

Shareholder Proposal on Humane Treatment of Farm Animals

In its Animal Welfare Guiding Principles, our company, Yum! Brands (Yum), states: “Yum Brands believes treating animals humanely and with care is a key part of our quality assurance efforts. This means animals should be free from mistreatment at all possible times from how they are raised and cared for to how they are transported and processed. Our goal is to only deal with suppliers who provide an environment that is free from cruelty, abuse and neglect.”

Yum’s Web site states that “processing guidelines and audits are designed to manage and monitor each step of the process to determine whether the birds supplied to KFC are handled humanely and any suffering is minimized.” Yum has hired an expert Animal Welfare Advisory Panel, including Drs. Temple Grandin and Ian Duncan, and Yum’s claims with regard to animal welfare are the most ambitious in the industry.

However, our company continues to buy from suppliers engaged in cruelty to animals in complete contravention of our company’s stated policies and at a grave risk to Yum’s reputation. For example, current abusive practices include the following:

- Processing methods that painfully dump and shackle live chickens, slaughtering many while still fully conscious
- Breeding and drugging animals to grow so quickly that many can barely move by the time they are transported to slaughter and millions die before they can be slaughtered
- Codifying a system that accepts painful cracks or ulcers on the feet of 30 percent of U.S.-raised chickens (more than 100 million birds each year) and millions more chickens suffering broken wings during the gathering process

Furthermore, outside of the U.S. our company appears to have no animal welfare guidelines at all to cover the hundreds of millions of animals raised and killed for Yum restaurants each year despite the clear implication from the statements quoted above that all Yum animals are treated well. In fact, recent undercover investigations into KFC supplier slaughterhouses in India, the U.K., and Australia documented cruelty that horrified journalists for some of the largest media outlets in the world, as well as the public, and generated a headline read by an estimated 5 million Britons, “Distressed and Dying in a Cramped Shed ... Nobody Does Chicken Like KFC” (*Sunday Mirror*, August 31, 2003).

Resolved:

Shareholders request that the Board of Directors issue a report to shareholders by October 2004, prepared at reasonable cost and omitting proprietary information, on the steps that Yum! Brands has taken and plans to take to ensure that our publicly stated goals (e.g., “to only deal with suppliers who provide environment that is free from cruelty, abuse and neglect”) conform with our actual practices. Said report should analyze both practices and public perception of whether the practices are viewed by most of our customers as conforming to our laudable stated goal of humane treatment.