

PERFORMANCE SUMMARY

An important way we fulfill our Global Citizenship & Sustainability Strategy is by sharing progress against our goals. Below is a summary of Yum!'s performance in 2016 and 2017 with respect to our overall strategy and governance, as well as our three focus areas of food, planet and people. These goals and progress are discussed in greater detail throughout our 2017 Global Citizenship & Sustainability Report.

COMMITMENTS

2016-2017 PERFORMANCE HIGHLIGHTS

GOVERNANCE & STRATEGY

Governance & Strategy

Build three iconic brands that people trust and champion by being open and transparent about our progress, challenges and outcomes

- Established Yum! Brands' multi-year global growth and transformation strategy (Recipe for Growth)
- Refreshed our Global Citizenship & Sustainability Strategy to reflect our food, planet and people priorities
- Conducted our first formal materiality assessment to identify our most important CSR issues
- Updated division enterprise risk management process to inform global growth strategy

FOOD

Food Safety

Maintain the safest, highest-quality food supply and preparation in the industry

- Provided restaurant team member training on employee health, product handling, ingredient and product management, and prevention of cross-contamination
- Conducted more than 230,000 restaurant food safety audits between 2015 and 2017
- Conducted approximately 3,000 food safety supplier audits in 2017

Choice & Nutrition

Be the preferred restaurant for consumers seeking delicious, balanced options by offering more choice, more transparency and nutritional improvements to our ingredients

- Removed artificial flavors from 70 percent of food ingredients, with a goal of removing 100 percent by 2020*
- Removed artificial colors from 78 percent of food ingredients, with a goal of removing 100 percent by 2020*
- Removed partially hydrogenated oil from 97 percent of food ingredients, with a goal of removing 100 percent
- Pursuing a goal of offering balanced meals by having 20 percent of meal options consistent with one-third of the Recommended Daily Allowance (RDA) or foreign equivalents by 2020; currently, nearly 50 percent of restaurants have met this goal
- Provided consumers with convenient access to allergen and nutrition information

Responsible Marketing

Promote transparency about our food through responsible labeling and advertising practices in our restaurants and beyond

- Published online nutrition calculators for all three brands' U.S. menus
- Followed U.S. and international guidelines to avoid marketing to children

*In key markets, excluding co-branded ingredients and beverages

COMMITMENTS

2016-2017 PERFORMANCE HIGHLIGHTS

PLANET	
<p>Green Buildings</p> <p>Design, build and operate restaurants to be measurably more sustainable using green building standards to drive reductions in energy consumption, water use, greenhouse gas (GHG) emissions and waste</p>	<ul style="list-style-type: none"> ▪ Built 38 percent of new company-owned and franchise restaurants to green building standards ▪ Reduced energy consumption in our restaurants by 22 percent compared to a 2005 baseline ▪ Saved 4.3 million megawatt-hours (MWh) of electricity due to energy efficiency improvements between 2005 and 2017 ▪ Reduced water consumption by 10 percent compared to a 2015 baseline ▪ Diverted 25 percent of restaurant waste from landfills in 2017, including cardboard, cooking oil, donated food and mixed recyclables
<p>Supply Chain</p> <p>Engage in building a responsible supply chain that protects forests, respects human rights, supports animal welfare and enables good antimicrobial stewardship</p>	<ul style="list-style-type: none"> ▪ Published Sustainable Animal Protein Principles and Good Antimicrobial Stewardship policy ▪ Began developing unified auditing systems and policies for poultry, beef and pork ▪ Required our suppliers to minimize use of antimicrobials important to human medicine ▪ Having a goal of sourcing 100 percent sustainable palm oil by 2018; currently sourcing 87 percent of cooking oil from sustainable palm oil or non-palm sources ▪ Sourced 69 percent of global paper-based packaging and service products from either certified virgin or recycled sources in 2017, with goal of 100 percent by 2020
PEOPLE	
<p>Culture & Talent</p> <p>Create a culture of engagement that attracts, retains and grows the best people and creates high performance in our restaurants</p>	<ul style="list-style-type: none"> ▪ Delivered our Leading Culture to Fuel Results course to all leaders globally, with 95 percent participation for directors and above ▪ Launched Grow Yourself Week in 2017 to educate corporate employees on personal and professional wellness ▪ Launched brand-specific culture and leadership initiatives, including KFC's Leading With Heart program, Pizza Hut's Life Unboxed campaign and the Start With Us, Stay With Us platform at Taco Bell
<p>Diversity & Inclusion</p> <p>Build an inclusive culture among our employees, franchisees and suppliers to reflect the diversity of our customers</p>	<ul style="list-style-type: none"> ▪ Updated global strategy for diversity and inclusion, leading to a new diversity council and public diversity commitments ▪ Aligned with the Paradigm for Parity®, a coalition of companies working to increase the number of women in senior operating roles ▪ Achieved 41 percent representation of women in global management positions ▪ Conducted statistical analysis to confirm that we deliver pay parity across genders and ethnicities ▪ Signed on to CEO Action for Diversity & Inclusion™, a national coalition for workplace diversity
<p>Ethics & Human Rights</p> <p>Hold our employees, franchisees and suppliers to the highest standards of professional and ethical conduct</p>	<ul style="list-style-type: none"> ▪ Updated our Code of Conduct to reflect Yum! Brands' transformation ▪ Required our 2,000 most senior employees to complete a conflicts of interest questionnaire and certify that they have read our Code of Conduct ▪ Delivered annual compliance training to all company-owned restaurant employees ▪ Remained committed to our Supplier Code of Conduct, which addresses guidelines for working conditions consistent with international frameworks
<p>Community & Philanthropy</p> <p>Support global initiatives related to hunger relief, literacy and youth education, and nonprofits near our hometown headquarters</p>	<ul style="list-style-type: none"> ▪ Donated 6.9 million pounds of food through our Harvest program in 2017 ▪ Provided financial support, time and materials valued at \$70 million in 2017

Unless otherwise noted, "KFC" and "Pizza Hut" refer to all global restaurants and "Taco Bell" refers to all U.S.-based restaurants

