

2017 Shareholder Resolution YUM! BRANDS

Request: Phase-out Non-therapeutic Antibiotic Use

WHEREAS:

The World Health Organization and the U.S. Centers for Disease Control and Prevention have reported that antibiotic resistance is a global public health crisis that threatens to overturn many of the medical advances made over the last century.

Antibiotic-resistant infections cause at least 2 million illnesses each year in the United States. Experts estimate these infections will kill 10 million people per year worldwide by 2050. (Review on Antimicrobial Resistance).

A major factor in the spread of antibiotic resistance is the overuse of these lifesaving drugs in meat and poultry production. 70% of medically important antibiotics in the U.S. are sold for livestock use (FDA, 2012). Antibiotics are often given to livestock to speed animal growth or to prevent illness caused by unhealthy, stressful conditions on farms, rather than to treat illness.

In January 2016, 86 advocacy organizations sent a public letter to Yum! Brands, requesting the company "make a strong, definitive public commitment on antibiotic stewardship." In April 2016, a group of investors holding over \$1 trillion in assets also called on Yum! Brands to set timelines to prohibit the use of medically important antibiotics in its global meat and poultry supply chains.

In response, Yum! Brands adopted limited policies to phase-out medically important antibiotics for chicken sourced by Taco Bell, as well as for some of Pizza Hut's products that include chicken. These are steps in the right direction, but these policies need to be extended across all Yum! Brands companies (including KFC) and to all meat and poultry sources, to help protect public health from antibiotic-resistant infections.

Consumers are increasingly concerned about injudicious antibiotic use. Without meaningful action, Yum! Brands will lose market share to companies who have stronger policies in place. McDonald's has phased out use of medically important antibiotics in its entire U.S. chicken supply. Panera Bread and Chipotle Mexican Grill prohibit most antibiotic use in their livestock supply chains. Chick-fil-A will serve only chicken raised without antibiotics by 2019.

Danish producers, which export over 30 million hogs per year at competitive prices, have relied on improved husbandry and sanitation, reduced confinement, and other techniques to eliminate use of antibiotics for disease prevention and growth promotion.

A strong antibiotics policy will prepare Yum! Brands suppliers to comply more effectively with a shifting federal regulatory landscape. Meat producers will have to comply with new federal guidelines that effectively limit the use of medically important antibiotics for growth promotion by the end of 2016. The FDA is next expected to address preventive uses of antibiotics. (William Flynn, FDA, 6/22/2016, PACCARB Public Meeting)

BE IT RESOLVED:

Shareholders request that Yum! Brands adopt an enterprise-wide policy to phase out the use of medically important antibiotics for growth promotion and disease prevention in its meat and poultry supply chain.

Shareholders further request the company publish timetables and measures for implementing this policy.