

KFC Western Europe Sourcing Code of Practice

1. Overview

Our vision on responsibility and performance

“KFC aims to be a responsible and trusted food company with a sustainable and ethical supply chain. We partner only with high performing suppliers to deliver our ambition of Trust in Every Bite.

Ultimately, by working with our suppliers, our goal is not to minimise any negative impacts, it is to find ways to make a positive difference across our supply chain, from the grower or farmer right up to our restaurants. This is an ambitious and complex goal but we believe that through robust policies and procedures and strong supplier relationships we can source our products responsibly.

How we work with our suppliers to achieve the specific standards in our Code will evolve, but our commitment to a responsible, high-performing, sustainable and ethical supply chain remains fixed. By providing a clear vision for responsible sourcing our Sourcing Code of Practice defines our expectations on issues such as labour rights, sustainability and animal welfare.”

David Moran, Supply Chain Director, KFC Western Europe.

Scope of the Sourcing Code of Practice

All suppliers to KFC Western Europe must comply with the Sourcing Code of Practice [The Code] wherever they are based. The Code sets out the minimum, not maximum, defined social, ethical and environmental standards we require suppliers to follow as part of their agreement to supply KFC. We are committed to partnering with our suppliers to deliver continuous improvement to further drive up standards and The Code should not be used to prevent any suppliers from exceeding these standards. Suppliers of branded goods are expected to have noted the requirements of The Code and to have established similar arrangements in their own supply chain.

Our key areas of engagement with our suppliers set out in The Code are as follows: • Ethical business practices, protection of human rights and standards on health and safety • Sustainable sourcing and environmental management • Animal welfare

Implementation of The Code

As part of their contract with KFC, suppliers are expected to establish management systems for delivering compliance and to maintain records demonstrating this. Suppliers must take appropriate steps to ensure that: • The Code is communicated to all relevant employees. • There is regular engagement with relevant management teams about the need for compliance. • Appropriate training on The Code is provided to key employees. • Processes and systems are in place to provide means for workers to report or discuss noncompliance confidentially.

KFC expects any non-compliance or drop in performance to be reported by our supplier so that we can work together to create a time-measured plan to correct the situation as quickly as possible. However, we recognise that local socio-economic and cultural factors might impact the implementation of The

Code and where such complexities exist we require suppliers to engage with us immediately in order for both parties to develop the most appropriate programme to ensure compliance.

Our focus is on where we can make a difference and have greatest control. As such, KFC expects suppliers to maintain written records that all sub-contractors and companies in their own supply chain which are in any way involved with KFC products, are provided with the Code and confirm, in turn, their compliance. Suppliers are also required to permit KFC representatives (including third party auditors) access to supplier documentation, management and workers to determine compliance and progress against the Code.

Minimum requirements of The Code

- *The Code is part of the contract of working with us.*
- *All suppliers, wherever they are based, supplying products to KFC Western Europe must comply with The Code and have in place systems to deliver management and communication of The Code.*
- *Suppliers must confirm the compliance of any third party or contractors involved with the supply of KFC products.*
- *The Code sets out minimum not maximum standards and should not be used to prevent any company exceeding the standards.*
- *Non-compliance should be reported and a programme established to ensure return to compliance.*

2. Ethical Business Practice

Our vision

We are very aware of the responsibility we share with our suppliers to further the rights of workers who produce products and ingredients for KFC. Our ambition is to work with our suppliers to ensure best ethical business practice and we will therefore only work with suppliers who share our values and uphold internationally agreed standards on human rights and labour, most notably the Universal Declaration of Human Rights. The required standards we set out here are consistent with the internationally agreed conventions and recommendations of: • the eight core International Labour Organisation (ILO) conventions and recommendations on workers' rights • the Ethical Trading Initiative (ETI) Base Code • the ETI Base Code Guidance on Modern Slavery • any local legislation in the Western European KFC markets such as the UK Modern Slavery Act

KFC aims to be transparent with our stakeholders on our ethical performance and would encourage our suppliers to do likewise. The recent UK anti-slavery legislation requires companies to provide information on their steps to eliminate human trafficking and slavery in their supply chain as well as anti-slavery risk management and actions. The Code is an integral part of this requirement.

Key areas

Supplier Code of Conduct

YUM! the parent company of KFC has very clear expectations for the behaviour of all of its employees, contractors, agents, agencies and suppliers and has documented these expectations in a code of conduct. The Supplier Code of Conduct is an appendix to the Code and is a non-negotiable part of the relationship between KFC and its suppliers. Any breach of the Code of Conduct by an employee, agent, contractor or supplier of our supplier would be considered a material breach of our contractual agreement and could in some circumstances result in immediate termination.

Monitoring and SEDEX

We recognise the importance of being fully aware of the ethical and social practices and any associated risks in our supply chain. To ensure this, we undertake independent and third party audits of suppliers' sites and thorough self-assessment questionnaires. We also require all suppliers and any raw material producers supplying Core Products to KFC in Western Europe to register with SEDEX and complete the required risk assessment tools and audits. SEDEX is an ethical data exchange which ensures that ethical standards are monitored and measured, and best practice is shared across the industry. This allows us to focus on the areas of greatest risk and greatest potential benefit, and to work co-operatively with our suppliers to mitigate the risk and maximise the benefits. Suppliers of non-Core Products are also encouraged to join SEDEX and we aim to have all suppliers to KFC in Western Europe on SEDEX by 2018.

Open communication with our suppliers is critical for identifying and resolving any supply chain issues so that together we can respond rapidly and fully to ethical issues.

Human rights

We expect our suppliers to treat workers fairly, honestly and have respect for their basic human rights and wellbeing. All suppliers to KFC must comply with applicable national laws in the countries in which they operate and where the provisions of the law and The Code address the same subject, the provision which affords the greater protection should be applied.

We support the Ethical Trading Initiative (ETI) Base Code of Conduct which promotes and improves the implementation of corporate codes of practice which cover supply chain working conditions. This sets out the labour standards we expect our suppliers to meet. It covers fair terms of trading, child protection, worker health and safety, equal opportunities, freedom of association, freedom of employment, hours of work, and wages.

In case of specific local requirements, we expect all of our suppliers to meet any legislated standards. The UK Modern Anti-Slavery Act requires suppliers supplying products to the UK to produce a "slavery and human trafficking statement" each financial year to ensure slavery does not exist in any part of their business or supply chain. The Statement records policies and shows that due diligence, auditing, training, risk analysis, and appropriate KPIs are in place. We will look to our suppliers for this information and assurance as part of an audit process.

Labour Standards

As a minimum, we expect all suppliers to uphold internationally agreed standards of labour, comply with applicable national laws, and work to continually improve their workplace and employment standards. The Code applies to all employees including contractors, temporary workers and other non-permanent staff, including agency workers.

Fair Trade/Rainforest Alliance

We only source our Coffee and Tea from certified Fair-Trade or Rainforest Alliance suppliers where applicable and encourage all of our suppliers to do the same for sugar used in the manufacture of our products.

Health & Safety

We expect suppliers to provide employees with a safe and hygienic working environment including regular and recorded health and safety training, with responsibility for health and safety assigned to a senior management representative. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work. Suppliers should, as far as is reasonably practicable, minimise the causes of hazards inherent in the working environment. We encourage our suppliers to continually seek to improve health and safety standards to prevent accidents and injuries to their employees.

Anti-Bribery

Suppliers are expected to have in place clear, publicly available commitments to work against corruption and bribery in all its forms. We expect all suppliers to KFC to comply with all applicable local and international laws (including EU import legislation), and to meet or exceed relevant regulations and industry standards. Where standards differ, the standard which offers the greater degree of protection and ethical standard will apply. Suppliers will at all times comply with the UK Bribery Act and the US Foreign Corrupt Practices Act and not act in any way that would put KFC in breach of these laws or any other anti-bribery laws.

Bribery and improper payment KFC will not condone, under any circumstances, the offering or receiving of bribes or any other forms of improper payment, including what are known as 'facilitating payments'. Even the appearance of a breach of anti-bribery or anti-corruption laws will not be tolerated by KFC.

Gifts and entertainment

The giving and receiving of gifts has a role to play in establishing and building long term business relationships. However, they should never create improper influence or obligate the recipient. Suppliers must note that KFC employees should not provide or accept excessive or inappropriate entertainment and must only ever offer or accept occasionally. Every KFC employee is obligated to record all such events and seek authority before the giving or receiving of any gifts or entertainment.

Conflicts of Interest

KFC employees and suppliers should avoid situations where any conflict of interest may occur and are obligated to inform KFC when and if such a conflict may represent any risk to either business.

Competition, anti-trust

All KFC suppliers must comply with all anti-trust and competition laws which apply to our business.

Minimum required standards:

- Comply with the YUM! Supplier Code of Conduct at all times.
- Meet all internationally agreed standards on human rights and labour, comply with applicable national laws, and work to continually improve workplace and employment standards.
- Suppliers and their raw material producers supplying KFC Western Europe must register with SEDEX and provide KFC transparency of all applicable risk assessments and audits.
- Provide Employment that is freely chosen, there is no forced or bonded labour and employees are free to leave their employer after reasonable notice. Have in place policies, systems, risk assessment, training and measurement to ensure no forced labour or slavery exists.
- Allow employees the freedom to associate, organise and join a trade union (or collective bargaining group acting for them) in a lawful and peaceful manner without penalty or interference.
- Maintain a safe and hygienic working environment with regular training and adequate steps taken to prevent accidents and injury and provide access to protective equipment and safety training to mitigate known hazards or potential risks.
- Child labour shall not be used, and no one under 15 shall be employed (or higher if stipulated by local labour law). Develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child. Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- Protect and promote the special interests of employees under 18 by allowing them access to education, limiting employment during typical resting hours and ensuring no exposure to working conditions that are likely to jeopardise their health & safety or morals.
- Comply with all applicable wages, benefits and hour laws and regulations, including those relating to minimum national legal standards or industry benchmark standards, overtime and maximum hours, pay fair wages in line with the norms for the industry and market and not require anyone to work excessive hours, particularly where this might impact personal health or safety, overtime shall be voluntary.
- Treat employees fairly and not discriminate in hiring, compensation, access to training, promotion, termination or retirement based on gender, race, religion, disability, age, sexual orientation, caste, union membership or political affiliation, marital status, social ethnic or national origin.
- Treat all employees with dignity and respect, not ever harass, abuse or threaten any employee through physical abuse, discipline, threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation.
- Have in place a clear public commitment to working against bribery and corruption in all its forms, comply with all applicable local and international laws, including EU import legislation, UK Bribery Act and US Foreign Corrupt Practices Act.

- Ensure workers have knowledge of their rights and are able to report any issues confidentially and without detriment to a designated person/committee.

3. Sustainable sourcing

Our vision

Although KFC does not own any farms or fields, we regard sustainable procurement as important for all commodities and recognise our responsibility to work with our suppliers to ensure that our food, ingredients, packaging and oil are sourced and made responsibly and sustainably all the way from the grower or farmer to our restaurants. The aim of KFC is that our supply chain causes neither longterm, critical depletion of natural resources nor lasting damage to species, habitats, biodiversity or climate. For example, as part of our requirement that no products or ingredients contribute to global deforestation we require suppliers that use soy in feed to sign the Soy Moratorium on deforestation in the Amazon.

Key areas

Certification

We need to be aware of key raw materials in our supply chain which are subject to specific social, economic or environmental impacts and we therefore expect all suppliers to demonstrate due diligence on their sourcing practices including sustainability status and certification. This is important to ensure our suppliers source all our food, ingredients and all commodities sustainably.

Environmental management

Suppliers are also expected to develop appropriate environmental management systems that recognise the key environmental impacts of their specific business processes and monitor and report performance against improvement targets. KFC expects suppliers to be leaders in meeting or exceeding environmental standards and year-on-year work to reduce the relative environmental footprint of their operations, such as carbon emissions and water usage.

Traceability

An important part of our quality assurance system is the ability to trace with confidence every one of our products back to its source. Our suppliers are required to ensure the rigorous processes are in place for tracing our products from farm or forest all the way to our restaurant. These processes should be maintained so that poultry and every product supplied to KFC in Western Europe has a unique supplier code, batch number and where applicable best before date. By maintaining this process, we know with confidence, where our product originates and the standards that have been applied from farm, field or forest right up to delivery at our restaurants.

Produce

Vegetable suppliers are required to source product from Global GAP certified growers, a voluntary scheme aimed at setting the standards for Good Agricultural Practice worldwide.

Palm oil

KFC has been continuously removing palm oil from our products since 2010. KFC Western European markets have switched cooking oil blends and product recipes to alternative oils such as rape and sunflower oils. Suppliers should ensure that no palm oil is used in the manufacture of KFC products and where palm oil remains an ingredient in certain supplier-branded products this must be 100% sustainable and certified.

Product Packaging

We recognise the need to remove, reuse or reduce packaging, but never at the expense of food quality or our ability to serve food safely, quickly and conveniently. We expect our suppliers to ensure that all packaging comes from sources that don't damage the environment and is from well managed sustainable sources, certified by a third party. However, we also understand that packaging has a huge environmental contribution to make by preserving food and thereby reducing food waste. We want to minimise the environmental impacts of packaging wherever possible and are committed to working with our suppliers to ensure this.

We also aim to work with suppliers to design new ways to reduce the overall volume of packaging used by KFC. Design and innovation has a key role to play to support us in achieving year-on-year relative reductions in total tonnage of packaging as a percentage of our total sales. We also look to suppliers to help us reduce the amount of packaging they use to transport goods while also maintaining our ability to serve food safely, quickly and conveniently.

KFC Branded Packaging

We require our paper packaging suppliers to source wood fibre that is certified as responsibly sourced by a third party, so that we can be sure it meets the most rigorous forest management standards. We also expect suppliers to demonstrate full chain of custody throughout their supply chain to cover growing, processing and packaging. The third-party certifications we accept are the Forest Stewardship Council (FSC) and national certification systems endorsed by the Program for Endorsement of Forest Certification (PEFC), such as the Sustainable Forestry Initiative (SFI). We will regularly test to ensure that 100% of our FSC, FSI or PEFC accredited paper or board does not contain any mixed tropical hardwoods.

KFC's aim is to use recycled product wherever we can and we will work with our suppliers to maximise the amount of recycled content in our packaging. This also covers plastics in packaging, and our long-term aim is that all KFC-branded plastics are made using either recycled, readily-recyclable or compostable materials.

Crucially, we want to work with our suppliers to make it as easy as possible for customers to do their part by helping them to recycle wherever possible. As part of this, we will ensure that all of our KFC branded packaging always carries clear and honest labelling to indicate its recyclability and its sustainability.

Minimum Required standards:

- Measure, record and minimise negative environmental and social impact and have in place clear environmental policies and management systems.
- Measure record and minimise use of energy, water and raw materials and minimise solid waste and effluent and dispose of it in a safe, efficient and environmentally responsible manner, to avoid contamination of the local environment and ensure that air, noise and odour limits are within nationally defined limits.
- Measure record and minimise chemical use and abide by international, national and sector specific Codes of Practice for the use, handling and disposal of pesticides and chemicals.
- Vegetable suppliers to source product from Global GAP certified growers.
- Source wood, paper and pulp products from well-managed, sustainable sources, not harvested illegally or sourced from protected forest areas, but buy wood fibre that is certified as responsibly sourced by the Forest Stewardship Council (FSC) or national certification systems endorsed by the Program for Endorsement of Forest Certification (PEFC), such as the Sustainable Forestry Initiative (SFI).
- Never use palm oil as an ingredient for KFC products and if present in a supplier branded product ensure that it is 100% sustainably certified.
- Suppliers that use soy in feed and oil to sign and comply with the Soy Moratorium on deforestation in the Amazon.
- Work with KFC to maximise both the recycled content in packaging and the recyclability of packaging. Always print clear and honest consumer recyclability labelling.

4. Animal welfare

Our vision

The single greatest product responsibility for KFC is to ensure that the highest standards of food quality and safety are maintained at all times in our supply chain. At KFC we believe that good quality food starts with higher animal welfare standards on farms. It is also an important ethical concern and we work closely with our suppliers to ensure that the animals reared for KFC are well cared for and reared in the right way. All suppliers to KFC in Western Europe must meet and work towards exceeding EU legal requirements and comply with our own robust, independently audited poultry Welfare Standards.

KFC will only work with suppliers committed to recognised humane practices, good animal husbandry and welfare standards. KFC therefore supports the commonly accepted Five Freedoms of animal welfare: 1. Freedom from hunger or thirst by ready access to fresh water and a diet to maintain full health and vigour. 2. Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area. 3. Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment. 4. Freedom to express normal behaviour by providing sufficient space, proper facilities and company of the animal's own kind. 5. Freedom from fear and distress by ensuring conditions and treatment which avoid mental stress.

Minimum Required standards:

- Suppliers must meet and work towards exceeding EU and other relevant legal animal welfare requirements.
- Suppliers must practise the Five Freedoms of Animal Welfare.
- Suppliers must comply fully, through our auditing system, with the KFC Western Europe Poultry Welfare Standard, which applies from primary breeding through to slaughter.
- Suppliers that use eggs in the manufacture of any KFC Western European Core Products should source only from free range hens.
- Suppliers that provide pork to KFC in Western Europe must ensure that this is sourced from farms that practise the Five Freedoms.

Definitions

Core Products: all poultry, Fries, Buns, Tortillas, Breeding Flour, Beverages, Frying Oil, Sauces, Seasonings, and Packaging products.

KFC Western Europe: KFC business market units in western Europe; KFC UK&I; KFC France; KFC Germany; KFC Netherlands; KFC Italy; KFC Spain.

Appendices:

- KFC Western Europe – Poultry Welfare Policy

- YUM! Supplier Code of Conduct

KFC WESTERN EUROPE – POULTRY WELFARE POLICY

Purpose/Vision

The vision of KFC in Western Europe is to source chicken from birds that have had a good life because at KFC we believe that good quality food starts with higher animal welfare standards on farms. KFC works closely with our suppliers to ensure that animals reared for KFC are well looked after. All suppliers to KFC in Western Europe must meet European legislation and suppliers of all our chicken products must comply with our own robust independently audited Poultry Welfare Standards.

A Consultancy style, rather than a traditional “tick box” type audit is carried out by a third party to give a balanced approach to both commercial viability and animal welfare.

New suppliers to KFC in Western Europe receive a ‘pre-supply audit’ (Growing and Slaughter) with a follow up seven months later when they receive a four-part audit (Growing, Slaughter, Catching and Feed Mill). Then 15-months after the initial pre-supply audit, suppliers receive a full seven-part inspection: Growing, Slaughter, Catching, Mill, Hatchery, Breeder Rearing and Laying. Suppliers continue on a 15-month audit frequency.

The benefits of such an approach are:

- Consistently applied standards that can be benchmarked globally
- Consumer trust (food safety, better quality, ethical sourcing) • Consistent global message around farm to fork integrity.
- Continuous improvement through KPI benchmarking to further drive welfare standards
- Supplier relationships founded on partnership and a common goal.

Governance

The day-to-day management of the animal welfare policy and its implementation is the responsibility of our European poultry category and QA team. The Western Europe Supply Chain reports directly to the Regional Managing Director. This policy is continually challenged to ensure that the latest science is used to support its content and continued progress. This challenge and build process is supported by various independent 3rd party experts from the poultry industry and NGO’s.

The Steering Committee for the animal welfare policy is the Western Europe Leadership team, containing each of the six BMU GM’s, the Supply Chain Director and the Legal Director. Animal welfare is a permanent agenda item at the quarterly leadership team meeting.

Scope

This policy applies to any chicken products sold in our KFC Western Europe restaurants.

What Poultry welfare means for KFC

KFC Europe is committed to animal welfare and fully supports the principles of the Farm Animal Welfare Council 5 Freedoms:

1. Freedom from hunger and thirst by ready access to fresh water and a diet to maintain full health and vigour.
2. Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area.
3. Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment.
4. Freedom to express normal behaviour by providing sufficient space, proper facilities and company of the animal's own kind.
5. Freedom from fear and distress by ensuring conditions and treatment which avoid mental stress.

Poultry welfare programme

To address the growing concern about the ethical sourcing of food, KFC (YUM!) USA established a welfare programme in 2002 and with the help of RL Consulting. KFC UK&I established a more comprehensive programme in 2004. Since 2004, KFC Western Europe has implemented an improved programme to further improve animal welfare within their supply base. The principles of the programme are that all elements are supported by scientific research and any improvements or changes to the programme are always based on scientific research. 100% of Western European poultry supply either from Europe itself or from abroad such as Brazil or Thailand must undergo an independent welfare audit prior to supply. New suppliers to KFC in Western Europe receive a ‘presupply audit’ (Growing and Slaughter) with a follow up seven months later when they receive a fourpart audit (Growing, Slaughter, Catching and Feed Mill). Then 15-months after the initial pre-supply audit, suppliers receive a full seven-part inspection: Growing, Slaughter, Catching, Mill, Hatchery, Breeder Rearing and Laying. Suppliers continue on a 15-month audit frequency. On top of that, the audit programme is based on performance and continuous improvement. This means the oversight of the implemented KPI measures and tracked continuous improvement plans allow us to spend more time with suppliers which need more attention to drive improvement. The basis of the program is to share best practice and drive improvement as part of a Farm Improvement Plan. Progressive compliance helps to drive improvements forward.

By working closely with our suppliers at farm level we aim to improve farming practices through our unique Global Animal Welfare Program. We employ expert consultants with an Animal Science background and significant industry experience, to visit our suppliers both in Europe & across the globe and work with farmers to improve their systems and practices. Our team in the field constantly seeks to unearth new ideas and practices that we can share globally to improve our farming systems.

Key Requirements

Housing

We are committed to ensuring that all KFC chickens are reared in spacious barns with well-maintained dry litter, typically wood shavings. All birds have access to periods of light and dark, suitable ventilation, a nutritionally balanced diet and unrestricted clean water. KFC ensures that all birds raised have a minimum of 6 hours of daily darkness with at least four hours of continuous darkness. The birds are free to roam within these barns and all chicken products sold in our restaurants in KFC Western Europe are 100% cage free. Multi-tier systems for production of KFC Western Europe chicken are strictly forbidden. We stipulate a maximum stocking density of 38kg/m² and we are encouraging farmers to further reduce planned densities to 30kg/m². We discourage our suppliers to practise thinning and encourage farmers to depopulate flocks to the principle of "all in - all out". KFC Western Europe does not permit more than one thin per flock.

Environmental Enrichment

KFC in Western Europe encourages all suppliers to adopt natural lighting and environmental enrichment. We have plans in place with our suppliers to increase the percentage of farms with windows and environmental enrichment such as perches, straw bales and pecking materials. Between 2004 and 2017 – 35% of farms have adopted natural lighting and 15% of farms have implemented enrichment. KFC Western Europe monitors this development closely with the target to increase that number year on year. 100% of the farms we source from in the UK have environmental enrichment and natural light.

Mutilations

Mutilations such as beak trimming are strictly forbidden in KFC Western Europe Supply Chain. Broiler birds bred to produce our chicken products are not beak trimmed.

Antibiotic use

We are committed to ensure that our suppliers use any medicines responsibly, with all treatments prescribed and strictly controlled by veterinarians. Only medicines licenced in the European Union are permitted to be prescribed. We are committed to partner with our suppliers to meet our long-term goals of continuous reduction & eventual elimination of antibiotics important to human medicine according to WHO classification in our chicken supply.

Based on the latest WHO classification and prioritisation criteria, we discourage suppliers from using Critically Important, Highest Priority antimicrobials. KFC Western Europe is committed to phase out critically important "highest priority" antimicrobials by end of 2019.

KFC Western Europe insists that all poultry suppliers register the antimicrobials utilised in their farming integrations with our independent auditors as well as with the responsible technical team within KFC. Responsible use is critically important to KFC, but it is only part of the challenge. As well as treating all outbreaks of disease in a responsible manner, it is logical that we can only reduce antibiotic use further by improving the health of our livestock. In very simple terms: the healthier our animals, the less we need to treat them!

Our suppliers are engaging with these values and are always looking at ways to reduce the use of antimicrobials as a first resort treatment with other practices including; the use of vaccinations, improvement to husbandry practices, increased farm biosecurity / hygiene and reducing the stress of birds in their care. The guiding principle for our suppliers is to use antibiotics responsibly. Antibiotics are an important part to treat illness within a poultry flock to ensure welfare.

Antibiotics will only be prescribed under veterinary supervision in response to specific diagnosed illness. The routine use of antibiotics as a preventative measure is strictly forbidden. All suppliers to KFC in Western Europe follow European legislation which does not permit the use of growth promotors.

Live transport times

We are committed to minimising journey times, and work with suppliers to ensure that they are kept under four-hours and definitive below the legal requirement of eight-hours. On rare occasions such as factory breakdown or biosecurity zoning due to Avian Influenza travel times up to 8 hours might be needed but are not routinely practiced or accepted by KFC.

Slaughter

100% of chicken sourced through the KFC Western Europe supply chain is effectively pre - stunned before slaughter, meeting European slaughter legislation; this includes also our Halal chicken. We believe that whatever method of stunning is used, the system must be humanely carried out: birds must die without any unnecessary pain or distress, and suppliers must ensure that all slaughter facilities follow regulations and best practices around pain and stress during handling, pre-stunning, stunning and slaughtering.

Breed Selection

Commercially bred breeds are sourced that are suited to the local environment, housing & management used. Key criteria in selecting a suitable breed include leg strength, health & welfare. KFC Western Europe is following a leg health monitoring which consists of a 2-step approach. Suppliers are monitoring key leg health indicators at farm & slaughterhouse. Additionally our trained independent welfare audit experts are validating walking ability during the farm inspections using the Bristol Gait scoring method.

GM / Cloning Statement

No poultry sourced for KFC Western Europe has undergone any genetically modification. No cloned poultry or their progeny shall get access to our supply chain.

Genetic modification or cloning is strictly forbidden by KFC Western Europe!

Growth Promoters

Apart from the fact that the EU legislation does not permit growth promoters - KFC Western Europe does not permit the use of growth promoters or hormones for either Chickens sourced in Europe or abroad such as Thailand & Brazil.

Outcome Measures

We are committed to monitor animal welfare within our chicken supply base. To establish an objective and quantified understanding of performance and welfare in the KFC chicken supply chain we have defined a set of robust KPIs for supplier data capture. These KPIs – or outcome measures - help us understand and identify key animal welfare challenges, highlight where welfare is compromised in the supply chain, and track improvements over time.

Tracked Supplier Welfare KPIs:

- Supplier mapping
- total of chicken farms & houses supplying KFC Western Europe
- Number of houses with natural daylight (% of chickens raised for KFC with access to daylight / related to the total volume supplied)
- Number of houses with environmental enrichment (% of chickens raised for KFC with access to environmental enrichment)
- Average age of birds
- Average live weight
- Mortality
- 1st week mortality
- Leg culls
- Stocking density
- Antibiotics usage (% of houses treated)
- Antibiotics usage (mg active /KG LWT)
- DOA
- PMI rejects
- Hock burn
- Pododermatitis
- Wing damage
- Average live bird transport time

All supplier to KFC Western Europe submit welfare outcome measures monthly. These measures are an indicator of animal welfare on the farm.

The KPIs cover key health & production criteria that are important indicators of the welfare of a chicken. The data is collected by suppliers on farm and at slaughter to cover all life stages of production. This approach seeks to drive meaningful improvement on the most pressing challenges across the industry, whilst recognising that producers may meet these goals through diverse and adaptable solutions specific to their farm businesses.

Monitoring of supplier performance will allow benchmarking of the current supplier base. This approach recognises that where good or better levels are already demonstrated by certain suppliers, the solutions and changes needed to achieve improvement are already known and feasible within the industry, and therefore available for implementation across the supply base.

Yum! Supplier Code of Conduct

The Vendor shall comply and ensure that all of its subcontractors, suppliers and their respective factories comply with the following:

(a) Child Labour: The Vendor shall not utilise child labour. The word "child" shall be defined as a person younger than fifteen (15), (or fourteen (14) where local law allows) or, if higher, the local legal minimum age for employment or the age for completing compulsory education. Irrespective of age, the Vendor shall treat all employees in compliance with all applicable laws and regulations.

(b) Coercion and Harassment: All employees shall be treated with dignity and respect. Actions such as corporal punishment, threats of violence and/or other forms of physical, sexual, psychological, verbal abuse and/or harassment will never be allowed or condoned.

(c) Non-discrimination: There shall be no discrimination by the Vendor with regard to hiring and employment practices, including salary, benefits, advancement, discipline, termination or retirement on the basis of race, religion, age, nationality, social or ethnic origin, sexual orientation, gender, political opinion or disability.

(d) Health and Safety: The Vendor will provide employees with a safe and healthy workplace (and employee housing, if applicable) in compliance with all applicable laws and regulations. At a minimum the Vendor will also ensure reasonable access to potable water, sanitary facilities, proper ventilation, adequate lighting and fire safety.

(e) Involuntary Labour: The Vendor shall not use any forced or involuntary labour, whether prison, bonded, indentured or otherwise.

(f) Association: The Vendor will respect the rights of employees to associate, organise and bargain collectively in a lawful and peaceful manner without penalty or interference.

(g) Protection of the Environment: All applicable environmental laws and regulations will be adhered to by the Vendor.

(h) Compensation: The Vendor will comply with all applicable wage and hour laws and regulations, including those relating to minimum wages, overtime, maximum hours, piece rates and other elements of compensation and provide legally mandated benefits. Except in extraordinary business circumstances, the Vendor shall not require employees to work more than the lesser of: (i) forty-eight (48) hours per week and twelve (12) hours overtime, or (ii) the limits on regular and overtime hours allowed by local law. Except in extraordinary business circumstances, where local law does not limit the hours of work, the regular work-week plus twelve (12) hours overtime. In addition, except in extraordinary business circumstances, employees will be entitled to at least one day off in every seven-day period. The Vendor will compensate employees for overtime hours at such premium rate as is legally required or if there is no legally prescribed premium rate, compensation will be equal to the regular hourly compensation rate as a minimum. Where local industry standards are higher than applicable legal requirements, the Vendor will be expected to meet the higher standards.

(i) Other Laws: The Vendor will comply with all applicable laws and regulations, including those pertaining to the manufacture, pricing, sale and distribution of merchandise. All references to "applicable laws and regulations" in this Agreement shall include local and national codes, rules and regulations as well as applicable treaties and voluntary industry standards.

(j) Monitoring and Compliance: The Vendor acknowledges and agrees that YRI and/or its agents shall have the right to engage in monitoring activities to confirm compliance with this Agreement. Monitoring activities may include, without limitation, unannounced on-site inspections of manufacturing facilities (including those of any subcontractors) and employer-provided housing, reviews of books and records relating to employment matters and private interviews with Vendor's employees. The Vendor must, and agrees to, maintain on site all documentation that may be needed to demonstrate compliance with these policies.

(k) Subcontractors: In the event that the Vendor desires to utilise subcontractors for the manufacture, processing or development of YRI Products, the Vendor shall obtain YRI's consent prior to utilization of said subcontractors.

(l) Publication: The Vendor will take appropriate steps to ensure that the provisions of this Code of Conduct are communicated to employees, including the prominent posting of a copy of these provisions in the local language and in a place readily accessible to employees at all times.