

**Principles for Chemical Policy Reform
YUM Brands 2011**

Whereas,

Our business involves the sale of numerous products and the use of numerous materials, which may contain chemicals linked to cancer, mutation, birth defects, or other serious human health effects.

Recent reports of toxic and hazardous products imported into the US from overseas, including toothpaste, toys, tires, pet food, and other products, have led to increased concern among consumers, regulators, and lawmakers about the safety of many products sold by US retailers. Analyses have also raised questions about products produced in the United States. Public concern, numerous product recalls, litigation, and associated reputational damage, particularly to retailers, have been triggered by analyses of products by journalists, scientists, and environmental health advocacy organizations.

Even items such as cash register receipts can pose toxic hazards to consumers and workers. Science News reported in August 2010, "cash register and other receipts may expose consumers to substantial amounts of bisphenol A, a hormone-mimicking chemical that has been linked with a host of potential health risks....Two of the new studies ...showed that the BPA coating easily rubs off onto fingers. And one found evidence that BPA from receipts may penetrate skin."

The European Union has adopted new chemicals management legislation known as REACH which requires certain substances of very high concern to receive explicit government permission to be marketed. The list of candidate substances numbered thirty-eight in 2010 and the International Chemicals Secretariat Substitute It Now list signals the list could number 356 substances.

In the United States, California, Washington, Minnesota and Maine have enacted comprehensive chemicals policy reform laws.

The Business-NGO Working Group consists of businesses and nongovernmental organizations working together to promote public and company policies for the creation and adoption of safer chemicals and sustainable materials. Companies including Staples, Hewlett-Packard and Kaiser Permanente have endorsed the Guiding Principles for Chemicals Policy created by the Business-NGO Working Group (<http://www.bizngo.org/guidingPrinciples.php>).

Kaiser-Permanente, the nation's largest integrated health-care delivery system, has found learning the chemicals in its supply chain challenging because many chemicals are omitted from government-required disclosure documents "due to trade secrets, the exemption of small concentrations from reporting—even though the chemicals may cause harm in low doses—and failure to provide the latest toxicity data on a chemical."

Although our company may engage in various practices to reduce the toxicity of products used and sold in our operations, the relative toxicity of our supply chain is influenced by national chemicals policy. Current US chemicals policy does not ensure that all products are labeled for their chemical ingredients and are not required in every instance to be demonstrated to be safe before going to market.

Therefore be it resolved,

Shareholders request that the Board of Directors adopt principles for chemical policy reform, supporting public policies that protect retailers by ensuring that manufacturers:

- 1) Know and disclose product chemistry
- 2) Assess and avoid hazards
- 3) Commit to continuous improvement