholesale club stores, super centers, regional chains, dollar stores, convenience stores, and drugstore chains. We sell hundreds of different products in this channel including, but not limited to, case-ready fresh chicken, beef, and pork; individually quick frozen chicken; chicken nuggets, strips and patties; bacon; and deli meats. In addition to the *Tyson* brand, we have several other strong brands for bacon and deli meats businesses including *Wright*® Brand, *Corn King*®, *Russer*®, and *Wilson*™ brands. We also manufacture products for our leading customers' in-house and private-label brands.



A strong brand, international growth, and continued focus on giving customers the innovative and delicious products they want helped Tyson Foods take home the 2009 Category Excellence Award in the poultry division from Supermarket News.

Foodservice

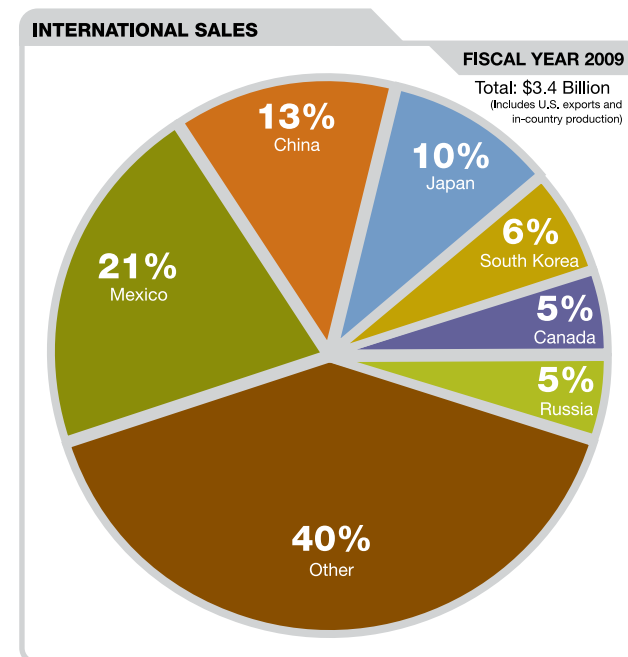
Tyson Foods is the leading protein provider to all major national restaurant chains, including quick service, casual, mid-scale, and fine dining. We also supply the leading broad line distributors and on-site foodservice venues, including hospitals, school cafeterias, and military commissaries. In addition to being a primary supplier for foodservice chicken, we are the leading supplier of pizza crusts, pepperoni, sausage, and beef toppings to national pizza chains and retail frozen pizza manufacturers. We are also a leader in soups, sauces, and side dishes, and we are the second largest tortilla manufacturer in the U.S.



Tyson Foods' *Star Ranch Angus*™ beef won a 2009 Editor's Choice Award from *Progressive Grocer* magazine. The brand, one of about 80 winners chosen from more than 260 entries, delivers the rich flavor and consistent tenderness customers expect with Angus beef.

International

In addition to commodity exports, we have branded international products developed for the tastes and lifestyles of the local consumers. The company made several acquisitions and joint ventures in key locations that offer the right climate for poultry production, a large population, ample labor force, access to corn and soybean meal, and a cost-of-production advantage. These markets also feature a strong emerging middle class. As their incomes rise, one of the first lifestyle changes people make is to add protein to their diets.



2.2 A DIVERSIFIED BUSINESS MODEL

Tyson Foods' business model is diversified across the three leading proteins (chicken, beef, and pork), major distribution channels, product types, and geographies of production. This diversification helps mitigate changes in market fundamentals affecting segment performance in each protein. We operate four main business segments, including chicken, beef, pork, and prepared foods.

Chicken

Tyson Foods' poultry business is vertically integrated. Vertical integration allows the company to oversee every aspect of production and product quality from the egg to the finished product on a consumer's plate. In short, there are seven stages involved in getting chicken to the consumer, including breeder flock, pullet farm, breeder house, hatchery, broiler farm, processing and further processing, and distribution.

The process begins with the grandparent breeder flocks. The breeder flocks are raised to maturity in grandparent growing and laying farms where fertile eggs are produced. Pullets hatch from the fertile eggs and are then sent to breeder houses. The pullets produce fertile eggs that are sent to hatcheries.

Shortly after the eggs hatch, the chicks are sent to broiler farms, nearly all of which are owned and operated by independent producers. Tyson Foods contracts with more than 6,000 independent producers, who care for and raise the chicks according to company standards. We also own a small number of company chicken farms. When the broilers reach the desired processing weight, they are caught and taken to one of the company's 63 chicken processing plants.

At the plant, the chickens are processed to meet the specific requirements of the customer, which can range from a basic raw commodity to a fully cooked, value-added product. Finished chicken products are sent to distribution centers and then transported to customers who sell the chicken to consumers.

As a vertically integrated poultry company, Tyson Foods also operates feed mills to produce nutritionally formulated feeds for its breeders and broilers. Corn and soybean meal remain major production costs in the poultry industry, representing roughly 45 percent of our cost of growing a live chicken in fiscal year 2009.

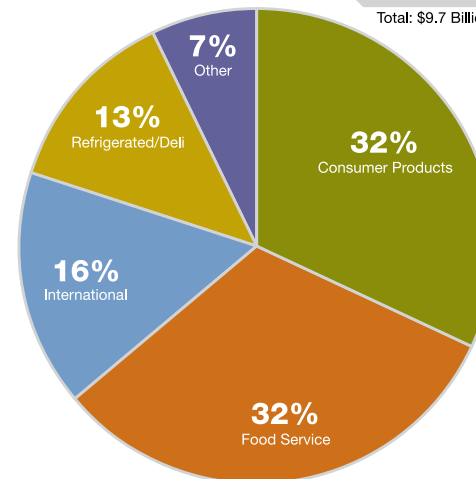
With an average weekly production of 41.4 million chickens during fiscal year 2009, Tyson Foods represents approximately 20 percent of chicken production in the United States. Domestic and international chicken sales totaled approximately \$9.7 billion and \$1.6 billion respectively in fiscal year 2009.



CHICKEN SALES BY DISTRIBUTION CHANNEL

FISCAL YEAR 2009

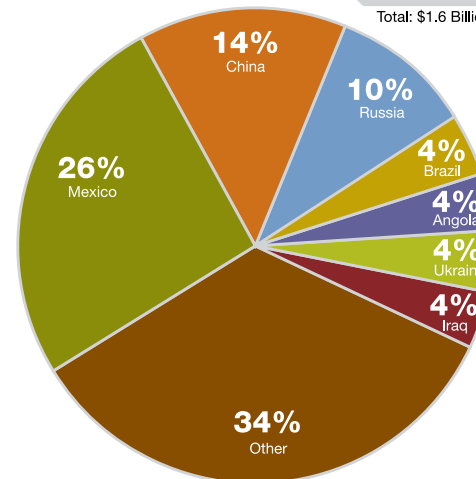
Total: \$9.7 Billion



INTERNATIONAL CHICKEN SALES

FISCAL YEAR 2009

Total: \$1.6 Billion





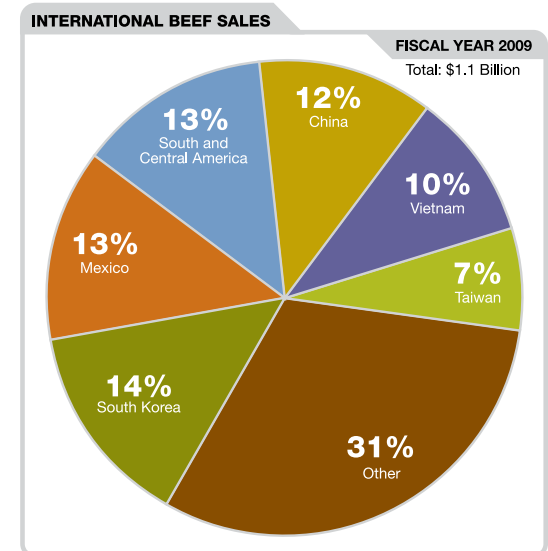
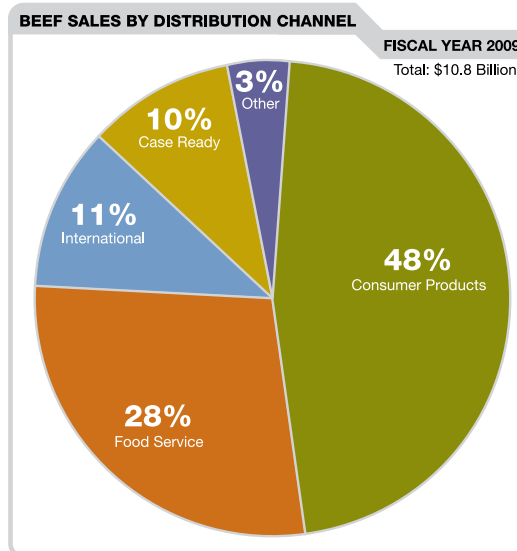
Beef

Unlike our vertically integrated poultry business, Tyson Foods buys cattle on the open market. The United States' cattle industry is composed of more than one million individual farms and ranches. Each year, cattle producers market approximately 35 million cattle that are eventually harvested for food. There are four primary stages in cattle and beef production including cow-calf operation, stocker operation, feedlot operation, and packer-processor. The process begins with the cow-calf operator and finishes with a packer-processor such as Tyson Foods.

Tyson Foods has entered into various risk-sharing and procurement arrangements with producers that help secure a supply of livestock for daily start-up operations at the facilities. The company acquires cattle through directly negotiated purchases with feedlot producers through a variety of methods. The methods include the open spot market; formula pricing (a reported price plus some amount); and fixed price tied to a futures market. The company's buyers purchase cattle on a daily basis, generally a few days before the animals are required for processing. Live animals are generally held in holding pens at one of Tyson Foods' 12 beef processing facilities for only a few hours.

With a market weight of 1,250 pounds and a yield of 62.2 percent, the typical steer will produce a 777-pound carcass. The carcass will yield approximately 620 pounds of meat and trim; 160 pounds of fat, bone, and loss; and 30 pounds of variety meats.

Tyson Foods' beef production during fiscal year 2009 averaged 139,400 head per week. The company represents approximately 22 percent of the United States' beef production. The company's domestic and international beef sales totaled approximately \$10.8 billion and \$1.1 billion respectively in fiscal year 2009.





Pork

There are four primary stages in hog and pork production, including sow-farrowing barns, nurseries, finishing farms, and packer-processor. The gestation period for hogs is approximately 114 days. Farrowings range from six to 13 pigs per litter, with the average being about 10. The number of pigs weaned averages 8.7 pigs per litter. Pigs are generally weaned at three to four weeks when they weigh 10 to 15 pounds. At this time, they are moved to either a nursery, a grower, or directly to a finishing building modified to meet the needs of young pigs.

When pigs reach approximately 270 pounds, producers sell them on either a live-weight or carcass-weight basis to livestock exchanges, producer-owned marketing networks, or directly to packers such as Tyson Foods. Once the hogs are slaughtered, the further-processed carcasses are sold as boxed pork to purveyors who fabricate the boxed pork into cuts sold to consumers at retail and in foodservice operations. Tyson Foods, however, adds value to pork by producing branded, case-ready pork as well as fully cooked pork items requiring less labor on the part of the customer.

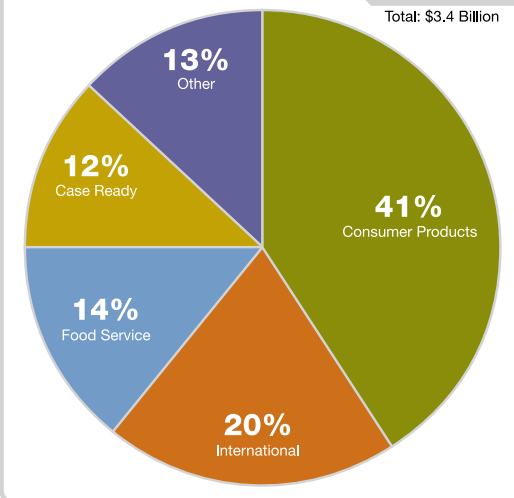
Tyson Foods acquires hogs through directly negotiated purchases with producers using a variety of methods. The four primary methods are formula (a reported price plus some amount), the spot market, fixed price tied to feed, and fixed price tied to a futures market. Hogs are purchased on a daily basis, generally a few days before the animals are required for processing. With a market weight of 270 pounds and a yield of 75.5 percent, the typical hog will produce a 200-pound carcass. The carcass will yield about 151 pounds of pork and 49 pounds of other products.

During fiscal year 2009, with an average weekly production of 393,300 head, Tyson Foods represented approximately 18 percent of pork production in the United States. Fiscal year 2009 pork sales totaled approximately \$3.4 billion domestically and \$671 million internationally.

Additionally, the Pork Group, Inc., a wholly owned subsidiary of Tyson Foods, produces finished hogs, feeder pigs, and weaned pigs for sale to pork processors and finishers throughout the country. The Pork Group has an inventory of more than 50,000 sows and has a total herd inventory of more than 230,000 hogs. Tyson Foods' equity ownership of live hog operations represents less than 1 percent of the company's total pork production.

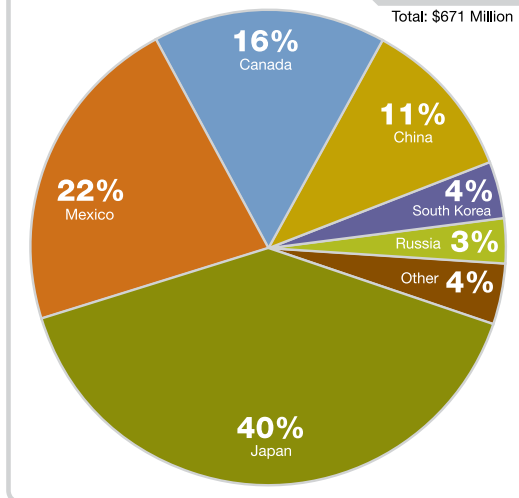
PORK SALES BY DISTRIBUTION CHANNEL

FISCAL YEAR 2009
Total: \$3.4 Billion



INTERNATIONAL PORK SALES

FISCAL YEAR 2009
Total: \$671 Million





Prepared Foods

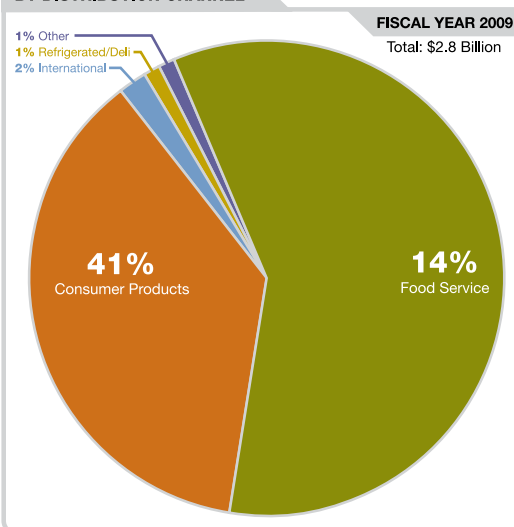
Tyson Foods' products are not limited to main-course protein. As an example, Tyson Foods is the largest supplier of pepperoni and pizza toppings to the foodservice industry. In addition, we are the second largest manufacturer of flour and corn tortilla chips in the United States. Quick service Mexican restaurant chains are the primary outlets for our tortilla products.

In addition to high-end culinary products such as crepes, blintzes, and stuffed chicken breasts, we are the leading supplier of bacon and hams to the foodservice industry. We also provide custom soups for casual dining chains, which frees their skilled labor to work on other menu items.

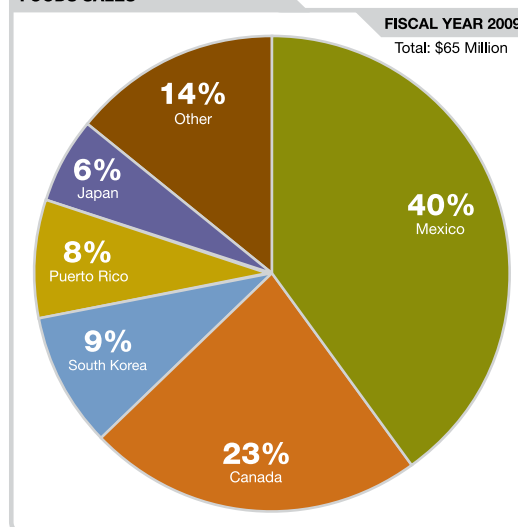
We market our prepared foods products to retail delis, foodservice distributors, restaurant operators, and on-site foodservice establishments, such as schools, universities, corporate cafeterias, hotel chains, health care facilities, and the military.

The company's culinary and customer development teams work with customers in the Tyson Discovery Center to produce exciting and new prepared foods to build incremental sales. Domestic and international prepared food sales totaled approximately \$2.8 billion and \$65 million respectively during fiscal year 2009.

**PREPARED FOODS SALES
BY DISTRIBUTION CHANNEL**



**INTERNATIONAL PREPARED
FOODS SALES**



Tyson Foods also consists of a number of corporate functions, such as Quality Assurance and Food Safety, Sales, Finance, Accounting, Internal Audit, Human Resources, External Relations, Legal, Information Systems, Marketing, Purchasing, Research and Development, Environmental, Health and Safety, and Investor Relations. In total, the company employs approximately 117,000 Team Members in the United States and around the world with:

- 2009 fiscal year sales totaling approximately \$26.7 billion;
- A 2009 debt to capitalization ratio of 45 percent;
- A net debt to capitalization ratio of 35 percent for fiscal year 2009; and
- Assets totaling approximately \$10.6 billion in fiscal year 2009.

2.3 OUR OPERATIONS

Tyson Foods is an international food company with more than 400 production and distribution facilities and sales offices. Within the United States, Tyson Foods has operations and offices in Alabama, Arizona, Arkansas, California, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Mississippi, Missouri, Nebraska, New Jersey, New Mexico, New York, North Carolina, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Virginia, Washington, and Wisconsin.

Moreover, either directly or through its subsidiaries, Tyson Foods has facilities in, or participates in, joint venture operations located in Argentina, Brazil, Canada, China, the Dominican Republic, Hong Kong, India, Ireland, Italy, Japan, Mexico, the Netherlands, Peru, the Philippines, Russia, South Korea, Spain, Sri Lanka, Taiwan, the United Arab Emirates, the United Kingdom, and Venezuela.

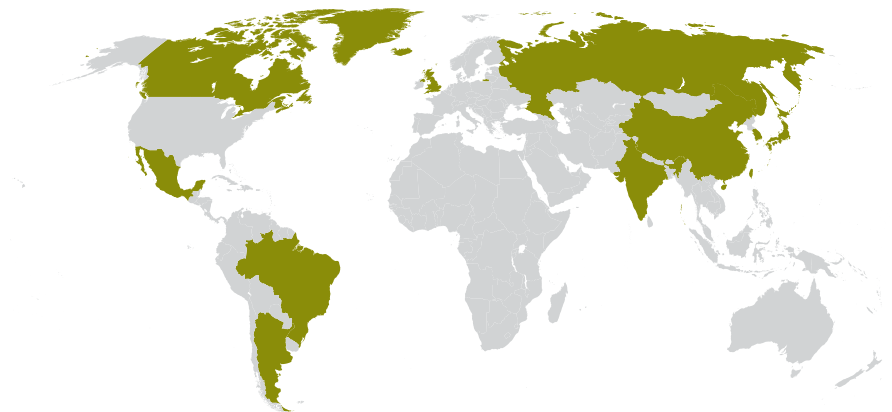
As part of ongoing efforts to improve operational efficiency, Tyson Foods announced the:

- Restructuring of its Emporia, Kansas, beef processing facility in January 2008;
- Closure of its Wilkesboro, North Carolina, cooked products plant in February 2008;
- Closure of its York, Nebraska, Prepared Foods facility in April 2008;
- Acquisition of Central Industries poultry byproducts plant in December 2008;
- Closure of its Ponca City, Oklahoma, processed meats plant in March 2009;
- Sale of its Lakeside beef operation in Brooks, Alberta, Canada, to XL Foods, Inc., in March 2009; and
- Reopening and renovating of its Independence, Iowa, plant in October 2009.

TYSON FOODS' LOCATIONS



Tyson Foods provides products and services to customers throughout the United States and around the world. We have approximately 117,000 Team Members employed at hundreds of facilities and offices in the United States and around the world.





Tyson Foods is more than just a great company to work for. At Tyson Foods, “*we strive to be a company of diverse people working together to produce food.*” Additionally, we strive to be “*honorable people*” and to be a “*faith-friendly company.*”

Our employees, whom we call Team Members, are our most valued resource. They enjoy many rights, benefits, and responsibilities at Tyson Foods. This includes but is not limited to:

- A safe workplace,
- Access to existing state and federal benefits,
- Freedom from discrimination and retaliation,
- Compensation for work performed, and
- The right to join together for collective bargaining purposes.

These rights, benefits, and responsibilities are described in detail in our Team Member Bill of Rights, and correspond with, or are in addition to, all other rights provided by state or federal law. [CLICK HERE](#) to view our Team Member Bill of Rights.

We recognize our continued success as an organization depends on the knowledge, skills, and talents of our Team Members. We have a tradition of building leadership from within. Education and advancement opportunities are available from entry-level positions to senior management, and we actively foster an environment where everyone has access to these opportunities.

3.0 PEOPLE

Additionally, inclusion and valuing diversity are cornerstones that have supported the growth of our business throughout its history. It takes the thoughts, backgrounds, and talents of our 117,000 Team Members to make our company successful. We believe this commitment contributes to a competitive advantage through increased innovation, improved customer and investor confidence, and attraction and retention of outstanding Team Members.

3.1 ETHICS

At Tyson Foods, we believe ethical business is good business. Ethical business is everyday business at Tyson Foods. After all, there is no right way to do the wrong thing. We strive to conduct our business in an ethical, honest manner and in full compliance with all applicable laws and regulations. We believe integrity is a fundamental element in our relationships with our many stakeholders. Our commitment to operating with respect, trust, accountability, and honor is modeled daily by our Team Members.

SMALL CAP'S BUSINESS PROGRAM
ETHISPHERE

In March 2008, Ethisphere Institute ranked Tyson Foods' ethics and compliance program 21st out of the 1,000 largest federal government contractors' programs.

Core Values

Tyson Foods' vision is to be the world's first choice for protein solutions, while maximizing shareholder value. Our Core Values are fundamental to our company. They shape and direct our strategy and inspire us daily. They are integral to the way we do business. Our Core Values guide our relationships with our Team Members, customers and consumers, suppliers, and independent producers. Our goals, programs, and metrics are derived from and support our Core Values.

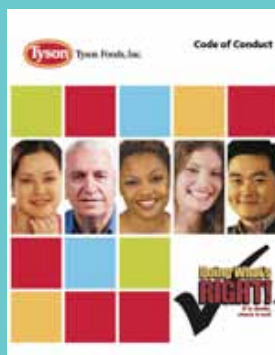


Code of Conduct

Based on the foundation of our Core Values, Tyson Foods' has a Code of Conduct that applies to the Board of Directors, all Team Members, business divisions, and subsidiaries of Tyson Foods. The Code of Conduct is a written guideline that helps us make good business decisions; it's our guide to "Doing What's Right."

The Code of Conduct provides direction on how we are to conduct ourselves with respect

to key business requirements such as food safety, animal well-being, regulatory compliance, environmental management, conflicts of interest, and international business practices. In April 2008, we published our revised International Code of Conduct. This revision to the 2005 version included framing the International Code around our Core Values and more clearly reflecting the key principles we embrace without regard

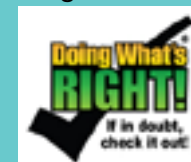


to geographical location.

Tyson Foods' Governance Committee, chaired by an independent Board member, administers the company's Code of Conduct. This committee reviews and assesses the company's Code of Conduct and recommends proposed changes to the Board for approval. The Governance Committee also meets with the company's Ethics and Compliance Officer, and as

appropriate, reviews and responds to conduct or ethics issues raised by this officer. Periodically, this committee reviews the adequacy and implementation of the company's ethics and compliance programs, and makes recommends for any necessary changes. To review Tyson Foods' Governance Committee Charter, [CLICK HERE](#).

It's understood the written Code of Conduct cannot provide guidance on every situation Team Members may face during their business activities. When the Code of Conduct is not enough, Team Members are encouraged to 'Ask Tyson First' by using the resources listed within the Code of Conduct.



Ethics Training

All Tyson Foods Team Members, including the Board of Directors, attend approximately one hour of Ethics and Code of Conduct training annually. This training provides information on various ethical scenarios to provide Team Members "real life" applicability. Team Members are taught to make good decisions within the framework of "Doing What's Right." They are instructed to ask themselves the following questions when they are uncertain about the proper course of action in a difficult situation:

- Does it comply with Tyson Foods' Core Values?
- Is it the right thing to do?
- Were others treated the way I want to be treated?
- Would Tyson Foods or I be embarrassed if this action were reported in the newspaper?
- Is it legal?

Responding to Ethical Concerns

At Tyson Foods, we are committed to providing various avenues in which Team Members and other stakeholders can confidentially and anonymously report any suspected violations of the law, applicable regulations, company policies, or the provisions of the Code of Conduct. We offer the Tyson Help Line and the Tyson Web Line. These options are provided to uphold our commitment to our Core Values and protect the rights of Team Members throughout our organization, without fear of retaliation.



- The Tyson Help Line is accessible to callers throughout North and South America and China 24-hours a day, and offers assistance in more than 150 languages.
- The Tyson Web Line is an Internet-based reporting mechanism available in five languages and accessible worldwide.

Additionally, Tyson Foods' Human Resources Department offers local "open door" avenues to help Team Members resolve areas of dispute and to report unethical activity. Should Team Members have any issues, we encourage them to "Tell Tyson First" by contacting their supervisors or Human Resources Department. Moreover, if any Team Member feels that he or she is being treated unfairly with respect to any matter or if he or she wishes to remain anonymous, the Tyson Help Line and Tyson Web Line are always available.

We review all reports and concerns received and investigate and respond as appropriate. In 2007, we implemented a new case management tool. This tool allows Ethics and Compliance personnel to more accurately access and analyze reported allegations for the purposes of investigation, follow-up, and enhancing reporting capabilities to both senior management and the appropriate Board Committees.

3.2 RECOGNIZING AN EXCEPTIONAL WORKFORCE

We are committed to attracting, developing, and retaining a group of talented Team Members and to creating a workplace that allows each Team Member to contribute to the collective success of our company. Our programs and initiatives related to employment practices, compensation and benefits, talent management, diversity and inclusion, and Team Member relations are important to fulfilling this commitment, especially in today's challenging economic climate. To be an inspiration to our Team Members about their work, their contributions, and their company is our pledge.

Our Team Members

Tyson Foods employs more than 117,000 people worldwide, with 100,000 Team Members working in our U.S.-based operations and 17,000 at our International operations. Approximately 99 percent of our U.S.-based Team Members serve in full-time positions.

We are committed to providing a good working environment and to retaining our Team Members through competitive wages, fair treatment, training, benefits, and safe working conditions. The company's management, management support, and hourly Team Member turnover rate was more than 30 percent lower in fiscal year 2009 as compared to fiscal year 2008. At the end of fiscal year 2009, over 50 percent of our U.S.-based Team Members had five or more years of service with Tyson Foods, and *within this group*, approximately 20 percent had 20 years or more of service. This improvement in turnover and the many years of Team Member tenure demonstrate we are making great progress in retaining a talented workforce.

Employment Practices

Tyson Foods' employment practices underscore our commitment to treat our Team Members with dignity. We have policies that ensure positive employment practices are implemented wherever we operate. Additionally, we comply with all applicable employment and labor laws in the countries where we do business. We

provide anonymous channels that can be used to report policy violations, and we fully investigate all issues raised.

Hiring the Best

We maintain a robust recruiting process. This process not only ensures our compliance with federal, state, and local hiring practices, it also ensures we are hiring Team Members with skills and experience that align with both the current and future needs of our company. Our Professional Recruitment Department collaborates with hiring managers to develop proactive talent management plans for each business unit. This provides us with a comprehensive talent acquisition plan and recruiting strategy for each available position.

If a student or recent college graduate is looking for an exciting internship or a jumping-in point for his or her career, our College Relations Department can help him or her find a future. The mission of our College Relations Department is to forecast the entry-level needs of the organization and to leverage our college recruiting strategies to support local area universities. The fulfillment of this mission creates a qualified and diverse candidate pool that will deliver entry-level hires company wide.

We also understand the importance of attracting and hiring talent local to our operations. We employ 117,000 Team Members at more than 400 facilities and offices in the United States

and around the world. Many of our facilities and offices maintain local hiring practices designed to ensure their Team Member and management positions are populated with local residents. This practice not only benefits the economy and communities local to our facilities, but it also ensures our workforce is representative of our customers and consumers.


Employment Eligibility

We are committed to ensuring all of our hiring locations consistently implement and follow our Employment Eligibility Policy. This policy sets forth guidelines for all Tyson Foods' locations that ensure compliance with the Immigration Reform and Control Act of 1986 (IRCA) and Form I-9 regulations. We will not tolerate any person knowingly hiring or allowing anyone to continue working if he or she is not authorized for employment. Accordingly, we have established procedures that include training, certification, record keeping, and third-party verification to ensure compliance with all federal and state laws regarding the verification of employment authorization.

We also voluntarily participate in the U.S. Department

of Homeland Security's E-Verify Employment Eligibility Verification Program and have done so since 1998. The Department of Homeland Security and the Social Security Administration





jointly operate this program. Our participation in this program allows us to check the employment eligibility of new hires online. Through this program, we are able to access and compare information from a Team Member's Form I-9 with more than 444 million records in the Social Security Administration database and more than 60 million records in the Department of Homeland Security databases. We believe our use of this program has been instrumental in determining the employment eligibility of our Team Members.

Equal Employment Opportunities

We have a continuing policy to ensure fair and equal employment opportunities are extended to all persons without regard to race, religion, color, sex (including pregnancy), age, sexual orientation, national origin, disability, and veteran's status or any other protected status under federal, state, or local law. This policy applies to recruitment, selection, placement, assignment, training, promotion, demotion, rate of pay, benefits, leave of absence, lay-off, termination, work-related social/recreational programs, and other conditions of employment.



Harassment and Discrimination

We maintain a strict policy prohibiting any kind of unlawful harassment and discrimination, such

as that involving race, sex, religion, color, age, national origin, veteran's or disability status, or sexual orientation. This policy prohibits harassment and discrimination in any form, including verbal, written, visual or physical. We require 100 percent of our Team Members, including management and non-management and salaried and hourly, attend approximately one hour of anti-harassment and anti-discrimination training annually. Moreover, we consider harassment, discrimination, and retaliation to be serious issues and have invested considerable resources to prevent their occurrence. We fully investigate each allegation of harassment and discrimination and implement corrective actions, including disciplinary action, as appropriate.

Human Rights


Tyson Foods' human rights practices are grounded in the company's Core Values, Code of Conduct, and Team Member Bill of Rights. These documents outline the many rights, benefits, and responsibilities enjoyed by the Team Members of Tyson Foods. These rights and benefits and responsibilities correspond with or are in addition to all other rights provided by state or federal law. We require 100 percent of our Team Members, including the Board of Directors, to attend approximately one hour of ethics and Code of Conduct training annually.

We strive to provide our Team Members a safe workplace. We ensure Team Members receive payment of wages owed for the work they perform. Our Team Members have a right to retain their own social, economic, cultural, and political institutions. Moreover, we do not employ anyone under the legal age of employment, and we do not tolerate forced and compulsory labor. To our knowledge, we do not have operations at risk for incidents of child labor and forced and compulsory labor, nor have we have incurred any incidents in which the rights of indigenous people were violated.

Labor Relations

Pursuant to our Team Member Bill of Rights, we respect each Team Member's legal right to organize without fear of retaliation, repression, or any other form of discrimination. To our knowledge, we do not have operations in which the right to exercise freedom of association and collective bargaining are at risk.

Approximately 33,000 Team Members in the U.S. and 7,000 Team Members in foreign countries are subject to collective bargaining agreements with various labor unions. We are committed to good-faith bargaining and to meaningful communication with our Team Members and their representatives. When significant operational changes are imminent, we notify our Team Members as required by the



U.S. Department of Labor Worker Adjustment and Retraining Notification Act (WARN); local, state, or country-specific laws; or any requirements set forth in respective collective bargaining agreements.

Compensation and Benefits

Tyson Foods believes in sharing its success with its Team Members. With that philosophy, we seek to provide compensation and benefits that attract, retain, and motivate our Team Members. We believe our compensation and benefits package is one of the best in the industry.

During fiscal year 2009, we spent more than \$3.5 billion dollars in salaried and hourly compensation, social security and Medicare tax, federal unemployment tax, and state unemployment tax for our full and part-time U.S. based Team Members. Additionally, Tyson Foods had benefits costs of approximately \$750 million for our U.S.-based Team Members during this fiscal year. Examples of these benefits include, but are not limited to, health care, life insurance, accidental death and dismemberment insurance, long term disability, stock match, and 401(k) match. Below we highlight several key aspects of our compensation and benefits package.

Compensation

We employ full-time and part-time hourly and salaried Team Members. The majority of our Team Members compensated at an hourly rate support our company by preparing food products in processing plants. These Team Members are compensated at or above U.S. minimum wage requirements.

To ensure our compensation package remains competitive, we maintain a Compensation Department. This department conducts wage surveys and reviews cost-of-living indicators and community norms regularly. During fiscal year 2009, our average hourly rate was \$11.72 per hour. This rate is 61.86 percent higher than the federal minimum wage.

Our Compensation department also establishes and maintains comprehensive salary programs and policies. These programs and policies are designed to attract and retain high-caliber people, stimulate and reward high-level performance, and provide flexibility to fit individual circumstances. Additionally, our Compensation department ensures salaries paid are competitive with those paid by comparable companies for similar work in the community and in the industry.

We also maintain a Compensation Committee. As part of our governance and oversight process, the Compensation Committee reports

to the Board of Directors. The Compensation Committee supports the Board of Directors and works with management to ensure key executives are compensated in accordance with our management philosophy, competitive practice, and regulatory requirements. The committee also reviews, provides advice on, and, where appropriate, approves compensation objectives, plans, and levels.

Health Care

We are committed to partnering with our Team Members to help them become better health care consumers. We provide affordable health, life, dental, vision, and prescription drug benefits to our Team Members and their families. We require all Team Members who have been employed for more than three months to have health care coverage through either the company-sponsored health plan or through a family member's plan. Therefore, 100 percent of the company's eligible Team Members have access to health care coverage.

In 2008, we expanded our health care program to include numerous enhancements such as discounts on diabetic test strips, generic medication incentives, and free online personal-health risk assessments. We also began offering a Tobacco Cessation Program to all insured Team Members, and their covered dependents 18 years-of-age and older. This program offers

free personal phone counseling, free self-help materials, information about available community programs, and a free eight-week supply of nicotine replacement therapy. Team Members also have access to prescription medications for smoking cessation upon request from their physician. More than 2,700 Team Members and covered dependents have taken advantage of this program already.

In 2008, we began offering a Disease Management Program. This program provides free, comprehensive support to eligible Team Members and their insured dependents in managing several chronic diseases such as diabetes, asthma, congestive heart failure, coronary artery disease, and chronic obstructive pulmonary disease. This program offers customized education, one-on-one disease management counseling, advice, tools for monitoring disease conditions, and various other support services based on the particular needs of Team Members or their dependents.

BENEFITS OFFERED TO FULL-TIME SALARIED, MANAGEMENT SUPPORT, AND HOURLY TEAM MEMBERS
Vacation Days, Paid Holidays, and Overtime Pay
Bereavement Pay, Jury Duty Pay, and Military Pay
Retirement Savings Plan and Stock Purchase Plan*
Full Service Credit Union*
Flexible Spending Accounts**
Short and Long Term Disability
Medical, Dental, Vision, and Prescription Medication Coverage
Basic Life Insurance
Basic Accidental Death and Dismemberment Insurance
Voluntary Life Insurance Plan
Voluntary Accidental Death and Dismemberment Plan
Long-Term Care Insurance
Free Online Health Risk Assessment
Tobacco Cessation Program
Discount on Diabetic Test Strips
Disease Management Program
Free 24/7 Health Information Access
Auto and Home Insurance
Educational Assistance Program
Product Discounts Through Company Owned Stores*
Vendor Supported Discounts*

* Offered to Full-Time and Seasonal Team Members
** Offered to Full-Time Salaried and Management Support Team Members Only

Retirement Savings

Our Retirement Savings Plan helps our Team Members fulfill one of their most important goals – financial security. In addition to company match and payroll deduction features, our Retirement Savings Plan offers eligible Team Members a unique opportunity to “design” their own personal savings and investment plan to

meet future lifestyle needs and goals.

Team Members are given the opportunity to decide the amount of money they want to contribute to the plan through payroll deductions on a *before-tax* basis, choose how their contributions will be allocated among different investment funds, and adjust their rate of contribution and investment mix, as their financial situation or savings goals change in the future. Moreover, we also offer:

- Three age-based investment funds that offer a moderate-risk portfolio appropriate to an individual Team Member’s age;
- An InvestForward program that automatically places a Team Member in the appropriate age-based fund and manages annual rebalancing; and
- GuidancePlus, an online tool which helps Team Members set retirement goals and determine if their contribution level is sufficient for meeting these goals.

Stock Purchase Plan

We also offer our Team Members the opportunity to buy a stake in the future of our company. The Tyson Stock Purchase Plan allows eligible Team Members to contribute up to 20 percent of their pay to purchase Tyson Foods stock. After a year of service, the company will match a portion of the Team Member’s contributions.

Chaplains Program

Chaplains have been providing compassionate pastoral care to our Team Members and their families since October 2000.

Currently, 120 full-time and part-time chaplains, representing 28 different faith group affiliations, support this program. This is a proactive assistance program with a spiritual foundation. Team Members talk in confidence with our chaplains about many issues, including health concerns, marital and family issues, grief and death, substance abuse, and job and financial concerns. Our chaplains also provide referrals for premarital counseling and weddings, and celebrate with Team Members when new babies are born. We believe this program provides an extra level of care for our Team Members.



qualifications to obtain financial assistance with closing costs when buying a home. It also provides access to expert counseling for the future home owners, as well as flexible and low-down-payment mortgage products. To help defray Team Members' out-of-pocket costs when buying a home, the program offers a closing-cost assistance fund that will provide second mortgages to eligible Team Members. The fund will provide up to \$3,000 per eligible Team Member. These second mortgages will be forgiven over five years, provided the Team Member continues to work at Tyson Foods and continues to own and occupy the home.

Talent Management

Tyson Foods has a tradition of building leadership from within. We recognize the importance of having both strong current leaders and future bench strength. Our Diversity and Leadership department and other areas in Human Resources provide several programs designed to enhance both personal and organizational effectiveness. The departments offer a variety of services and programs to help prepare our Team Members for the challenges they will face in guiding the company to sustained profitable growth and market leadership.

Job Skills and Leadership Training

Working for Tyson Foods offers more than a great job. Educational opportunities are available from entry-level positions to senior management, and we actively foster an environment where everyone has access to these opportunities. The type of training and hours of training a Team Member takes varies based on job responsibilities. Many of our Team Members must complete annual



regulatory and company-mandated compliance training requirements such as those related to food safety, environmental protection, animal well-being, transportation safety, harassment and discrimination, ethical business conduct, and workplace safety.


We also offer leadership training to our Team Members. For example, in April 2007, we launched our Supervisor Awareness Training Series (SATS), an online, frontline leadership training program for supervisors. This program currently offers 11 training topics designed to increase the awareness and leadership skills of our frontline supervisors. This includes topics related to, but not limited to, building trust, dignity and respect, sensitivity training, workers' compensation, safety awareness, and improving retention. To date, our supervisors have

Workforce Home Benefit Program



Tyson Foods maintains the Workforce Home Benefit program to assist eligible Team Members in becoming homeowners. The program

is one of the largest of its kind in the U.S. and enables Team Members who meet program



completed just over 43,000 SATS courses and logged almost 24,000 hours of training. Future courses will include “How to Improve Attendance” and “The ABCs (Always Be Consistent) of Supervision.”

Tyson Foods’ Leadership College provides courses focused on seven core leadership competencies divided into three levels of complexity including leadership, business acumen, strategic agility, communication, building a culture of inclusion, developing self and others, and understanding Tyson Foods. Certified facilitators teach each course. During fiscal years 2008 and 2009, 3,245 management and management support Team Members participated in training provided by the Tyson Foods Leadership College.

Our Educational Assistance Plan encourages and enables Team Members to increase their knowledge and skills and further their education. All full-time Team Members who have been employed with Tyson Foods for at least one year are eligible for tuition, books, and fee reimbursement. The tuition reimbursement portion of the education-assistance plan is designed to encourage Team Members to seek and achieve degrees from accredited colleges and universities, and to encourage career development that meets the current and future business needs of our company. Two hundred and ninety-nine Team Members took advantage

of this program during fiscal year 2008, and 297 during fiscal year 2009. Tyson Foods’ overall investment in the program during these two years totaled \$1.3 million dollars.

We also offer vocational training for Team Members with specific skills or trades. For example, we maintain a Maintenance Training Program designed to increase the skills of our Maintenance Team Members. Over the course of the program, Team Members complete a combination of electronic and written material, classroom and lab instruction, and on-the-job training. The program, which is facilitated in the plants, is designed for pay increases to correspond to specific training levels achieved. Team Members are rewarded for the skills they’ve gained and encouraged to continue to advance.



Regular Performance and Career Development Reviews

All of our management and management support Team Members participate in regular performance and career development reviews. The Tyson Evaluation and Measurement System (TEAMS) for salaried, management support, and management support technical Team Members aligns individual performance with organizational goals. TEAMS provides a consistent approach to developmental planning and appraisal by:

- Clarifying performance expectations;
- Identifying improvement and growth opportunities;
- Encouraging better communication, training, and support for improved performance; and
- Setting effective Team Member goals that help to achieve organization objectives and that help develop skills and abilities to aid in career growth.



Individual Development Plans

In addition to the TEAMS review process, we provide Team Members with the training and resources needed to develop an Individual Development Plan (IDP). IDPs are a Team Member's road map to reaching his or her career objectives. To develop an IDP, Team Members:

- Seek out feedback from others, such as a supervisor, direct reports, and peers;
- Review feedback from others in order to identify developmental opportunities;
- Conduct a self-assessment to identify strengths, weaknesses, interests, and values;
- Link their individual development needs and opportunities to business strategies and goals; and
- Develop long-term and short-term career development goals, activities, and success criteria.

When a Team Member develops an IDP, he or she is looking to improve performance, master competencies for personal and career development, or prepare for future opportunities to take another position or increase responsibility within the company.

Job Rotation

We also provide a structured approach to job rotations. Formal job rotations provide Team Members with expanded experience, enhance functional skills across our business, and strengthen our culture of talent development. Job rotations allow us to create movement within a team, breaking down silos and bringing new scope and perspectives to the team. They also allow us to staff open positions to meet both current and future business needs and provide a pipeline of well-rounded leadership.

Leaders Into Champions

Leaders Into Champions (LINC) is an advanced leadership program at Tyson Foods designed to empower our high-potential leaders as organizational and industry champions who contribute significantly to the performance and profitability of the company. The LINC program structure is centered on engagement, empowerment, and growth. Business unit leaders nominate and select Team Members to be involved in the two-year LINC program based on a Team Member's performance, influence, representation, and potential.

During the first year, LINC participants work to understand their individual purpose, vision, and values and align them with the needs of Tyson



Foods. Participants increase their self-awareness and build relationships with fellow Team Members, including senior leaders across the company. Lastly, participants create personal development plans focusing on immediate areas of influence within their team, competency development, and short-term career goals.

In their second year, LINC participants utilize the tools and resources gained in year one and apply them to a real-world, business-focused application, otherwise known as a stretch assignment. The stretch assignment puts participants outside of their comfort zone by building new relationships across Tyson Foods and by gaining a new and broader understanding of our company.

During fiscal year 2009, we graduated our first LINC class of 21 Team Members and, as of October 2009, have 38 Team Members participating in the LINC program. We believe this program will:

- Ensure the strength of our senior leadership pipeline and help prepare our leaders to address current and future challenges and opportunities;
- Create organizational champions who are empowered to create a competitive advantage within our culture;
- Expand the breadth and depth of our influence and leadership within the industry; and



- Drive innovation, create change, and transfer organizational values.

Succession Planning

Succession planning allows us to build a formalized plan to fill specific roles in an established time frame. Through the succession planning process, we identify critical jobs based on business strategy and identify a slate of Team Member candidates capable of filling these positions. This process also allows us to analyze our ability to fill critical vacancies from within and identify areas that are vulnerable to turnover, retirement, or skill gaps.

Diversity and Inclusion

We are committed to maintaining a culture that fosters inclusion and diversity. We believe it is the unique ideas and contributions of our Team Members that drives our continued business success. Our inclusion and diversity policies and practices are built around the premise that all Team Members feel: “At Tyson Foods, I have the opportunity to be part of a winning team, and grow personally and professionally, while being myself.”

We have developed and implemented key activities supporting our inclusion and diversity business strategies. In 2005, we established an Executive Diversity Business Council. Composed of senior level leaders, this council develops and leads initiatives that foster inclusion and

participation of all Team Members. The primary areas of focus for our Executive Diversity Business Council are business resource groups; inclusion and diversity education and communication; and Team Member engagement.

Business Resource Groups

We have established four Business Resource Groups (BRG) including a Women’s BRG; a Men’s BRG; a Multicultural BRG; and, new for fiscal year 2009, a Veterans BRG. These groups foster engagement and help our Team Members feel more connected to our company’s overall business strategy. Each BRG has a business plan that outlines initiatives and events that support their specific affinity network, and that align with our BRG Pillars of Success, which include professional development; business development; community development; and networking, retention, and engagement.



Inclusion and Diversity Education and Communication


At Tyson Foods, we believe inclusion and diversity are about more than a person’s outward appearance. We believe inclusion and diversity

is about the individual and collective thoughts, backgrounds, and talents of our Team Members. This belief directly supports our Core Values that state, “We strive to be a company of diverse people working together to produce food.” Accordingly, we launched an extensive inclusion and diversity training program in August 2005.

The first phase of this training program included an externally facilitated program titled *Manager’s Mindset/Managing Inclusion*. All officers and contracted Team Members attended this program. We are now offering the second phase of this training initiative with a workshop titled Pause-Engage-Expand-Reflect (PEER). PEER is a one-day workshop in which leaders:

- Pause from their normal daily routines to gain more in-depth insights about their experiences and the experiences of others;
- Engage in open, honest, thoughtful dialogue with others;
- Expand their views of the world and people around them; and
- Reflect upon how they can take what they have learned about themselves back to their jobs as well as their everyday lives.

Everyone is unique and different. By recognizing and rewarding each person’s unique contributions, we create winning teams. To reinforce this message, we share informational papers with



our Team Members that recognize cultural celebrations and highlight important leaders, artists, and entertainers from diverse backgrounds. Developed on a monthly basis, these papers share the history and importance of these celebrations and cultural figures and contribute to our Team Members' education and awareness of diversity.

Team Member Engagement (Attraction – Retention – Recruitment)

Primarily implemented in our processing plants, the Pipeline Management Process (PMP) provides a systematic process for identifying Team Members, from first-level supervisors to upper management, as candidates for developmental and advancement opportunities. We currently have more than 900 Team Members identified as PMP candidates who maintain action items that provide professional development plans designed to increase job and managerial skills.

Supplier Diversity

We also know that having a diverse group of supply partners makes good business sense. Working with minority-owned and women-owned businesses is key to helping us meet our high standards for quality products and ultimately creates more value for our shareholders. We maintain a diverse group of supply partners because we want diversity to be an integral part

of every aspect of our business. As such, we:

- Actively look for opportunities to increase our spending with current diverse suppliers, as well as adding new diverse suppliers to our supply base.
- Partner with suppliers to encourage diversity in their supply chain.
- Include diverse suppliers in our sourcing opportunities as part of our Sourcing Policy and Procedures.
- Maintain membership in and support events hosted by regional and national minority and women's organizations such as the National Minority Supplier Development Council, the Arkansas-Mississippi Minority Supplier Development Council, and the Women's Business Council – Southwest Region.
- Continue to participate in diversity trade shows and other networking functions.



In August 2009, the Arkansas-Mississippi Minority Supplier Development Council presented Tyson Foods with its Corporation of the Year Award, an award that recognizes a corporation that shows exemplary support in the success of minority business development.

Inclusion and diversity is the result of a conscious effort to eliminate barriers that are present because of our natural human differences. By leveraging our diverse heritages, we can produce a better result because of our willingness to accept others as equally valuable and important. At Tyson Foods, we accomplish this by increasing our awareness about how our own thinking, actions, and backgrounds impact those around us. We continue to educate our leaders on how to effectively champion and energize a multi-cultural workforce. We believe this commitment contributes to a competitive advantage through increased innovation, improved customer and investor confidence, and ultimately attracting and retaining outstanding Team Members.



In September 2008, the Hispanic Association on Corporate Responsibility recognized Tyson Foods Team Member Adriana Wilhelm for her corporate leadership and commitment to the Hispanic Community. Adriana, a Lead Programmer Analyst for Tyson Foods, was one of 26 executives in the U.S. to receive this recognition.

Tyson Foods promotes a culture that values the health and safety of its Team Members. We view workplace injuries and illnesses as unacceptable, and improving our health and safety performance is a priority. We have created and implemented programs to reduce the frequency and severity of these events, and we review and monitor our performance closely.

Our Core Values state we “*strive to provide a safe work environment for our Team Members,*” and we are committed to making sure they return home to their families as healthy and safe as when they came to work. Additionally, we aspire to have zero injuries and illnesses, and are working to build an incident-free culture that is grounded on the premise of eliminating workplace risks and hazards and continual improvement. Our Environmental, Health, and Safety Policy is available for review at www.tyson.com.



3.3 ENSURING THE HEALTH AND SAFETY OF OUR TEAM MEMBERS

Management System Approach

As of December 2008, all Tyson Foods' facilities in the United States and Mexico have implemented Environmental, Health, and Safety (EHS) Management Systems. The health and safety aspect of this system fulfills the requirements set forth in Occupational Health and Safety Assessment Series (OHSAS) 18001, which is an international occupational health and safety management system specification. As such, each facility has developed and implemented procedures and controls regarding health and safety:

- Communication;
- Corrective and preventative action;
- Compliance management;
- Hazard identification, assessment, and control;
- Document and record control;
- Emergency preparedness and response;
- Training, awareness, and competency; and
- Performance review.

Our implementation of this systematic approach to health and safety is voluntary, and represents a significant advancement from current industry practices. We believe the implementation of this system demonstrates our commitment to the health and safety of our Team Members and to the continual improvement our health and safety performance.

All of our collective bargaining agreements contain provisions related to workplace health and safety. They spell out our commitment to being in compliance with all applicable federal,

state, and local regulations pertaining to worker health and safety including, but not limited to, personal protective equipment, hazardous material handling, training, reporting unsafe conditions, and workplace injuries and illnesses. Additionally, many of our locations are equipped to provide first aid and access to medical treatment by a trained staff of occupational health care providers.

Health and Safety Programs

Members of our EHS department develop and administer our workplace health and safety programs. This team includes, but is not limited to, occupational safety, industrial hygiene, health care, ergonomic, process safety, loss prevention, and transportation safety professionals serving in key roles at both the corporate and processing-plant levels. Working in collaboration with our processing plants, this team develops and implements programs to:

- Protect the health and safety of our Team Members;
- Identify and eliminate or control work-related hazards;
- Educate Team Members on injury and illness prevention and hazard recognition;
- Comply with all health and safety laws and requirements applicable to our operations;
- Minimize or prevent property damage or loss;
- Respond to and investigate injuries, illnesses, and other incidents;
- Treat and manage work-related and non work-related injuries and illnesses;

- Assess a processing plant's health and safety performance;
- Minimize ergonomic-related risk factors; and
- Create and communicate solutions for preventing and mitigating losses related to the operation of Commercial Motor Vehicles.

Team Members throughout our company work directly with their plants' management team to identify and eliminate workplace health and safety hazards. Through formal safety and ergonomic committees, management and non-management Team Members partner and meet regularly to continually improve their plants' health and safety performance through key activities such as education, inspections, and investigations. At the end of fiscal year 2009, approximately 3,000 (less than 25 percent) of our management and non-management Team Members served on safety and ergonomic committees.

Team Member Health and Safety Training

Our ability to provide a safe workplace is directly related to the knowledge, skills, and experience of our Team Members. To this end, we have implemented a robust health and safety training program that ensures our Team Members have a clear understanding of their health and safety roles and responsibilities.

New Team Members receive awareness-level training regarding the health and safety hazards and procedures applicable to most jobs and work areas in their facility. Approximately 30 health and safety topics are discussed during this training. This includes, but is not limited to, safe equipment practices, personal protective equipment, emergency action and response,

hearing conservation, ergonomics, and electrical safe work practices.

Team Members receive regular health and safety training throughout their career with Tyson Foods. Through site-specific management systems, our facility health and safety professionals identify and document the job-specific health and safety training requirements for each job classification at their facilities. They also identify how this training will be performed and who is responsible for delivering this training. Facilities use a combination of training styles to fulfill job specific training requirements, including on-the-job training, web-based training, self-study training courses, internal and external instructor-led training, and other training methods as needed.

Health and Safety Audits

Our health and safety audit process is an essential component of responsible business practice and continual improvement. Facility-led audits are relatively informal and involve facility management teams conducting routine checks to ensure health and safety program elements and standards are being fulfilled. Specifically, facility-led health and safety audits:

- Provide for the early recognition and management of hazards;
- Build a facility's confidence in their compliance; and
- Increase our Team Members' health and safety awareness.

Corporate professionals conduct compliance audits at each major facility annually. In fiscal years 2008 and 2009, these professionals conducted more than 370 facility safety audits.

These audits focus on a facility's implementation and conformance with company standards and applicable health and safety regulatory requirements and include, but are not limited to, program and permit compliance requirement reviews, facility walk-around inspections, recordkeeping and documentation reviews, and evaluations of data and reports for trending and performance indications.

Our Environmental, Health, and Safety Audit Manager performs quality assurance audits. These audits evaluate the effectiveness of facility-led and corporate-led audits. They also ensure corporate program goals are being met, and assure the value and integrity of the company's health and safety audit process. Eight quality assurance audits are conducted annually. The audit manager performs these audits at random processing facilities.

Promoting Health and Wellness

We have a long-standing commitment to the health and well-being of our Team Members and their families. We recognize our Team Members perform their best when they feel their best, and we encourage our Team Members to understand health risks and take an active role in ensuring their health and wellness.

We maintain an Occupational Health Services program originally formed in 1977. This program provides qualified health-care professionals for the management



of work-related injuries and illnesses. The program has expanded over the years and now offers Team Members numerous health programs and services ranging from information related to diet, nutrition, and communicable diseases to on-site health screenings and influenza vaccines. For example, in October 2009, more than 450 Team Members at our Springdale, Arkansas, corporate offices participated in our annual health fair. The health and wellness information provided at the health fair helps to inform, educate, and empower our Team Members to adopt healthier lifestyle behaviors. Team Members associated with the management of our Occupational Health Services program are committed to reducing workplace injuries and illnesses and to maintaining and promoting the health and well-being of our Team Members.

Our Occupational Health Services engages with government and non-government organizations as well as health care providers to remain informed of occupational and non-occupational health issues and trends. As an example, our Occupational Health Services Team has been instrumental in developing our company's Pandemic Preparation and Response Plan and our communication efforts with Team Members regarding Influenza A (H1N1). Formerly known as North American and Swine Flu, this influenza strain emerged in the spring of 2009. To date, a few Team Member cases of Influenza A (H1N1) have been confirmed at Tyson locations. While local management teams and health services departments managed these situations proactively and aggressively, it reminded us of the importance of communicating with our Team Members about practicing common-

sense, practical guidelines for protecting their health and well-being. As such, our Occupational Health Services team launched an extensive communication program to ensure our Team Members knew how to protect themselves and their families from the Influenza A (H1N1) virus as well as seasonal influenza. With the assistance of our Occupational Health Services team and various outside agencies, we administered 12,180 seasonal influenza vaccines to our Team Members in the U.S. during the 2008 and 2009 flu seasons.

Improving Fleet Safety

We remain committed to systematically enhancing the compliant and safe operation of our



commercial motor vehicles (CMV), and to mitigating the potential risks associated with their operation. As a geographically diverse organization with fleet activities taking place at almost every company location, we believe establishing clear and accessible direction and expectations for operations management is essential. Ensuring our drivers and their managers know what to do and how to do it safely and in compliance is a key element to our transportation compliance and safety efforts.

During fiscal year 2008, we completed the development and implementation of a comprehensive set of operational standards that identify specific responsibilities and requirements for achieving CMV compliance and safety. These standards address key topics such as hours of service, crash reporting,

regulated drug and alcohol testing, driver qualifications, inspections, maintenance, and repairs. Facility managers are responsible for implementing the requirements of the standards and for verifying compliance. Additionally, during this same timeframe, we developed and implemented the Tyson Foods CMV Driver Safety Manual. The manual is a concise set of requirements and responsibilities identifying only what each driver must know about Tyson Foods' CMV safety and compliance expectations.

The final step in CMV safety excellence is accountability. Our operational standards contain a required self-audit process that includes a review of each regulatory and loss prevention requirement. We also maintain an assessment program that consists of on-site assessments conducted by corporate-based transportation safety specialists. These assessments review a facility's compliance with federal, state, and local regulations and company policies, as well as driver performance. If a non-conformance is identified, an analysis is conducted to determine the reason for the non-conformance, and facilities are required to take action to correct non-conformances.

Our systematic approach to CMV compliance and safety represents a significant shift from standard industry practice. We believe providing resources and direction for our managers in the form of operational standards and concise information drivers need to know has resulted in an effective CMV loss prevention and compliance program. For example, we have reduced vehicle rollovers by 36 percent since fiscal year 2007. We also believe this approach establishes a gateway for continual improvement. We are more effective at identifying trends and

then implementing process controls that target issues to be managed or eliminated.

Ergonomics

For well over a decade, we have employed various ergonomic programs and strategies to help create a work environment that minimizes Team Member exposure to musculoskeletal risk factors with the potential to affect body parts such as hands, wrists, elbows, shoulders, and the neck and back. In short, we strive to make work “easier” for our Team Members by designing work requirements that fit the job to the Team Member, not the Team Member to the job.

As such, we maintain a very aggressive approach to ergonomics. We require our facility management teams to establish the foundational support their site-specific ergonomics program requires. This includes providing for a written ergonomic program, properly allocated resources, an established chain-of-command, and defined roles and responsibilities. We also maintain an extensive ergonomic training program that delivers key ergonomic concepts and tools to management, ergonomic program managers and teams, supervisors, hourly Team Members, and technical support Team Members, such as engineers and health care professionals.

Our facilities use an ergonomic assessment tool to identify, quantify, and prioritize ergonomic risk factors in the workplace. This assessment considers health indicators such as injury and discomfort reports and operational indicators such as productivity problems and absenteeism. Facility management teams and hourly Team Members then collaborate to develop and implement engineering, administrative, and work-practice solutions to control these risk factors.

Our ergonomic approach also relies heavily upon Team Member participation. We believe our Team Members are critical to the success of our ergonomic approach. Their feedback is encouraged during all aspects of worksite analysis, hazard prevention, control, and evaluation of effectiveness of corrective actions, and is used to identify additional jobs or areas of concern.

To ensure our ergonomic approach is effective, facility management teams conduct annual program reviews. These reviews evaluate program successes and identify opportunities for enhancement. They commonly focus on injury-illness rates and severity rates; average lost days per case; average restricted days per case; workers’ compensation costs; percent of ergonomics claims versus total number of claims; average workers’ compensation cost per ergonomic claim; and absentee rate and turnover.

As noted above, we maintain an ergonomic approach that makes work “easier” for our Team Members. We believe this approach helps our Team Members focus on quality work; drives process improvement and increased productivity; reduces the risk factors that could cause musculoskeletal disorders, as well as reduces the number of musculoskeletal disorders; and improves the overall quality of the work environment for our Team Members.

Ergonomics

On November 24, 2009, Tyson Foods and the country’s largest union representing meatpacking and food processing workers completed the 20th year of a workplace ergonomics program that is making meat processing jobs safer. The ground-breaking program initiated by Tyson Fresh Meats, formerly known as IBP, and the United Food and Commercial Workers (UFCW) union has involved workplace improvements that have helped reduce worker injuries and illnesses, such as strains and sprains. To find out more about this program’s incredible success, [CLICK HERE](#) for a press release. To view a video on the program, [CLICK HERE](#).

Our Health and Safety Performance

We measure our health and safety performance using the Occupational Safety and Health Administration’s (OSHA) incident calculations for Lost Time Incident Rate, Total Recordable Incident Rate, and Days Away, Restricted, and Transfer Rate. We also score our health and safety performance. Introduced in fiscal year 2006, this process, known as our Safety Metric Score, not only analyzes the historical costs associated with injuries and illnesses, but also places greater emphasis on their frequency and severity. During fiscal year 2009, the company reduced its Total Recordable Incident Rate by 19.2 percent and its Days Away, Restricted, and Transfer Rate by 20.7 percent. In addition, we improved our safety metric score by 14 percent during fiscal year 2009.

SAFETY AT TYSON FOODS¹					
	FY 05	FY 06	FY 07	FY 08	FY 09
Lost Time Incident Rate²	1.56	1.48	1.48	1.45	1.46
Total Recordable Incident Rate³	15.21	15.47	13.69	13.02	10.52
Days Away, Restricted, and Transfer Rate⁴	11.28	11.75	9.79	8.84	7.01
Tyson Safety Metric⁵	NA	707	594	551	475

1. In our 2007 Sustainability Report, we reported Lost Time Rate, Total Recordable Incident Rate, and Days, Away, Restricted, and Transfer Rate as 1.18, 12.95, and 8.88 respectively for fiscal year 2007. These rates were calculated based upon a manual OSHA 300 Log documentation process. In 2007, we implemented a computerized Occupational Health and Safety System. As such, our fiscal year 2007 Lost Time Rate, Total Recordable Incident Rate, and Days, Away, Restricted, and Transfer Rate are restated below to accurately reflect the data reported by this system.
2. Number of work-related injury and illnesses that result in one or more days away from work per 100 Team Members.
3. Number of work-related injury and illnesses per 100 Team Members.
4. Number of work-related injuries and illnesses resulting in a Team Member missing work, having restricted work activity, or being transferred from their regular work assignment per 100 Team Members.
5. The formula components are weighted such that workers’ compensation costs contributes 50 percent, Total Recordable Incident Rate contributes 10 percent, and Days Away, Restricted, and Transfer Rate contributes 40 percent to the total safety metric.

By placing greater emphasis on the factors contributing to these rates, we have been able to identify key opportunities for improving our health and safety performance on a site-specific basis. During fiscal year 2009, we established special emphasis teams to conduct on-site reviews at 10 facilities that held higher than average workers' compensation costs and injury and illness rates. These teams collaborated with facility management to develop long-term site-specific action plans designed to reduce workers' compensation claim costs, OSHA incident rates, and safety scores.

Although improvements have been made, we recognize work-related incidents can still occur. During fiscal years 2008 and 2009, the company experienced two work-related fatalities. Additionally, in June 2009, the U.S. District Court in Arkansas sentenced the company to pay a criminal fine for willfully violating worker safety regulations that led to a Team Member's death in 2003 at our River Valley Animal Food plant in Texarkana, Arkansas. We were ordered to pay \$500,000 as well as serve one-year probation. We regret these unfortunate events and are working to prevent similar incidents in the future.

Awards and Recognitions

In fiscal year 2008, we implemented a new award process to recognize facilities with outstanding health and safety performance. We believe this new awards program is more meaningful, efficient, and cost effective. Historically, our injury and illness rates have been above the Bureau of Labor Statistics (BLS) industry rate. Accordingly, we established award criteria to bring awareness to this issue, to drive continual improvement, and to recognize those facilities that are making significant reductions in these rates. Under the new process, there are three award opportunities:

- Injury Free Workplace Award – This award is given to facilities with a Safety Metric Score of zero for a fiscal year.
- Platinum Safety Award – This award is given to the facility with the lowest Safety Metric Score within one of nine given categories.
- Gold Safety Award – This award is given to any facility meeting or exceeding the following:
 - Safety Metric Score below:
 - 700 for Beef & Pork Slaughtering and Processing;
 - 300 for Poultry Slaughtering and Processing;
 - 250 for Meat Processing;
 - 250 for Rendering;
 - 250 for Small Production Operations;

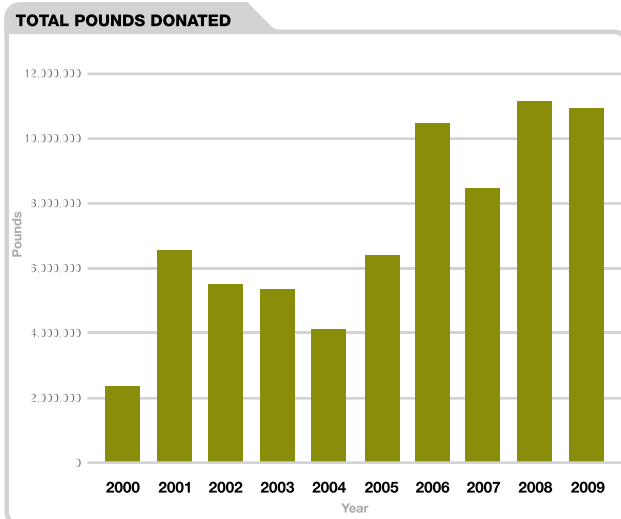
- A Total OSHA Recordable Rate which is 25 percent below the BLS industry rate; and
- A Days Away Restricted Transfer Rate which is 25 percent below the BLS industry rate.

During fiscal year 2008, we awarded 40 facilities the Injury Free Workplace Award, nine the Platinum Safety Award, and 15 facilities the Gold Safety Award. In fiscal year 2009, 49 facilities received Injury Free Workplace Award, nine the Platinum Safety Award, and 17 received the Gold Safety Award.

In addition to our new award process, we continue to encourage our facilities to apply for federal, state, and local safety awards as well as awards from trade organizations. In fiscal year 2008, 12 facilities received Corporate Safety Awards from the National Safety Council of the Ozarks. During fiscal years 2008 and 2009, 12 facilities received a Worker Safety Recognition Award from the American Meat Institute.

3.4 HUNGER RELIEF

Hunger relief is Tyson Foods' primary philanthropic focus (hungerrelief.tyson.com). Since 2000, we have donated more than 71 million pounds of protein to food banks and hunger agencies across the United States.



In addition to significant product donations to food banks, Tyson Foods partners nationally with two domestic hunger relief organizations: Share Our Strength (strength.org) and Feeding America (feedingamerica.org). In May 2006, Tyson Foods pledged to donate 10 million pounds of food to Feeding America's 200 member food banks over a three-year period. We surpassed our pledge in half the time and we continue to donate food to this day.

Beyond our corporate contributions to end hunger, our Team Members, communities, customers, and suppliers work to have a meaningful impact on hunger in the United States. Below are a few examples of these efforts.

- **Powering the Spirit™ to End Childhood Hunger.**

In 2006, Tyson Foods created a branded, internal fundraising effort, *Powering the Spirit*, in partnership with Share Our Strength to engage Team Members in raising funds for hunger relief in their local communities. The program has three components:



- Local fundraising through cooking and grilling events;
- Sales of a specially produced Tyson Foods' cookbook featuring recipes from the kitchens of Team Members nationwide; and
- A donation of 75 percent of the proceeds of those fundraising efforts to hunger relief in the communities in which the money was raised.

Through *Powering the Spirit*, our Team Members raised nearly \$400,000 over the past four years. Nearly 400 Tyson Foods' Team Members participated in this program in 2009.

- **Teaming Up to Fight Hunger in Iowa.** Tyson Foods' Team Members from all Iowa plants, two plants in Nebraska, and one plant in Illinois joined Tyson Foods' corporate community relations staff in 2007, 2008 and 2009 to raise funds for Iowa community agencies during the *Des Moines Register's* Annual Great Bicycle Ride Across Iowa, RAGBRAI. Together, they have raised more than \$80,805 for childhood hunger relief in the communities where money was raised. Separately, the Tyson Foods' Waterloo Iowa Complex organized and held three tug of

wars involving more than 65 teams from the Cedar Valley community raising more than \$34,000 for the Northeast Iowa Food Bank and The Salvation Army over three years for this event.



- **Student Food Drive Program.** In an effort to create the next generation of hunger fighters in the U.S., Tyson Foods sponsored a pilot Student Food Drive program in 18 communities throughout 2007, 2008, and 2009. Conducted in partnership with Feeding America food banks, the program helped collect more than three million pounds of food using high school students in those communities. More importantly, it provided leadership training and an up-front introduction to the issue of hunger to tens of thousands of potential new stakeholders in the fight against hunger.
- **Building Hunger Awareness.** Another critical component of Tyson Foods' hunger relief strategy is use of resources toward creating awareness and engagement in the issue of hunger. These resources include food, money, transportation resources, volunteer time, and community influence.



For example:

- Tyson Foods has a long-standing, valued relationship with the League of United Latin American Citizens (www.lulac.org), which broadened in recent years to include a collaboration addressing hunger in which in-kind donations were made to 15 communities with significant Hispanic populations.



- Since 2003, Tyson Foods has partnered with Historically Black Colleges and Universities (www.hbcu.com), making food donations in communities in which Fall Football Classics are played. Our fiscal year 2008 and 2009 communities included Memphis, Atlanta, Indianapolis, Orlando, and Greensboro, North Carolina.

- For five years, Tyson Foods has worked with a group of influential business leaders from the national organization Lift Up America (www.liftupamerica.org) to make food donations in cities across the U.S. The company teamed with professional and college athletic teams, including the Miami Dolphins, Kansas City Chiefs, Phoenix Suns, Cleveland Indians, Detroit Lions, San Diego Chargers, Texas Longhorns, and Arkansas Razorbacks to distribute food and create awareness about hunger in their communities in 2008 and 2009.



- Tyson Foods has been innovative in its use of social media for creating awareness around the issue of hunger and those engaged in hunger relief. The company's hunger relief Web site and blog (hungerrelief.tyson.com) began publishing in early 2008, shortly thereafter complemented by a widely followed Twitter account, and video and image sharing on YouTube and Flickr. A post describing hunger in the San Francisco Bay Area generated more than 2,100 comments.



- Another component of the hunger relief efforts includes the Tyson Foods' *Hunger All-Stars*® program, in which people contributing to the fight against hunger in their own communities are recognized on the Hunger Relief site. In the past eighteen months, more than 85 Tyson Foods' *Hunger All-Stars* have been recognized on the site. Each month, the company donates a truck-load of food to the Tyson Foods' *Hunger All-Star* of the Month. There are some inspiring stories on the site, including one of a 13-year-old in Oklahoma who raised more than \$20,000 for his local food bank, and an 85-year-old woman in Washington, D.C., who has run a food pantry for more than 40 years.

Sustainable Steps toward Solutions to Hunger and Poverty.

At the United Nations Millennium Summit in September 2000, 189 heads of state committed their nations to a global partnership to reduce extreme poverty by 2015 through a series of goals known as the Millennium Development Goals (MDG). These goals address extreme poverty, including income poverty, hunger, disease, lack of adequate shelter, and exclusion. Moreover, the goals promote gender equality, environmental sustainability, and basic human rights related to health, education, shelter, and security.

[CLICK HERE](#) to learn more about the MDG.

The eighth goal calls for global partnership between public and private sectors to achieve development objectives set forth. In support of this goal, Tyson Foods has collaborated with Millennium Promise, a nonprofit organization supporting the achievement of the MDG, to create sustainable food systems in Sub-Saharan Africa through technical philanthropy. Tyson Foods has the technical expertise to build poultry enterprises and, by applying the “teach a man to fish” principle, the opportunity to teach individuals the technical skills needed to provide a sustainable food and income source.



To take these ideas from concept to practice, Tyson is supporting a Rwandan-based company, Ikiraro Investments, in a project aimed at easing the hunger for the local people of Musanze in Rwanda. While Tyson Foods has no financial investment in Ikiraro or the project, it is supplying technical expertise in poultry production and husbandry to enable

Rwandans to become more knowledgeable and self-sufficient in the production of food. The company believes educational intervention is a practical, long-term initiative to help ease the hunger concerns evident in Rwanda.

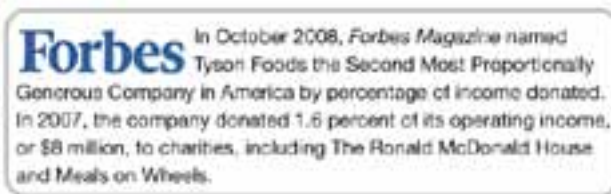
Specifically, Tyson Foods will provide periodic visits with on-the-ground technical experts to the people of Musanze to teach them how to raise poultry and build a successful poultry enterprise. These businesses are not and will not be owned by Tyson Foods. The goal of this technical philanthropy is to give the residents of these villages the skills to own and manage a poultry business. Additionally, we are hopeful this sustainable development initiative will enable villages in Sub-Saharan Africa to improve their income through the sale of eggs and meat, as well as develop a school meal program to improve nutrition by increasing children’s protein consumption. [CLICK HERE](#) to learn more about Millennium Promise.

3.5 CHARITABLE GIVING

As a company committed to creating value for our shareholders, our customers and our people, we also strive to give back to the communities where we live, work and sell our products. With a corporate philanthropic focus of hunger relief, Tyson Foods has become the leading private sector meat protein donor in the United States, providing over 9.5 million pounds of products in both 2008 and 2009 to food banks and hunger relief organizations.

Additionally, our community outreach donations in our areas of operations provide millions of dollars annually to a host of causes. For example, we provided more than \$1.4 million dollars in installment contributions throughout our communities of operation in fiscal years 2008 and 2009 for various “bricks and mortar” building and renovation campaigns. These donations encompassed a wide variety of projects, including new or renovated facilities for children and family shelters, hospitals, libraries, community parks and recreation centers, food banks, and a state-of-the-art events center in Sioux City, Iowa. Our \$1.4 million dollar contributions represent installment payments for numerous multi-year pledges, all totaling more than \$6 million dollars in investments in the communities where our Team Members live and work.

Combining these product and monetary donations, we donated over 10 percent of our company’s pre-tax profits in fiscal 2008, well above the average for corporate giving in America.



Supporting Education

Tyson Foods cares about education in our communities and across the country. We sponsor and support numerous programs and organizations dedicated to improving our nation’s educational systems, such as Students in Free Enterprise, Junior Achievement, Historically Black Colleges and Universities Classic sponsorships, public library funds, and monetary and in-kind donations to secondary and post-secondary institutions. We also provide support to numerous scholarship funds, including national Future Farmers of America, League of United Latin American Citizens, Hispanic Women’s Organization, United Negro College Fund, single parent and independent scholarship associations, and donations to various university scholarship programs.



Tyson Project A+™

Through the *Tyson Project A+™* program, schools can earn extra money. The money may be used in any way the school chooses. Parents, students, faculty members,



and others in the community clip and save labels from Tyson products featuring the *Tyson Project A+* logo. The labels are collected, and the school can redeem them for cash from Tyson Foods. A total of \$248,000 dollars was donated to schools through this program during fiscal years 2008 and 2009.

Strategic Community Involvement Plans

We believe one of the most important things we can do for communities in which Tyson Foods has operations is ensure our Team Members are involved in activities vital to the communities. Our community relations managers, working alongside corporate Human Resources and operations managers, have collaborated to create strategic plans to engage local managers and Team Members in these activities. Plans, custom-tailored to the needs and opportunities in individual communities, were written specifically for all 89 operations locations in fiscal year 2008 and 2009. The plans encourage relationship building with and assistance to local education, government, business, non-profit, public protection, and diversity organizations.

Donations and Community Outreach

In fiscal years 2008 and 2009, we donated over \$5.9 million to charities and nonprofit organizations, primarily in communities in which we have operating facilities. These contributions ranged from sponsorships and support of various nonprofit fundraisers and campaigns to monetary and product donations for our local schools and grass roots community efforts for education, health and human services,

families, and the environment. This does not include contributions made by individual company facilities or Team Members.

We are also a major contributor to United Way® campaigns.



Our combined Team Member and company commitments for fiscal years 2008 and 2009 were approximately \$3.6 million. Corporate donations supported hundreds of charities with 135 organizations receiving at least \$10,000 or more. As an example, in 2008 we committed \$150,000 to Seven Hills Homeless Shelter in Fayetteville, Arkansas, to help establish a much needed transitional living facility, and in 2009 pledged \$100,000 to the Northeast Iowa Food Bank's capital campaign to expand services. Other recipients of significant donations are listed to the right.

In addition to corporate donations, many company facilities raise money and donate to organizations and associations in their community. A few examples of these efforts are shared below.

- In May 2009, Team Members from our Albertville, Alabama, location raised \$40,600 for the American Cancer Society as a part of their Relay for Life events. This is the third year in a row Tyson Foods has been the top fund-raiser in the county.
- In fiscal year 2009, the Tyson Foods Forest, Mississippi Team Members raised more than \$60,000 in their local Relay for Life efforts.

CORPORATE DONATIONS AT OR ABOVE \$20,000

Fiscal Years 2008 and 2009



America's Second Harvest (Feeding America), Chicago, Ill.
 American Red Cross, Washington, D.C.
 Arkansas Fallen Firefighters Memorial, Little Rock, Ark.
 Arkansas Food Bank Network, Little Rock, Ark.
 *Arkansas Sheriff's Youth Ranches, Batesville, Ark.
 *Arkansas Support Network, Springdale, Ark.
 *Boys & Girls Club of Arkansas River Valley, Russellville, Ark.
 *Boys and Girls Home of Sioux City, Sioux City, Iowa
 Cass County Family Y, Logansport, Ind.
 *Cherokee Community Foundation, Cherokee, Iowa
 *Children's House of Northwest Arkansas, Fayetteville, Ark.
 *City of Sioux City (Events Center), Sioux City, Iowa
 *City of Vernon, Texas Aquatic Park, Vernon, Texas
 Elk River Watershed Improvement Assn., Pineville, Mo.
 First Tee of Northwest Arkansas, Bentonville, Ark.
 *Garden City Family YMCA, Garden City, Kan.
 *Girls, Inc., Sioux City, Iowa
 Honor Flight of Northwest Arkansas, Bentonville, Ark.
 *Hospice of Union County, Monroe, N.C.
 *Jackson T. Stephens Charitable Golf Tournament, Little Rock, Ark.

*Jones Center for Families, Springdale, Ark.
 *Life Styles, Inc., Fayetteville, Ark.
 LULAC National Institute, El Paso, Texas
 National FFA Foundation, Indianapolis, Ind.
 *New Holland Recreation Center, New Holland, Pa.
 *Norfolk Community Health Clinic, Norfolk, Neb.
 *Northeast Iowa Food Bank, Waterloo, Iowa
 *Northwest Arkansas Children's Shelter, Bentonville, Ark.
 *Peace at Home Family Shelter, Fayetteville, Ark.
 *Rogers-Lowell Area Chamber of Commerce, Rogers, Ark.
 *Seven Hills Homeless Shelter, Fayetteville, Ark.
 Share Our Strength, Washington, D.C.
 *Siouxland Community Foundation, Sioux City, Iowa
 *Siouxland Y, Sioux City, Iowa
 *St. Mary's Hospital Foundation, Rogers, Ark.
 University of Arkansas Pine Bluff, Pine Bluff, Ark.
 *University of Delaware (Carvel Research & Education Center), Newark, Del.
 Upper White River Basin Foundation, Branson, Mo.
 Walden Wood Project, Lincoln, Mass.
 Walton Arts Center, Fayetteville, Ark.

* Denotes recipient of multi-year pledge



In The Wake of Disaster

Numerous disaster relief organizations and communities depend upon the support of Tyson Foods in the wake of disasters such as wildfires in Southern California, flooding in the Midwest and hurricanes in the Gulf. In fact, our Team Members have become very well known among national disaster relief organizations for being on the scene early after a disaster strikes and feeding hundreds of hungry workers and disaster victims in the midst of their efforts.

- In February 2008, Team Members from our Shelbyville and Goodlettsville, Tennessee facilities teamed up to assist relief efforts in Lafayette, Tennessee, following devastating tornados. The locations prepared approximately 300 hot food plates that were distributed in the area. Along with other side items, the Goodlettsville team supplied beef and the Shelbyville team provided chicken for the meals.
- After Hurricanes Gustav and Ike in September of 2008, Tyson sent 26 truckloads of food to the Gulf area to help in recovery efforts.

Tyson Foods assisted many Team Members who endured dangerous conditions after ice storms devastated parts of Northwest Arkansas, Missouri, Kentucky, and Tennessee in January 2009. More than 200,000 pounds of food was provided to Team Members and local food banks to help those who were stranded in their homes without power or forced to stay at shelters to avoid the cold temperatures in homes temporarily without heat or damaged by falling trees and limbs.



Conservation, pollution prevention, and stewardship are some of the terms we use to describe our responsibility for and commitment to protecting and respecting the environment. At Tyson Foods, we endeavor to operate our business in an environmentally responsible manner while minimizing our environmental footprint.

For Tyson Foods, protecting the environment is about more than maintaining compliance with the environmental laws and regulations applicable to our operations. It's about embracing a process of continual improvement aimed at protecting the environment for future generations. This includes, but is not limited to:

- Tracking key environmental performance indicators;
- Identifying and implementing opportunities to reduce the amount of water used in our production processes without compromising product safety and integrity;
- Properly operating and maintaining our wastewater treatment facilities;
- Reducing the amount of landfill waste through recycling efforts;
- Relating our carbon footprint to our business strategy and identifying opportunities and possible initiatives to reduce our greenhouse gas emissions; and

4.0 PLANET

- Evaluating new technologies that offer alternative fuels, reduce packaging waste, reduce the number of trucks on the road, and conserve energy.

As stated in our Core Values, “*We serve as stewards of the animals, land, and environment entrusted to us.*” Environmental protection and resource conservation are responsibilities we take seriously and consider crucial components to conducting our business in a sustainable manner.

4.1 OUR ENVIRONMENTAL, HEALTH, AND SAFETY POLICY

With our Core Values as our foundation, it is Tyson Foods' policy to conduct business in a safe, responsible manner with respect for the environment and for the well-being of our Team Members, customers, and neighboring communities. We believe that conserving and protecting natural resources is essential to our company's sustainability as well as the future of the world. We believe that our Team Members, contractors, and visitors have the right to work in a safe environment.

It is both the individual and collective responsibility of all Tyson Foods' locations and Team Members to understand, promote, and assist with the implementation of this policy and its accompanying principles.

Our Guiding Principles

- We strive to maintain safe and healthy work environments that enable our Team Members to work free of occupational injury and illness.
- We endeavor to operate our business in an environmentally responsible manner while minimizing our environmental footprint.
- We are committed to compliance with the Environmental, Health, and Safety (EHS) regulations and other requirements applicable to our operations, and we set higher standards for ourselves if unacceptable risks are identified.
- We set goals to eliminate injuries and illnesses, to prevent pollution, and to conserve resources, and we regularly monitor and measure our EHS performance toward meeting these goals.
- We work together, across all levels of our organization, to drive the continual improvement of our EHS Management System and EHS performance.
- We foster open communication with our Team Members, contractors, and suppliers to ensure they are aware of their EHS roles and responsibilities, and we hold them accountable for conforming to the commitments of our EHS Policy and the requirements of our EHS Management System.

4.2 OUR ENVIRONMENTAL TEAM

Members of our Environmental, Health, and Safety (EHS) Services department develop and administer our environmental protection and resource conservation programs. This includes Team Members serving in key environmental roles at both the corporate and processing-plant locations. Corporate-based environmental professionals report to our Senior Vice President and Chief Environmental, Health and Safety Officer. Environmental professionals based at our processing plants report to their facilities' management teams with a dotted line of reporting to our corporate EHS organization.

Working in partnership, these professionals provide oversight for a variety of programs, such as air permit compliance, risk management planning, routine chemical reporting, solid and hazardous waste management, storm water pollution prevention, spill prevention, and wastewater treatment and discharge. Additionally, these professionals:

- Establish clear roles and responsibilities for managing environmental compliance;
- Provide environmental training to hourly, management support, and management Team Members;
- Participate in the development of local, state, and federal environmental programs, standards, and regulations;
- Evaluate new and emerging environmental technologies and programs; and
- Drive continual improvement with an emphasis on pollution prevention, conservation, recycling, and operational efficiency.



4.3 OUR ENVIRONMENTAL MANAGEMENT SYSTEM

As of December 2008, all Tyson Foods' facilities in the United States and Mexico have implemented Environmental, Health, and Safety Management Systems. The environmental portion of this system fulfills the requirements set forth in International Organization for Standardization (ISO) 14001. As such, each facility has developed and implemented procedures and controls that align with the requirements of 14001 including, but not limited to:

- The identification and control of significant environmental aspects;
- Communication;
- Document and record control;
- Compliance management; and
- Emergency preparedness and response.

An important component of this system is the requirement for facilities to systematically identify the root cause of an environmental noncompliance event, propose appropriate corrective and preventative actions to address the noncompliance, and track and manage these actions to ensure their effectiveness in preventing the reoccurrence of any potential noncompliance activity. This process not only improves our ability to identify the cause of an issue, but also our ability to ensure that corrective actions eliminate the cause of the issue at its source.

Another key element of this system is annual management reviews. These reviews, conducted by a facility's management team, evaluate whether a facility's system is producing the desired results. These reviews provide facility management teams with an opportunity to step back from the day-to-day implementation of the system and evaluate its performance for the purpose of updating procedures, objectives, and other elements of the system to drive continual improvement.

We believe the implementation of this system is fundamental to successful, proactive environmental management. Additionally, we believe our management system will help ensure the sustainable future of our company, the environment, and our natural resources.

4.4 AUDITING OUR PERFORMANCE

Tyson Foods' Environmental, Health, and Safety (EHS) Audit Program is an essential component of our business practices and commitment to continual improvement. The program serves to:

- Provide assurance to management that applicable EHS regulations and company standards are being implemented as intended;
- Provide site management with recommendations to correct any nonconformance and aid in management system and program improvements;
- Enhance Team Member awareness and understanding of their EHS roles and responsibilities; and
- Provide audit information and data analysis to our EHS management team.

To ensure these objectives are fulfilled, we implement our EHS Audit Program in accordance with the following three-tier process.

Tier I: Facility-Led EHS Audits

Facility-led EHS audits provide for the early recognition and management of EHS hazards, build ownership and confidence in EHS compliance, and increase EHS awareness and responsibility. These audits involve facility management teams conducting routine checks of EHS operations to ensure program elements and standards are being fulfilled. In addition, these audits provide a timelier picture of compliance than annual audits alone and assist facility managers in identifying EHS trends and responding to deficiencies in a timely manner.

Tier II: Annual Compliance Audits

Company EHS professionals conduct compliance audits annually in each major facility. Processing facilities, tannery operations, and feed mills are considered major facilities. All other facilities are audited every three years. These audits focus on a plant's implementation and conformance with company standards and applicable environmental regulations and permit requirements. These audits also include facility walk-around inspections; record keeping and documentation reviews; and evaluations of data and reports for trending and performance indications. During fiscal years 2008 and 2009, our corporate environmental professionals conducted 360 environmental audits at our facilities.

Tier III: Quality Assurance Audits

Our EHS audit manager performs eight quality-assurance audits annually. This manager is independent of the facilities audited, and performs these audits at random processing facilities. Along with the value and integrity of the company's environmental audit process, these audits ensure corporate environmental goals are being met. In fiscal year 2010, we will be revising our quality-assurance audit approach to be more focused on ensuring conformance with our management system standards, procedures, and goals.



4.5 DATA COLLECTION AND ASSURANCE

In fiscal year 2008, we completed an extensive review of our environmental, health, and safety performance data and systems. The objectives of this review were twofold: first, to identify important data points not being collected and monitored, and second, to evaluate data currently being collected with emphasis on the process for collecting and verifying the data, determining how reports were compiled, and the process for delivering reports to internal customers.

From this review, we identified several key opportunities to improve process efficiency. For example, we developed a Web-based incident reporting tool capable of collecting data related to environmental spills and releases, exceedances, notices of violation, and regulatory inspections. This tool allows us to make the appropriate internal notifications and establish corrective action measures, and includes a quality assurance mechanism that helps ensure the accuracy of the details

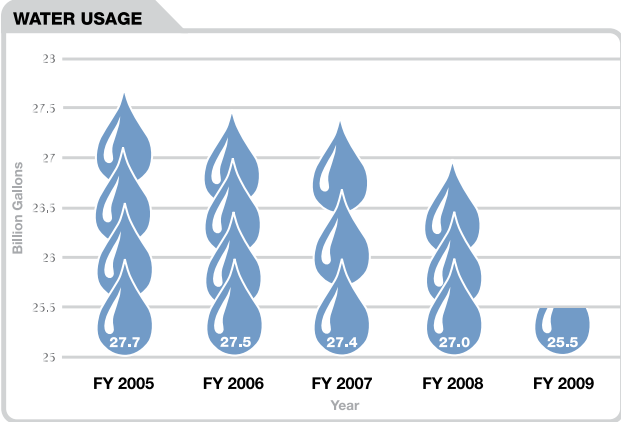
surrounding an incident for the purpose of reporting and analyzing trends. Additionally, we are working on enhancements related to our data systems for water, solid waste, special waste, and recycling.

4.6 MANAGING OUR ENVIRONMENTAL FOOTPRINT

Tyson Foods' main environmental footprint areas include water, air, carbon, energy use, solid waste, packaging, and sustainable agriculture. The sections that follow review our management approach to each of these impact areas as well as our performance data for these areas during fiscal years 2008 and 2009.

Protecting and Conserving Water

Tyson Foods understands the importance of water in our everyday lives and our responsibility for protecting water quality. Our poultry, beef, and pork processing plants used approximately 25.5 billion gallons of water in fiscal year 2009 to produce food products and ensure the cleanliness of their facilities. At this time, we have not included water usage data related to our prepared food processing plants; however, efforts are underway to begin collecting and reporting this data.



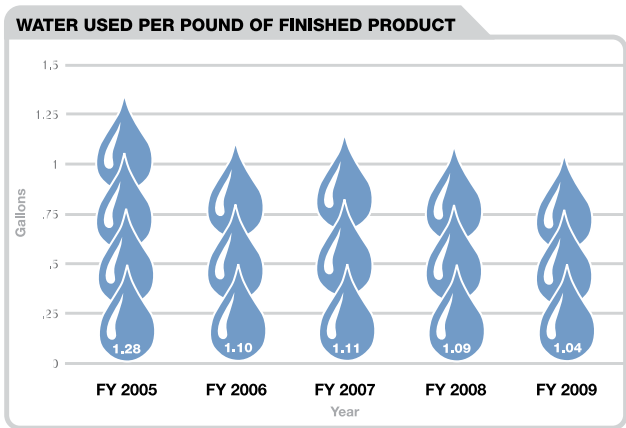
We are committed to protecting the water bodies that we discharge to as evidenced by the results of our water quality performance data. We operate 34 full-treatment and 42 pretreatment wastewater facilities in North

America. In addition to establishing electronic tools that enable our facilities to proactively monitor the performance of their treatment systems, our long-term goal is to eliminate Notices of Violations (NOVs) and permit exceedances. From the end of fiscal year 2007 to the end of fiscal year 2009, the company reduced its wastewater related permit exceedances by 5.4 percent.

During this time frame, however, the company's NOVs related to wastewater, storm water, and drinking water increased by 51.9 percent. Two of our pre-treatment wastewater facilities accounted for 55 percent of the total NOVs we received in fiscal year 2008 and 61 percent of the NOVs received during fiscal year 2009. We have evaluated these facilities and their permit conditions and treatment process for opportunities to improve upon their operations and ensure their compliance.

Water conservation has been an important area of focus for Tyson Foods for many years. We employ programs and technologies, such as best management practices, water reclamation systems, and Team Member education, to conserve and reuse this natural resource. Our first priority is to ensure the wholesomeness and safety of our food products. Water use is critical to the cleanliness of facilities and for ensuring the safety of our products; its use is mandated by the government. We recognize the important balance between protecting product quality and conserving a natural resource. Accordingly, we will never reduce water usage in situations where food safety and quality could be compromised.

We are pleased with the water conservation efforts made and the results achieved so far. Our water conservation efforts, along with several facility closures, have led to a water usage reduction of 7.6 percent since October 2004, which is equivalent to a 13.9-percent reduction in the number of gallons used per pound of finished product. To ensure continual improvement, the company has set a goal to reduce water consumption by 10 percent over a two-year period, as compared to its water usage levels at the end of fiscal year 2008. As a requirement of the company's Environmental, Health, and Safety Management System Standards, any facility in the United States or Mexico that uses more than one million gallons of water per week must document and implement a Water Conservation Plan that sets forth a goal for water reduction and a timeframe for achieving that goal.



Below, we provide insight into our management approach regarding some of the most common water quality and conservation questions or concerns raised by our stakeholders.

Oklahoma Watershed - Tyson Foods and several other poultry companies are currently defendants in a lawsuit filed by the Oklahoma attorney general alleging pollution of the Illinois River Watershed. The suit, filed in June 2005, alleged the practice of using chicken litter as fertilizer in the Illinois watershed posed a significant threat to the environment and human health, and the poultry companies' treatment of poultry litter violated the state's environmental standards. In 2008, the federal judge in the case denied the attorney general's request for a preliminary injunction to stop the use of poultry litter in the watershed, finding that the state of Oklahoma



U.S. Poultry & Egg
ASSOCIATION

Cumming, Georgia, Leads the Way in Wastewater Treatment

In 2008, the U.S. Poultry and Egg Association selected Tyson Foods' Cumming, Georgia, wastewater treatment system as the winner of its 2008 Clean Water Award in the full-treatment category. The award recognizes outstanding water treatment facilities in the poultry industry.

Cumming's wastewater treatment system is state-of-the-art and provides very high efficiency removal of pollutants including nitrogen and phosphorus nutrients. Water treatment is only one part of Cumming's proactive environmental management approach however. The Cumming processing plant also participates in many other initiatives and community programs that have a positive environmental impact. For example, few programs can affect the livelihood and efficiency of a wastewater facility like water conservation. The Cumming processing plant operates a Zentox Cascade® Reuse System that yields approximately 300,000 gallons of reuse water to the plant each day. In addition, approximately 300,000 gallons of effluent are captured each month by the Cumming Wastewater Team for polymer make-up tanks, belt press wash water, non-potable rinses for floors, hydrated lime slurries, polymer line cleanouts, and putting-green irrigation.

had failed to prove that bacteria in the river could be linked to poultry litter. Recently, in July 2009, the judge dismissed the damages component of the state's case. Tyson Foods continually and vigorously denies the allegations made in the case.

Maintaining Air Quality and Managing Greenhouse Gas Emissions

The primary air emissions managed by Tyson Foods' operations include:

- Particulate matter, particulate matter of 2.5 micrometers or smaller, and particulate matter of 10 micrometers or smaller (PM 10) from operations such as feed milling and cooking;
- Sulfur oxides, nitrogen dioxide, carbon monoxide, and PM10 emissions from the combustion of fossil fuels; and
- Volatile organic carbon emissions that may result from fryer operations.

In the United States, air emissions are regulated by various federal, state, and local environmental agencies. Our compliance with these regulations is verified through annual emissions inventories, annual and semi-annual emission compliance certifications, sampling, periodic state agency audits, and internal compliance monitoring systems.

Our air emissions management approach also includes the implementation of pollution prevention programs, the installation of pollution control equipment, and investment in air emission control technologies, as needed. We have completed a potential-to-emit inventory

for our U.S.-based operations as a component of the ongoing process of managing air permits and operational changes.

In November, 2004 Tyson Foods became a partner in the U.S. Environmental Protection Agency (EPA) *Climate Leaders*™ program, a voluntary partnership challenging businesses to reduce their greenhouse gas (GHG) emissions. Climate Leaders work collaboratively with EPA to:

- Develop a corporate-wide GHG inventory;
- Set aggressive GHG emission reduction goals for the next 5 to 10 years;
- Implement a GHG inventory and reduction management plan;
- Annually report GHG inventory data and progress toward goals; and
- Publicize their participation, reduction pledges, and accomplishments.

Tyson Foods completed its corporate-wide GHG inventory in accordance with the *Climate Leaders* Greenhouse Gas Inventory Protocol. This inventory includes GHG emissions from our U.S. chicken, beef, pork, and prepared foods operations as well as our hog buying stations and transportation operations. Additionally, it includes information from our U.S. based Cobb Vantress and Pork Group subsidiaries.

Our GHG footprint during calendar year 2004 was 5.35 million metric tons. This baseline inventory includes data related to facility fuel and electricity usage, transportation fuels, refrigeration usage, and anaerobic biogas

production. Based on this inventory, the company is evaluating setting GHG emission reduction goals in fiscal year 2010.

We recognize our company faces potential risks due to physical changes associated with extreme weather conditions such as droughts, floods, excessive heat or cold, hurricanes, and ice and snow storms. These conditions can impact the health and growth of livestock and result in operational disruptions. We also recognize investing in energy-efficient projects

and programs can improve our bottom line performance. In light of the current uncertainty surrounding the legislative and scientific discussions related to climate change, however, we may choose to delay our decision on goal setting in order to better understand the future legal landscape and role of carbon in the economy as well as its potential financial implications on our company.

We also became a partner in the EPA *SmartWay*® Transport Partnership in 2004. The *SmartWay* partnership is a voluntary environmental and

energy conservation program for companies that ship and haul freight. In 2006, we expanded our involvement in this program, and gained national status and recognition from the EPA as an authorized shipper/carrier partner. At the time this status was achieved, we were one of only seven companies to be recognized as both a shipper and carrier partner.

SmartWay Partners are committed to reducing GHG emissions, air pollution, and fuel usage in transportation fleets. To fulfill this commitment, we have undertaken initiatives related to reduced transportation

miles, increased railway usage, low-emission engines, single-wide tires, aerodynamic packages, tare weight reduction, auxiliary power units, low-friction drive-train lubricants, and recruiting *SmartWay* Carrier Partners. The table highlights our progress in some of these areas.

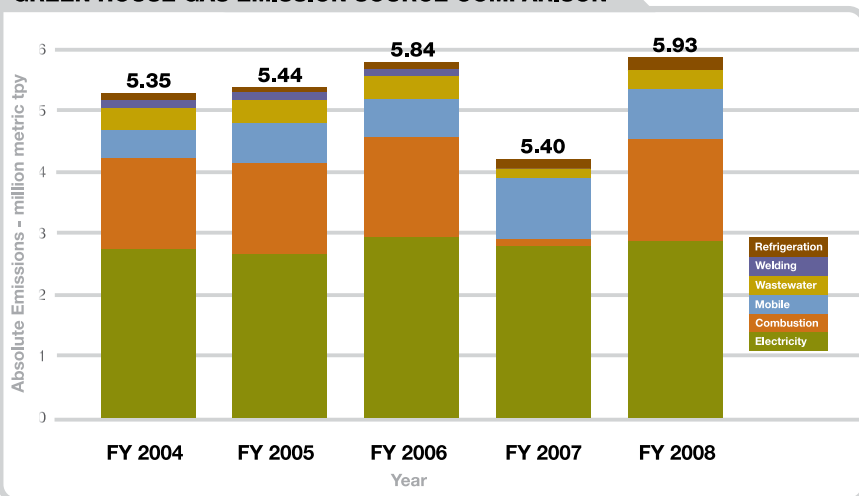
Below we provide insight into our management approach regarding some of the most common air quality and GHG emission questions or concerns raised by our stakeholders.

Tyson Foods' Position on the Carbon Disclosure Project

For the past several years, the Carbon Disclosure Project (CDP) has requested Tyson Foods' disclosure of climate change related information. We have reviewed the CDP process, format, and information requirements and, at this time, have decided to communicate our GHG information through alternative but equally effective means rather than participate in the CDP.

There are several reasons for Tyson Foods' approach to communication regarding GHG information. First, we believe it is unnecessary to commit the additional resources required to annually report our information under CDP's unique format. Second, we prefer to continue working with EPA regarding GHG inventory information because of the Agency's expertise and long-term management responsibility for climate change. Third, we have reported our GHG emissions summary in our sustainability report, which is publicly available.

GREEN HOUSE GAS EMISSION SOURCE COMPARISON



NOTE: All values are rounded to three significant digits. Emission rates do not include poultry houses at this time.

TRANSPORTATION INITIATIVE

Fiscal Year 2009 Results

Improve freezer-to-freezer network.	More than 8.6 million miles saved
Redesign poultry school-lunch distribution network to reduce transportation miles.	More than 2.4 million miles saved
Install auxiliary power units to reduce fuel consumption.	628,000 gallons saved
Use rail instead of trucks to transport products.	485,224 truck-miles avoided
Add <i>SmartWay</i> ® Carrier Partners.	22 added since 2006



Greenhouse Gas Emissions from Livestock Production

In the fall of 2009, an investment research firm providing management tools to professionals integrating environmental, social, and governance factors into their investment decisions released a report claiming Tyson Foods' livestock operations generate substantial emissions of methane gas (CH₄). This report stated methane gas is produced from the fermenting of animal waste and manure-holding lagoons and cited a November 2006 report from the United Nations Food and Agriculture Organization that claimed livestock production accounts for 18 percent of global carbon dioxide emissions and between 40 and 60 percent of global methane and nitrous oxide (N₂O) emissions.

According to the *2009 U.S. Greenhouse Gas Inventory Report* from the Environmental Protection Agency, manure management accounted for 4.7 percent of N₂O and 7.5 percent of CH₄ emissions in the U.S. during the 2007 reporting year. This report is available on the EPA's Web site. To view the report, [CLICK HERE](#). Tyson Foods does not own cattle feed lots or confinement areas, nor does it manage cattle. The company has a small number of company-owned swine farms, accounting for raising less than one-percent of the swine it processes at its pork production plants. In addition, Tyson Foods owns around 20 poultry farms and contracts with approximately 6,000 independent poultry producers, who manage their own poultry litter. Tyson Foods' poultry farms do not utilize lagoons to store chicken litter, which is primarily composed of chicken

droppings and bedding materials, such as rice hulls. Accordingly, Tyson Foods' management of manure and animal-waste lagoons results in a small GHG footprint.

Energy Usage and Conservation

Energy use in Tyson Foods' production facilities is the company's first and second largest source of GHG emissions. Our main source of energy is electricity, which represented 49.8 percent of our total GHG emissions during fiscal years 2004 through 2008. We use electricity to power processing, refrigeration, and waste-water treatment equipment, and for lighting, heating, and air conditioning. In addition, many of our facilities use natural gas in boilers to heat water and in fryers and ovens to cook our food products. The combustion of natural gas represented 26.7 percent of our total GHG emissions during fiscal years 2004 through 2008.

Energy-efficiency projects reduce both costs and associated GHG emissions. Below are examples of energy conservation efforts underway at Tyson Foods.

- Tyson Foods operates renewable energy processes and researches new and evolving technologies to create renewable energy. For example, we have six wastewater treatment systems that have enclosed their anaerobic lagoons in order to generate and capture biogas. Biogas is naturally produced during the decomposition of organic matter in these anaerobic systems. Four of these six facilities, are able to clean and use their biogas as an alternative fuel source to

natural gas in on-site boilers. According to data collected from the U.S. Energy Information Administration, the average monthly industrial natural gas price from January 2001 to September 2009 was \$6.75 per thousand cubic feet. During fiscal years 2008 and 2009, these four facilities used more than 1.8 billion cubic feet of biogas in on-site boilers. For these two fiscal years, this is equivalent to 1.3 billion cubic feet of natural gas and a natural gas cost avoidance of approximately \$9.1 million dollars. In an effort to minimize energy costs, reduce GHG emissions, and utilize alternative energy sources, we are evaluating additional opportunities to capture and use biogas at other processing facilities.

- In fiscal year 2008, Tyson Foods began testing a renewable energy process at its feed mill in Fairmount, Georgia. This process, known as a biomass gasification technology, is designed specifically for poultry litter and other hard-to-process materials. The testing period lasted eight months and converted nearly 1,000 tons of poultry litter to 110-psig (pounds-per-square-inch gauge) steam. It supplied an estimated 30 percent of the feed mill's steam needs. The test is considered an operational success, achieving sustained gasification over extended periods and excellent results on stack emissions from the process. Tyson Foods continues to evaluate opportunities to install a scaled up version of this process at other company locations.

- Tyson Foods implemented a server virtualization and consolidation effort within its Information Technology Infrastructure Group several years ago. Virtualization is a method of running multiple operating systems on a single computer. One of the many benefits of virtualization is reduced energy consumption for powering the computers and cooling the area in which the servers are stored. To date, Tyson Foods' efforts around server virtualization and consolidation have reduced server storage space by approximately 400 square feet, the number of servers from 483 to 37, physical server racks by 18, and network ports and cables by 268.
- Our Information Technology department also began offering Liquid Crystal Display (LCD) monitors as an alternative to Cathode Ray Tube (CRT) monitors in August 2005. The advantages of LCD monitors over CRT monitors equate to approximately \$110 annual savings per monitor in energy use. Additionally, LCD's are emission free, pose less of a fire risk, and use lower amounts of environmentally sensitive materials such as lead and calcium.
- We rely on green design and renovation to increase energy efficiency. For example, our new office building and Discovery Center, constructed in 2007 at our World Headquarters in Springdale, Arkansas, received energy efficient lighting when built. The remainder of our office buildings at World Headquarters will receive energy efficient lighting as renovations occur or as replacements are

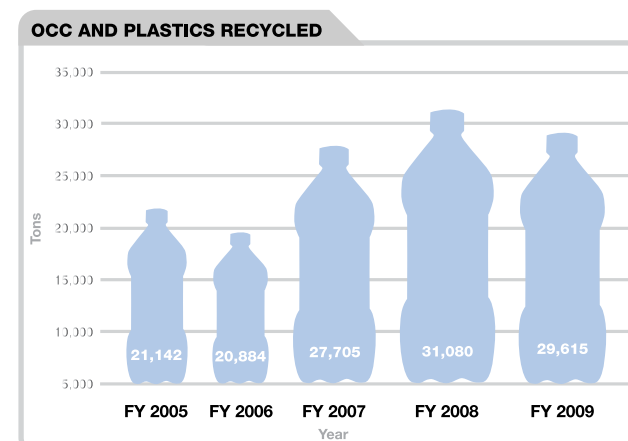
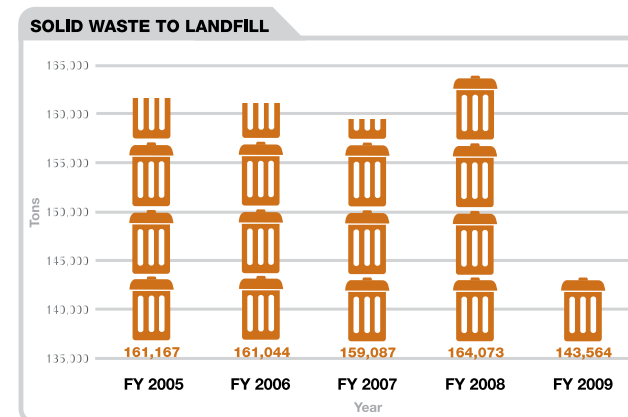
needed. We are also installing timers that automatically turn off lights during non-working hours. This not only helps eliminate light pollution to the outside but also conserves energy. Additionally, during the winter of 2009, we moved our heat set-points at World Headquarters to 68°F. By dropping and maintaining these set-points, we reduced our overall natural gas usage by approximately 30 percent as compared to the same three-month period in 2008.

Solid Waste Management and Recycling

Tyson Foods' operations generate mostly non-hazardous solid waste, consisting of paper, plastics, scrap metals, used oils, food wastes, wooden pallets, protein by-products, and old corrugated containers (OCC). As stated in our EHS Policy, we are committed to managing our operations in an environmentally responsible manner with emphasis on pollution prevention, conservation, recycling, and operational efficiency. While working to constantly find alternative uses for wastes and by-products, we promote consistent waste management practices throughout our company. These efforts aid in reducing the amount of waste sent to landfills and reduce methane generation which contributes to the generation of greenhouse gas emissions.

Monitoring waste generation, disposal, and reuse enables us to assess our progress and continually improve our waste management performance. Our goal is to reduce the amount of waste we send to the landfill and to increase the amount of materials recycled year-over-year. Tyson Foods generated 164,073 tons

of landfill solid waste in fiscal year 2008 and 143,564 tons in fiscal year 2009, representing a 12.5 percent decrease from 2008 to 2009. We recycled 31,080 tons of OCC and plastics during fiscal year 2008 and 29,615 tons during fiscal year 2009, a 4.7 percent decrease from 2008 to 2009.

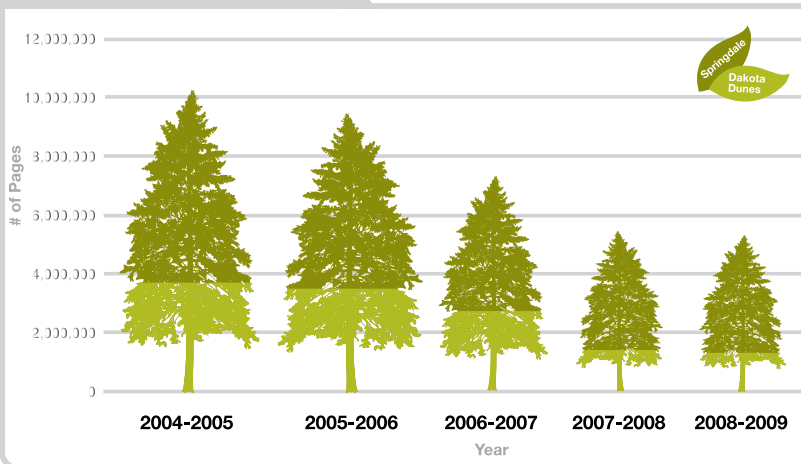


The solid waste and recycling data shared in this report represents the majority of Tyson Foods' locations. For the portion of Tyson Foods' locations serviced by local vendors that are not part of our national account agreement, however, we are unable to provide solid waste and recycling data. During fiscal year 2010, we will develop a standard reporting process that all solid waste and recycling vendors will be able to utilize.

We also maintain several types of recycling programs at our World Headquarters in Springdale, Arkansas.

- From May 2008 through October 2009, we recycled more than 150 tons of office waste, including plastics, paper, cardboard, aluminum, and other recyclables.
- Our Information Systems department has an agreement with a company that manages the receipt, reuse, and if necessary, the environmentally responsible disposal of personal computers, laptops, monitors, fax machines, copiers, cell phones, and other types of electronic computer related assets. During fiscal year 2009, we shipped more than 37,000 pounds of bulk computer equipment to this company for de-manufacturing and reclamation of raw materials. This includes approximately 820 monitors and 2,300 personal computers, laptops, and servers, along with hundreds of computer mice, keyboards, cables, racks, and other miscellaneous equipment.
- Through efforts such as electronic invoicing and billing, consolidation of finance and payroll applications, online availability and archiving of reports, and the use of microfiche, our Data Center Team has implemented efforts that have reduced our company's paper usage by approximately 40 percent since fiscal year 2005.

DATA CENTER PAPER USAGE



During fiscal year 2009, we used 8.9 million pooled CHEP pallets for product shipment. The environmental benefits of this pooled approach include a solid waste reduction of approximately 5 million pounds, an energy savings of 109 billion BTUs, and more than 3.8 million pounds of GHG emissions.

Additionally, we seek to enter into relationships with supply partners who share a similar commitment to environmental protection, resource conservation, and continual improvement. In May 2008, we partnered with CHEP Equipment Pooling Systems to begin transitioning our shipping platform from a non-pooled pallet approach to a pooled approach. CHEP is a leader in pallet and container pooling services. They issue, collect, condition, and reissue more than 300 million pallets and containers from global network of service centers. In addition to reduced costs and enhanced operational efficiencies, our partnership with CHEP helps minimize our environmental footprint in the following ways:

- Pallets are constructed of lumber from sustainably managed forests.
- The pooling model encourages the repair and reuse of pallets.
- Broken or damaged components of pallets are recycled.

Sustainable Packaging

An often-overlooked element of a food product is its packaging. At Tyson Foods, our first packaging priority is to ensure the wholesomeness, safety, and shelf-life of our products. Our packaging supply partners must meet or exceed the safety regulations and standards applicable to food-grade packaging. In addition, we require annual third-party audits for our packaging supply partners and letters of guarantee for the products they supply to Tyson Foods.

We also recognize the importance of reducing packaging waste as well as the use of non-renewable materials in packaging content. Our Packaging Applications Team, in collaboration with packaging supply partners, is committed to reducing the environmental impact of our packaging while ensuring the safety of our products. Below, we highlight other initiatives we have implemented to reduce the environmental impact of our packaging.

Corrugated Packaging

Tyson Foods' corrugated supply partner is a member of the *Sustainable Forestry Initiative*® (SFI®) program. SFI certification promotes responsible forestry practices. To be certified, forest operations must be audited against the SFI forest standard. We use only SFI standard certified corrugated packaging, and at least 94 percent of the boxes we use for product shipment are recyclable.

This corrugated materials supplier also uses the most current technology to replace oil-based wax in specific packaging applications. Over the last several years, this replacement process has helped us reduce wax-coated boxes by 16 percent. Additionally, with the assistance of this supplier, we have been able to implement projects designed to reduce fiber through a process called board grade optimization. This process more closely aligns the design of a corrugated box with the performance needs of a product. To date, we have removed over 4,000 tons of fiber through board grade reduction in calendar year 2009.

Flexible Packaging Efforts

The most recent changes we have made to reduce the environmental impact of our flexible packaging include optimizing resin (plastic) use in all packaging and in some applications using a new alternative filler substitution. By optimizing the package attributes, we have eliminated over four million pounds of resin since 2008. This effort has also resulted in a reduction in flexible packaging weight leading to less packaging in transportation and disposal. The most exciting of these efforts is the mineral filler substitute for resin which is being used in one of our retail packages. This filler is not a petrochemical, thus reducing our reliance on this resource by about 15-percent in this package.

Reduced Transportation through "Right Sizing"

Our Packaging Applications Team, as part of their regular duties, is constantly looking for opportunities to identify alternative packaging that achieves more efficient truck weights. We have implemented several projects that focus on "right sizing" boxes. These projects ensure more boxes are on each pallet, thus allowing us to reach optimum weight on our trucks and reduce the number of trucks on the road.



4.7 ENVIRONMENTAL FINES AND PENALTIES

Tyson Foods incurred several environmental penalties during fiscal years 2008 and 2009. The largest amount paid by a single location was a \$2,026,500 civil penalty to settle allegations that the Fresh Meats Division violated terms of a 2002 consent decree and a federally-issued pollution discharge permit at its meat processing facility in Dakota City, Nebraska. According to a filing made in U.S. District Court in Omaha, the government alleges that from July 2003 through March 2004, the Dakota City facility failed to properly operate a nitrification system as required by the 2002 consent decree. When the company became aware in 2003 that some treatment plant processes were not performing as intended, operational changes were made and additional equipment and systems were added,

enabling the treatment system to function consistently. In fact, during the past nine years, approximately \$27 million has been spent upgrading and improving the wastewater treatment system at Dakota City. This includes more than \$4 million spent on modifications since 2003. Tyson Fresh Meats worked cooperatively with state and federal regulators concerning wastewater issues that occurred years ago at this facility. Those issues have been resolved and the facility's wastewater treatment system is operating effectively.

In addition, we reported 55 spills (50 anhydrous ammonia, two diesel fuel, two carbon dioxide, and one ferric chloride) and

entered into six consent agreements to address specific environmental issues and paid \$93,033 in penalties, in addition to the above-mentioned penalty at a Nebraska location, during fiscal years 2008 and 2009. Details surrounding penalties greater than \$5,000 incurred during this time frame are provided below.

ENVIRONMENTAL FINES AND PENALTIES

	Fiscal Year	Penalty Amount	Location
Failure to complete a Form R for a specific chemical	2008	\$16,250	Hope, Ark.
Tyson Foods' contribution to R & H Oil/Tropicana Superfund Site for the removal of hazardous substances	2008	\$14,895	San Antonio, Texas
Civil penalty for odor complaints	2009	\$16,598	Harmony, N.C.
Consent Order received for air permit violations	2009	\$5,947	Tenaha, Texas
Consent Agreement Order for Title V permit exceedances	2009	\$29,430	Scranton, Ark.
Civil penalty to settle allegations related to wastewater treatment	2009	\$2,026,500	Dakota City, Neb.

4.8 AWARDS AND RECOGNITIONS

Below are examples of both internal and external environmental awards and recognitions received by Tyson Foods during fiscal years 2008 and 2009.

- Our Dawson, Georgia, poultry facility received the Honorable Mention Award from U.S. Poultry and Egg Association's 2008 Clean Water Award competition in the pretreatment category.
- In March 2008, Tyson Foods recognized six locations for their environmental performance by presenting them with a Facility Environmental Stewardship award.
- In May 2008, our Green Forest, Arkansas, poultry facility was honored as one of five finalists for the 2007 Arkansas Environmental Stewardship Award, also known as the ENVY Award.
- The American Meat Institute (AMI) recognized 47 Tyson Foods' facilities for their environmental performance in fiscal year 2008 and 33 facilities in fiscal year 2009.
- In April 2009, our Joslin, Illinois, beef facility received the J. Edward Meers Industrial Achievement Award for their wastewater treatment efforts from the Illinois Association of Water Pollution Control Operators and the Illinois Environmental Protection Agency.
- In May 2009, Alabama's Water Environment Association awarded the Wastewater Department at our Blountsville, Alabama, poultry processing location the 2008 Excellence in Wastewater Treatment Award – Category 4 Biological Advanced Treatment.
- Our World Headquarters in Springdale, Arkansas, was named one of the area's greenest offices by *Arkansas Business* in August 2009.
- In November 2009, our Lexington, Nebraska, beef facility received the Scott Wilbur Award and Gold Safety Award from Nebraska Water Environment Association. This is the sixth year in a row the facility has received the Scott Wilbur Award and the fifth year in a row the facility has received the Gold Safety Award.
- Our Dakota City, Nebraska, wastewater treatment plant was also recognized by the Nebraska Water Environment Association in November 2009 with the Scott Wilbur Award.
- In 2009, our Tyson de Mexico Popular Plant, Citra Plant, and feed mill each received the Certificación Industrial Limpia (Clean Industry Certification) award from the Procuraduría Federal de Protección al Ambiente (Attorney General for Environmental Protection) for their compliance with federal, state, and municipal regulations.
- Our Prepared Foods facilities in Dallas and Fort Worth, Texas, received wastewater treatment awards in 2009. Dallas, for the sixth year in a row, received the Blue Thumb Award from the Dallas Water Department for their wastewater treatment compliance, and Fort Worth received the Pretreatment Associates Award from Fort Worth for their wastewater treatment compliance performance from June 2007 through May 2009.
- The U.S. Poultry & Egg Association chose our Monett, Missouri, poultry facility as the winner of its 2009 National Clean Water Award in the pretreatment category. Also in 2009, Monett received their second platinum and tenth gold award from the Missouri Water Environmental Association for 100 percent industrial wastewater pretreatment compliance.





5.0 PRODUCTS

Successful companies know their future depends on providing the quality products customers and consumers expect and deserve. Tyson Foods has become a world power in protein because of its strong belief in this premise. The products we produce are second-to-none in food safety, quality, and variety. Nothing is more important to our business than maintaining the confidence customers and consumers have in the *Tyson®* brand.

Tyson Foods is committed to producing safe, nutritious food products. We use state-of-the-art food safety systems, provide education and information that helps our customers and consumers use our products safely, continuously improve our product safety, and demand safe raw materials and ingredients from our suppliers. Our company is fully committed to our Core Values statement, *“We feed our families, the nation, and the world with trusted food products.”*

5.1 MANAGING FOOD SAFETY AND QUALITY

Tyson Foods' approach to food safety and quality is comprehensive, preventive, and proactive. We implement controls and measures at every level to make sure our products are second-to-none in food safety and quality. We assess our products for improvement during product research and development, manufacturing and production, marketing and promotion, storage and distribution, and use. We believe this approach helps guarantee the safety and quality of our products from the farm all the way to the dinner table. Below are examples of how this approach is implemented throughout our company and its operations.

At the Farm

Ensuring the safety and quality of our food products begins at the farm. Independent poultry producers raise most of our chickens. We provide producers with veterinary support, nutritionally formulated feed, technical assistance, and information on optimal lighting, ventilation, and animal well-being. We also help them implement strict biosecurity measures to prevent the spread of disease among animals, and we perform thousands of tests each week to confirm the health of our animals, including avian influenza testing of all chicken flocks prior to transport to a processing facility.

We buy cattle and hogs on the open market from independent livestock producers. To ensure the safety and quality of our products, we work with industry associations to develop standards for the raising of these animals. As an example, in June 2009, we endorsed

the National Pork Board's and National Pork Producers Council's 'We Care' Program. This program formalizes and verifies pork industry efforts to operate in a responsible and ethical manner concerning the environment, public health, employee care, and community relations. This initiative also involves the *Pork Quality Assurance Plus*® (*PQA Plus*®) program, which provides pork producers with guidelines for enhancing food safety and animal well-being. As part of this endorsement, we are asking all pork producers who supply us with hogs to meet the pork industry goal of being certified in the *PQA Plus* program by June 30, 2010 and to complete a site assessment by January 1, 2011.



A Systematic Management Approach

In addition to governmental regulatory requirements, we have developed our own highly integrated policies, procedures, controls, and good manufacturing practices designed to ensure the safety and quality of our food products. Our system often extends beyond regulatory requirements to address such issues as facility sanitation, Team Member training, personal hygiene, product handling, food protection, foreign material prevention, product quality, storage, and transportation.

In July 2008, we began pursuing our Global Food Safety Initiative (GFSI) certification. The GFSI is a partnership between food safety experts from retailer, manufacturer, and food service companies that focuses on the

"continuous improvement in food safety management systems to ensure confidence in the delivery of safe food to consumers."

The GFSI objectives are to:

- Promote convergence between food safety standards by maintaining a benchmarking process for food safety management schemes.
- Improve cost efficiency throughout the food supply chain via the common acceptance of GFSI recognized standards by retailers around the world.
- Provide a unique international stakeholder platform for networking, knowledge exchange, and the sharing of best food safety practices and information.

The GFSI benchmarked audit is an all-inclusive, one-stop shop for all things food safety and quality. Unlike other audits, certification requires 100-percent compliance to the audit standard. As of September 2009, 67 of Tyson Foods' U.S. facilities have been certified against the British Retail Consortium Global Standard for Food Safety, Issue 5. Additionally, our vertically integrated joint-venture beef operation in Argentina has received this certification. We believe our pursuit of GFSI certification is an opportunity to demonstrate to the global community the high standards to which we produce our food products. For more information regarding GFSI, please visit <http://www.ciesnet.com/2-wwedo/2.2-programmes/2.2.foodsafety.gfsi.asp>.

Tyson Foods' Food Safety and Quality Assurance Team

Our Food Safety and Quality Assurance (FSQA) team plays a key role in ensuring the safety and quality of our food products. This team includes 2,300 food safety and quality professionals serving in key functions at both the corporate and facility level. Working in partnership with our facilities and regulatory authorities, this team monitors the implementation and effectiveness of our food safety and quality assurance policies, procedures, and controls, and:

- Performs food safety and sanitation inspections;
- Verifies regulatory, policy, and procedural compliance;
- Provides laboratory analysis and support; and
- Assists with the continual improvement of our food safety and quality assurance program.

Congratulations FSQA Team Member Dr. Dean A. Danilson

On October 17, 2008, Dr. Dean A. Danilson, Tyson Foods VP of Quality Assurance and Food Safety, was awarded the "2008 AMI Scientific Achievement Award" from the American Meat Institute (AMI). The AMI Scientific Achievement Award is given to an individual or group from industry, academia, or government whose achievements have made a significant contribution to the scientific knowledge of the meat and poultry industry.

Dr. Danilson was nominated for his sound understanding of science, its application in the industry, keen insight to regulatory forthcomings, and ability to balance needs and risk management which has resulted in the development of "Gold Standard-like" programs. Dr. Danilson has been a fundamental driver in development of food safety policies and practices, not only within Tyson Foods, but also across the industry and regulatory world. His work has truly made the nation's food supply safer. Congratulations, Dr. Danilson!

Our Laboratory Services Network

Tyson Foods' Laboratory Services Network is recognized throughout the industry as a research leader in food chemistry, food microbiology, and food safety research. This network consists of two corporate laboratories, four regional laboratories, and 11 fresh meats laboratories. A total of 10 laboratories in the network are accredited for ISO 17025. Additionally, our 25,000 square-foot state-of-the-art laboratory in Springdale, Arkansas, is accredited for both ISO 17025 and ISO 9001-2008. This laboratory is proficient in many aspects of food safety microbiology, food safety research, and food chemistry. Moreover, the field and training services part of this laboratory provides support to Tyson Foods' processing facilities in key areas such as training, auditing, and optimization of antimicrobial systems.

Through the efforts of the laboratory network, Tyson Foods has made substantial contributions to research covering *E.coli* O157:H7, *Salmonella*, Avian Influenza, *Listeria monocytogenes*, *campylobacter*, and other public health issues and initiatives aimed at improving food safety and animal health. Although not considered a part of the Tyson Foods' Laboratory Services Network, the company also maintains 58 plant-based quality assurance laboratories that assist with the day-to-day implementation and management of our company's food safety and quality assurance programs.

Audits and Inspections

All Tyson Foods' production facilities, co-packers, custom processors, distribution centers, and suppliers of ingredients and packaging materials are required to comply with the government regulations and company policies, procedures,

controls, and good manufacturing practices applicable to their operations. To ensure compliance with these requirements, we conduct, and are subject to, a number of audits and inspections. This includes, but is not limited to:

- Self-audits conducted by facility management teams and facility-based FSQA Team Members;
- Inspections conducted by various government agencies such as the U.S. Department of Agriculture (USDA) Food Safety Inspection Service (FSIS) and the Food and Drug Administration (FDA);
- Routine audits conducted by corporate FSQA Team Members;
- Audits conducted by customers;
- Annual audits performed by an independent third-party organization; and
- Initial and annual third-party audits of co-packers and custom processors.

During fiscal year 2009, we began implementation of *Plant.View*™ software, a food safety and quality assurance recordkeeping application. The *Plant.View* software guides our FSQA Team Members through process checks, verifications, corrective actions, and pre-shipment reviews, thus improving our compliance with regulatory, company, and customer standards and requirements. Specifically, it provides our facilities with a single solution for all production and quality control, customer specification, and regulatory data collection and reporting requirements. This electronic record-keeping system not only improves food safety by reducing the chance of human error, it has the potential to save more than 10 tons of office paper per year.

Ingredient Sourcing

Our commitment to providing “*the world with trusted food products*” requires us to partner with ingredient suppliers who share the same commitment. We spend more than \$800 million dollars annually for the raw ingredients that are part of our finished products. Since the majority of our operations are based in the U.S., we purchase most of our ingredients from U.S.-based suppliers.

While we do not disclose, for competitive reasons, specific details about the source of our ingredients, we do maintain an extensive ingredient-supplier approval process. This process requires our ingredient suppliers to comply with the ingredient specifications we set forth. For each raw ingredient we purchase, we have a specification file that provides information for ensuring each ingredient meets our requirements from both a regulatory and food-safety aspect.

Additionally, our ingredient suppliers must comply with food-safety regulations and standards applicable to their operations such as those set forth by USDA, FDA, Good Manufacturing Practices (GMP), and Hazard Analysis and Critical Control Points (HACCP). We also require our ingredient suppliers to meet our stringent requirements related to, but not limited to:

- Certificates of continuing guarantee;
- Packaging descriptions and details;
- Warehousing and storage information;
- Names and certifications of co-packers or co-suppliers;

- Documentation of various practices, programs, and procedures such as good agricultural practices, food defense programs, pest control, and recall procedures;
- Identification of all allergens; and
- Kosher certification, when applicable.

To further ensure the ingredients we receive are safe, our suppliers must verify they can trace their ingredients to their point of origin. In addition, in the spring of 2008, our FSQA department implemented a comprehensive ingredient supplier audit program that establishes a method for assuring the ingredients used in our food products meet regulatory food-safety and quality standards as well as our ingredient-supplier requirements. We require annual third-party audits for all ingredient suppliers. Moreover, our FSQA department conducts random ingredient-supplier audits. Any ingredient that does not meet our safety and quality requirements will not be used in a Tyson Foods’ product.

Controlling, Tracking, and Tracing Our Products

Our goal is to be world class in our ability to track and trace our products throughout our production and distribution channels. In fiscal year 2008, we launched development of our Enterprise Inventory Management (EIM) program. This program will strengthen our ability to control product at both plant and distribution warehouses by giving our food-safety team a global view of inventory and the ability to hold or release product from anywhere via an Internet connection. It will also allow our team to accurately track a product through our production and distribution process, and improve our

ability to trace, by key indicators such as supplier and batch number, all ingredients that are a part of a finished product.

Should the need arise, it is imperative that we can effectively and efficiently identify and isolate a specific product. Our EIM program provides both the framework and technology that not only executes product retrieval in a timely manner, but also helps us better manage our ingredients and product inventories. In addition, our EIM program will provide a:

- Real-time, global view of our product inventory level, status, and availability;
- Direct link to inventory for the systematic holding and releasing of product;
- Process for quick action to resolve and release or dispose of product that has been placed on hold;
- Single detailed report on ingredients and the source of ingredients used in a product;
- Mechanism for placing finished products and incoming ingredients on hold until all safety and quality checks are completed, ensuring they meet all applicable requirements and specifications;
- Computerized process, with bar code scanning capabilities, that reduces manual product and ingredient tracking processes and paperwork;
- Foundational system for other business areas within Tyson Foods to connect to, which will create an industry leading EIM program; and
- Means for ensuring our products meet customer requirements, maintain consumer confidence, and protect the trust consumers have in Tyson Foods and our brands.

Product Recalls

Product recalls can happen for many reasons, such as product mislabeling, the addition of an incorrect ingredient in a product, nonconformance to customer specifications, or contaminated products. In these situations, immediate action may be essential for protecting the health of the consumer.

It is for this reason Tyson Foods maintains an effective recall policy that provides guidelines for initiating, investigating, and conducting product recalls. If we become aware of a situation in which we suspect a product could adversely affect the health and safety of our consumers, we will initiate a voluntary product recall to carry out a timely and effective recovery of the product.

In addition, we conduct mock recalls with our processing facilities and our distribution teams. Mock recalls provide a methodology for practicing and evaluating our ability to recall finished products, ingredients, and packaging materials in a thorough and timely manner. They also help us identify opportunities for the continual improvement of our recall procedures.

During fiscal years 2008 and 2009, we initiated one product recall. In August 2008, in cooperation with USDA, we voluntarily recalled 51,360 pounds of uncooked, foodservice chicken due to an undeclared soy-based allergen resulting from a labeling error. While there were no reported illnesses with this product, we initiated this recall as a precautionary measure. We maintain strict internal controls and procedures to protect against potential allergen labeling errors.

Genetically Modified Organisms

Genetic modification is often used in crops, such as corn and soy, to improve key production aspects including yield, insect resistance, and drought tolerance. As this practice has become more common and widespread, customers and consumers have begun to ask about the potential effects of genetic modification on food safety. As noted in the Ingredient Sourcing section above, Tyson Foods' only uses ingredients that meet the safety regulations set forth by USDA and FDA.

Tyson Foods does not currently distinguish between GMO and non-GMO when buying grain and meal for the purpose of blending chicken feed. There have been discussions by grain suppliers of segregating ingredients by seed origin; however, the proposed methods appear to be inadequate to insure casual contact can be avoided and that ingredients can be guaranteed as non-GMO. Since a significant percent of the annual corn and soybean crops is of GM origin, it is likely we use GMO grain in feed for our chickens. It is important to note that we have no preference, and there are no performance differences in GMO and non-GMO in the meat-conversion process.

Just as in our feed ingredients, the major finished-product ingredients with GMO questions are those derived from corn and soybeans. Since suppliers of breadings, marinades, and spices have only recently begun to discuss segregation of ingredients, we must also assume that these products contain GMO. Common ingredients that could potentially contain GMO are corn flour, corn meal, corn starch, corn syrup, corn gluten, soybean oil, soy proteins, and soy meals.

We believe science is sound and supports the belief that the corn and soybeans used in virtually every segment of the food industry pose no near or long-term health risk to the consuming public. Furthermore, there is no advantage of any sort for Tyson Foods in the performance of either source.



5.2 SUPPORTING OUR CUSTOMERS AND CONSUMERS

Our commitment to food safety does not end when our products leave our processing facilities. To help our customers and consumers make informed buying decisions, we strive to provide accurate and reliable ingredient statements for our food products. Our Regulatory Labeling Compliance and Product Specifications group ensures our products are packaged and labeled in accordance with our corporate product specifications and regulatory requirements related to ingredients, product formulation, nutrition information, and product claims, such as natural, whole grain, zero trans fat, and reduced fat.

This group not only maintains a working relationship with key Tyson Foods' business units, such as research and development, marketing, and food safety and quality assurance, it also maintains collaborative relationships with the USDA, Food Safety and Inspection Service, Food Nutrition Service, and Agriculture Marketing Service to assure governmental approvals for our packaging and labeling.

Over the years, this group has been instrumental in our implementation of key labeling initiatives, including the mandatory nutrition labeling dictated by the Nutrition Labeling Education Act of 1993. This group was also instrumental in the company's allergen labeling efforts. There are eight foods that account for 90 percent of all food-allergic reactions: milk, eggs, peanuts, tree nuts, soy, wheat, shellfish, and fish. To help our consumers make informed decisions, in 2001 – well ahead of the Food Allergen Labeling and Consumer Protection Act of 2004 – we proactively initiated labeling of packaged products that contain these allergens.

When it comes to food safety in the home, our consumers are in control. We are committed to offering tools and resources to help them safely prepare and serve our products once they get them home. Accordingly, we have created a food safety and education program called foodWISE®. This information resource program provides our customers and consumers with tips and information pertaining to food safety.

- We invite our customers and consumers to learn more about our *foodWISE* program at www.tyson.com.

If our customers and consumers would like to ask us questions about our products directly, we encourage them to “Ask Willie.” Willie Barber, affectionately known to us as Miss Willie, has worked in the chicken industry for more than 20 years and for Tyson Foods as the Manager of Consumer Information Services since 1989. Willie and her team of Consumer Information Services representatives, respond to calls, letters, and e-mails from our customers and consumers. These representatives are trained to respond to concerns about food safety and quality, nutritional content, food storage and preparation, and new product lines. Various expert resources also support these representatives. This includes Tyson Foods Team Members with doctorates in chemistry, microbiology, food sciences, and nutrition and members of our food safety and quality assurance and marketing departments.



To ensure a direct line of communication with our food safety and quality experts, our Consumer Information Services team reports to our company's senior vice president of Science and Regulatory Affairs.

If a question cannot be answered immediately, we will respond within 48 hours via phone, e-mail, or other customer-preferred method. During fiscal years 2008 and 2009, we heard from approximately 230,000 customers and consumers. The majority of these requests focused on the safe handling of our products, specific product concerns, corporate inquiries, and marketing promotions. The ideas and thoughts of our customers and consumers are very important to us. This feedback helps ensure we are providing the taste, value, and convenience our customers and consumers want, and helps us maintain a focus on continual improvement.

We are also committed to providing our customers and consumers with helpful information on meal ideas, economical protein solutions, and feeding children healthy protein products they love. At www.tyson.com, consumers can access Tyson Foods' Recipe Central and:

- Collect five days of dinner recipes, which change each week;
- Visit our 10 most viewed recipes;
- Find food tips and tricks for kids; and
- Search for recipes based on the recipe name, a specific ingredient, nutritional requirements, or the meal type or occasion.

All recipes featured on www.tyson.com are presented with nutritional information based on serving size. Each recipe is also presented with time estimates related to preparation, marination, and cooking, as well as serving suggestions and substitution tips. Consumers also have the opportunity to tell us what they think of our recipes by simply choosing from five stars (very good) to one star (not very good) and selecting "Rate It!" The average of all votes becomes the rating for the recipe.

5.3 PRODUCT RESEARCH AND DEVELOPMENT

Tyson Foods is dedicated to developing a best-in-class, value-added product portfolio that meets the needs of today's changing market. By applying in-depth understanding of consumer and customer needs, analytical skills, and strategic thinking, we are positioned at the forefront of product innovation. We will continue to demonstrate our commitment to research and development by creating new and relevant food solutions for years to come.

Discovery Center

In January of 2007, we opened the 100,000 square-foot



Discovery Center to enhance our ability to develop new food solutions and bring them to market faster. The Discovery Center, located at Tyson Foods' World Headquarters in Springdale, Arkansas, is the focal point for the development of insights, people, processes, and new and innovative products. Bringing together Tyson Foods' protein research and development into a single location, the work space was designed to maximize communication and collaboration with knowledge applied across chicken, beef, and pork. Below are several key highlights about the Discovery Center.

Research Kitchens

The Discovery Center includes 19 specialized research kitchens utilizing 20,000 square feet of custom-designed space equipped specifically for the business units and customer channels we serve. All kitchens were designed for maximum technical flexibility and culinary



effectiveness, allowing our product innovators to work in real-world environments.

By design, the kitchens can be customized to meet the needs of any customer. Each kitchen contains lighting and other equipment that simulates the foodservice or retail food environments. Some of the kitchens are equipped with overhead cameras and recording devices. This gives Tyson Foods the ability to allow customers and our marketing and sales Team Members access to product reviews and food demonstrations from any location in the world.

USDA-Inspected Pilot Plant

The Discovery Center also includes a 40,000-square-foot multi-protein, USDA-inspected pilot plant. The plant provides a real world "testing ground" to evaluate numerous elements in the product-development process. In this unique facility, we have the ability to replicate nearly every production process using the exact equipment found in our processing plants.

The pilot plant also eliminates the disruptions, inefficiencies, and "translation errors" that can occur during new-product testing at production-plant trials, and reduces travel expenses for

Team Members involved with in-plant trials. In keeping with best practices for the safety of our guests and our products, the pilot plant offers a viewing gallery that allows customers and guests to observe several segments of pilot plant activity without entering a food-safe environment.

Consumer Center

When developing a new product or evaluating the use of different ingredients in a current product, it is important to know the thoughts, ideas, perceptions, and preferences of the consumer. The Discovery Center offers a new Consumer Sensory Panel area and Consumer Focus Group learning center. These areas provide the company with an opportunity to gain consumer insight prior to the release of a new or improved product.

The Consumer Sensory Panel area includes 12 individual sensory booths. These booths allow internal, external, and expert participants to sample and evaluate single or multiple product attributes including visual, texture, taste, and aroma. The participants are then able to enter their responses into a computer-based sensory evaluation system. Our R & D team can then quickly tabulate and evaluate the responses, resulting in a quicker product development process.

The Consumer Focus Group learning center allows for in-depth, one-on-one or group discussions regarding the marketing activity of a new product. Participants are queried on various aspects of a proposed new product, or

changes to an existing product, to gain consumer insights. The ability to listen directly to the end-user to help create new products is what enables us to meet the needs of today's changing market.

Our Research and Development Staff

The Discovery Center is home to the 120 food science, product development, and culinary professionals who are part of our Research and Development team. More than 40 of these professionals hold advanced degrees, including 14 with PhDs. We have 16 culinologists on staff, with another 50 technologists in training to become Research Chef Association Certified Culinologists. This training program, developed by Johnson and Wales University and the University of Arkansas, is conducted on the campus of the University of Arkansas to eliminate the need for travel. This will allow the product development team to have a well-rounded understanding of both the culinary aspect and the commercial viability of producing a product.



Congratulations to Amy Downs Steward

Tyson Foods congratulates Research and Development Team Member Amy Down Steward on her receipt of the

2009 American Meat Science Association (AMSA) Achievement Award. Established in 1992, this award is designed to "recognize and foster development of young AMSA members who have demonstrated significant scientific skills in muscle foods research and technology that contribute to the animal products industry and AMSA." Amy's extensive protein development knowledge and passion for advancing business initiatives continues to be an invaluable asset to Tyson Foods.

New Product Development

Our current research indicates many consumers are looking for delicious, affordable, and healthy protein meal solutions. Below are examples of recent product releases designed to meet consumer needs.

- In early 2009, we released our foodservice *Tyson® Right Size™* Fillets. Made with whole-muscle breast meat, these breaded and fully cooked fillets are ideal for breakfast, lunch or midday snack menu options, keeping consumers eating well all day within a budget.
- Our *Trimmed and Ready®* fresh chicken is a line of premium cuts. Each is hand trimmed and selected to deliver the highest quality. There is no additional trimming or handling required by the consumer.
- *Any'tizers®* snacks are a line of frozen appetizers ready in just minutes. *Any'tizers* snacks can be used in the afternoon, as a light meal, or as an appetizer for a gathering. Recent additions to our *Any'tizers* line include four new bold items that allow the consumer to add as little or as much of the provided sauce packets to the *Any'tizers* product as they want.
- We are also responding to consumer demand for minimally processed foods with no artificial ingredients. For example, our *Tyson* Nuggets, Patties, Tenders, and Individually Frozen Split Cornish Game Hens are *100% All Natural*. They contain no added trans fat, no artificial ingredients, no preservatives, no fillers, and are minimally processed.

Product Innovation Recognitions

Tyson Foods' commitment to innovation is evidenced by the prestigious product innovation recognitions and awards we receive.

- Tyson Foods ranked number one in the Cannondale Associates 2008 FoodserviceElite Composite Manufacturer Rankings for the sixth consecutive year.



- For the second consecutive year, one of our new products finished in the top three for *Prepared Foods Magazine's* Spirit of Innovation Awards. Our "tangle-shaped" and lightly breaded chicken strip took home second place in the Foodservice Category as Most Innovative New Product.



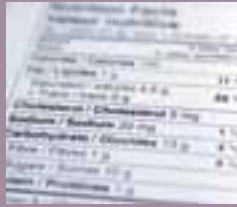
- Our Yankee Pot Roast received the Nebraska Beef Council 2008 Best New Beef Product award, and our Mongolian Style Beef Kit with Vegetables received the same award in 2009.



5.4 PROMOTING NUTRITION AND HEALTH

Ensuring the safety and quality of our food products is only one aspect of our commitment to “*feeding our families, the nation, and the world with trusted food products.*” We recognize health and wellness are also important to our customers and consumers, and there is growing interest in issues such as childhood obesity and heart health. As such, we are committed to providing food products that contribute to a healthy lifestyle and offer great taste and convenience for our customers and consumers.

Our corporate-based Nutrition Team, which includes both registered dietitians and advanced-practice nutrition technicians, creates and maintains nutrition data for our products. This team assures our company’s compliance for nutrition labeling, provides nutritional guidance during new product development, creates and maintains child-nutrition summaries for school lunch and government feeding programs, and tracks current and emerging nutrition trends. Our Nutrition Team provides responses to customer and consumer inquiries regarding nutritional guidance, potential allergens, and ingredient information.



Tyson Foods offers a wide range of protein choices that includes fresh, enhanced, and marinated chicken; beef and pork products; canned chicken; and fully cooked products to meet the needs of today’s consumers, including those watching their intake of calories, sodium, total fat, and trans fat. The Nutrition Facts Panel on our retail packages provides information for consumers to help them make healthful choices. As required, the panel offers details about such things as the fat, sodium, calorie, and carbohydrate levels of our products. Below are examples of products that offer customers and consumers more healthful food options.

100% All Natural

We are responding to customer and consumer demand for all natural foods with no artificial ingredients. For example, our *Tyson* Nuggets, Patties, and Tenders are *100% All Natural*. As shown on the product packaging, these products are minimally processed and contain no artificial ingredients, no preservatives, and no fillers.

Removal of Trans Fat

Keeping with our tradition of being first to offer cutting-edge innovation, we began the process of removing trans-fat ingredients from our fully cooked breaded poultry retail products in 2004. We made this move in response to consumer and operator interest in products with reduced trans-fat content. While chicken products are naturally low in trans fat, it can be found in certain added ingredients, such as breading and cooking oils. It is for this reason Tyson Foods decided to reformulate its entire breaded poultry portfolio. In 2005, we completed trans fat removal from our retail fully cooked breaded poultry products and our “child nutrition” school foodservice products. Since the 2007 completion of our additional school foodservice item reformulations, our company’s entire line of branded chicken products contain zero grams trans fat per serving.

Reducing Sodium

Recognizing that many of our consumers are actively engaged in preventing and managing health conditions, Tyson Foods is committed to providing food solutions to help meet their goals. As part of our continuing efforts to provide healthful food options, we have a corporate-wide initiative focused on ways to limit the use of sodium in our meat and poultry products without significantly impacting flavor. This initiative includes the use of tools to help formulate new and existing products that support our position on health and wellness and sodium reduction. In addition, we are working with our Food Service customers to provide lower sodium products to help with their menu planning.



Children’s Nutritional Needs

At Tyson Foods, we put our hearts into creating the safest, most wholesome products available, including those we produce for our Food Service K12 school business. *Tyson®* products are perfect for school breakfast, lunch, and snack programs. In fact, with *Tyson® Kid Tested, Kid Approved* products on their menus, schools can feel confident serving products students love. We taste test new chicken and beef products with students to get their feedback. This proven process allows us to offer kid-endorsed products that help increase a school’s average daily participation in their meal program.

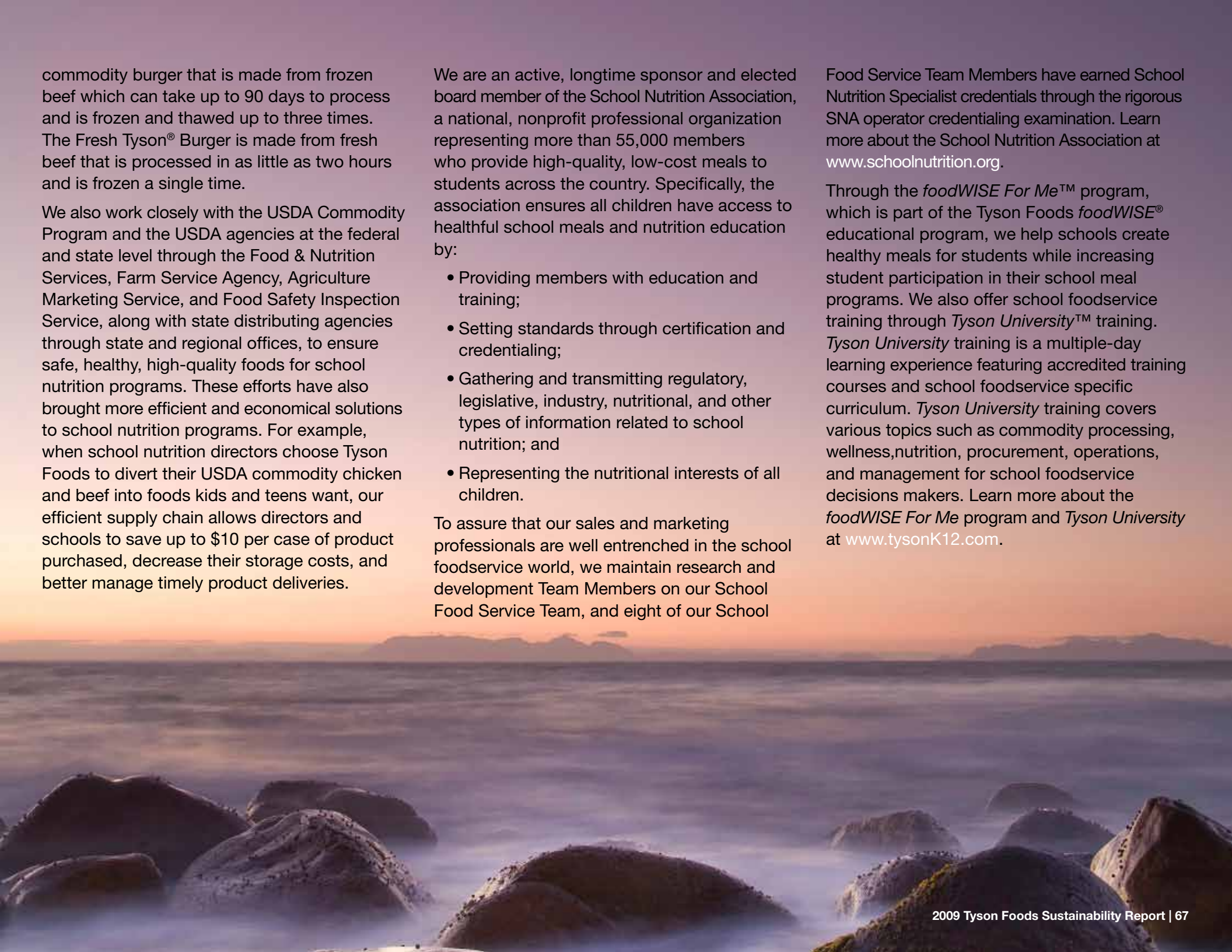
Our Food Service products for schools provide a combination of tastes, menu variety, and fun kids want, with the value, quality, consistency, and nutrition they need. As a company, we have removed all man-made trans-fat ingredients from our Food Service products for schools. We have developed a nutritional platform for new product development, which ensures less than 35 percent of the product’s total calories come from fat and that the sodium content per serving is 400 milligrams or less per serving.

Studies show that eating whole grains instead of refined grains lowers the risk of many chronic diseases. While benefits are most pronounced for those consuming at least three servings daily, some studies show reduced risks from as little as one serving daily. We offer breaded chicken nuggets and patties, each with eight grams of whole grain per serving, that carry the Whole Grain Stamp from the Whole Grain Council (www.wholegrainscouncil.org/). By incorporating whole-grain breading in our chicken products, it is easier for children to increase whole-grain intake as encouraged by the 2005 Dietary Guidelines.

Below are examples of new products we launched in fiscal year 2009 for the K12 program.

- *Tyson®* All Natural Chicken Chunks meet USDA guidelines for 100-percent all-natural labeling. These chicken chunks are minimally processed with no added flavors or ingredients.
- *Tyson®* Hot & Spicy Whole Grain Chicken Chunks offer nine grams of whole grain per serving.
- Our Fresh *Tyson®* Burger offers students an authentic flame-broiled-tasting burger made from domestic beef that is 85-percent lean.
- Our *Mexican Original® Original Wraps®* Whole Grain 10-inch Press Flour Tortilla Wraps provide 31 grams of whole grain per serving.

In fiscal year 2009, we became the only beef processor to participate in the USDA Agricultural Marketing Services Beef Pilot Procurement Program. Through our unique process from procurement to production, we are able to process fresh beef, on demand, five days from animal harvest as opposed to a frozen



commodity burger that is made from frozen beef which can take up to 90 days to process and is frozen and thawed up to three times. The Fresh Tyson® Burger is made from fresh beef that is processed in as little as two hours and is frozen a single time.

We also work closely with the USDA Commodity Program and the USDA agencies at the federal and state level through the Food & Nutrition Services, Farm Service Agency, Agriculture Marketing Service, and Food Safety Inspection Service, along with state distributing agencies through state and regional offices, to ensure safe, healthy, high-quality foods for school nutrition programs. These efforts have also brought more efficient and economical solutions to school nutrition programs. For example, when school nutrition directors choose Tyson Foods to divert their USDA commodity chicken and beef into foods kids and teens want, our efficient supply chain allows directors and schools to save up to \$10 per case of product purchased, decrease their storage costs, and better manage timely product deliveries.

We are an active, longtime sponsor and elected board member of the School Nutrition Association, a national, nonprofit professional organization representing more than 55,000 members who provide high-quality, low-cost meals to students across the country. Specifically, the association ensures all children have access to healthful school meals and nutrition education by:

- Providing members with education and training;
- Setting standards through certification and credentialing;
- Gathering and transmitting regulatory, legislative, industry, nutritional, and other types of information related to school nutrition; and
- Representing the nutritional interests of all children.

To assure that our sales and marketing professionals are well entrenched in the school foodservice world, we maintain research and development Team Members on our School Food Service Team, and eight of our School

Food Service Team Members have earned School Nutrition Specialist credentials through the rigorous SNA operator credentialing examination. Learn more about the School Nutrition Association at www.schoolnutrition.org.

Through the *foodWISE For Me*™ program, which is part of the Tyson Foods *foodWISE*® educational program, we help schools create healthy meals for students while increasing student participation in their school meal programs. We also offer school foodservice training through *Tyson University*™ training. *Tyson University* training is a multiple-day learning experience featuring accredited training courses and school foodservice specific curriculum. *Tyson University* training covers various topics such as commodity processing, wellness, nutrition, procurement, operations, and management for school foodservice decisions makers. Learn more about the *foodWISE For Me* program and *Tyson University* at www.tysonK12.com.

5.5 RESPONSIBLE MARKETING AND ADVERTISING

Our principal marketing objective is to be the primary provider of chicken, beef, pork, and prepared foods products for our customers and consumers. As such, we utilize our national distribution system and customer support services to achieve the leading market position for our products. On an ongoing basis, we identify distinctive markets and business opportunities through continuous consumer and market research.

In addition to supporting strong regional brands across multiple protein lines, we build the Tyson® brand primarily through well-defined, product-specific advertising and public relations efforts that are focused toward key consumer targets with specific needs. These efforts are designed to present key Tyson Foods' products as everyday solutions to relevant consumer problems, thereby gaining adoption into regular eating routines. Further, we use a coordinated mix of activities designed to connect with our customers and consumers on both rational and emotional levels.



We do not sell products that are banned in certain markets or products subject to stakeholder question or public debate.

Point of sale and marketing materials, as well as advertisements used by all Tyson Foods' businesses, receive thorough internal business unit and legal review to ensure the accuracy of every claim made. We advertise in accordance with guidelines from the Federal Trade Commission, as well as the label claims shown on our products, which are approved by the U.S. Department of Agriculture Food Safety Inspection Service.

Our print ads are targeted to adults, including parents and single-person or dual-person households who prepare meals at home. We strive to place our television advertisements in general-audience programming that is free from gratuitous displays of violence, sex, and profanity. Additionally, we strive to ensure our television advertisements are aired during programming that does not disparage any religious, ethnic, or political group and does not imply the company supports specific points of view. We do not advertise to children and we have policies in place that prevent children from providing personal information via our Web site.



5.6 ANIMAL WELL-BEING

Producing a safe, nutritious food product begins with ensuring the health and well-being of the animals we raise and process. Tyson Foods has a long-standing commitment to the well-being and proper handling of the animals used in its food products. It is an expectation expressed in our Core Values, which call for us to “*serve as stewards of the animals, land, and environment entrusted to us.*” This is not only the right thing to do; it is also an important moral and ethical obligation we owe to our suppliers, customers, ourselves, and most importantly, to the animals we depend on for our products and our livelihood.

Our commitment to animal well-being helps us maintain the critical balance between ensuring the needs of our animals are met and providing our customers and consumers with the quality food products they deserve. [CLICK HERE](#) to review our Animal Well-Being Mission Statement.

Our Office of Animal Well-Being

As part of our commitment to animal well-being, we established the Office of Animal Well-Being in 2000. Kellye Pfalzgraf, DVM, directs this office and our animal well-being programs. Dr. Pfalzgraf has 34 years’ experience in food animal veterinary practice. He served as a Veterinary Medical Officer for U.S. Department of Agriculture (USDA) Food Safety and Inspection Services (FSIS) in a pork slaughter facility, and received training from various specialists in the field of animal well-being, including the internationally recognized expert Dr. Temple Grandin.

In addition to his responsibilities for Tyson Foods, Dr. Pfalzgraf serves on numerous animal well-being committees across the industry. As such, he is recognized as an industry expert in the area of animal well-being and regularly provides guidance and consultation to many retail, food service, and trade associations.

Specifically, the responsibilities of this office include:

- Advising our executive and management teams on animal well-being issues, and working directly with customers and trade groups on these issues;
- Advising producer organizations in the development of animal well-being guidelines, self-assessments, audit criteria, and the determination of acceptable limits;
- Performing random animal-handling audits at Tyson Foods’ slaughter facilities, and trending monthly internal audit results;
- Developing animal well-being training videos and written materials, and ensuring facilities conduct training sessions with Team Members that handle live animals; and
- Presenting programs and describing company and industry animal well-being practices to professional, producer, customer, and consumer groups.



Animal Well-Being Programs and Practices

We have developed and implemented animal well-being programs and practices for all segments of our business: chicken, beef, and pork. The programs consist of training for Team Members that handle and work with live animals; on-going process monitoring; and internal and third party audits and reviews. While these programs and practices differ based on the animal, we believe they demonstrate our proactive commitment to the proper rearing, handling, and slaughter of chickens, and the handling and slaughter of cattle and swine. Below are examples of specific programs and practices we have implemented.

Chicken Well-Being

All Team Members working with live chickens are required to attend annual chicken-handling classes. They must successfully pass a written test to assure their understanding of proper handling techniques and sign an agreement to comply with the Tyson Foods chicken well-being requirements. Posters and signs are posted in various areas throughout our facilities

to remind Team Members of our commitment to animal well-being. Team Members found in violation of any of these requirements are subject to disciplinary action, up to and including termination.

Additionally, best practice system assessments and chicken-handling audits are implemented in our hatcheries and chicken slaughter facilities. Facility management teams conduct weekly chicken-handling well-being audits in accordance with the National Chicken Council's Animal Welfare Guidelines and Audit Checklist, and facility-based Food Safety and Quality Assurance technicians conduct monthly chicken-handling well-being verification audits in our slaughter facilities. In addition, audits are conducted annually by various customers as well as professional auditing companies trained in animal well-being auditing. All audit results, including both internal and external results, are sent to our Office of Animal Well-Being for monitoring and trend analysis.

Beef and Swine Well-Being

Team Members working with live animals must be Trained Animal Handler (TAH) Certified. This certification consists of a four-stage program requiring completion of a professionally developed training class on animal handling and stunning. Certified Team Members must successfully pass a written test to assure their understanding of proper handling techniques, and sign an agreement to comply with the Tyson Foods beef and swine well-being requirements. Annual recertification is required. As with our chicken well-being program, Team Members found in violation of these requirements are subject to disciplinary action, up to and including termination.

We also maintain Risk Assessment, Control, and Evaluation (RACE), a program that is like a Hazard Analysis and Critical Control Point (HACCP) program for animal well-being. These programs, coupled with oversight reviews from our internal corporate management team, are over and above the regulatory requirements of USDA as mandated in the Humane Slaughter Act of 1978.



We also maintain an extensive animal well-being communication and audit program in our beef and pork processing plants. This includes:

- The posting of signs in animal receiving and handling areas reminding Team Members of our commitment to animal well-being;
- Video surveillance of animal handling and stunning areas;
- Insensibility audits at key areas are conducted by facility management on every shift;
- Each slaughter facility has an internal animal well-being team that reviews audit results and implements enhancements to improve animal handling practices;
- Facility management conducts quarterly yard-condition and driver-transportation audits;
- Weekly internal animal well-being audits at each beef and pork processing plant conducted in accordance with the American Meat Institute's Animal Welfare Guidelines;
- Facility management performs semi-annual, in-depth animal-well-being audits, and the

results of these audits are reported to company executives;

- Tyson Foods' Office of Animal Well Being conducts random, in-depth slaughter facility audits for animal handling annually, consulting on any issues identified; and
- Third-party audits are conducted routinely by independent professionals trained in animal well-being auditing practices.

In addition, we engage with our animal transportation partners, independent chicken producers, and various industry associations to promote further programs and practices aimed at animal well-being. Because we purchase our beef, and most of our pork, from independent producers on the open market, we have less control of these animals' well-being prior to processing. We still strive, however, to ensure their well-being is maintained from the farm to our facilities. For example, we only buy healthy animals. Additionally, we provide manuals which recommend good management and well-being practices to the drivers who transport live animals to our plants. We also have

management positions certified to train drivers who haul swine in the Trucker Quality Assurance program developed by the National Pork Board.

Key Animal Well-Being Topics Raised by Stakeholders

We are committed to evaluating and managing the animal well-being issues of greatest concern to our stakeholders. Below we provide insight into our management approach regarding some of the most common questions or concerns raised by our animal well-being stakeholders.

Housing of Broiler and Breeder Chickens

We do not raise our broiler chickens in cages or our breeder chickens that lay the eggs that hatch and become the broilers for our food products. Both our broiler and breeder chickens are raised in open barns or, as we commonly refer to them, houses. These houses offer adequate ventilation and lighting, as most are equipped with curtains that are raised during good weather, allowing for natural light and fresh air. They are also equipped with automated systems that deliver feed and water to the chickens on an as-needed basis. The floor of a



house is covered with plant-based materials, such as rice hulls. The houses provide a comfortable environment in which the chickens can move freely with protection from inclement weather, extreme temperatures, disease, and predators. We maintain strict policies regarding the location, size, and stocking density of the houses used to raise our chickens, for both company-owned houses and independent producer houses. These measures are critical to ensuring the health and biosecurity of our chickens and the quality of our food products.

Gestation Stalls for Sows

We make animal well-being decisions based on best available scientific research and the recommendations of animal well-being experts in the industry. Current information indicates there are several types of production systems that are favorable for pigs, including open pens, gestation stalls, and open pasture. According to published studies, the most important consideration is the individual care given to each animal and the caretaker's management and husbandry skills, regardless of the system used. Furthermore, the American

Veterinary Medical Association and the American Association of Swine Veterinarians have reviewed the existing scientific literature on gestational sow housing and have published position statements that concluded individual and group housing systems both have advantages and disadvantages. For this reason, we will continue to purchase pigs from producers using both individual and group housing systems, while we continue to monitor the scientific literature regarding gestation housing.

Physical Alteration of Chickens

As with many animals that live or travel in flocks and herds, broiler chickens naturally establish a "pecking order." This natural behavior can lead to instances of undesirable behaviors such as injurious pecking and clawing, and sometimes cannibalism. We do not practice beak trimming or toe trimming in broilers, nor do our independent poultry producers. Instead, we carefully monitor the conditions and stocking densities of our company-owned and independent producer broiler houses to minimize fighting, feather pecking, and other negative behaviors.

Stunning Methods

We continue to evaluate optimal methods for stunning animals. In 2006, we concluded a study evaluating the effectiveness of Controlled Atmosphere Stunning (CAS). During the study, we considered numerous key factors including, but not limited to, animal well-being, food safety, product quality, workplace safety, and other available scientific research. Based on our study, we believe CAS may be an acceptable alternative to conventional electrical stunning; however, we do not consider it to be more humane.

Safe Transport

The transport of animals to the processing plant is an important animal well-being issue. Research shows that, in addition to numerous well-being benefits, careful and quiet animal handling during loading, transport, and unloading can produce meat quality benefits as well. It is for these reasons, in the spring of 2010, we will implement the American Meat Institute Transportation Audit Guidelines for Cattle and Hogs at all our beef and pork processing



facilities. These guidelines contain two sets of audit criteria related to animal well-being during transport. The first set of audit criteria evaluates a processing facility's policies and preparedness for receiving animals including minimization of wait time; weather, environmental and emergency management plans; acceptable handling tools; non-slip flooring; adequate lighting; and the staff available to receive animals. The second set of audit criteria focuses on the set-up, loading and unloading, timely arrival, and condition of the trailers used to transport the animals to the processing facility. We believe the implementation of these guidelines will better enable us to identify opportunities for continual improvement with regards to the loading, transport, and unloading of our cattle and hogs.

Chicken Health

Tyson Foods works hard every day to earn and maintain consumer trust. We know that the healthiest chickens produce the best products. We also know that animal health, just like human health, depends on a healthy diet, good

preventive health practices and a safe and comfortable environment. We strive to provide all of these elements to our chickens, all of the time. We do this in cooperation with more than 5,700 family farms with whom we contract to raise our chickens. And we employ specially trained and licensed veterinarians to guide our breeding, feeding and well-being practices to be sure we are following the latest professional guidance.

Tyson Foods only uses feed ingredients approved by the U.S. Food and Drug Administration (FDA) and administers them only according to veterinary assessments and under veterinary supervision. Each flock of birds and grow-out location typically has different animal health needs. As a result, we may use different animal health products and feed formulations at different locations, according to the birds' needs. Just like our finished product recipes, our feed formulations are proprietary and may vary from complex to complex, and even seasonally. We do not disclose specific feed formulations for specific grow-out locations to the public. However, we can say that all FDA-

approved antibiotics and antimicrobials may sometimes be used by Tyson Foods for the well-being of our chickens.

Tyson Foods also complies with federal regulations prohibiting the use of added hormones or steroids in any chicken product.

Cattle and Hog Health

Tyson Fresh Meats is committed to producing wholesome, unadulterated meat products for consumers. While we do not raise our own cattle or hogs, we do purchase livestock from multiple independent farmers, and we forge partnerships with those producers, dealers, and marketers to achieve the goal of safe, wholesome foods.

It is a violation of Federal Food, Drug and Cosmetic Act (FFDCA) to sell livestock for slaughter that may contain drug residues or chemicals that exceed tolerances in meat established by the U.S. Food and Drug Administration (FDA). The U.S. Department of Agriculture's (USDA) Food Safety Inspection Service (FSIS) Residue Monitoring Program tests meat and animal organs to ensure that



livestock producers have followed safe production methods regarding any pharmaceutical use. USDA inspectors visually check each animal at the packing plant for signs that they were managed with safe production methods regarding use of veterinary drugs and hormones. In the rare instance of a violative drug residue finding, the animal's carcass and all parts are condemned. In such cases, USDA notifies FDA of the violation, and FDA in turn contacts the livestock producer.

Tyson Fresh Meats supports the efforts of the National Cattlemen's Beef Association (NCBA) and the National Pork Producers Council (NPPC), which stress the importance of producers controlling drug residues in their livestock. A unified commitment to animal health helps maintain the critical balance between ensuring the needs of our animals are met and providing our customers and consumers with the quality food products they deserve.

Cloned Livestock

Tyson Foods currently has no plans to purchase cloned livestock, as it will likely be a long time before such animals would even be available for market. Any measures we ultimately take will be guided by government regulations and the desires of our customers and consumers.



Tyson Foods' direct and indirect economic impacts are an important aspect of our company's sustainability performance. We recognize our financial performance can be both positively and negatively influenced by key factors which include:

- Commodity prices and the availability of raw materials;
- Market demand and the prices we receive for our products;
- Livestock supply and conditions;
- Team Member relations;
- Product safety and quality;

- Domestic and international government regulations; and
- Factors or forces beyond our control, such as natural disasters and extreme weather.

To ensure our economic impacts are positive, we are committed to capitalizing on strategic opportunities and to aggressively managing potential risks. We are committed to conducting our business in accordance with best practices in corporate governance, and to preserving and enhancing our relationship with our shareholders.

Moreover, with our talented, diverse, and high-performing team, we strive to drive performance in a winning, highly accountable culture

6.0 PROFITS

reflective of our Core Values. For example, we are finding innovative ways to convert animal byproducts into high-margin commercial products, and we are committed to building a multinational enterprise. We see our engagement in the policy and political process as an important part of corporate sustainability, and we work diligently on regulatory and legislative policy issues that can impact our business. In short, at Tyson Foods, we are fully committed to our Core Value statement: *"We strive to earn consistent and satisfactory profits for our shareholders and to invest in our people, products, and processes."*

6.1 CORPORATE GOVERNANCE AND COMPLIANCE

Tyson Foods is committed to best practices in corporate governance. We believe maintaining qualified, independent directors on the Board of Directors is an integral part of effective governance. The functions of Chairman of the Board of Directors and Chief Executive Officer (CEO) have been separated since 2006. The Board has appointed a non-management lead director to preside over executive sessions of the independent, non-management directors.

Corporate Governance

Since 1998, the percentage of independent directors has increased, while the overall size of the Board has decreased. Of the nine directors currently serving, six are independent. Additionally, at the end of December 2009, we had five females and seven minorities serving on our governance committees, and one female and three minorities serving on the Board of Directors. Of the Team Members serving on the Board and governance committees, twenty are between the age of 30 and 50, and thirteen are over the age of 50. We also maintain ten executive officers of the company. Of the officers currently serving, four are between the ages of 30 and 50; six are 50 or older. One is female, and one is a minority.

Director Qualifications and Nominations

Tyson Foods values the diverse thoughts, backgrounds, skills, and characteristics of our directors. As a part of the governance and oversight process, the Nominating Committee is responsible for identifying, evaluating, and recommending individuals qualified to be directors. While there are no specific minimum qualifications that a potential nominee must possess, the Nominating Committee selects

director nominees for, but not limited to, their integrity, independence, diversity of experience, business or other relevant experience, leadership, and their ability to exercise sound judgment. Our company's current directors bring broad-based experience related not only to food production but also investments, health care, education, and marketing.

If needed, the Nominating Committee will draw on the expertise of the management and corporate staff and, when appropriate, may hire outside advisors to assist in the identification and evaluation of director candidates. In addition, the Nominating Committee may, but is not required to, consider shareholder recommendations for candidates to the Board. In order to recommend a candidate to the Board, shareholders and other interested parties may direct communications to individual directors, including the lead independent director; to a Board committee; to the non-management directors as a group; or to the Board as a whole, by addressing the communication to the named individual, the committee, the non-management directors as a group, or the Board as a whole, c/o Tyson Foods, Inc., Attention: Secretary, 2200 Don Tyson Parkway, Springdale, AR 72762-6999. Shareholders who wish to formally nominate a candidate to the Board must follow the procedures described in our by-laws.

Board Committees

We maintain four board committees, including an Audit Committee, Compensation Committee, Governance Committee, and Nominating Committee. These committees are chaired by an independent member of the Board of

Directors. The committees also consist of at least three directors, each of whom meets the independence requirements of the New York Stock Exchange and are appointed by the Board of Directors. Through a clearly articulated set of Corporate Governance Principles and committee-specific charters, the directors are responsible to set the overall governance tone and exercise their business judgment to act in what they reasonably believe to be in the best interests of the company and its shareholders. To review our committee charters, [CLICK HERE](#).

Shareholder Communications

Shareholders and other interested parties may direct communications to individual directors, including the lead independent director; to a Board committee; to the non-management directors as a group; or to the Board as a whole, by addressing the communication to the named individual, the committee, the non-management directors as a group, or the Board as a whole, c/o Tyson Foods, Inc., Attention: Secretary, 2200 Don Tyson Parkway, Springdale, AR 72762-6999.

In addition, the company's by-laws prescribe how proposals of shareholders, intended to be presented at an annual meeting, must be received by the company. To be so included, a proposal must also comply with all applicable provisions of Rule 14a-8 under the Securities Exchange Act of 1934.

The Board has adopted Corporate Governance Principles, and the Audit Committee, Compensation Committee, Nominating Committee, and Governance Committee has each adopted a written charter. The Board has also adopted a Code of Conduct applicable to

all directors, officers, and Team Members. Copies of these corporate governance documents are available on our Investor Relations Web site at <http://ir.tyson.com> under “Investor Relations” or in print to any shareholder who sends a request to:

Tyson Foods, Inc.
Attention: Secretary
2200 Don Tyson Parkway
Mail Stop CP004
Springdale, AR 72762-6999

Upon written request of any shareholder, the company will furnish a copy of our Annual Report on Form 10-K, as filed with the Securities and Exchange Commission, including the financial statements and schedules thereto. The written request should be sent to the Secretary, at the company’s executive office. The written request must state the person making the request was a beneficial owner of capital stock of the company. In addition, the Annual Report on Form 10-K, including the financial statements and schedules thereto, are available on the company’s Investor Relations Web site at <http://ir.tyson.com>.

Compensation and Performance

In accordance with our Core Values, we are committed to creating value for our shareholders, and we strive to earn consistent and satisfactory profits for our shareholders. The Compensation Committee of the Board of Directors supports the Board and works with management to ensure key executives are compensated in accordance with management philosophy, company performance, competitive practice, and regulatory requirements. This committee will normally meet four times per year, in conjunction with regular meetings of the Board,

to carry out its responsibilities. The committee reviews and provides oversight with respect to the company’s compensation strategy, corporate goals, and objectives relevant to management compensation. This approach ensures our company’s compensation philosophy supports business objectives, creates shareholder value, is consistent with shareholder interests, and attracts and retains the key executive talent our company requires. Additionally, this approach emphasizes company, business unit, and personal performance, thus creating a significant tie between the company’s financial performance and a key executive’s potential compensation.

Tyson Food’s Board of Directors, under the direction of the Governance Committee and the lead independent director, conducts an annual self-evaluation to determine whether the Board, its committees, and the directors are functioning effectively. The assessment focuses on the contribution of the Board and each of its committees, and specifically will focus on areas in which the Board or management believes the Board and its committees could improve. The Board does not maintain a separate process for evaluating its performance with respect to economic, environmental, and social performance.

Avoiding Conflicts of Interest

Tyson Foods respects the Board of Directors’ and Team Members’ rights to manage personal interests and relationships. At the same time, Tyson Foods expects each person to avoid possible conflicts of interest with Tyson Foods’ business and avoid using their role or position to achieve personal gain. As a part of the governance and oversight process, the Governance Committee periodically reviews and approves certain transactions between

Tyson Foods and officers, directors, or affiliates of Tyson Foods. Additionally, all Team Members are expected to properly disclose and document certain information regarding all personal and family interests, businesses, property, investments, and obligations that affect, or could be perceived to affect, their job duties or the reputation of Tyson Foods.

Compliance

Tyson Foods performs regular Compliance Risk Assessments. These assessments are conducted in an effort to create an inventory of Tyson Foods’ compliance risks, measure the likelihood and significance of a compliance violation specific to a particular risk, gauge the effectiveness of management’s efforts to manage the risk, and offer suggestions for improvement. The company’s potential compliance risks areas are identified based on the following considerations:

- Known laws or regulations that apply to Tyson Foods’ business;
- Standards provided by the company’s Code of Conduct and other voluntary codes;
- Legal and compliance risks disclosed in Tyson Foods’ 10-K;
- Previous compliance allegations, violations, enforcement actions, or settlements;
- Areas of compliance risk previously identified by internal or external auditors;
- Industry enforcement and litigation trends;
- Alleged compliance violations by competitors;
- Line management or Team Member views of known issues; and
- Business practices that have been criticized by the media or non-government organizations.

As a result of our Compliance Risk Assessments, we have identified 15 potential areas of compliance risk. This includes animal welfare; anti-trust; commodity-trading risk management; conflicts of interest; Team Member safety; employment practices; environmental compliance; food safety and quality assurance; government relations; international business practices; live production; record retention; Securities and Exchange Commission, financial reporting, and corporate governance; safeguarding assets; and transportation.

Tyson Foods' Compliance Organization

In 2006, Tyson Foods established a Compliance Organization. The purpose of the Compliance Organization is to establish and maintain a cohesive and effective compliance program that meets or exceeds the elements of the Federal Sentencing Guidelines. This program consists of activities implemented by Tyson Foods to manage and mitigate its compliance risks. In short, the objectives of the Compliance Organization are to:

- Understand Tyson Foods' compliance risks and management's response to those risks;
- Develop compliance education and training in an effort to minimize compliance issues;
- Implement investigative protocols for the resolution of compliance related issues; and
- As appropriate, communicate and report compliance activities to senior management and the Audit and Governance Committees of the Board of Directors.

The Compliance Organization is managed by the company's Chief Audit and Compliance Officer, in consultation with the General Counsel. The Chief Audit and Compliance Officer has

overall responsibility, management, and authority for the Compliance Program, including structure, scope, resources, and initiatives. Additionally, the Compliance Organization and the Chief Audit and Compliance Officer are supported by a Compliance Director, who is responsible for the daily administration of the Compliance Program. The Audit and Governance committees of the Board of Directors receives regular reports from the Compliance Organization and monitors the Compliance Organization's program design, implementation, and effectiveness as defined in their committee charters.

Compliance Coordination Committee

Tyson Food's Compliance Coordination Committee, which includes compliance risk owners (senior level managers who have been designated as responsible individuals with respect to specific types of compliance risks), the Compliance Organization, the Office of General Counsel, select business unit leaders, and other designees as appropriate, meets quarterly. The principal activities of the Compliance Coordination Committee are to identify opportunities to strengthen Tyson Foods' approach to compliance risk management; cascade and communicate information about compliance-related policies, processes, procedures and initiatives to their areas of responsibility; educate other committee members on the risk challenges and strategic objectives of their business units; share detailed compliance information with the committee members; implement reliable processes to strengthen compliance risk management within their business units; and participate in all affairs of the committee.

Our Executive Compliance Committee


We also maintain an Executive Compliance Committee. This committee provides direction for the Compliance Organization, and consists of the CEO, the CEO's direct reports, and other designees as appropriate. The Executive Compliance Committee provides oversight and approval of the initiatives of the Compliance Organization; approves certain company policies, procedures and strategies related to compliance risk management; reviews compliance risk assessments; and allocates necessary resources to improve compliance education, processes, and technologies.

Preventing Corrupt Business Practices

Tyson Foods values the foundation upon which we have established our ethics and compliance program, including:

- Our Core Values and Code of Conduct;
- An ethical culture of 'doing what's right';
- Comprehensive governance oversight and accountability;
- The development and implementation of applicable policies and procedures;
- Extensive education and communication strategies;
- Internal controls and auditing practices; and
- Confidential reporting mechanisms.

This foundation is applicable to all of our operations and business units. Periodic and meaningful risk assessments help us sustain and continually improve the overall performance and strength of our ethics and compliance program. For example, as a result of these assessments, we have developed resources, training, and internal controls that help manage



risks in the areas of fraud, corruption, and misconduct. In particular, our anti-corruption processes have evolved as our international presence continues to grow. It now includes established protocols that reach Tyson Foods' distributors, consultants, and brokers.

Additionally, in 2008, all business unit leaders and key personnel involved in our International group's business received training on anti-bribery and anti-corruption laws as well as internal procedures and expectations. In 2009, through a blended learning process of both Web-based and facilitator-led training, we expanded this effort to include all management Team Members.

Precautionary Approach

The "precautionary principle," as defined by Article 15 of the Rio Principles established at the United Nations Conference on Environment and Development in 1992, states that "where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation." Tyson Foods evaluates and manages environmental risks under its Environmental Management System. This approach includes data and guidance from environmental regulatory agencies, academia, and industry associations.

6.2 COMPANY STRATEGY AND FINANCIAL PERFORMANCE

With our talented, diverse, and high-performing team, we will drive performance in a winning, highly accountable culture reflective of our Core Values. We continue to manage our company for the long term by focusing on our four strategies, which includes:

- Create innovative and insight-driven food solutions: Discover and sell market-leading products and services to grow Tyson Foods' brand equity and help our customers succeed through our commitment to joint value creation.
- Optimize commodity businesses and manage margins: Emphasize cost focus in operations, manage margins, and maximize revenue by capitalizing on scale, yield, pricing, product mix, and services.
- Build a multinational enterprise: Accelerate expansion in cost-competitive regions and markets with the greatest growth potential, as well as increase and diversify U.S. exports.
- Revolutionize the conversion of raw materials and by-products into high-margin initiatives: Commercialize opportunities outside the core business, such as creating renewable energy from fat and developing other technologically advanced platforms from materials such as feathers and other animal by-products.

Fiscal Year 2008 and 2009 Financial Performance

Below, we offer an overview of our financial performance in fiscal years 2008 and 2009 by operational business segments.

Chicken

Fiscal year 2008 and the first half of fiscal year 2009 were difficult for our company. Our operating results were negatively impacted by high grain costs and net losses on our commodity risk-management activities related to grain and energy purchases. As a result of more stable input costs and improved operational execution, our performance improved in the second half of fiscal year 2009. Operating margins in the first half of fiscal year 2009 were negative 7.2 percent, while the second half improved to positive 3.5 percent.

Beef

In fiscal year 2008, our beef segment operating results were better than fiscal year 2007 as operating margins significantly improved in the latter half of the year. Excluding a \$560 million non-cash goodwill impairment charge, our fiscal year 2009 operating results doubled as compared to fiscal year 2008. We sustained our operational improvements made in fiscal year 2008 and continue to have a strong performance, which shows in our fiscal year 2009 operating results.

Pork

In fiscal year 2008, we achieved a record operating income of \$280 million, an increase of \$135 million as compared to fiscal year 2007. This performance was due to adequate hog supplies and strong domestic and export demand. While our fiscal year 2009 operating income was down as compared to the record year we had in fiscal year 2008, we still had solid operating earnings of \$160 million, or an operating margin of 4.7 percent, with a strong demand for our products and an adequate supply of hogs.



Prepared Foods

Our operating income declined in fiscal year 2008 as compared to fiscal year 2007 due to increased raw material costs, partially offset by increased average sales prices. In fiscal year 2009, however, we had improvements in our sales volume, which led to operating margins of 4.7 percent. In addition, we made several operational improvements that allow us to run our plants with greater efficiency.

Capital Structure

In fiscal year 2008, we raised more than \$740 million in capital by issuing 22.4 million shares of Class A stock in a public offering and \$458 million of 3.25 percent Convertible Senior Notes due October 15, 2013. The net proceeds were used for the net cost of the related Convertible Note Hedge and Warrant Transactions, the repayment of our borrowings under the accounts receivable securitization facility, and other general corporate purposes. Both of these

actions were in our long-term best interest and allowed us to be comfortable in making several international acquisitions.

In March 2009, we successfully completed two important transactions for our capital structure. We replaced our then existing \$1.0 billion revolving credit facility set to expire in fiscal 2010 with a new \$1.0 billion revolving credit facility which expires in March 2012. This new credit facility is secured by the company's cash, accounts

receivable, and inventory and is also guaranteed by substantially all of the company's domestic subsidiaries. Based on our current and future expected cash balances, we do not expect any usage under this facility except for letters of credit support, and as a result, we do not expect to be subject to its fixed charge ratios. In addition, we completed an offering of \$810 million of senior notes due in 2014. We used the proceeds from the notes offering to repay borrowings and terminate commitments under our \$600 million accounts receivables facility. The notes offering and new credit facility accomplished three important goals for our capital structure: ample liquidity, financial flexibility and the paying down of debt.

Fiscal Year 2010 Outlook*

We believe fiscal year 2010 will show an improvement over fiscal year 2009. We believe demand for protein, especially in foodservice, should improve as the economy improves, and we will strive to increase sales, gain market share, and improve operating margins.

SEGMENT PERFORMANCE

Fiscal Year 2008 and 2009 (\$ in millions)

	Sales		Operating Income (Loss)		Operating Margin	
	2008	2009	2008	2009	2008	2009
Chicken	\$8,900	\$9,660	\$(118)	\$(157)	(1.3)%	(1.6)%
Beef	\$11,664	\$10,782	106	\$(346)	0.9%	(3.2)%
Pork	\$3,587	\$3,426	280	\$160	7.8%	4.7%
Prepared Foods	\$2,711	\$2,836	63	\$133	2.3%	4.7%
Other	-	-	-	\$(5)	-	-
Total	\$26,862	\$26,704	\$331	\$(215)	1.2%	(0.8)%
Operating Results (excluding \$560 million goodwill impairment charge)						
Beef			\$106	\$214	0.9%	2.0%
Total			\$331	\$345	1.2%	1.3%



Additionally:

Chicken

At the end of fiscal year 2009, industry pullet placements were down 5 to 6 percent as a result of weaker demand. We expect, however, demand will improve as we get further into fiscal year 2010, and we expect the pricing environment to improve, aided by cold storage inventories, which are down relative to the levels we have seen over the past several years. Currently, we expect to see grain costs down as compared to fiscal year 2009. Additionally, we will continue to focus on making operational improvements to help maximize our margins.

Beef

While we expect a reduction in cattle supplies of 1 to 2 percent in fiscal year 2010, we do not expect a significant change in the fundamentals of our beef business, as it relates to fiscal year 2009. We expect adequate supplies to operate our plants. We will manage our spreads by maximizing our revenues through product mix, minimizing our operating costs, while keeping our focus on quality and customer service.

Pork

We expect to see a gradual decline in hog supplies through the first half of fiscal year 2010, which will accelerate into the second half, resulting in industry slaughter slightly higher than 2007. We believe, however, we will have adequate supplies in the regions in which we operate. We will manage our spreads by continuing to control our costs and maximizing our revenues.

Prepared Foods

Raw material costs will likely increase in fiscal year 2010, but we have made some changes in our sales contracts that move us further away from fixed-price contracts and more toward formula pricing, which will better enable us to absorb rising raw material costs. With the changes we have made with our sales contracts, and the operational efficiencies we made during fiscal year 2009, we expect strong results in fiscal year 2010.

Moreover, we are integrating recent international acquisitions and expect them to begin contributing in 2010.

EXPECTED KEY FINANCIAL METRICS

for Fiscal Year 2010

Revenues of approximately \$28 billion
Capital expenditures of approximately \$700 million
Net debt below \$2 billion
Net interest expense of approximately \$315 million
Depreciation and amortization approximately \$500 million
Effective tax rate of approximately 36.5 percent

**Certain information contained in this section of the sustainability report includes forward-looking statements, including statements related to projected performance, livestock supplies, demand for our products, and amount of debt. Historical results may not be indicative of future results. We wish to caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made.*

Want To Know More?

For financial information on Tyson Foods, please visit our Investor Relations Web site at <http://ir.tyson.com>. There you will find financial statements, SEC filings, annual reports, presentations to investors, and much more. We encourage you to explore this Web site for a comprehensive fiscal look at Tyson Foods.



6.3 OUR SUPPLY PARTNERS

Tyson Foods is committed to responsible, legal, and sustainable procurement practices. We encourage our supply partners to recognize the role they play in helping us assure our customers and consumers of the safety and quality of our products. Each year, all Tyson Foods' Team Members, including members of the Board of Directors, are required to affirm their commitment to the principles described in our Code of Conduct and supported through our *Doing What's Right*™ program. We view our supply partners as a critical element in fulfilling our commitment to *Doing What's Right*. Accordingly, in appropriate circumstances we strive to include requirements in our supply contracts that emphasize the sustainability objectives that are shared with our 7,500 supply partners*.

During fiscal years 2008 and 2009, Tyson Foods spent approximately \$7.2 billion on goods and services. We believe it is important to support the economic development of communities by purchasing goods and services from “locally-based” supply partners who are located in the same county, an adjoining county, or the same state as a Tyson Foods operation. Our most recent twelve-month analysis of indirect spending, which includes items such as services, maintenance and repairs, plant expenses and supplies, equipment, and fuel, indicated that \$1 of every \$3 dollars spent with supply partners is spent with locally-based suppliers.

We also seek to enter into relationships with supply partners who share values similar to Tyson Foods, especially in the areas of:

- Legal and regulatory compliance;
- Product safety and quality food products;
- Animal well-being;
- Labor and human rights;
- Environmental, health and safety;
- Sustainability; and
- Ethical and honest business transactions.

In our Request for Proposal process, we include and evaluate key elements related to sustainability as part of the selection criteria for designated procurements. Many of our major supply partners maintain documented, formal sustainability programs. In 2007 and 2008, Tyson Foods awarded Supplier of the Year Awards to honor supply partners that had demonstrated exceptional focus on value, cost savings,



service metrics, innovation and design, diversity efforts, sustainability practices, and technical support.

We are also committed to continual improvement within our supply chain and procurement process. For example, we regularly host strategic meetings with major suppliers to discuss key business successes and opportunities. We routinely conduct supplier satisfaction surveys to identify ways to further enhance our relationships with our supply partners. Other examples of our commitment to continual improvement within our supply chain and procurement process are shared below.

- In 2008, Tyson Foods launched an initiative to improve our Purchase-To-Pay (P2P) process. This initiative will result in a system and various process enhancements designed to reduce wasted time, materials, and effort. The enhancements planned will bring Tyson Foods' supply chain procurement process in better alignment with best practices. We expect this initiative to be finalized in 2010.
- In 2009, we revised and consolidated our purchasing policies and procedures. The revisions and consolidation promotes greater efficiency in our sourcing process and emphasizes the ongoing need to do business with the best-value supply partners.
- We began developing, in 2009, a Supplier Code of Conduct that sets forth supplier expectations regarding the values that have been shared above. We will finalize this document and share this code with our supply partners in fiscal year 2010.

- In fiscal year 2009, we implemented an internal Contract Management System. This system enhances our communication with our Tyson Legal Team and our supply partners, and allows us to store all of our purchasing-related documentation electronically.
- In 2008, we developed an annual purchasing training program. This program helps assure the professional growth and development of our purchasing talent. It helps maintain consistency in our purchasing practices and provides guidance on key topics, such as the basics of sourcing, negotiation, and developing and implementing contracts.

**Note: We rely on many third-party resources who are independent contractors for various goods and services. This includes, but is not limited to contractors, consultants, and suppliers, and their associated employees, agents, and subcontractors. For simplicity, we refer to these third-party resources as "supply partners" in this report.*

6.4 SUPPORTING THE FAMILY FARMER

Most of our chicken is raised by independent poultry producers. Currently, Tyson contracts with more than 6,000 independent producers. There is also a small number of company-owned chicken farms.

Producing for Tyson Foods is a steady source of income for farms that otherwise have to deal with the uncertainty of fluctuating prices for agricultural crops and produce. Our contractual relationships with producers enable many families to remain on farms instead of potentially being forced off by economic pressures. We provide farmers with state-of-the-art veterinary support, scientifically formulated feed, and technical assistance, with Tyson Foods' technical advisors visiting farms typically on a weekly basis. We provide producers with information on sound environmental practices, optimal lighting and ventilation for chicken, and disease

control. We also strongly promote animal well-being at all life stages. None of our broilers is raised in cages at any stage of its life. Above all, we strive to support independent producers in their efforts to run their businesses wisely and to be independent and sustainable enterprises.

Unlike our vertically integrated chicken business, Tyson Foods' beef and pork operations depend upon independent livestock producers to supply our plants. The plants operated by Tyson Fresh Meats are strategically located near large supplies of high quality cattle and hogs.

To ensure a steady supply of livestock, Tyson Fresh Meats maintains an extensive buying network. Approximately 60 cattle buyers and 120 hog buyers make competitive bids on the cattle and hogs that meet the company's specifications for high quality beef and pork.

The company buys millions of cattle and hogs in the U.S. each year from approximately 5,000 independent cattle producers and 7,500 independent pork producers to ensure a steady supply for our eight beef plants and six pork plants.

Tyson Fresh Meats supports the efforts of independent cattle and hog producers to ensure the livestock they raise are properly handled.



6.5 RENEWABLE PRODUCTS

Tyson Foods is finding innovative and creative ways to convert animal byproducts into fuel, pet food products, and other high-margin commercial products. Our Renewable Products Division is leading our strategy to revolutionize the conversion of raw materials and by-products into high-margin businesses. Our efforts in this area currently involve four growth platforms:

- Renewable energy;
- Pet products;
- Biotech; and
- Nutraceuticals (nutritional supplements).

Renewable Energy

Dynamic Fuels, a 50/50 joint venture between Tyson Foods and Syntroleum Corporation, broke ground in October 2008 on a plant that will convert low-grade, inedible fats and greases into renewable transportation fuels for the military and civilian markets. The facility, located in Geismar, Louisiana, is currently scheduled to begin production in 2010, with an expected total capacity of 75 million gallons per year.

Unlike the traditional ethanol and biodiesel industries, which use food ingredients such as corn and soybean oil to produce fuel, the Dynamic Fuels project will primarily use non-food grade animal fats produced or procured by Tyson, such as beef tallow, pork lard, chicken fat, and cooking grease. The fuel produced by the venture will offer the same benefits of synthetic fuels derived from coal or natural gas while providing substantial performance and environmental advantages over petroleum-based fuels. These benefits include higher cetane levels, which are a measure of combustion quality, and superior thermal stability, making it effective for advanced military applications. In addition, as a replacement for traditional petroleum fuel, this fuel should reduce particulate emissions by 96 percent and lifecycle greenhouse gas emissions by approximately 80 percent.



Pet Products

Americans love their pets and are concerned about the food their pets eat. In April 2009, Tyson Foods and Iowa-based Kemin Industries, Inc., announced the opening of a new manufacturing operation that produces pet food flavor enhancers, known as palatants, under the *Palasurance*™ brand.

The manufacturing initiative is the result of a strategic alliance Tyson Foods and Kemin Industries formed in 2008 to develop, manufacture, market, and sell liquid and dry palatants to pet food companies. The goal is to provide cost competitive, high-quality pet food palatants.

The new palatant operation is located at our flagship animal by-product facility in Scranton, Arkansas, which is centrally located to our Arkansas chicken processing plants. The operation boasts state-of-the-art equipment and automated controls designed to produce palatants with the highest regard for product safety and performance. Production began in March 2009 and is a 24-hour operation supported by the Tyson Team at Scranton.



Also in March 2009, Tyson Foods and New Jersey-based Freshpet announced an alliance focused on bringing to consumers new and innovative, refrigerated, fresh food for pets. This is a natural extension of our expertise in making innovative refrigerated food products. Capitalizing on the trend toward humanization of pets, we believe our ability to leverage all of our food knowledge to bring fresh refrigerated products to this member of the family will present a step change in innovation that has not been seen in this category.



The alliance will continue the innovation and growth of the refrigerated, fresh pet food business. We believe this can be achieved by combining Freshpet's innovation and brand-building skills with our knowledge of product development, logistics, and manufacturing, as well as our supply of chicken, beef, and pork products. Each pound of *Freshpet*® Select product contains seven ounces of chicken, beef, or turkey and two ounces of liver as its major protein source. Additionally there is one egg, two ounces of vegetables, and one ounce of brown rice. The product is

fortified with 18 essential vitamins and minerals, and contains no corn, wheat, gluten, fillers, by-products, or preservatives. The product is gently cooked and quickly cooled to eliminate any harmful bacteria or parasites, and is never frozen. This results in a better nutrition profile, improved digestibility, and enhanced flavor. All of this leads to a healthier, happier pet.

In an effort to meet consumer demand for American-made, natural pet treats, a subsidiary of Tyson Foods recently launched a line of dog chews. On February 5, 2010, Tyson Pet Products, Inc., introduced 100-percent natural *True Chews*™ dog treats, which are being made at a recently reopened plant in Independence, Iowa. The company is offering a variety of different chews such as chicken fillet, pork ear, and beef bully stick. The chicken, beef, and pork used in “*True Chews*” treats are sourced from various company locations in the United States. The raw materials are slow roasted and have a natural hickory aroma. The finished products are protein-rich and rawhide-free, with no fillers.



Nutraceuticals /Supplements

Foods containing nutritional supplements are growing in popularity as Baby Boomers age. With our bone and cartilage supply, we are uniquely positioned to supply proprietary chondroitin and collagen products through our relationship with BioCell Technology, LLC. Major nutritional supplement and food manufacturers market finished products made with these ingredients. Additional opportunities are being explored to expand further this business platform during 2009 through other raw materials and value-added partnerships.

Biotech Products

Tyson Foods also recognizes the versatility and functionality of keratin protein from chicken feathers. As part of the biotech platform, we are exploring potential partnerships and commercialization opportunities for keratin-based products including health and beauty solutions, adhesives, plastics, and nonwovens. All of these products will bring added value to our company while supporting our sustainability efforts.

As detailed in our company strategy, we are committed to building a multinational enterprise. The emerging middle class in several parts of the world are contributing to an increase in the global consumption of meat and poultry products such as chicken, beef, and pork. Globally, meat consumption is forecast to grow by nearly two percent per year between 2007 and 2017. This represents an increase of almost 50 million metric tons of meat. This increase will be due to improved income levels, diet change, and population growth.

The global consumption of poultry is growing at the fastest rate, followed by pork and then beef. Consumer preference for poultry is due to several factors. Two of the key factors are that chicken is the most efficient of the meat proteins in feed conversion, and that chicken is accepted by most religions. These changes in global protein demand are creating new opportunities for global food companies like Tyson Foods.

In fiscal year 2009, Tyson Foods exported chicken, beef, pork, and/or prepared foods to more than 90 countries. Increasing exports, diversifying our export markets and building in-country production are essential to the company's long-term growth. In recent years, we made several acquisitions and entered joint ventures in key locations that offer the right climate for poultry production, a large population, ample labor force, access to corn and soybean meal and a cost-of-production advantage. Another important feature of these markets is their emerging middle class. As incomes rise, one of the first lifestyle changes people make is to add protein to their diets.

Since 2001, Tyson Foods has had a presence in China with Tyson Da Long, a small chicken further processing joint venture. With a population of 1.3 billion and chain restaurants opening at a rate of one every 18 hours, the Chinese market needs more poultry production. Annual per capita chicken consumption in China is about 20 pounds per person, compared to 89 pounds in the United States. If consumption increased by only 10 pounds per person, it would be equivalent to all of Tyson Foods' annual United States production.

To serve this growing market, in 2008 Tyson Foods created Jiangsu Tyson Foods to produce fresh chicken sold under the Tyson brand for the Shanghai retail market. In 2009, we entered a second joint venture, Shandong Tyson Xinchang Foods, a fully integrated chicken and duck operation. Tyson Xinchang will have a production capacity of more than 600,000 birds per day and further processing operations with export certifications for Japan, Southeast Asia, and Europe.

In 2008, Tyson Foods acquired three poultry companies in southern Brazil. One of these operations is fully vertically integrated, and two are partially vertically integrated. All three can supply Brazil's growing domestic markets in addition to serving Europe, Japan, and other markets currently not available to U.S. chicken imports. By combining these three companies into Tyson do Brazil, we have created an operation with modern technology and an experienced management team. The production capacity of Tyson do Brazil will be approximately 800,000 chickens per day.

The third key location for Tyson Foods' international growth is India, which has a population of more than one billion people. While per capita chicken consumption is less than five pounds a year, its annual growth rate of more than 10 percent is among the highest in the world. In 2008, Tyson Foods acquired majority ownership of one of India's leading branded chicken companies. In addition to serving the foodservice market, Godrej Tyson Foods produces retail fresh chicken under the Real Good Chicken brand and further processed chicken under the Yummiez brand. The combined production of the two plants in Mumbai and Bangalore is approximately 60,000 chickens per day.

Tyson Foods has had a presence in Mexico for 20 years and currently holds the number three market share position. We are number one in value-added chicken production and have reached full capacity in our plants in a market that continues to grow. Our longer-term strategy could include acquiring or building more assets to solidify Tyson de Mexico's market position in the northern part of the country and expand into the central region.

Chicken isn't the only protein Tyson Foods produces outside the United States. In 2007, we entered a joint venture to create the first vertically integrated beef operation in Argentina. The South American country is the world's fifth leading beef producer and the second leading beef exporter, and is known for its low beef production costs and high-quality breeds of cattle.



6.7 PUBLIC POLICY AND POLITICAL CONTRIBUTIONS

Tyson Foods works on regulatory and legislative policy issues that can have an impact on our business. We do this through our own involvement as an individual company and through membership in industry associations. Tyson representatives from all parts of our company impact public policy through direct interaction with policymakers, as well as through participation on industry committees and advisory boards. We believe this interaction ensures that our views on key issues are heard and shapes sound public policy. We see our engagement in both the policy and political processes as an important part of corporate sustainability.

Priority Issues

The following are among the most significant recent public-policy issues for our company in 2009:

- **Balanced Food and Fuel Policies:** We support the development and use of renewable fuels as a way to help reduce our dependence on foreign oil. However, public policy should not promote the production of renewable fuels, particularly corn-derived ethanol, at the expense of

either our industry or consumers. In 2008, we supported a reduction in the Renewable Fuels Standard, petitioned by the Governor of Texas, because rising grain prices were negatively affecting our business and leading to higher food prices. In 2009, we opposed a request, pending with the Environmental Protection Agency, to allow higher blends of ethanol in gasoline. We believe that this policy change could raise corn prices and could have a potentially negative impact on motor vehicle and equipment engine performance. We are committed to working with Congress, and the current Administration, on policies that balance the promotion of biofuels with the interests of both our industry and consumers.

- **Immigration Reform:** We believe comprehensive immigration reform is necessary, and therefore, closely monitor the issue. We value Team Members who are immigrants—legal immigrants. Our Team Members, immigrant and American born, want their children to enjoy greater opportunities and the stability that enables families to stay together and thrive. We feel that a comprehensive

immigration reform bill should include border security, an improved employer verification system, a temporary worker program with a market-based regulator, and provide a pathway for citizens to earn legal status.

- **Ensuring Food Safety:** We are committed to working with the federal government to ensure the safest possible food supply for consumers in the United States (U.S.) and around the world. Issues around food safety, whether in the Congress or before federal agencies, are top priorities for our company.
- **International Trade:** We export protein to more than 90 countries, and our business relies on a rules-based trading system that ensures fair-market access for all participants. We support trade policies that expand export opportunities and remove trade barriers to protein exports that are not consistent with established international health and safety standards.



Corporate Contributions

Through campaign contributions to candidates for the U.S. House and the U.S. Senate, the Tyson Political Action Committee (TYPAC) helps build and maintain relationships with elected officials who support our industry and company. They understand our business and are grateful that we provide more than 100,000 jobs. They appreciate the skill and care we dedicate to producing safe, delicious, and nutritious foods at affordable prices.

Through August 2009, TYPAC contributed \$86,000 to candidates for federal offices for the 2009-2010 election cycle. During the 2007-2008 election cycle, TYPAC contributed \$218,002 to candidates and political action committees. TYPAC does not base its contributions on political party affiliation. As indicated in the preceding paragraph, we seek to support candidates who understand and appreciate our business and its importance to American consumers.

Memberships and Associations

Tyson Foods is a member of numerous industry groups and associations. We work with these groups and associations because they represent the food processing industry and business

community in discussions with governmental agencies and other stakeholders. They are also instrumental in helping to reach industry consensus on important national policy issues. We have company representatives on the boards and committees of many of these groups and associations to ensure we have an avenue to voice questions, concerns, and opinions about policy or related activities. Below is a partial listing of the industry groups, associations, and partnerships of which we are members. Those in bold text are global associations. We also mention our membership in industry groups, associations, and partnerships in other sections of our 2009 sustainability report.

American Association of Analytical Chemists, American Commodity Distribution Association, American Culinary Federation Chef and Child Foundation, American Dietetic Association, American Feed Industry Association, American Frozen Foods Institute, American Leather Chemists Association, American Meat Institute, American Meat Science Association, American Society for Quality, Ammonia Safety and Training Institute, Animal Protein Producers Industry, **Applied Sustainability Center**, Arkansas Association of Food Protection,

Arkansas Environmental Federation, **British Retail Consortium**, Beef Information Food Safety Council, **Center for Business Ethics**, Equal Employment Advisory Council, **Ethics and Compliance Officers Association**, Food Safety Consortium, **Global Food Safety Initiative**, Illinois River Watershed Partnership, Industry Liaison Group, **Institute of Food Technologists**, **Institute of Internal Auditors**, **International Association for Food Protection**, **International HACCP Alliance**, Leather Industries of America, National Association of Meat Purveyors, National Business Group on Health, National Cattlemen's Beef Association, National Chicken Council, National Frozen and Refrigerated Foods Association, National Meat Association, National Pork Board, National Pork Producers Council, National Renderers Association, National Safety Council, National Tannery Association, National Turkey Federation, **Research Chef's Association**, School Nutrition Association, **Society of Corporate Compliance and Ethics**, **Society for Human Resource Management**, U.S. Chamber of Commerce, U.S. Meat Export Federation, U.S. Poultry and Egg Export Council.

6.8 ETHANOL AND ANIMAL FEED

Tyson Foods supports the development and use of renewable fuels as a way to help reduce U.S. dependence on foreign oil. However, public policy should not promote the production of renewable fuels, particularly corn-derived ethanol, at the expense of our company, our customers, or consumers. Corn and soybean costs have a significant impact on our business. On average, corn costs make up 47 percent of the total cost of raising a live bird, while soybean meal contributes nearly 20 percent to the total cost. Corn and soybean meal are also significant feed components for cattle and hogs, and these costs have significant impact on the business of the independent cattle and hog producers who supply us with market hogs and finished cattle.

In 2005, and again in 2007, legislation was enacted that mandated the use of specific volumes of renewable fuels. We believe these mandates, which had the most immediate impact on the production of corn ethanol, were a significant factor in both a sharp rise in corn prices and increasing volatility in the agricultural markets. By mid-2008, our costs for feeding corn into our broiler operations had doubled since July 2006 from \$2.90 per bushel to nearly \$6.00 per bushel. In fiscal year 2008, we absorbed \$593 million in increased grain costs over fiscal year 2007. These increases in input costs, resulting from government policies pitting food production against fuel production, directly affect our company's profitability. In 2008, independent hog producers were receiving high market prices for live hogs; however, they struggled to make a profit due to high feed costs.

Experts estimate that approximately 40 percent of the U.S. corn crop will be diverted from food and feed to fuel production by 2015 under current policies. Moving forward, we believe the current mandates should be reevaluated and that federal renewable-fuel policies should focus on next-generation renewable fuels that do not rely on food-based feedstocks. This policy focus is good for the country and for our company's long-term sustainability.



7.0 OUR APPROACH TO SUSTAINABILITY REPORTING



Tyson Foods' 2009 sustainability report, *Rooted in Tradition, Growing Responsibly*, covers fiscal years 2008 (September 30, 2007 – September 27, 2008) and 2009 (September 28, 2008 – October 3, 2009). As with our 2005 and 2007 sustainability reports, titled *Living Our Core Values* and *It's In Our Nature* respectively, this third biennial report provides a comprehensive and transparent review of our commitment to, and progress towards, economic growth, environmental stewardship, and social progress.

This report details our economic, environmental, and social performance for our United States operations, with additional information provided on select International operations, subsidiaries, and joint ventures. Unless otherwise noted, the scope of this report does not include economic, environmental, or social data from suppliers, independent producers, external organizations, or activities over which the company has limited control or influence.



7.1 MATERIAL ISSUES

This report is intended to cover the issues we believe are most material to Tyson Foods. We define these issues as those with the potential to positively and negatively influence, both now and in the future, the:

- Progress and growth of our global society;
- Protection of the environment and conservation of natural resources; and
- The company's finances or operations.

In addition, we also consider those issues that are of concern to stakeholders or that can substantially influence the assessments and decisions of stakeholders, to be material.

In an effort to identify the sustainability issues of greatest importance to our company and stakeholders, we participated in numerous stakeholder-engagement activities during fiscal years 2008 and 2009. This includes focused stakeholder workgroups; customer presentations; roundtable meetings; discussions with academia and industry associations; performance and perception surveys; reviews of internal strategies, policies, and management systems; and formal reviews of regulatory requirements, published research, and media

reports. We also considered specific materiality comments received from both internal and external sources with respect to the content of our 2007 sustainability report.

In addition, as with our 2005 and 2007 reports, we followed the guidance offered by the Global Reporting Initiative's (GRI) G3 Sustainability Reporting Guidelines to define and develop our 2009 sustainability report. We feel these guidelines aid in providing a balanced representation of our material issues. These guidelines also offer a framework for sustainability reporting that organizations can adopt regardless of their size, industry sector, or geographic location.

As verified by both internal auditors and GRI, this report meets the "B" application level. An index providing details on the GRI indicators addressed in this report is available on page 99. For further information about GRI, visit www.globalreporting.org.

Based on our stakeholder interactions, formal reviews, and the guidance offered by the GRI's G3 Guidelines, we have verified the following as our material issues (in no particular order):

Blending Our Business and Sustainability Strategies

Our commitment to sustainability has a long history and is evident in our daily actions. Simply said, we take action on critical issues such as hunger relief, food safety, environmental protection, resource conservation, animal well-being, ethical business practices, the health and safety of our Team Members, and returning a profit to our shareholders. We are fully committed to maintaining our sustainability direction and to ensuring economic, environmental, and social issues remain a key consideration of our business decisions.

Retaining an Exceptional Team

Our employees, whom we call Team Members, are our most valued resource. We are committed to attracting, developing, and retaining a diverse group of talented Team Members and to creating a workplace that allows each Team Member to contribute to the collective success of our company. Our programs and initiatives related to diversity and inclusion, recruiting, compensation and benefits, and professional development are key to fulfilling this commitment,



especially in today's challenging economic climate.

Ensuring Team Member Health and Safety

We regard workplace health and safety as a core indicator of our business success. Accordingly, we promote a culture that values the health, safety, and well-being of our Team Members. The foundation for this culture is our Core Values, which call for us to *"provide a safe work environment for our Team Members."* We are committed to maintaining a safe and healthy work environment that enables our Team Members to work free of occupational injury and illness.

Supporting Local Communities and Helping Those in Need

Our community consists of many people we interact with on a regular basis, including our customers, consumers, and neighbors. We understand we have a responsibility to support the communities surrounding our operations as well as those in need. Through monetary contributions, product donations, partnerships,

volunteerism, and other initiatives, our Team Members exemplify Tyson Foods' commitment to supporting local communities and helping those in need.

Minimizing Our Environmental Footprint

Our continued business success is based on numerous factors, one of which is our environmental performance. Our Core Values call for us to *"serve as stewards of the animals, land, and environment entrusted to us."* We are committed to aggressively, and responsibly, minimizing our environmental footprint and to conserving natural resources through efficient use, careful planning, and continual improvement.

Providing Safe, Nutritious Food Products

Successful companies know their future depends on providing the safe, quality products customers and consumers expect and deserve. Nothing is more important to our business than maintaining confidence in the Tyson Foods brand. We are committed to maintaining and continually improving the systems and practices that allow us to provide safe, nutritious food products and uphold an unsurpassed food-safety record.

Protecting the Well-Being of Our Animals

Producing a high-quality food product begins with ensuring the health and well-being of the animals we grow, purchase, and process. We have a long-standing commitment to the well-being and proper handling of the animals used in our food products. This is not only the right thing to do; it is also an important moral and ethical obligation.

Ensuring the Profitability of Our Company

Although we have faced difficult poultry market conditions, beef supply and demand challenges, and higher than average live hog prices, we are committed to maintaining a "sense of urgency" in returning our company to profitability. We remain focused on conducting our business activities in an ethical manner while creating innovative and insight-driven food choices, optimizing commodity business models, building a multinational enterprise, and converting raw materials and by-products into high margin initiatives.

7.2 GROWING SUCCESSFUL PARTNERSHIPS – STAKEHOLDER ENGAGEMENT

Stakeholder engagement is an important part of Tyson Foods sustainability activities and our overall business success. We recognize internal and external stakeholder engagement can help better define our business strategy; sharpen our decision-making; and enhance our company's economic, environmental, and social performance. Accordingly, we (1) seek to understand the perspectives and needs of our stakeholders, (2) set expectations for areas of mutual concern, (3) act upon these expectations, and (4) ensure our stakeholders remain informed of our progress.

Every facet of our company and its operations has potential to affect, or be affected by, stakeholders. To better align our business practices with stakeholder expectations, we maintain open dialogue and foster collaborative relationships with those individuals and groups who have an interest in, or are affected by, our company and its operations. We have identified the following individuals and groups as our key stakeholders:

- Team Members and prospective Team Members;
- Shareholders and potential investors;
- The Board of Directors;
- Customers and consumers;

- Local, state, and federal government agencies;
- Nongovernmental organizations;
- Local community members and leaders;
- The media;
- Suppliers, independent producers, and other business partners;
- Wholly-owned subsidiaries and joint ventures; and
- Multicultural organizations, academia, and industry associations.

Stakeholder engagement activities occur in virtually every aspect of Tyson Foods' operations and business transactions. Selection and engagement with stakeholders is conducted primarily in a decentralized manner, occurring as a part of normal business. For example, account management teams are responsible for identifying and engaging with customers, and members of our External Relations department interact with elected officials, the media, community leaders, and other members of the public.

Tyson Foods engages with its stakeholders in formal settings as well. At the local level, for example, facility managers participate in stakeholder engagement through strategic community-involvement plans, donations, community outreach, and regional recruiting programs. At the corporate level, Tyson Foods collaborates with representatives from government, academia, and industry to discuss emerging issues such as product life-cycle analysis and sustainability reporting. For example, in 2007, Tyson Foods along with nine other companies and ten stakeholder groups, began collaborating with the Global Reporting Initiative (GRI) to develop sector-specific sustainability reporting standards for the food processing industry. GRI's vision is that reporting on social, environmental, and economic performance become as routine and comparable as financial reporting. The food-processing-sector supplement will better enable companies and stakeholders in the food processing industry to more accurately measure and communicate sustainability progress. The finalized sector supplement will be released in the spring of 2010. Tyson Foods' participation in the development of these sustainability reporting standards is just one more way in which the company is taking a leadership role in sustainability within the food industry.

To the right we offer additional examples of our stakeholder engagement process, including key stakeholder topics and concerns and how we respond to those concerns.

Tyson Foods' stakeholder group is diverse and includes those with both minimal and extensive knowledge of our processes, company, and overall industry. Given the size, nature, and complexity of our company, however, we recognize this report may not comprehensively meet the information needs of all our stakeholders. Stakeholders needing additional information are encouraged to visit Tyson Foods' Web site at www.tyson.com or e-mail Tyson Foods at sustainability@tyson.com.

Stakeholder Group	Stakeholder Concerns	How We Engage and Respond
Team Members	<ul style="list-style-type: none"> Fair treatment Inclusion and engagement Safe workplace Competitive pay and benefits Professional development Regular communication Environmental protection and resource conservation 	<ul style="list-style-type: none"> Code of Conduct, Team Member Bill of Rights, Ethics HelpLine Inclusion and engagement activities Safety policies, procedures, and training Wage reviews and benefit program enhancements Educational Assistance Program and career training Internal communications including weekly e-mail updates, printed magazines, Internet site, executive presentations, and Feedback Forum Environmental policies, procedures, and training
Shareholders and Potential Investors	<ul style="list-style-type: none"> Competitive returns Management accountability Regulatory compliance Sound governance Proactive management of business risks 	<ul style="list-style-type: none"> Annual financial reports Annual shareholders meeting Executive outreach Webcasts and conference calls Code of Conduct, Board Committees Investor Relations Web site
Customers and Consumers	<ul style="list-style-type: none"> Safe, quality food products Nutritious options Competitive and affordable prices Innovative products that meet needs Product information 	<ul style="list-style-type: none"> Food safety programs and procedures State-of-the-art research and development facilities Commitment to proactively managing product input costs Day-to-day contact with account management teams Customer and consumer response centers Consumer Sensory Panels and Consumer Focus Group Learning Center Tyson Web site for recipes, cooking instructions, nutritional information, product locators, and more
Government and Regulatory Agencies	<ul style="list-style-type: none"> Regulatory compliance Transparent reporting Collaboration in research and policy development Program participation and partnerships 	<ul style="list-style-type: none"> Management systems, policies, and procedures across all aspects of the company's operations Annual financial reports, biennial sustainability reports, timely submission of required reports External Relations staff Executive outreach Industry associations and partnerships
Suppliers	<ul style="list-style-type: none"> Timely payment Fair selection and business practices Opportunities for business growth Understanding of Tyson Foods' expectations 	<ul style="list-style-type: none"> Competitive bidding process Supplier management program Code of Conduct Supplier Diversity Program Supplier Satisfaction Surveys
Local Communities	<ul style="list-style-type: none"> Economic development Involvement and support of local initiatives Protection of the environment Employment opportunities Volunteerism 	<ul style="list-style-type: none"> Strategic community involvement plans Donations, community outreach, and disaster relief Tyson Project A+ Environmental management systems Regional recruiting program Partnerships and sponsorships

7.3 RESTATEMENTS AND CHANGES IN REPORTING

Restatements and Changes in Reporting

The following information appeared in the company's 2007 sustainability report and, after further review, is amended and restated in the company's 2009 sustainability report.

Raised Without Antibiotics

In our 2007 sustainability report, we discussed our *Any'tizers*™ snacks and fresh chicken "Raised Without Antibiotics." Our Raised Without Antibiotics chicken initiative has been suspended due to labeling challenges. As such, we recalled and reprinted our 2007 sustainability report in May 2008, removing all references to Raised Without Antibiotics. If the U.S. Department of Agriculture (USDA) develops clear guidance on this labeling issue in the future, we will evaluate it before making a decision on future marketing efforts.

OSHA Rates

In its 2007 sustainability report, Tyson Foods' Lost Time Rate, Total Recordable Incident Rate, and Days, Away, Restricted, and Transfer Rate were reported as 1.18, 12.95, and 8.88 respectively for fiscal year 2007. These rates were calculated based upon a manual OSHA 300 Log documentation process. In 2007, Tyson Foods implemented a computerized Occupational Health and Safety System, and the company's fiscal year 2007 Lost Time Rate, Total Recordable Incident Rate, and Days, Away, Restricted, and Transfer Rate have been restated to accurately reflect the data reported by this system.

Water Usage

Tyson Foods reported its overall water usage was 28.2 billion gallons in fiscal year 2006 and 27.5 billion gallons in fiscal year 2007 in its 2007 sustainability report. A year-end performance review conducted at the close of fiscal year 2008 revealed discrepancies between water usage and discharge amounts. Accordingly, the water usage amounts for fiscal years 2006 and 2007 have been recalculated and restated in this report.

Moreover, it is important to note the water usage data shared in this report, as well as our 2005 and 2007 sustainability reports, only includes performance data related to our chicken, beef, and pork processing plants located in the United States. At this time, we do not collect water usage data related to our prepared-foods processing plants. Efforts are currently underway, however, to begin collecting this data.

Solid Waste and Recycling Data

Tyson Foods reported it generated 159,342 tons of landfill waste in fiscal year 2006 and 159,064 tons in fiscal year 2007. A year-end performance review conducted at the close of fiscal year 2008 revealed discrepancies with this data. Accordingly, the amount of waste sent to landfills for fiscal years 2006 and 2007 have been recalculated and restated in the company's 2009 sustainability report.

Moreover, it is important to note the solid waste and recycling data shared in this report represents the company's U.S. locations that manage their solid waste and recyclable materials through one of the company's

national account agreements. For the portion of Tyson Foods' locations serviced by local vendors that are not part of our national account agreement, however, we are unable to provide solid waste and recycling data. During fiscal year 2010, we will develop a standard reporting process that all solid waste and recycling vendors will be able to utilize.

Environmental Fines and Penalties

In its 2007 Sustainability Report, Tyson Foods reported environmental fines and penalties totaling \$201,096 for fiscal years 2006 and 2007. A discrepancy with this data was revealed following a year-end performance review conducted at the close of fiscal year 2009. Penalties associated with the following incidents were inadvertently omitted from the 2007 Sustainability Report.

- A civil penalty totaling \$10,312 for alleged ground water contamination at our Finney County, Kansas, beef processing plant; and
- An Administrative Consent Order, with a monetary penalty of \$5,500, for failure to obtain an air construction permit at our Denison, Iowa, beef processing plant.

There have been no significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in this report.



7.4 DATA INTEGRITY

To ensure the integrity of our social, environmental, and financial performance data, we employ a variety of internal and external measurement resources and systems.

Social Data

The social performance data shared in this report is related to Team Member staffing, compensation and benefits, professional development, workplace safety, hunger relief, and community support. This data is collected from numerous sources including the company's SAP® database; payroll system; Environmental, Health, and Safety Incident Reporting System; worker's compensation system; public documents, such as press releases; various spreadsheets and systems maintained by our business units; and Tyson Foods' 2009 Annual Report on Form 10-K. Details pertaining to the scope and limitations of the data points shared in this report are presented as footnotes alongside, or adjacent to, the specific data point.

Environmental Data

The environmental performance data shared in this report is related to consumption, disposal, emissions, recycling, and regulatory compliance. This data is collected from numerous sources including the company's SAP database, Electronic Compliance Automation Toolset, and Environmental, Health, and Safety Incident Reporting System; statements and performance reports from utility and service providers; public documents, such as press releases; and compliance reports and notifications to and from federal, state, and local environmental agencies. Details pertaining to the scope and limitations of the data points shared in this report are presented as footnotes alongside, or adjacent to, the specific data point.

Financial Data

The financial performance data reproduced in this sustainability report is from Tyson Foods 2009 Annual Report on Form 10-K. The report describes the company's accounting principles in detail and is available through our Investor Relations Web site at <http://ir.tyson.com>. All financial information shared in this report is provided in U.S. dollars, unless otherwise noted.

Each business unit collects and verifies data for which it is responsible; some of this data is verified for regulatory compliance via both internal and external audit processes. In addition, internal subject-matter experts reviewed each section of this report to ensure completeness and accuracy of the information presented. Tyson Foods' management, along with its Legal Department, conducted a review of the information presented in this report and is responsible for its overall integrity. An external, third-party has not provided assurance for this report.

8.0 GLOBAL REPORTING INITIATIVE INDEX

Tyson Foods referenced the Global Reporting Initiative (GRI) 2006 G3 Sustainability Reporting Guidelines during the development of this report. These voluntary guidelines provide a generally accepted framework for the reporting of an organization's social, environmental, and economic performance. To indicate a report is GRI-based, an organization must declare the level to which they have applied the GRI reporting framework via the "Application Levels" system. To meet the different needs of beginner, intermediate, and advanced reporters, there

are three application levels including C, B, and A. The reporting levels reflect the coverage of the GRI reporting framework. A reporting organization can receive a plus (+) if an external assurance provider verifies the report. For this report, both Tyson Foods and GRI confirm that the GRI "B" application level has been met. The index below provides details on the GRI indicators addressed in this report. For additional information about GRI, visit www.globalreporting.org.



STRATEGY AND ANALYSIS

GRI Disclosure	Description	Location	Extent Reported	Comments
1.1	Statement from CEO	1.1;1.2;1.3	Fully	
1.2	Key impacts, risks, and opportunities	1.3; Throughout	Fully	Also see Tyson Foods' 2009 Annual Report on Form 10-K.

ORGANIZATIONAL PROFILE

GRI Disclosure	Description	Location	Extent Reported	Comments
2.1	Organization name	2.0	Fully	
2.2	Primary brands, products, and/or services	2.0; 2.1; 2.2	Fully	Also see Tyson Foods' 2009 Annual Report on Form 10-K and Fiscal 2009 Fact Book.
2.3	Operational structure	2.2	Fully	Also see Tyson Foods' 2009 Annual Report on Form 10-K and Fiscal 2009 Fact Book.
2.4	Location of organization's headquarters	2.0	Fully	
2.5	Countries of operation	2.0; 2.3; 6.6	Fully	Also see Tyson Foods' 2009 Annual Report on Form 10-K and Fiscal 2009 Fact Book.
2.6	Nature of ownership and legal form	2.0	Fully	Also see Tyson Foods' 2009 Annual Report on Form 10-K and Fiscal 2009 Fact Book.
2.7	Markets served	2.1; 2.2; 6.6	Fully	Also see Tyson Foods' 2009 Annual Report on Form 10-K.
2.8	Scale of reporting organization	2.0; 2.1; 2.2; 2.3; 3.0; 3.2; 6.2	Fully	Also see Tyson Foods' 2009 Annual Report on Form 10-K and Fiscal 2009 Fact Book.
2.9	Significant changes during reporting period	2.0; 2.3; 6.2; 6.5; 6.6	Fully	Also see Tyson Foods' 2009 Annual Report on Form 10-K.
2.10	Awards received during reporting period	Throughout	Fully	

REPORT PARAMETERS

GRI Disclosure	Description	Location	Extent Reported	Comments
3.1	Reporting period	7.0	Fully	
3.2	Date of most previous report	7.0	Fully	
3.3	Reporting cycle	7.0	Fully	
3.4	Contact point for questions about report	7.2	Fully	Questions and comments can be emailed to sustainability@tyson.com.
3.5	Process for defining report content	7.1; 7.2	Fully	
3.6	Boundary of the report	7.0	Fully	
3.7	Limitations on the scope or boundary of the report	7.0	Fully	
3.8	Basis for reporting on subsidiaries, joint ventures, leased facilities, etc.	7.0	Fully	
3.9	Data measurement techniques and the basis of calculations	7.4	Fully	
3.10	Restatements of information provided in earlier reports	7.3	Fully	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied	7.3	Fully	
3.12	GRI overview	7.1	Fully	
3.13	External assurance for the report	7.4	Fully	External assurance has not been provided for this report.

GOVERNANCE, COMMITMENTS, AND ENGAGEMENT

GRI Disclosure	Description	Location	Extent Reported	Comments
4.1	Organization's governance structure	3.1; 6.1	Fully	Also visit Tyson Foods' Investor Relations Web site (www.tyson.com/corporate/).
4.2	Roles of the Chairman of the Board and the CEO	6.1	Fully	
4.3	Members of the Board	6.1	Fully	Also visit Tyson Foods' Investor Relations Web site (www.tyson.com/corporate/).
4.4	Mechanisms for shareholders and employees to provide recommendations to the Board	3.1; 7.2; 6.1	Fully	Also visit Tyson Foods' Investor Relations Web site (www.tyson.com/corporate/).

GOVERNANCE, COMMITMENTS, AND ENGAGEMENT (con't)

GRI Disclosure	Description	Location	Extent Reported	Comments
4.5	Linkage between compensation for members of the highest governance body, senior management, and executives	6.1	Fully	Also visit Tyson Foods' Investor Relations Web site (www.tyson.com/corporate/).
4.6	Process for the Board to ensure conflicts of interest are avoided	6.1	Fully	
4.7	Process for determining the qualifications of Board members	6.1	Fully	Also visit Tyson Foods' Investor Relations Web site (www.tyson.com/corporate/).
4.8	Statements of internally developed mission or values, codes of conduct, and principles relevant to social, environmental, and economic performance	Throughout	Fully	
4.9	Procedures for the Board to oversee the organization's identification and management of social, environmental, and economic performance	3.1; 6.1	Fully	Also visit Tyson Foods' Investor Relations Web site (www.tyson.com/corporate/).
4.10	Process for evaluating the Board's performance, particularly with respect to the organization's social, environmental, and economic performance	6.1	Fully	Also visit Tyson Foods' Investor Relations Web site (www.tyson.com/corporate/).
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	6.1	Fully	
4.12	Externally developed social, environmental, and economic charters, principles, and other initiatives to which the organization subscribes or endorses	Throughout	Fully	
4.13	Membership of association	6.7	Fully	
4.14	List of stakeholder groups engaged by the organization	7.2	Fully	
4.15	Identification and selection of stakeholders with whom to engage	7.2	Fully	

GOVERNANCE, COMMITMENTS, AND ENGAGEMENT (cont'd)

GRI Disclosure	Description	Location	Extent Reported	Comments
4.16	Approaches to stakeholder engagement	7.1; 7.2	Fully	
4.17	Key topics and concerns that have been raised through stakeholder engagement	7.2	Fully	

ECONOMIC (*=Core Indicator)

GRI Disclosure	Description	Location	Extent Reported	Comments
Economic DMA		1.1, 1.4, 2.0, 2.1, 2.2, 3.2, 3.5, 5.1, 6.0, 6.3	Fully	Also see our 2009 Annual Report on Form 10-K.
EC1*	Direct economic value generated and distributed	Throughout	Fully	Also see our 2009 Annual Report on Form 10-K.
EC2*	Financial implications and other risks and opportunities for the organization related to climate change	4.6; 6.0	Fully	Also see page 12 of our 2009 Annual Report on Form 10-K.
EC3*	Coverage of the organization's defined benefit plan obligations	Tyson Foods 2009 Annual Report on Form 10-K	Fully	See pages 66-69 of Tyson Foods 2009 Annual Report on Form 10-K.
EC4*	Significant financial assistance received from government	GRI Index	Fully	The federal general business credits are the significant financial benefits received from the government by Tyson Foods. During fiscal years 2008 and 2009, these credits were reflected as benefits of approximately, \$7 million and \$13 million, respectively.
EC5	Standard entry level wage compared to local minimum wage	3.2	Fully	
EC6*	Policy, practices, and proportion of spending on locally based suppliers	5.1; 6.3	Fully	
EC7*	Procedures for local hiring and proportion of senior management hired from local community	3.2	Fully	
EC8*	Development and impact of infrastructure investments and services	3.5	Fully	
EC9	Significant indirect economic impacts	Not Reported		We currently do not report on this non-core indicator.

ENVIRONMENTAL (*=Core Indicator)

GRI Disclosure	Description	Location	Extent Reported	Comments
Environmental DMA		1.1, 1.4, 4.0, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 6.1, 6.3, 6.5, 6.8		
EN1*	Materials used by weight or volume	GRI Index	Fully	We currently do not have data supporting this core indicator. We will evaluate our abilities and various methodologies for collecting and reporting on this data in the long-term future.
EN2*	Percentage of materials used that are recycled input materials	GRI Index	Fully	We currently do not have data supporting this core indicator. We will evaluate our abilities and various methodologies for collecting and reporting on this data in the long-term future.
EN3*	Direct energy consumption by primary energy source	4.6	Fully	
EN4*	Indirect energy consumption by primary source	4.6	Fully	
EN5	Energy saved due to conservation and efficiency improvements	4.6	Fully	
EN6	Initiatives to provide energy efficient or renewable energy-based products or services	6.5	Fully	
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	4.6	Fully	
EN8*	Total water withdrawal by source	4.6; GRI Index	Fully	We currently do not have data supporting the “by source” requirement of this core indicator. We will evaluate our abilities to collect and report this data in the near future.
EN9	Water sources significantly affected by withdrawal of water	Not Reported		We currently do not report on this non-core indicator.
EN10	Percentage and total volume of water recycled and reused	4.6	Fully	Tyson Foods’ efforts to reduce, reuse, and/or recycle water are presented as the company’s water conservation efforts.
EN11*	Location and size of land owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas	GRI Index	Fully	After reviewing the regional biodiversity “hotspots” identified by Conservation International, Tyson Foods, at this time, has not identified any of its U.S.-based operations that are in, or adjacent to, legally protected high biodiversity areas. For additional details, please visit Conservation International at http://www.conservation.org/Pages/default.aspx .

ENVIRONMENTAL (*=Core Indicator) (cont'd)

GRI Disclosure	Description	Location	Extent Reported	Comments
EN12*	Description of significant impacts if activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	GRI Index	Fully	See comment for EN11
EN13	Habitats protected or restored	Not Applicable		See comment for EN11
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity	Not Applicable		See comment for EN11
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations	Not Applicable		See comment for EN11
EN16*	Total direct and indirect greenhouse gas emissions by weight	4.6	Fully	
EN17*	Other relevant indirect greenhouse gas emissions by weight	4.6	Fully	
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	4.6; 6.5	Fully	
EN19*	Emissions of ozone depleting substances by weight	GRI Index	Fully	Tyson Foods' emissions of ozone depleting substances (HCFC 134/134a) is approximately 0.00108 million metric tons per year. This is less than 0.018 percent of the company's total air emissions.
EN20*	NOx, SOx, and other significant air emissions by type and weight	4.6; GRI Index	Fully	We currently do not have data supporting the "by weight" requirement of this core indicator. We will evaluate our abilities to collect and report this data in the near future.
EN21*	Total water discharge by quality and destination	GRI Index	Fully	We currently do not have data supporting this core indicator. We will evaluate our abilities to collect and report water discharge by quality and destination data in the near future.
EN22*	Total weight of waste by type and disposal method	4.6; GRI Index	Fully	We currently do not have data supporting the "by type and disposal method" requirement of this core indicator. We will evaluate our abilities to collect and report this data in the near future.
EN23*	Total number and volume of significant spills	4.6	Fully	Also see Tyson Foods' 2009 Annual Report on Form 10-K.

ENVIRONMENTAL (*=Core Indicator) (cont'd)

GRI Disclosure	Description	Location	Extent Reported	Comments
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention	Not Reported		We currently do not report on this non-core indicator.
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff	Not Reported		We currently do not report on this non-core indicator.
EN26*	Initiatives to mitigate environmental impacts of products and services	4.6	Fully	
EN27*	Percentage of products sold and their packaging materials that are reclaimed by category	4.6	Fully	
EN28*	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	4.7	Fully	
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	Not Reported		We currently do not report on this non-core indicator.
EN30	Total environmental protection expenditures and investments by type	Not Reported		We currently do not report on this non-core indicator.

LABOR PRACTICES (*=Core Indicator)

GRI Disclosure	Description	Location	Extent Reported	Comments
Labor DMA		1.1, 1.4, 3.0, 3.1, 3.2, 3.3, 4.2, 5.3, 5.4, 6.1		
LA1*	Workforce by employment type, employment contract, and region	3.2; GRI Index	Fully	We report on total number of employees, whom we call Team Members. Approximately 99 percent of our U.S.- based Team Members serve in full-time positions.

LABOR PRACTICES (*=Core Indicator) (cont'd)

GRI Disclosure	Description	Location	Extent Reported	Comments
LA2*	Number and rate of employee turnover by age, group, gender, and region	3.2; GRI Index	Fully	We report our turnover rate, but do not break this rate down by age, group, gender, or region. This may be a reporting indicator we further evaluate for reporting capabilities in the long-term future.
LA3	Benefits provided to full-time employees	3.2	Fully	
LA4*	Percentage of employees covered by collective bargaining agreements	3.2	Fully	
LA5*	Minimum notice period(s) regarding significant operational changes	3.2	Fully	
LA6	Percentage of employees represented in formal joint management-worker health and safety committees	3.3	Fully	
LA7*	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	3.3	Fully	
LA8*	Education, training, counseling, prevention, and risk control programs in place to assist workforce members, their families, or community members regarding serious disease	3.2; 3.3	Fully	
LA9	Health and safety topics covered in formal agreements with trade unions	3.3	Fully	
LA10*	Average hours of training per year per employee by employee category	3.1; 3.2; 3.3; 4.2; 6.1	Fully	We maintain extensive training programs related to key business areas such as food safety, ethics and code of conduct, anti-trust and corruption; workplace safety, animal welfare, employment practices, and environmental protection. At this time, we are not capable of tracking average training hours per employee by category however. This may be a reporting indicator we further evaluate for reporting capabilities in the long-term future.
LA11	Programs for skill management and lifelong learning	3.2; 5.3; 5.4	Fully	

LABOR PRACTICES (*=Core Indicator) (cont'd)

GRI Disclosure	Description	Location	Extent Reported	Comments
LA12	Percentage of employees receiving regular performance and career development reviews	3.2	Fully	
LA13*	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, etc.	6.1	Fully	
LA14*	Ratio of basic salary of men to women by employee category	Not Reported		We currently do not report on this core indicator.

HUMAN RIGHTS (*=Core Indicator)

GRI Disclosure	Description	Location	Extent Reported	Comments
Human Rights DMA		1.1, 1.4, 3.0, 3.1, 3.2, 3.3		
HR1*	Percentage and total number of significant investment agreements that include human rights clauses	GRI Index	Fully	Out investment clauses discuss compliance with applicable federal, state, and local regulations but do not specifically include human rights clauses.
HR2*	Percentage of significant suppliers and contractors that have undergone screening on human rights	GRI Index	Fully	We currently do not screen our suppliers and contractors on human rights. We are developing a "Supplier Code of Conduct," however, that will set forth supplier and contractor expectations on key business issues such as regulatory compliance, employment practices (including human rights), food safety and quality assurance, workplace health and safety, animal welfare, and environmental protection. We plan to release our Supplier Code of Conduct in the near future.
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights	3.1; 3.2; 3.3	Fully	
HR4*	Total number of incidents of discrimination	3.2; GRI Index	Fully	Generally, Tyson Foods does not publicly discuss reported incidents of discrimination. As noted in Section 3.2 of this report however, we consider discrimination to be a serious issue and invest considerable resources to prevent its occurrence. Moreover, we fully investigate each allegation of discrimination and, if necessary, implement corrective. Alleged incidents of discrimination resulting in state or federal court filings are generally a matter of public record. While state and federal databases may be subject to a subscription or search fee, these records can typically be accessed within the respective court system via the Internet.

HUMAN RIGHTS (*=Core Indicator) (cont'd)

GRI Disclosure	Description	Location	Extent Reported	Comments
HR5*	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk	3.2	Fully	
HR6*	Operations identified as having significant risk for incidents of child labor	3.2	Fully	
HR7*	Operations identified as having significant risk for incidents of forced or compulsory labor	3.2	Fully	
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights	Not Reported		We currently do not report on this non-core indicator.
HR9	Total number of violation incidents involving rights of indigenous people	3.2	Fully	

SOCIETY (*=Core Indicator)

GRI Disclosure	Description	Location	Extent Reported	Comments
Social DMA				
SO1*	Nature, scope, and effectiveness of any programs and practices that assess and manage the impact of operations on communities	3.5	Fully	
SO2*	Percentage and total number of business units analyzed for risks related to corruption	6.1	Fully	
SO3*	Percentage of employees trained in the organization's anti-corruption policies and procedures	6.1	Fully	
SO4*	Actions taken in response to incidents of corruption	Not Reported		We currently do not report on this core indicator.
SO5*	Public policy positions and participation in public policy development and lobbying	6.7; 6.8	Fully	

SOCIETY (*=Core Indicator) (cont'd)

GRI Disclosure	Description	Location	Extent Reported	Comments
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions	6.7	Fully	
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Not Reported		We currently do not report on this non-core indicator.
SO8*	Value of significant fines and total of non-monetary sanctions for non-compliance with laws and regulations	3.3; 4.7; GRI Index		For this indicator, Tyson Foods defines significant as fines equal to or greater than \$500,000 dollars. Two specific fines equal to or greater than this amount are presented in sections 3.3 and 4.7 of this report. Tyson Foods, at this time, has not identified any other fines paid during fiscal years 2008 and 2009 equal to or greater than this amount.

PRODUCT RESPONSIBILITY (*=Core Indicator)

GRI Disclosure	Description	Location	Extent Reported	Comments
Product Responsibility DMA				
PR1*	Life cycle stages in which health and safety impacts of products and services are assessed for improvement	5.1; 5.3; 5.4	Fully	
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety	Not Reported		We currently do not report on this non-core indicator.
PR3*	Types of products and service information required by procedures	5.2; 5.4	Fully	
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	5.1	Fully	
PR5	Practices related to customer satisfaction	5.2; 5.3; 5.4	Fully	
PR6*	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	5.5	Fully	

PRODUCT RESPONSIBILITY (*=Core Indicator) (cont'd)

GRI Disclosure	Description	Location	Extent Reported	Comments
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	5.5	Fully	
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Not Reported		We currently do not report on this non-core indicator.
PR9*	Value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	GRI Index	Fully	We did not incur any fines for non-compliance with laws and regulations concerning the provision and use of our products during fiscal years 2008 and 2009.

8.1 ACKNOWLEDGEMENTS

We thank the following contributors for their help, guidance, and valuable input with the development of this report: Audit and Compliance; Human Resources; Quality Assurance; Animal Well-Being; Environmental, Health, and Safety Services; International; Research and Development; Investor Relations; Purchasing and Sourcing; Legal; and External Relations.

We also wish to extend a special thanks to Tyson Foods' External Relations Department for their design, photography, and editorial assistance in the development and production of this report and Web site.

8.2 CONTACTS

For more information about Tyson Foods' sustainability efforts and performance, you may contact us the following ways:

Email: sustainability@tyson.com

Web site: www.tyson.com

Mail/Phone: Kevin J. Igli



SVP and Chief EHS Officer

Tyson Foods, Inc.
2200 Don Tyson Parkway, CP393
Springdale, AR 72762-6999
(479) 290-4713



Leigh Ann Johnston

EHS Training, Communication, and
Sustainability Manager

Tyson Foods, Inc.
2200 Don Tyson Parkway, CP39
Springdale, AR 72762-6999
(479) 290-3419