

## Shareholder Proposal to Tyson Foods filed by The Humane Society of the United States, The United Methodist Church Benefits Board and Green Century Capital Management

**RESOLVED**, that shareholders request that, within six months of the 2014 annual meeting, the Board of Directors provide a report to shareholders, prepared at reasonable cost and omitting proprietary information, detailing the possible risks and operational impacts associated with allowing the indefinite use of “gestation crates” in Tyson’s supply chain. The report should detail—using peer-reviewed data, when possible—all potential risks and impacts, including those regarding brand reputation, customer relations, public perception, and regulatory compliance.

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### **SUPPORTING STATEMENT:**

Gestation crates are cages, used in Tyson’s supply chain, which confine pigs so restrictively they’re unable to turn around. Rising concerns over these cages have rapidly shifted the marketplace, with dozens of top global food brands—including Tyson’s customers—demanding change. Tyson’s failure to disclose the risks associated with the indefinite inclusion of gestation crates in its supply chain is of concern to shareholders.

Business magnate Carl Icahn summarized the situation as such: “I firmly believe that the position of [The Humane Society of the United States] regarding gestation crates is the right one. Eliminating those crates will both prevent cruelty to animals, and improve Tyson’s business prospects.”

- **Customers:** Nearly 60 leading, global pork buyers have publicly announced plans to eliminate gestation crates from their supply chains, including McDonald’s, Burger King, Costco, Safeway, Kroger, Oscar Mayer and dozens more. In fact, Tyson has already lost business over its position on this issue.
- **Competition:** Tyson competitors like Smithfield, Cargill and Hormel are actively moving away from gestation crates. Smithfield’s farms, for example, are now nearly 40 percent gestation crate free, and the company will become 100 percent gestation crate free by 2017.
- **Legislation:** Nine U.S. states, so far, have passed legislation banning gestation crates.
- **Economics:** A 2.5 year long Iowa State University study—in the nation’s top hog producing state—found that a production system without gestation crates resulted in cost “that was 11% less than the cost” of the gestation crate system.
- **Science:** Renowned animal welfare expert—and *Tyson advisor*—Dr. Temple Grandin is unequivocal on this issue: “Confining an animal for most of its life in a box in which it is not able to turn around does not provide a decent life,” writes Grandin. She continues, “Gestation stalls have got to go.” In summarizing the issue, *Meat & Poultry* magazine concluded, “Studies show crates have more negative attributes than positive ones.”

Major pork buyers and Tyson customers demand change, legislation is mandating change, economics support changing, and Tyson’s competitors are changing. As such, Tyson’s current position of indefinitely including gestation crates in its supply chain is of concern to investors.

Therefore, we encourage a vote **FOR** this modest proposal, which simply asks Tyson to disclose the risks associated with its current position on this issue. As the World Bank’s International Finance Corporation wrote, “In the case of animal welfare, failure to keep pace with changing consumer expectations and market opportunities could put companies and their investors at a competitive disadvantage in an increasingly global marketplace.”