

October 9, 2006

Jonathan D. Blum, SVP Public Affairs
Yum! Brands
1441 Gardiner Lane
Louisville, KY 40213

Dear Mr. Blum;

I am writing to initiate a dialogue with you about the environmental implications of your company's packaging decisions. Because of the massive impact of the production of paper packaging on Southern forests we are interested in working with you to address your company's packaging environmental footprint.

Dogwood Alliance brings together the voices of thousands of individuals, local and regional grassroots partners, and national and international organizations. We share a mission of protecting Southern forests and communities by building broad-based, diverse support for ending unsustainable industrial forest practices. Raising awareness in the marketplace about the devastating impacts of paper production and consumption on forests in the Southern United States, we work to persuade both large corporate consumers and suppliers of paper to adopt business practices that ensure the protection of forests. While we believe companies must be accountable for the impacts of business practices on our forests and in communities, we work also to create financial incentives for positive change by creating market demand for environmentally sound paper products.

The packaging sector currently consumes approximately 57% of all the paper produced in the U.S. Three hundred pounds of packaging waste are generated each year for each person in the U.S. and nearly one-third of the domestic waste stream consists of discarded packaging. Additionally, paper packaging can be traced back to the clearcutting of forests, loss of biodiversity, loss of carbon sinks that mitigate global warming, and the degradation of water quality. Certainly there are useful functions of packaging - in maintaining freshness, providing safety, and protecting products in transport. But far too often goods are egregiously over packaged, resulting in needless waste of resources.

Dogwood Alliance is particularly concerned about a packaging material known in the industry as solid bleached sulfate (SBS) paperboard, bleached board or boxboard which is used as packaging for some of your company's products including promotional items at your restaurants. This SBS paperboard often contains no recycled content, and is made almost entirely of virgin fiber and has a very low recycling recovery rate. In addition, recycled paperboard, a ready alternative is

available and competitively priced. Together, these facts make SBS packaging a particularly compelling target in need of reform

In the Southern United States, the world's largest papermaking region producing approximately 15% of the world's paper, the negative environmental impacts of paper packaging are abundantly clear. Every year millions of acres of forest in the region are logged primarily for the production of paper, and the dominant share of timber going to pulp and paper production. This region's forests, the most diverse in North America, are being needlessly destroyed to make paper products. This industry is driving the destruction of our forests through industrial-scale clearcutting and the conversion of forests and wetlands to intensively managed tree plantations. Despite claims of sustainability, companies such as International Paper are engaged in forest practices that have devastating impacts on forest throughout the region.

We are heartened by the positive change we helped catalyze in the big-box office supply store sector including Staples and Office Depot which, in response to rising public awareness of these important environmental issues, developed environmental paper procurement policies that continue to leverage positive change within the paper industry. The post-consumer recycled content in office paper has skyrocketed, and processes are underway to protect endangered forests around the world from unsustainable industrial forestry practices. Now we are hoping similar changes can come in the paper packaging sector.

We believe that your company has an interest in claiming a leadership position regarding environmental and sustainability issues. Customers are increasingly demanding social and environmental accountability from the corporate world. We would like to work with you to develop a procurement policy and practices that ensures that your company is supporting the responsible and sustainable use of our forests. Specifically, we would like to talk to your company about adopting a policy that would do the following:

- Eliminate paper products originating from endangered forests
- Eliminate paper products from suppliers that are contributing to the conversion of natural forests into plantations
- Work with suppliers to improve forest management practices through increased use of sustainably managed certified fiber in paper and packaging products
- Maximize recovery of packaging waste generated
- Reduce overall packaging
- Maximize use of 100% recycled boxboard, a readily available alternative
- Support the development and production of paperboard from agricultural residues

Thank you for your consideration of these important issues and I look forward to speaking with you further about how your company can address these issues.

Sincerely,

Andrew Goldberg
Campaign Director