

**Module: Introduction****Page: W0. Introduction**

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**W0.1****Introduction**

**Please give a general description and introduction to your organization**

Yum! Brands, Inc., based in Louisville, Kentucky, has over 43,500 restaurants in more than 135 countries and territories and is one of the Aon Hewitt Top Companies for Leaders in North America. In 2017, Yum! Brands was named among the top 100 Best Corporate Citizens by Corporate Responsibility Magazine. The Company's restaurant brands – KFC, Pizza Hut and Taco Bell – are the global leaders of the chicken, pizza and Mexican-style food categories. Worldwide, the Yum! Brands system opens over six new restaurants per day on average, making it a leader in global retail development.

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**W0.2****Reporting year**

**Please state the start and end date of the year for which you are reporting data**

<b>Period for which data is reported</b>
Fri 01 Jan 2016 - Sat 31 Dec 2016

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**W0.3**

**Reporting boundary**

**Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported**

Companies, entities or groups over which operational control is exercised

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**W0.4**

**Exclusions**

**Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?**

Yes

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**W0.4a**

**Exclusions**

**Please report the exclusions in the following table**

Exclusion	Please explain why you have made the exclusion
All restaurants and restaurant support centers located outside of the U.S.	We are in the early stages of monitoring global water usage and prefer to improve our ability to collect reliable information in the U.S. before expanding our methods to include international locations.

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**Further Information**

**Module: Current State**

**Page: W1. Context**

**W1.1**

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Direct use of sufficient amounts of good quality freshwater is important to our operations because our restaurants use it for many important functions, including production of our food, beverages and ice, and to run equipment such as dishwashers. Indirect use of sufficient amounts of good quality freshwater is important to our value chain because it's used to help produce many of our primary products, whether developing beverages, preparing meat or helping food grow.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	Direct use of sufficient amounts of recycled, brackish and or produced water is not very important to our operations because of its limited use throughout our business. Indirect use of sufficient amounts of recycled, brackish and/or produced water is not very important to our value chain because of its limited use through our supply chain.

**W1.2**

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	76-100	Current water withdrawal volumes for U.S. equity stores are recorded from municipal water utility bills. We exclude all restaurants and restaurant support centers outside the U.S. because we prefer to improve our ability to collect reliable information in the U.S. before expanding our methods to include international locations, as well.
Water withdrawals-	76-100	Current water withdrawal volumes for U.S. equity stores are recorded from municipal water utility bills,

Water aspect	% of sites/facilities/operations	Please explain
volume by sources		so reported figures refer to municipal supply sources only. We exclude all restaurants and restaurant support centers outside the U.S. because we prefer to improve our ability to collect reliable information in the U.S. before expanding our methods to include international locations, as well.
Water discharges- total volumes	76-100	Yum! Brands' water discharge volumes for U.S. KFC and Taco Bell equity stores are equal to a store's withdrawal, minus approximately 15 percent consumption. U.S. Pizza Hut equity stores have negligible consumption volumes, so its discharge volume is generally equal to its withdrawal. We exclude all restaurants and restaurant support centers outside the U.S. because we prefer to improve our ability to collect reliable information in the U.S. before expanding our methods to include international locations, as well.
Water discharges- volume by destination	76-100	Yum! Brands' water discharge volumes for U.S. equity stores are monitored through municipal water utility bills. We exclude all restaurants and restaurant support centers outside the U.S. because we prefer to improve our ability to collect reliable information in the U.S. before expanding our methods to include international locations, as well.
Water discharges- volume by treatment method	Less than 1%	We do not regularly measure and monitor water discharge volumes by treatment method because discharges are returned to municipal facilities for treatment at their discretion.
Water discharge quality data- quality by standard effluent parameters	Less than 1%	We do not regularly measure and monitor water discharge quality because restaurants are designed to produce discharges of an acceptable quality for treatment by municipal facilities.
Water consumption- total volume	1-25	Water consumption at U.S. KFC and Taco Bell equity stores is equal to 15 percent of their water withdrawals, based upon sub-metering measurements. U.S. Pizza Hut equity stores' consumption would not exceed that range. We exclude all restaurants and restaurant support centers outside the U.S. because we prefer to improve our ability to collect reliable information in the U.S. before expanding our methods to include international locations.
Facilities providing fully-functioning WASH services for all workers	76-100	Yum! Brands require clean water for drinking, cooking and cleaning purposes, adequate facilities for excreta purposes, solid waste management and drainage, and general hygiene purposes. Employees also are educated to follow hygiene requirements. WASH facilities are in place in existing workplaces It is built into new restaurant design by our Development teams, included in our Food Safety Facilities and Equipment Standards and monitored by our Quality Assurance teams in the field.

**W1.2a**

**Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations**

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	All Yum! Brands water withdrawals are taken from municipal supply.
Brackish surface water/seawater	0	Not applicable	All Yum! Brands water withdrawals are taken from municipal supply.
Rainwater	0	Not applicable	All Yum! Brands water withdrawals are taken from municipal supply.
Groundwater - renewable	0	Not applicable	All Yum! Brands water withdrawals are taken from municipal supply.
Groundwater - non-renewable	0	Not applicable	All Yum! Brands water withdrawals are taken from municipal supply.
Produced/process water	0	Not applicable	All Yum! Brands water withdrawals are taken from municipal supply.
Municipal supply	3062	Lower	All Yum! Brands water withdrawals are taken from municipal supply. Water withdrawal is derived from building utility charges and average brand water costs
Wastewater from another organization	0	Not applicable	All Yum! Brands water withdrawals are taken from municipal supply.
Total	3062	Lower	This year's total water withdrawal is nearly 3.4% lower than 2015.

**W1.2b**

**Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations**

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
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Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	All discharge is returned to groundwater and municipal facilities.
Brackish surface water/seawater	0	Not applicable	All discharge is returned to groundwater and municipal facilities.
Groundwater	824	Lower	All irrigation is discharged to groundwater. Irrigation is calculated to be approximately 35 percent of total withdrawals at all KFC and Taco Bell stores. Overall, U.S. Pizza Hut equity stores have negligible irrigation volumes.
Municipal/industrial wastewater treatment plant	1823	Lower	All discharge not related to irrigation is returned to municipal facilities. It is calculated as withdrawal minus consumption minus irrigation. Irrigation is calculated to be approximately 35 percent of total withdrawals at all KFC and Taco Bell stores. Overall, U.S. Pizza Hut equity stores have negligible irrigation volumes.
Wastewater for another organization	0	Not applicable	All discharge is returned to groundwater and municipal facilities.
Total	2647	Lower	This figure is the sum of discharge volumes to groundwater and municipal treatment plant listed above.

**W1.2c**

**Water consumption: for the reporting year, please provide total water consumption data, across your operations**

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
415	Lower	Water consumption represents approximately 15 percent of total water withdrawals for KFC and Taco Bell, with minimal amounts of water consumption at Pizza Hut stores.

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**W1.3**

**Do you request your suppliers to report on their water use, risks and/or management?**

Yes

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**W1.3a**

**Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents**

<b>Proportion of suppliers %</b>	<b>Total procurement spend %</b>	<b>Rationale for this coverage</b>
1-25	1-25	Yum! Brands recognizes the importance of evaluating water use, risks, and management in our agricultural supply chain. We have selected CDP-Water supplier information from several of our top suppliers, by spend, in the United States for review with the assistance of our purchasing cooperative, Restaurant Supply Chain Services. This provides us with information including their prioritizing of water issues, specific goals and consumption that we use to benchmark their performance and better understand our overall water footprint. Enhancement of our approach in the future will assist in driving awareness of water use as well as improved management of water consumption in the supply chain. This will continue as we execute our transformation strategy announced in 2016 following the successful spin off of our Yum China business into an independent company.

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**W1.3b**

**Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management**

Primary reason	Please explain
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**W1.4**

**Has your organization experienced any detrimental impacts related to water in the reporting year?**

Yes

**W1.4a**

**Please describe the detrimental impacts experienced by your organization related to water in the reporting year**

Country	River basin	Impact driver	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
United States of America	Other:	Other: Poor Consumer Views	Brand damage	“Water use” and “water pollution” were perceived as weak performance areas by consumers and experts in Taco Bell’s 2015 materiality assessment. Although a survey didn’t occur in the current reporting year, we have no indication that this perception has changed.	Ongoing	The financial implications of a damaged reputation could negatively impact our market share, stock price and brand equity.	Promote best practice and awareness	Yum! Brands will strive to improve our water awareness, management, and disclosure to transform “water use” and “water pollution” from weaknesses to strengths in future materiality assessments.

**W1.4b**

Please choose the option below that best explains why you do not know if your organization experienced any detrimental impacts related to water in the reporting year and any plans you have to investigate this in the future

Primary reason	Future plans
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**Further Information**

**Module: Risk Assessment**

**Page: W2. Procedures and Requirements**

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**W2.1**

**Does your organization undertake a water-related risk assessment?**

Water risks are assessed

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**W2.2**

**Please select the options that best describe your procedures with regard to assessing water risks**

Risk assessment procedure	Coverage	Scale	Please explain
Water risk assessment undertaken independently of	Direct operations	All facilities	In 2015, Yum! Brands researched industry-wide water risks and best practices and surveyed internal departments' awareness of water risks as we strengthened our existing water stewardship practices. We

Risk assessment procedure	Coverage	Scale	Please explain
other risk assessments			also hired a CDP-accredited water consultant to complete a global risk assessment for over 10,000 stores using WRI's Aqueduct tool. The assessment considers stores' water risk by location, brand, and withdrawal volume. Our intent is to run the risk assessment every two years.

### W2.3

Please state how frequently you undertake water risk assessments, at what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Every two years	Country	>6 years	To insure that our assessment adequately captures the company's exposure to risk, we anticipate updating our water stress review and water risk scores every two years. We view this as important due to the number of new restaurants opened by Yum! Brands and its franchisees each year. Worldwide, the Yum! Brands system opens over six new restaurants per day on average, making it a leader in global retail development.

### W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 10 years

### W2.4a

**Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?**

Our organization’s growth strategy is to build and franchise global, iconic restaurant brands that people trust and champion. To evaluate the effects of water risks on its success, we monitor consumer attitudes towards sustainability topics, such as water, through materiality assessments and our social media listening center (“The Hive”). We also monitor water’s cost and quantity within our direct operations. Utility bills confirm that water remains a very small portion of a restaurant’s total operating costs, now and in the foreseeable future. Our WRI Aqueduct risk assessment incorporates water quality, water quantity, and projected 2030 water stress into Overall Water Risk scores to inform the Company about which equity markets are exposed to water risks that could affect new store development and impact current stores’ ability to operate successfully.

**W2.4b**

**What is the main reason for not having evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy, and are there any plans in place to do so in the future?**

Main reason	Current plans	Timeframe until evaluation	Comment

**W2.5**

**Please state the methods used to assess water risks**

Method	Please explain how these methods are used in your risk assessment
Internal company knowledge WRI Aqueduct	The coordinates of all equity stores worldwide are inserted into the WRI Aqueduct tool for consideration and assigned a water risk score based on Company baseline water stress (45%), overall water risk (45%), and projected 2030 water stress (10%). These factors are weighted to follow WRI Aqueduct's assessment of the Food & Beverage industry, specifically. Based on their scores, stores' direct operations are classified as low risk WRI (<2.7499), moderate risk (2.75 – 3.7499), or high risk (>3.75) and grouped for analysis based on their country, city, and brand. The assessment Aqueduct also compares groups' average risk score with their total estimated water use to find their combined

Method	Please explain how these methods are used in your risk assessment
	<p>risk exposure, which helps Yum! Brands prioritize which locations' new and existing stores to address first. The Yum! Brands' Sustainability team works closely with our Corporate Communications, Legal, and Financial teams to identify physical, regulatory and reputational climate-related risks to our business and Company-owned operations. The team works with our divisions and business units to mitigate them. The process for assessing risks at the Company level includes reviewing potential issues and factors such as changing government regulations, pending legislation and other opportunities for risk or cost aversion and by sourcing information from resources from key stakeholders including customers, governmental organizations, NGOs, media, peers and trade associations. Once an assessment is complete and we understand how it may impact our operations, we form working groups to determine the magnitude of the situation and timelines for impact. The Company assesses various alternatives and then determines an appropriate next step and action plan. At the Company level we assess risks that could significantly affect our business. For example, we assess the impact of shortages or interruptions in the supply of food items and other supplies to our restaurants which could adversely affect the availability, quality and cost of items we buy and the operations of our restaurants. Such shortages or disruptions could be caused by inclement weather and natural disasters like floods, droughts and hurricanes, among other factors. At the asset level, risks are assessed which could have an impact on a region, country, or specific restaurants. Legislation can impact a specific restaurant in a given city, county or municipality, or a much larger scale of units. Financial impact could be minimal per restaurant per year or it could be significant based on the requirements. Our Sustainability, Legal, Corporate Communications and Government Relations teams work closely with our impacted operators to assess risks and comply with new and/or changing legislation to determine opportunities related to efficiencies in equipment, utility usage and procurement at our Company operated operations.</p>

**W2.6**

**Which of the following contextual issues are always factored into your organization's water risk assessments?**

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	Water availability and quality is essential for stores' operation, food production, and irrigation. It is therefore monitored by the Sustainability team at a global level using the WRI Aqueduct tool to evaluate risk. The assessment considers stores' water risk by location, brand, and withdrawal volume. This provides local level information. Our restaurant Quality Assurance team is responsible for monitoring water availability and quality at the local level.
Current water regulatory frameworks and tariffs at a local level	Relevant, included	For new construction projections, our local development teams review the current local regulatory requirements and tariff as part of the feasibility assessment for new sites. Our local brand teams monitor and comply with new local regulations to avoid violations. Risks are identified and addressed by local

Issues	Choose option	Please explain
		team as part of the development process.
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	In our WRI Aqueduct risk assessment, a higher Baseline Water Stress score indicates more competition amongst users for water at a particular location. We examine stores with high Baseline Water Stress scores to ensure they are not using a disproportionate amount of water to the community in order to maintain positive relationships with stakeholders. Local restaurant managers as well as our Quality Assurance team is responsible for monitoring and addressing stakeholder issues addressing water at the local level.
Current implications of water on your key commodities/raw materials	Relevant, included	Yum! Brands acknowledges that the agricultural sector, which includes our supply chain, uses 70 percent of the world's freshwater resources globally. At Yum! Brands and our purchasing cooperative, Restaurant Supply Chain Solutions (RSCS), we are continually evaluating possible disruptions to our supply chain, including from the perspective of water. This partnership enables us to monitor current and potential future risks.
Current status of ecosystems and habitats at a local level	Relevant, included	Yum! Brands WRI Aqueduct assessment includes the "threatened amphibians" indicator, which measures the percentage of freshwater amphibian species that are classified by IUCN as threatened in an area. Higher values indicate more fragile freshwater ecosystems that may be subject to water withdrawal and discharge regulations. Local development teams are responsible for identifying and responding to risks in accordance with applicable regulations.
Current river basin management plans	Relevant, included	Our WRI Aqueduct risk assessment incorporated factors including water quality, water quantity, reputational risk, groundwater stress and threatened amphibians into current and projected 2030 Overall Water Risk scores. This provides information regarding exposure to water risks that could affect new store development and impact current stores' ability to operate successfully.
Current access to fully-functioning WASH services for all employees	Relevant, included	Yum! Brands require clean water for drinking, cooking and cleaning purposes, adequate facilities for excreta purposes, solid waste management and drainage, and general hygiene purposes. Employees also are educated to follow hygiene requirements. WASH facilities are in place in existing workplaces It is built into new restaurant design by our Development teams, included in our Food Safety Facilities and Equipment Standards and monitored by our Quality Assurance teams in the field.
Estimates of future changes in water availability at a local level	Relevant, included	Yum! Brands WRI Aqueduct assessment includes a Projected 2030 Water Stress indicator in each stores' score that shows how development and/or climate change are expected to affect water stress, the ratio of water use to supply.
Estimates of future potential regulatory changes at a local level	Relevant, included	Yum! Brands Sustainability team currently educates our Government Relations team about various sustainability issues, including water, and collaborates with them to understand the dynamic regulatory landscape around water and its impact on our Company's operations. This occurs at our quarterly sustainability update meetings.
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	Future potential stakeholder conflicts at a local level are included in the Yum! Brands WRI Aqueduct assessment through an examination of the Projected 2030 Water Stress indicator at a local level. Our Government Relations team works at the local level to continue to understand any potential stakeholder

Issues	Choose option	Please explain
		conflicts. In addition, brand development teams work closely with local regulatory bodies to understand the impact of water issues on current and proposed locations.
Estimates of future implications of water on your key commodities/raw materials	Relevant, included	Yum! Brands acknowledges that the agricultural sector, which includes our supply chain, uses 70 percent of the world's freshwater resources globally. At Yum! Brands and our purchasing cooperative, Restaurant Supply Chain Solutions (RSCS), we are continually evaluating possible disruptions to our supply chain, including from the perspective of water. This partnership enables us to monitor current and potential future risks.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Relevant, included	Yum! Brands' WRI Aqueduct assessment includes the "threatened amphibians" indicator, which measures the percentage of freshwater amphibian species that are classified by IUCN as threatened in an area. Higher values indicate more fragile freshwater ecosystems that may be subject to water withdrawal and discharge regulations. Local development teams are responsible for identifying and responding to risks in accordance with applicable regulations.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Relevant, included	Prior to construction of new projects, brand development teams complete a feasibility study that includes, among other factors, availability of water, wastewater treatment, erosion control, regulations, any known stakeholder conflicts and impacts on endangered species or other environmental conditions of the site. Financial and operation impact from this analysis can impact our development decisions and/or remediation steps.
Scenario analysis of regulatory and/or tariff changes at a local level	Relevant, included	Prior to construction of new projects, brand development teams complete a feasibility study that includes, among other factors, availability of water, wastewater treatment, erosion control, regulations, any known stakeholder conflicts and impacts on endangered species or other environmental conditions of the site. Financial and operation impact from this analysis can impact our development decisions and/or remediation steps.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Relevant, included	Prior to construction of new projects, brand development teams complete a feasibility study that includes, among other factors, availability of water, wastewater treatment, erosion control, regulations, any known stakeholder conflicts and impacts on endangered species or other environmental conditions of the site. Financial and operation impact from this analysis can impact our development decisions and/or remediation steps.
Scenario analysis of implications of water on your key commodities/raw materials	Relevant, included	Yum! Brands acknowledges that the agricultural sector, which includes our supply chain, uses 70 percent of the world's freshwater resources globally. At Yum! Brands and our purchasing cooperative, Restaurant Supply Chain Solutions (RSCS), we are continually evaluating possible disruptions to our supply chain, including from the perspective of water. This partnership enables us to monitor current and potential future risks.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Relevant, included	Prior to construction of new projects, brand development teams complete a feasibility study that includes, among other factors, availability of water, wastewater treatment, erosion control, regulations, any known stakeholder conflicts and impacts on endangered species or other environmental conditions of the site. Financial and operation impact from this analysis can impact our development decisions and/or

Issues	Choose option	Please explain
Other		remediation steps.

## W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
Customers	Relevant, included	Customers incorporate considerations about a company's sustainability and restaurants' cleanliness into their purchasing decisions. We therefore consider customers' perception about our stores' water use and pollution in corporate materiality assessments as they are performed.
Employees	Relevant, included	Yum! Brands require clean water for drinking, cooking and cleaning purposes, adequate facilities for excreta purposes, solid waste management and drainage, and general hygiene purposes. Employees also are educated to follow hygiene requirements. WASH facilities are in place in existing workplaces It is built into new restaurant design by our Development teams, included in our Food Safety Facilities and Equipment Standards and monitored by our Quality Assurance teams in the field. In addition, we include employee perspective water related issues in corporate materiality assessments as they are performed.
Investors	Relevant, included	Many sustainable, responsible and impact (SRI) investors incorporate companies' preparedness and exposure to water risk into their investment theses. Yum! Brands therefore monitors investors' water-related concerns by attending relevant panels at conferences hosted by investor forums like Ceres and USSIF. We also track our scores on investor publications that monitor our environmental performance, like MSCI IVA and Sustainalytics reports, to ensure investors have the correct and most up-to-date information about our sustainability performance. In addition, we include investor perspective water related issues in corporate materiality assessments as they are performed.
Local communities	Relevant, included	Local communities require water as an essential resource for daily living purposes. Yum! Brands monitors the ratio of available water supply to local use to identify areas where local communities may bear more water-related concerns.
NGOs	Relevant, included	Several environmental NGOs evaluate Yum! Brands' sustainability performance and engage us on issues like water. Yum! Brands listens to NGOs' water concerns in personal dialogues, industry conferences, and the media as they arise. In addition, we include NGO perspective water related issues in corporate materiality assessments as they are performed.

Stakeholder	Choose option	Please explain
Other water users at a local level	Relevant, included	Our brands will engage with other local water users if they express in interest and if required by local regulations.
Regulators	Relevant, included	The Yum! Brands Government Affairs team monitors emerging environmental regulations and engages regulators on these issues when they are relevant to the success of our business operations.
River basin management authorities	Relevant, included	Our brands will engage with local management authorities if they express in interest and if required by local regulations.
Statutory special interest groups at a local level	Relevant, included	Our brands will engage with statutory special interest groups at local levels if they express in interest and if required by local regulations.
Suppliers	Relevant, included	Yum! Brands currently receives updates about suppliers' sustainability efforts in our agricultural value chain. We review our top U.S supplier's public CDP-Water disclosures. Any water related issues that cause or have the potential to cause supply chain impact would be evaluated by our supply chain team. We do not currently globally track supplier sustainability initiatives in a systematic way. Enhancement of our approach to the issue of driving awareness of water use as well as improved management of water consumption in the supply chain will be evaluated and updated as we continue to transform our business as part of our restructuring following spin-off of Yum! China in late 2016 into an independent company.
Water utilities at a local level	Relevant, included	Water utilities/suppliers at a local level are instrumental to Yum! Brands' understanding of water use in our direct operations since water withdrawal and consumption are collected from local utility bills. Yum! therefore engages with water utilities/suppliers at a local level on an as-needed basis, for example, when a water utility does not include adequate water usage information on its monthly bills or reports water usage in an unusual or inconsistent manner.
Other		

## W2.8

Please choose the option that best explains why your organisation does not undertake a water-related risk assessment

Primary reason	Please explain

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**Further Information****Module: Implications****Page: W3. Water Risks**

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**W3.1**

**Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?**

Yes, direct operations and supply chain

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**W3.2**

**Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk**

Our water risk is embodied at both the restaurant and supply chain level. Our most basic quantitative metric that indicates exposure to water risks that could generate substantive change in our restaurant operations –is currently a Composite Risk Score of 3.00 or higher in our WRI Aqueduct assessment. Although this assessment has not been completed within the supply chain, risk would be defined as events that create increased costs, disruption or shortages. In both cases it includes any damage to the reputation our reputation or brand image.

Water risk is incorporated into the Company's broader risk management process. Water issues and initiatives are driven in partnership between the Sustainability, Corporate Communications, Legal, and Financial teams, and other key functions as relevant. These teams work together to identify substantive risks to our business and Company-owned operations that could potentially occur and work with our divisions and business units to mitigate the risks.

Risks, including water risks, are prioritized based on a number of factors that impact our organization and could create substantive change, including but not limited to regulatory, operational and reputational. More specifically, we look at the likelihood, size, and scope of the factors and the number of business units/divisions impacted. In addition, we consider the length of the factors' impact and assess whether the impact is a one-time occurrence or recurring in nature. We then make a determination whether or not it is more effective in both the short and long-term to modify, adjust or alter our business strategy given the risks.

While we do not believe that individual instances of water risk would constitute a substantive risk on their own due to the total size, decentralized nature and our ability to source from different regions of the globe if it became necessary, the potential cumulative impact of water stress on could become substantive over the long term. Due to the uncertain nature of climate change on future water stress and availability, we cannot say with certainty the timeframe or level of impact.

**W3.2a**

Please provide the number of facilities\* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure; and the proportion of company-wide facilities this represents

Country	River basin	Number of facilities exposed to water risk	Proportion of company-wide facilities that this represents (%)	Comment
United States of America	Mississippi River	1	Less than 1%	Facility is defined as a group of restaurant unit with an average WRI Risk Score above 3.0.
United States of America	St. Lawrence	1	Less than 1%	Facility is defined as a group of restaurant unit with an average WRI Risk Score above 3.0.
United States of America	Other: Santa Anna (South Coast)	1	Less than 1%	Facility is defined as a group of restaurant unit with an average WRI Risk Score above 3.0.

**W3.2b**

For each river basin mentioned in W3.2a, please provide the proportion of the company's total financial value that could be affected by water risks

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected	Comment
United States of America	Mississippi River	% global revenue	Less than 1%	High risk stores represent 0.01 percent of global revenues.
United States of	St. Lawrence	% global revenue	Less than 1%	High risk stores represent 0.01 percent of

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected	Comment
America				global revenues.
United States of America	Other: Santa Anna (South Coast)	% global revenue	Less than 1%	High risk stores represent 0.01 percent of global revenues.

### W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
United States of America	Other: All	Physical-Drought	Higher operating costs	Drought for any extended period of time could force stores to close or, for example, ship water from other locations, increasing the costs of operations. Drought could also cause disruptions in the supply chain that	>6 years	Unlikely	Low	Engagement with suppliers Increased investment in new technology Promote best practice and awareness Other: Education of franchisees implementation of restaurant standards	Cost varies according to measure implemented. For example, in existing buildings, Taco Bell spent \$53,000 irrigation systems in 37 new restaurants. In new buildings built in 2016,	There are three components to an effective response. First is to improve water efficiency of our new and existing restaurants. Water efficiency standards are included in Yum's proprietary green building

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				could result in shortages observable in the restaurants and/or higher costs due to increased commodity costs.					water efficient building fixtures, irrigation systems (such as the one used in existing Taco Bell restaurants) and process water approaches were integrated into green building standard. Supplier engagement and diversification bear no extraordinary costs but some costs may be incurred for improved systems.	standards called BlueLine. Efficient irrigation, building fixtures and equipment are included. Additional water efficiency investments are considered on an ongoing basis. Second is to maintain a diverse supply base. This is an ongoing approach to supply chain management. Third is to educate suppliers through engagement to encourage improved water management practices.
United States of America	Other: All	Physical-Increased water stress	Loss of license to operate	Areas of high water stress could limit our ability to open new restaurants	>6 years	Unlikely	Low	Engagement with community Establish site-specific targets	In 2015, we invested several thousand dollars in	Our Government Affairs and Developments team engage local

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				and avoid community stakeholder conflicts over water.				Promote best practice and awareness	hiring a CDP accredited water consultant to perform a WRI Risk Assessment we then used to establish site-specific awareness that will help us prioritize which communities to engage. This was a small cost in the context of Yum! Brands' overall operations.	communities in high risk areas as appropriate to further understand specific local concerns.
United States of America	Other: All	Regulatory-Statutory water withdrawal limits/changes to water allocation	Fines/penalties	Statutory limits to water withdrawal could result in expenditures to install water efficiency fixtures or fines for restaurants that do not comply.	>6 years	Unlikely	Low	Alignment of public policy positions with water stewardship goals Greater due diligence	No cost	We will work with our Government Relations and Brand teams to increase our knowledge of local statutory water developments and track relevant fines as

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
										they occur.
United States of America	Other: All	Reputational-Changes in consumer behavior	Brand damage	Our success depends in large part upon our ability to maintain and enhance the value of our brands and our customers' connection to our brands. Brand value is based in part on consumer perceptions on a variety of subjective qualities including, but not limited to, brand and product sustainability. Incidents that affect consumer perceptions could cause a decline in consumer confidence and decrease the value of our brands, as well as consumer demand for our products, which would likely result	>6 years	Unlikely	Low	Engagement with customers	No cost	We are committed to increasing our performance, transparency, and communications around our water stewardship efforts.

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				in lower revenues and profits.						

**W3.2d**

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
United States of America	Other: All	Physical-Drought	Supply chain disruption	Shortages or interruptions in the availability and delivery of food items to our restaurants could increase costs or reduce revenues. Supply shortages or disruptions could be caused by inclement weather and natural disasters,	>6 years	Unlikely	Low	Engagement with suppliers Supplier diversification	Supplier engagement bears no extraordinary costs since it is a routine part of operations. However, supplier diversification could increase transport costs if we determine we need to purchase commodities from suppliers farther	Yum! Brands already engages with suppliers and diversifies its supply chain on an ongoing basis. Additional emphasis within the supply chain to consider environmental implications is needed.

Country	River basin	Risk driver	Potential impact	Description of potential impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				such as floods, droughts, and hurricanes, among other factors.					away from the point of use.	

W3.2e

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your direct operations that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
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W3.2f

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain
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W3.2g

Please choose the option that best explains why you do not know if your organization is exposed to water risks that could generate a substantive change in your business operations, revenue or expenditure and discuss any future plans you have to assess this

Primary reason	Future plans
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**Further Information**

**Page: W4. Water Opportunities**

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W4.1

**Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?**

Yes

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W4.1a

**Please describe the opportunities water presents to your organization and your strategies to realize them**

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Comment
Company-wide	Cost savings	Under Blueline – Yum! Brands' proprietary green building standards – new stores realize cost savings associated	Current-up to 1 year	In 2016, markets reported nearly 600 buildings meeting the standard. As a result of this work over the first year

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Comment
		with water conservation. The Global Sustainability team currently works with the brands' development teams to implement the standards and verify them through an easy-to-use online tool. This drives progress toward our goal to have 100% of new Company-owned restaurants designed and built to Blueline standards. Franchisees also voluntarily participate in the program. The technologies and approaches used in Blueline are based on test projects whereby we sub-metered consumption to help best determine appropriate strategies to implement.		of operation, these buildings will save approximately 1.2 MM dollar from water conservation measures.
Company-wide	Cost savings	Yum! Brands stores are able to improve their water efficiency by updating water fixtures in their kitchen, drink station, bathroom and irrigation systems. To make sure these fixtures are utilized and updated, when appropriate, we occasionally sub-meter Buildings' water usage to realize opportunities and incorporate water efficiency into Yum! Brands' green building standards. Since 2005, our water efficiency projects have saved over 4,700 megaliters of water across the globe.	Current-up to 1 year	As mentioned above, stores built to Yum! Brands' Blueline green building standards provide our foundational guidance to markets regarding water conservation. These projects are selected and implemented by the markets. For example in the Netherlands, restaurants are using improved equipment to reduce water for building consumption and for process functions that is saving over \$5,000 per store annually.
Company-wide	Improved community relations	There is opportunity for us to build positive community relations by being a good environmental steward, which includes our focus on water conservation. That's why we continually evaluate the impact water has on our business and the communities we serve through tools like WRI Aqueduct and materiality assessments.	Current-up to 1 year	Dedicated resources, including our Chief Sustainability Officer and Global Sustainability team, and our brand and division teams, work together to build brands people trust and champion – this is no different when it comes to water conservation. Our cross functional teams help ensure that we are always working to introduce new technology and initiatives to make restaurants in our local communities better stewards of the natural resources we use to run our stores. For example, our KFC Australia market is very focused on water conservation and introduced water-saving measures including water efficient landscaping, high efficiency water faucets and restroom fixtures, and rainwater harvesting tanks. Globally, Australia, China, India, South Africa, Turkey, and USA all have at least one equity store classified as a high risk site that could benefit from improved water stewardship.
Company-	Increased	SRI investors consider water risks and opportunities in	1-3 years	Many SRI investors are signatories to the United

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Comment
wide	shareholder value	their evaluation of our public securities through their consideration of ESG research from MSCI, Sustainalytics, Bloomberg, CDP, Ceres, and other sources. We therefore pursue water efficiency efforts that generate a positive return on investment and disclose them as part of our targeted communications with SRI investors through the mediums mentioned above.		Nations Principles for Responsible Investment, which represents over \$60 trillion in assets under management. Many of Yum! Brands' top shareholders belong to this initiative.

W4.1b

Please choose the option that best explains why water does not present your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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W4.1c

Please choose the option that best explains why you do not know if water presents your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain
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**Further Information**

**Module: Accounting**

**Page: W5. Facility Level Water Accounting (I)**

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**W5.1**

**Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a**

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	United States of America	Mississippi River	KFC, Taco Bell, Pizza Hut	48	Lower	Caused by variances in consumption.
Facility 2	United States of America	Other: Santa Anna (South Coast)	Taco Bell	6	Lower	Caused by variances in consumption.
Facility 3	United States of America	St. Lawrence	Taco Bell, Pizza Hut	19	Lower	Caused by variances in consumption.

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**Further Information**

**Page: W5. Facility Level Water Accounting (II)**

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**W5.1a**

**Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1**

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	0	0	0	0	0	0	48	0	Yum! Brands' water withdrawals are taken from municipal supply sources only.
Facility 2	0	0	0	0	0	0	6	0	Yum! Brands' water withdrawals are taken from municipal supply sources only.
Facility 3	0	0	0	0	0	0	19	0	Yum! Brands' water withdrawals are taken from municipal supply sources only.

**W5.2**

**Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a**

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
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Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	42	Lower	Facility 1 includes KFC, Taco Bell and Pizza Hut. For KFC and Taco Bell, discharge is 85% of withdrawal. For Pizza Hut, discharge is 100% of withdrawal.
Facility 2	5	Lower	Facility 2 includes Taco Bell. For Taco Bell, discharge is 85% of withdrawal.
Facility 3	16	Lower	Facility 3 includes Taco Bell. For Taco Bell, discharge is 85% of withdrawal.

#### W5.2a

**Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2**

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	0	30	0	12	0	Facility 1 includes KFC, Taco Bell and Pizza Hut. For KFC and Taco Bell, 65% of discharge goes to municipal treatment and 35% goes to groundwater (irrigation). For Pizza Hut, irrigation is minimal and discharge goes to municipal treatment.
Facility 2	0	3	0	2	0	Facility 2 includes Taco Bell. For Taco Bell, irrigation is 35% of discharge with other water going to municipal treatment.
Facility 3	0	10	0	6	0	Facility 3 includes Taco Bell. For Taco Bell, irrigation is 35% of discharge with other water going to municipal treatment.

#### W5.3

**Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a**

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	6	Lower	Facility 1 includes KFC, Taco Bell and Pizza Hut. For KFC and Taco Bell, consumption is 15% of withdrawal. For Pizza Hut, consumption is minimal.
Facility 2	1	Lower	Facility 2 includes Taco Bell. For Taco Bell, consumption is 15% of withdrawal.
Facility 3	3	Lower	Facility 3 includes Taco Bell. For Taco Bell, consumption is 15% of withdrawal.

**W5.4**

**For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?**

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	76-100	Attestation standards established by AICPA: AT-C
Water withdrawals- volume by sources	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third party verification at this time.
Water discharges- total volumes	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third party verification at this time.
Water discharges- volume by destination	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third party verification at this time.
Water discharges- volume by treatment method	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third party verification at this time.
Water discharge quality data- quality by standard effluent parameters	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third party verification at this time.
Water consumption- total volume	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third party verification at this time.

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**Further Information**

**Module: Response**

**Page: W6. Governance and Strategy**

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**W6.1**

**Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?**

<b>Highest level of direct responsibility for water issues</b>	<b>Frequency of briefings on water issues</b>	<b>Comment</b>
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Scheduled-annual	The position with the highest level of direct responsibility for water within the Company is our Chief Sustainability Officer. The Board of Directors has ultimate responsibility for managing Company risk. The Audit Committee of the Board of Directors has oversight to the extent a water issue presents a risk to the Company. The Audit Committee is updated annually on the Company's environmental commitments and progress, including with respect to water issues.

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**W6.2**

**Is water management integrated into your business strategy?**

Yes

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**W6.2a**

**Please choose the option(s) below that best explains how water has positively influenced your business strategy**

Influence of water on business strategy	Please explain
Establishment of sustainability goals	Our sustainability goals have helped us decrease restaurants' operational costs and build brands that consumers trust and champion. As outlined in our CSR Report, we established a baseline for water consumption and have subsequently set a goal to reduce water consumption in Company-owned restaurants by 10% by the end of 2015, compared to a 2005 baseline. As our company continues to execute its transformation strategy, our initial target of achieving a 10% reduction by 2015, which we were unable to achieve, has been extended. Our approach to the important global issue of water will be updated in 2017 as we continue to transform our business. We have currently achieved 62 percent of our 10% reduction goal. In addition we have set targets to source 100% of our palm oil used for cooking from responsible and sustainable sources by the end of 2017 and to purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020. Both of these procurement goals can have a direct impact on forest health and watersheds.
Introduction of water management KPIs	Water management KPIs help us understand water's influence on stores' operating costs and our ability to operate new and existing stores in water stressed locations. We have implemented several projects under our proprietary BlueLine green building standard to reduce water consumption, including high efficiency building fixtures, irrigation systems and equipment. Over the past 10 years, these projects have saved over 4,700 megaliters of water across the globe.
Investment in staff/training	Engaging employees on water stewardship topics through conference calls, meetings and webcasts increases brand pride and improves Yum! Brands' corporate culture.
Publicly demonstrated our commitment to water	Our public commitment to water stewardship helps us build iconic brands that people trust and champion. We publicly communicated our commitment to reducing water consumption through our online CSR report.
Greater supplier engagement	Current water issues encourage us to increase our supplier engagement and diversification to ensure that water does not significantly affect the price, quality, and quantity of key agricultural supplier. We successfully added the capability to all of our markets globally to audit their suppliers, which includes water efficiency. We are currently engaging with suppliers to understand our fiber and palm oil management to better understand our environmental footprint and to meet our goals in those areas.

W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy	Please explain
No measurable influence	Water has not had a measurable negative impact on our business strategy because it continues to remain a small portion of total operating costs and has not impacted our ability to open and operate a significant number of stores worldwide. We believe the strategies we have in place to further understand and reduce our water use will prevent water from negatively influencing our business strategy in the future, as well.

**W6.2c**

Please choose the option that best explains why your organization does not integrate water management into its business strategy and discuss any future plans to do so

Primary reason	Please explain

**W6.3**

Does your organization have a water policy that sets out clear goals and guidelines for action?

Yes

**W6.3a**

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
Publicly available Company-wide Select facilities only Performance standards for direct operations Performance standards for supplier, procurement and contracting best practice Incorporated within group environmental, sustainability or EHS policy	Our environmental sustainability strategy and policy is publicly available in our CSR Report and includes direct reference to our water stewardship goal to reduce water consumption (withdrawal) in Company-owned restaurants. As our company continues to execute its transformation strategy, our initial target date of achieving a 10% reduction by 2015 has been extended to 2017. Our approach to the important global issue of water will be updated in 2017 as we continue to transform our business. In addition to we have set targets to source 100% of our palm oil used for cooking from responsible and sustainable sources by the end of 2017 and to purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020. Both of these goals are in direct response our policy in those respective areas and can have a direct impact on forest health and watersheds. Our policies provide a combination of direct reduction of operational costs in the case of restaurant water conservation, are in the interest of our stakeholders and are beneficial to the environment.

**W6.4**

**How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?**

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
+3	-12	In 2016, Yum! Brands invested in water saving measures in the United States for new buildings as part of our Blueline green building system in support of our goals. This included using more efficient building fixtures, improved process equipment and better irrigation systems with more locally adapted plant species used. This is expected to enable us to reduce our water footprint by 100 megaliters over the next year. In total our investment was estimated to be \$54,600 in the United States. The total reduction in OPEX is due not only to conservation measures but also a 213 reduction in the number of US equity stores from actions such as refranchising.

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**Further Information**

**Page: W7. Compliance**

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**W7.1**

**Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?**

No

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**W7.1a**

Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution
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**W7.1b**

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a?

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**W7.1c**

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

Impact as % of OPEX	Comparison to last year
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**Further Information**

**Page: W8. Targets and Initiatives**

**W8.1**

**Do you have any company wide targets (quantitative) or goals (qualitative) related to water?**

Yes, targets and goals

**W8.1a**

**Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made**

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Reduction in	Other: Water	Reduce water consumption in Company-owned	% reduction of water	2005	2017	62%

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
consumptive volumes	Stewardship, Cost Savings, Brand Value Projection, Risk Mitigation	restaurants 10% by the end of 2017. We originally established a baseline for water consumption and have subsequently set a goal to reduce water consumption in Company-owned restaurants by 10% by the end of 2015, compared to a 2005 baseline. As our company continues to execute its transformation strategy, our initial target of achieving a 10% reduction by 2015, which we were unable to achieve, has been extended. Our approach to the important global issue of water will be updated in 2017 as we continue to transform our business.	sourced from municipal supply			
Other: Watershed Protection	Other: Brand Value Protection, Recommended Sector Best Practice, Risk Mitigation, Water Stewardship	Use non-palm cooking oil and/or source 100% of palm oil from responsible and sustainable sources by the end of 2017. Percent of target achieved is estimated based on market self-reporting from our global survey. It is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. Range is estimated between 60-70%.	Other: % of palm oil procured from sustainable sources based on metric tonnes	2015	2017	63%
Other: Watershed Protection	Other: Brand Value Protection, Recommended Sector Best Practice, Risk Mitigation, Water Stewardship	Purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020. Both of these goals are in direct response our policy in those respective areas and can have a direct impact on forest health and watersheds. Percent of target achieved is estimated based on market self-reporting from our global survey. It is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. Range is estimated between 60-80%.	Other: % of fiber source from sustainable sources	2015	2020	75%

**W8.1b**

**Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these**

Goal	Motivation	Description of goal	Progress
Providing access to WASH in workplace	Other: Brand Value Protection, Recommended Sector Best Practice, Risk Mitigation	Yum! Brands require clean water for drinking, cooking and cleaning purposes, adequate facilities for excreta purposes, solid waste management and drainage, and general hygiene purposes. Employees also are educated to follow hygiene requirements.	WASH facilities are in place in existing workplaces. It is built into new restaurant design by our Development teams, included in our Food Safety Facilities and Equipment Standards and monitored by our Quality Assurance teams in the field.

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W8.1c

Please explain why you do not have any water-related targets or goals and discuss any plans to develop these in the future

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**Further Information**

**Module: Linkages/Tradeoff**

**Page: W9. Managing trade-offs between water and other environmental issues**

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W9.1

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

Yes

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W9.1a

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
Scarcity of potable water	Trade-off	Yum! Brands recognizes that the relatively low price of water does not reflect the global pressures on availability of potable water. Despite this dissonance which can result in longer payback periods for water conservation measures, Yum! continues to pursue investments in water efficiency approaches to meet our water stewardship goal.

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**Further Information**

**Module: Sign Off**

**Page: Sign Off**

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**W10.1**

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
David Gibbs	President and CFO	Other: President and CFO

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**W10.2**

Please indicate that your organization agrees for CDP to transfer your publicly disclosed data regarding your response strategies to the CEO Water Mandate Water Action Hub.

**Note: Only your responses to W1.4a (response to impacts) and W3.2c&d (response to risks) will be shared and then reviewed as a potential collective**

action project for inclusion on the WAH website.

By selecting Yes, you agree that CDP may also share the email address of your registered CDP user with the CEO Water Mandate. This will allow the Hub administrator to alert your company if its response data includes a project of potential interest to other parties using water resources in the geographies in which you operate. The Hub will publish the project with the associated contact details. Your company will be provided with a secure log-in allowing it to amend the project profile and contact details.

No

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#### Further Information

[CDP 2017 Water 2017 Information Request](#)