

**WHEREAS:**

Discarded food service and product packaging is a source of waste and greenhouse gas (GHG) emissions, a significant consumer of natural resources and energy, and implicated in impairment and death of marine animals. About half of U.S. product packaging is discarded rather than recycled. Recyclable paper packaging creates methane, a potent greenhouse gas, when dumped in landfills. Only a negligible amount of food service packaging is recycled in the U.S. Just 14% of all plastic packaging is recycled. The value of wasted packaging is estimated at \$11 billion annually.

Packaging waste is a large component of marine debris. Nine of the top 10 reported beach debris items are packaging or containers: caps/lids, plastic bags, food wrappers, plastic utensils, plastic straws, paper bags, plastic bottles, glass bottles, and metal cans. Studies by the Environmental Protection Agency suggest a synergistic effect between plastic debris and persistent, bio-accumulative, toxic chemicals in the marine environment. Plastics absorb toxics such as polychlorinated biphenyls and dioxins from water or sediment and transfer them to the marine food web and potentially to human diets. Ingestion of plastics by marine animals can compromise their ability to capture and digest food, sense hunger, escape from predators, and reproduce; sometimes it is fatal.

Recycling of food service packaging could cut emissions of GHGs and reduce the volume of materials that ends up as ocean debris. Increased recycling can also reduce reliance on virgin raw materials, make more materials available to provide recycled content in new packaging, and reduce energy usage.

YUM! Brands' 2010 corporate social responsibility report states that understanding and addressing the impact of packaging on the environment is a long-term imperative for the sustainability of its business, yet the company still has neither a comprehensive packaging recycling policy nor stated goals or a timeline for collecting and recycling the containers in which its food and beverages are sold.

YUM! Brands lags its competitors. McDonald's has pledged to reduce waste, including packaging, by 50% in its top 9 markets by 2020. Starbucks committed to recycle all post-consumer paper and plastic cups left in its cafes by the end of 2015. It offers a discount for customers who provide reusable beverage containers and aims to serve 5% of beverages in reusable containers. Its beverage cups have 10% recycled content.

**BE IT RESOLVED:**

Shareowners of YUM! Brands request that the board of directors adopt a comprehensive recycling policy for on-site food and beverage packaging. The board shall prepare a report on the company's plans to implement this policy by the end of 2016. The report, to be prepared at reasonable cost, may omit confidential information.

**SUPPORTING STATEMENT:**

The policy should include aggressive recycling goals for on-site food service packaging and recycled content goals for packaging. We believe the requested report is in the best interest of YUM! and its shareholders. Leadership in this area will protect our brand and enhance the company's reputation.