



WHEREAS: waste and recycling issues were ranked among the 10 most important issues to stakeholders in a Yum Brands 2017 materiality assessment, yet the company lags competitors by lacking a commitment to phase out plastic straws, uses harmful polystyrene foam beverage cups in some markets, and lacks a commitment to front of house on-site container recycling.

The ocean contains an estimated 150 million tons of plastic, with about 8 million tons added annually, equivalent to a garbage truck load every minute. Experts predict there will be more plastic than fish by weight in oceans by 2050. Company straws, cups, and lids are found in street and marine litter. 500 million plastic straws are used by Americans daily, which are not recycled. Polystyrene foam used for beverage cups, is rarely recycled. Non-recyclable plastic packaging is more likely to be littered and carried into waterways. In the marine environment, plastic straws, cups, and cup lids break down into small indigestible particles that birds and marine animals mistake for food, resulting in illness and death.

Company packaging that degrades in waterways can also transfer hazardous chemicals to animals and potentially to humans. Plastics absorb toxics like PCBs, pesticides, and metals from water, transferring them to the marine food web and potentially to human diets, increasing risk of adverse effects to wildlife and humans. Foam may pose a higher risk to marine animals than other plastics due to its hazardous constituent chemicals and research showing it can accumulate high concentrations of water borne toxins in a short time frame. Polystyrene has caused decreased reproduction in laboratory populations of oysters and fish.

Antigua and Barbuda, Bangladesh, Barbados, France, Guyana, Haiti, Rwanda, Taiwan and states in India and Malaysia have enacted bans on foam packaging. More than 100 U.S. cities or counties have banned or restricted foam packaging. The problem can be exacerbated in developing countries with less sophisticated solid waste management systems. Recent scientific research estimates that one half of ocean plastic deposition comes from several rapidly developing Asian countries where our company does substantial business.

Competitor McDonald's announced that it would phase out use of polystyrene foam packaging globally at the end of 2018. Competitor Starbucks has agreed to phase out plastic straws by 2020. The company also lacks a commitment to recycle front of house on-site post-consumer packaging. McDonald's has committed to recycle post-consumer packaging in all restaurants globally by 2025.



BE IT RESOLVED: Shareholders request that YUM Brands issue a report to shareholders, to be prepared at reasonable cost and omitting proprietary information, detailing efforts to achieve environmental leadership through a comprehensive policy on sustainable packaging.

SUPPORTING STATEMENT: Proponent believes that a comprehensive policy on sustainable packaging should, for example, address plastic straws, polystyrene beverage and food containers, and policies for front of house recycling.