April 11, 2005

Harvey Brownlee, Chief Operating Officer KFC Corporation 1441 Gardiner Ln. Louisville, KY 40213

Via email:

Dear Mr. Brownlee:

Please pass along my thanks to your colleagues for joining us via conference call on Friday. I hope you enjoyed your vacation and are feeling rested

What follows are the key areas in which PETA is not satisfied with the plan of action presented by your colleagues on Friday.

- **On-farm audits**—PETA's main concern is a small but hugely important word—that KFC will only "encourage" its suppliers to sign contracts that allow for on-farm audits, not "require" them. As you must know, this will allow for any supplier not wishing to be audited to expressly prohibit them in their contracts—making KFC powerless to implement its proposed on-farm audit program, in turn making the program meaningless. Scott Toop and Doug Hasselo both admitted that as it stands, it will be nearly impossible for KFC to hold its suppliers accountable. Scott made the analogy that KFC has as much control over its supplier farms and slaughterhouse as a single person at a Yankee game has over George Steinbrenner—a completely inapt comparison, unless that fan buys 1/5th of the tickets to every Yankee game of the season, which is the approximate relationship that KFC has with its major suppliers. I suspect in this case Mr. Steinbrenner might be inclined to listen to this fan's perspective. KFC can and must require change of its suppliers, and the leading experts on farmed animal welfare tell us that you can do this if you want to; until you agree to require change, or until we see real change based on your "recommendations," we cannot possibly call off our campaign.
- KFC's Animal Welfare Council (AWC)—The recommendations of Drs. Grandin and Duncan were very clearly written to be implemented under their own supervision. KFC has insisted that the entire AWC be involved in the implementation of any guidelines that it adopts. The problem with that scenario is that the majority of AWC members, including Dr. Kellye Pfalzgraf of Tyson and Bill Potter of George's, are industry representatives, not animal welfare experts, and therefore cannot be expected to have the best interests of animals at heart. If development of KFC's future animal welfare plans is left in the hands of the AWC, not Drs. Grandin and Duncan or their designees, PETA believes that little if any real improvement will be made, and the next point makes that evaluation seem even more likely.



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- Transparency and verifiability—After our conversation on Friday, PETA has no indication that KFC in interested in making progress in a way that is visible to PETA and the public, and that can be shown to be improving animal welfare in a meaningful way. In fact, KFC was so distraught over the fact that Drs. Grandin and Duncan had shared their opinions about what KFC was doing with PETA, even though we agreed on February 25 that there would be a transparent process in these negotiations, that Scott is insisting that they sign new confidentiality statements. Scott also said that whether or not any information would be made public was "a discussion for another time." Both statements show that KFC is committed to secrecy—a curious attitude if KFC has confidence in its program, and an absolutely unacceptable stance.
- Objective science—On several issues, most notably re: controlled-atmosphere killing of chickens (CAK) but also including straw bales, ammonia, and lighting levels, PETA is dismayed that KFC refuses to recognize the importance of pre-existing objective scientific data, and is instead attempting to re-invent the wheel by replicating research that has already been done. Drs. Raj, Mench, Grandin, and Duncan are the world's leading scientific experts on the issues that we are discussing. No one involved in these negotiations, on either PETA's or KFC's side, is qualified to question their scientific judgment. Only industry apologists from the National Chicken Council or chicken producers would disagree with these recommendations, and yet they have not a single speck of scientific research to dispute these experts' recommendations.
- Internationalization—KFC clearly stated that it would only commit to adopting animal welfare improvements in the US. PETA feels strongly, as do Drs. Grandin and Duncan, that any improvements made in the US can be made simultaneously in Canada and Western Europe, and then in all countries where KFC has a significant presence within a reasonable timeframe. A company that cares about animal welfare would, at the very least, include some timeframe for international implantation of standards.

KFC's positions on the above matters will prevent any meaningful animal welfare improvements from taking place, and unless KFC is willing to modify these positions, productive dialogue between KFC and PETA cannot take place. On February 25, March 29, and this past Friday, KFC attempted to settle with PETA without a single promise that would improve the life or death of a single chicken. While we wish that we could call off our campaign and move onto other projects, we can't do that while KFC continues to buy from suppliers that treat chickens in ways that would warrant felony cruelty to animals charges were dogs or cats treated this badly.

It has been eight years since we first asked KFC to make significant reforms, and four since KFC promised to "raise the bar" on chicken welfare. However, Scott Toop admitted on Friday that KFC has done no audits at all on farms in all this time, and that even the paltry "standards" on your Web site now are recommendations, not requirements. When KFC shows that it is serious, by pledging to stop breeding and drugging animals so that they cripple beneath their own weight, to stop scalding animals to death in feather removal tanks, and to implement a plan for on-farm welfare based on good science—all transparently and verifiably, we will happily call off our campaign.

We remain available to talk with KFC any time and hope KFC will decide that what we are proposing is reasonable and right and come back to us when it is ready to agree to make the meaningful changes we have outlined.

Sincerely,

Steven Jay Gross, Ph.D. Consultant, Corporate Affairs

cc: Russell Simmons, President, Rush Communications
Dr. Ben Chavis, President, Hip Hop Action Network
Bruce Friedrich, Director, PETA
Dan Shannon, Senior Campaigner, PETA
David Novak, CEO, Yum! Brands
Gregg Dedrick, President, KFC
Joaquin Pelaz, Senior Vice-President, Product Excellence, Yum! Brands
Scott Toop, Vice President & General Counsel, KFC
Doug Hasselo, Chief Food Innovation Officer
Bonnie Warschauer, Director of Public Relations
Christina Bongo, Yum! Brands