

July 17, 2002

Yu

Senior Vice President, Public Affairs

Yum! Brands, Inc. 1441 Gardiner Lane Louisville, KY 40213 Tel 502 874 8825 Fax 502 874 8315

Jonathan D. Blum

Mr. Bruce G. Friedrich Director of Vegan Outreach PETA 501 Front Street Norfolk, VA 23510

Dear Bruce.

In the spirit of open communications, I wanted to update you on the progress we have made since my last communication of May 9. Since that time, KFC has:

- Ensured that all KFC poultry suppliers have completed self-audits using our Animal Welfare Guidelines prepared in consultation with the KFC Animal Welfare Advisory Council – all suppliers passed this self-audit
- Began unannounced audits of all poultry suppliers. Dr. Temple Grandin will be accompanying our Quality Assurance team (which has been trained by Dr. Grandin) on many of these unannounced audits. She will also assist us in analyzing the data from these audits and helping establish corrective actions, if necessary
  - suppliers will be instructed to remedy any infractions found; non-compliance could result in termination of supplier contracts if remedial actions are not undertaken
  - all KFC poultry suppliers will have unannounced audits by year's end
- Continued our work with NCCR and FMI, along with NCC, to help establish broad, and quantifiable industry-wide guidelines for the humane treatment of poultry at hatcheries and grow-out houses
- Sent a letter to NCC encouraging them to continue to work with NCCR and FMI to
  finalize the poultry industry guidelines. We've also spoken with the NCC leadership and
  supplier members of NCC's Welfare Council, encouraging them to participate in this
  process. It is our understanding these poultry industry guidelines will be completed by
  October of this year
- Held another KFC Animal Welfare Advisory Council meeting in June. The purpose of the meeting was for the Council to review PETA's proposals, and provide KFC with an independent perspective on them. It is my understanding you spoke with Dr. Grandin after that meeting and discussed what took place.
- Today we are placing four things on KFC's website: an overview of our animal welfare program; the biographies and contact information of our Animal Welfare Advisory Council members; our Animal Welfare Guiding Principles; and a current progress report.

Our next Animal Welfare Advisory Council meeting is being scheduled for October. Dr. Joy Mench will be setting the agenda for that meeting, in consultation with Brian Riendeau. This meeting will be timed to coincide with the completion of the NCCR-FMI industry-wide poultry











guidelines so that our Council may review these guidelines and provide us with their counsel and recommendations.

I hope this provides you with a clear update of the progress we have made since our last communication.

Sincerely,

Jonathan Blum

cc: Brian Riendeau

Sandy Chastain

Dr. Steven J. Gross, Humane PAC