

April 5, 2005

Doug Hasselo, Chief Food Innovation Officer
KFC Corporation
1441 Gardiner Ln.
Louisville, KY 40213

Via email:

Dear Mr. Hasselo:

Thank you for taking the time on February 25, March 28, and yesterday to discuss chicken farming and slaughter reforms.

As you know, on March 11, five independent animal welfare experts—four of whom were on KFC's animal welfare panel for more than a year—submitted unanimous recommendations to KFC for improving animal welfare. At a meeting on March 28, KFC presented a plan of action that did not accurately represent these recommendations and that would not in fact improve welfare for chickens even when fully implemented. KFC told us at that time that Dr. Grandin and Dr. Duncan had signed off on this plan. Since pieces of your plan contradicted published statements by Dr. Grandin and Dr. Duncan, including their March 11 plan, we agreed to hold off on our campaign against KFC for a few days while we checked with them. You agreed that if they had any changes to this plan, KFC would implement them.

What we discovered was that neither Dr. Grandin nor Dr. Duncan had retreated from their March 11 recommendations and that neither of them had signed off on your new plan. In fact, Dr. Grandin told me that she literally threw the report in the garbage, as I mentioned at the meeting. This means that KFC came into the March 28 meeting and lied to Mr. Simmons, Dr. Chavis, Mr. Foster, and me.

On April 4, Dr. Grandin and Dr. Duncan presented yet another set of recommendations, based on KFC's plan of action. These are a significantly watered-down version of the March 11 recommendations, but both of them have told us that they would be easy for KFC to implement, and both feel that they represent a very reasonable compromise. Yesterday, we fully expected KFC to agree to implement these recommendations in accordance with your promise, and we were prepared to call off our campaign. We were gravely disappointed when you said that you would need to get back to us on Friday.

Just to be entirely clear, I would like to outline PETA's concerns with KFC's plan of action as it currently stands, which, as I have mentioned, would not help a single animal. Specifically:



PETA

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- **Breeding**—KFC’s plan of action does not provide a timeframe for reducing crippling by certain measurable percentages. Rather, the document vaguely refers to meeting with breeding companies and nothing more. Dr. Grandin and Dr. Duncan have reiterated their support for a strong, concrete breeding program in the April 4 recommendations.
- **Drugs**—KFC’s plan of action does not provide a timeframe for phasing out the use of nontherapeutic drugs. Instead, it vaguely refers to eliminating dual-use antibiotics to promote growth, without addressing nondual-use antibiotics to promote growth or drugs that are not growth-promoting but are still detrimental to welfare. Dr. Grandin and Dr. Duncan have reiterated their support for eliminating the use of nontherapeutic drugs in the April 4 recommendations.
- **ACS Program**—KFC’s plan of action does not call for a two-year phase-in of the ACS program for all suppliers. Rather, the document refers to a farm-level audit program prepared by KFC, which KFC could or would not provide a copy of—or even a single detail from. The plan of action makes no mention of the ACS program. We understood that KFC would provide PETA with a copy of the audit sheet within a week, but to date, we do not have the audit sheet. Dr. Grandin and Dr. Duncan have presented on-farm welfare standards in their April 4 recommendations, which, although they are a significant step back, are still acceptable to PETA in the spirit of compromise.
- **Slaughter**—KFC’s plan of action does not specify adopting CAK at all of KFC’s supplier facilities within four years. Instead, the plan of action raises several unfounded concerns about CAK (such as that the USDA will not accept CAK, despite the letter from the USDA, provided by PETA at the meeting, stating that CAK is an approved method of slaughter). Dr. Grandin and Dr. Duncan have presented a program for CAK in their April 4 recommendations, which, although a significant step back, is still acceptable to PETA in the spirit of compromise.
- **Automated Gathering**—This is the only item in KFC’s plan of action that might be helpful, but your plan is meaningless because no specific dollar amount or specification of what workers need to do to earn it is outlined. Nor does the plan outline the auditing criteria that would be used to measure success. The plan vaguely refers to meeting with producers of automated-gathering machines to determine which machines are best, but makes no mention of a specific timeframe to implement the models deemed best. I must point out that in May 2003, your past president, Cheryl Bachelder, told PETA President Ingrid Newkirk and Bruce Friedrich that KFC was already doing this when it clearly was not, and Mr. Blum told Mr. Simmons, Ms. Newkirk, and Mr. Friedrich in December 2003 the same thing, again untrue. However, Dr. Grandin and Dr. Duncan have endorsed KFC’s plan of action on this point, with some clear suggestions for ensuring that the plan is meaningful, and in the spirit of compromise, PETA will reluctantly defer to their judgment on this point.
- **Internationalization**—KFC’s plan of action is limited to domestic suppliers and does not apply to overseas suppliers, which supply the *majority* of chickens raised for KFC. This is a deal-breaker for PETA. Any plan must include a timeframe for implementation in all countries where KFC has a meaningful presence. Dr. Grandin and Dr. Duncan have reiterated their support for internationalization in the April 4 recommendations, and they have called for KFC to adopt guidelines in countries where it has more than 10 restaurants.
- **Verifiability and Transparency**—KFC’s plan is neither transparent nor verifiable. It seems to be a very bad sign that you will not allow anyone to retain a copy of it. There is no mechanism for enforcement, no penalty for violation, nothing in it to indicate any serious

commitment to on-farm or slaughter improvements for chickens—all of which were included in the recommendations from your own experts. However, we believe that if PETA and KFC can agree to a set of guidelines, we can then discuss the terms of verifiability and transparency in good faith, with a starting point being Dr. Grandin and Dr. Duncan’s recommendations for posting information on your Web site. I want to reiterate that while the April 4 recommendations are a significant step back from the March 11 recommendations, which were put together by all five scientists, PETA is reluctantly willing to accept them. We trust that after review, KFC will find them acceptable, too. Neither Dr. Grandin nor Dr. Duncan would submit recommendations to KFC that were unfeasible from an industry standpoint. It is the essence of true corporate leadership and innovation that KFC work with suppliers to make changes, and it would substantiate KFC’s April 2001 commitment to “raise the bar” on farmed-animal welfare.

If on Friday, April 8, KFC agrees to accept the counsel of its animal welfare panel and sets up a plan for phased-in implementation of the recommendations of Dr. Duncan and Dr. Grandin, as spelled out in the April 4 documents, with transparency, verifiability, and a plan for international implementation, PETA will call off its campaign.

If KFC cannot commit to the recommendations of Dr. Grandin and Dr. Duncan on Friday, April 8, PETA will move on with our campaign. KFC can let us know when it is ready to act on these recommendations, at which point we will call off our campaign.

For the sake of billions of animals, and out of respect for the hard work that both sides have put into these negotiations, I hope that KFC will come to the table on Friday with a commitment to adopt the recommendations of your council members.

I look forward to a productive conversation on Friday.

Sincerely,

Steven Jay Gross, Ph.D.

cc: Russell Simmons, President & CEO, Rush Communications
Dr. Ben Chavis-Muhammad, President & CEO, Hip-Hop Summit Action Network
Gary Foster, Rush Communications
David Novak, CEO, Yum! Brands
Gregg Dedrick, President, KFC
Harvey Brownlee, COO, KFC
R. Scott Toop, VP & General Counsel, KFC
Bonnie Warschauer, VP of Public Relations, KFC
Bruce Friedrich, Director of Vegan Campaigns, PETA
Dan Shannon, Senior Campaign Coordinator, PETA