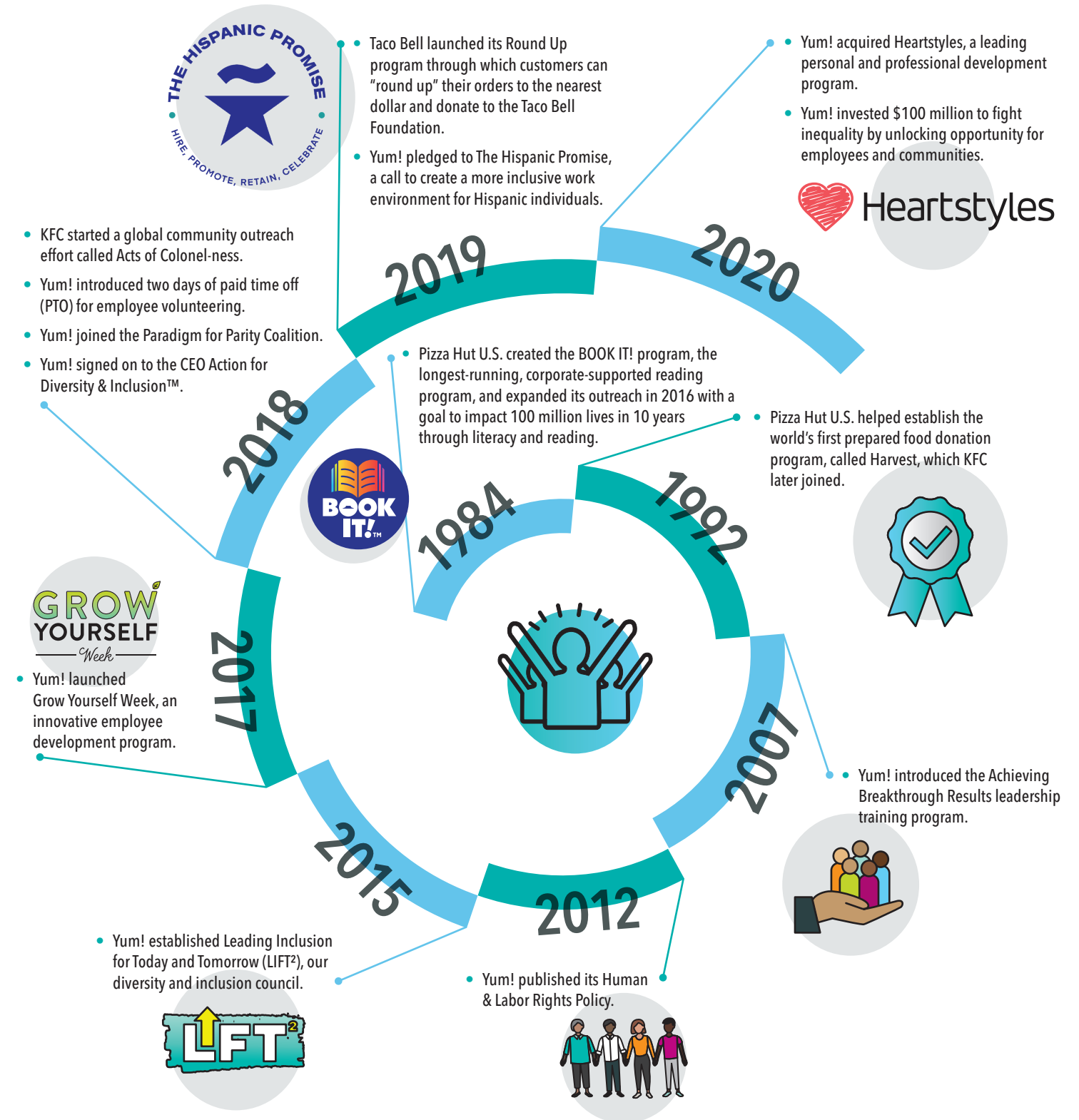


PEOPLE

We Unlock Opportunity

We are stepping up our investment in Yum!'s new social purpose to unlock opportunity in our people and communities, while championing equity, inclusion and belonging across all aspects of our brands and franchise business.

Our People Journey





"As the world's largest restaurant company, our brands and our people are our biggest assets. From the restaurant to the corner office, investing in people with globally scalable development programs that benefit our restaurant general managers is at the center of our strategy to elevate the customer experience, unlock growth for our 2,000 franchisees and make a difference in the world."

Tracy Skeans, Yum! Chief Transformation & People Officer



Transforming Culture & Talent

We believe that the unrivaled culture and talent in our brands give us a competitive advantage when it comes to growing our business. It's also a key reason why talent attraction, engagement and retention rank among the most material corporate social responsibility issues. Moving forward, we're building on our strengths and taking on new challenges by investing in strategic initiatives that unlock opportunity and create an inclusive culture for all talent to thrive at work and home.

Building World-Class Restaurant Managers

In March 2020, we [acquired the Heartstyles company](#), after years of partnership, to advance Yum!'s commitment to a people-first culture and elevate the customer experience by cultivating world-class leaders across the organization and especially at the frontline of our brands.

Yum! has initiated multi-year plans to scale Heartstyles into the restaurant so we can offer it efficiently to our more than 2,000 franchisees who run 98% of our more than 50,000 restaurants.

Created by leadership expert Stephen Klemich and Mara Klemich, Ph.D, a neuropsychologist, Heartstyles is a world-class leadership development program that will help further unlock potential and build the capabilities of people who drive performance for our restaurants around the world. Heartstyles, which has already had a profound and measurable impact where we've implemented it across our organization and into the restaurant, is an intuitive and practical method for helping people learn how to become the best versions of themselves, lead authentically and build workplace cultures that unlock the potential of teams and deliver strong results. A key component of the hands-on training program is the Heartstyles Indicator, a statistically valid online self- and 360-degree assessment and action plan that helps individuals identify and generate positive and constructive attitudes, thinking and behaviors that help them in life and at work.

Advancing Women Leaders

From being a founding member of the Women's Foodservice Forum in 1999 to establishing female mentoring programs for our restaurant general managers (RGMs) and offering leadership coaching, we know that investing in our female talent is a key element to driving growth for our business. It starts at the top with our CEO, leadership teams and franchisees who serve as champions to advance our global strategy while encouraging grassroots advocacy efforts.

In 2019, we made progress on our public commitments to increase representation of women across our global system.

In line with Paradigm for Parity's goal to advance women to senior roles and achieve gender parity in leadership globally by 2030,

40% of our global leadership positions are now held by women, making more progress in two years than in the previous 10.*

*Leadership (L12) positions are considered director level or above.

"In 2019, we launched our Lead It Forward agenda, bringing together Yum!'s top 75 women executives from across our global business to network and share know how on strengthening equity and inclusion broadly and female advancement in their home countries. We now have a growing movement of world-class programs advancing women and creating more inclusive cultures in places such as Asia, Russia, Australia, Europe and the U.S."

Tracy Skeans,
Yum! Chief Transformation & People Officer



Equity, Inclusion & Belonging

Many of our restaurant team members around the globe are navigating life's challenges in the face of inequality, and this daily experience is now compounded by a global pandemic. Today, leading with an inclusive mindset and an eye toward sustainable impact is now more important than ever.

As we navigate the road ahead in partnership with our 2,000+ franchisees around the world, we are expanding our investment in global and local programs that advance equity and inclusion from the corner office to the restaurant.

Building on our ongoing inclusion efforts, starting from the inside out, Yum! and our U.S. brands will:

- 1 Increase representation of Black, Latinx and female associates among our executive and management ranks, franchisees and suppliers. This builds on our initiative to advance women in leadership, and it will include targets that inspire and hold us accountable to aggressive progress over time.
- 2 Continue to roll out inclusive leadership and anti-racism training across our system, including company and franchise restaurants.
- 3 Partner with U.S. franchisees on implementing the Unlocking Opportunity Initiative, and leverage and expand their involvement in Yum!'s inclusion advisory group, called the Leading Inclusion for Today and Tomorrow (LIFT²) Council.
- 4 Increase Black, Latinx and other diverse representation across our teams and in our U.S. corporate leadership and agency account teams.
- 5 Invest in entrepreneurship, education and social justice in communities that have been historically marginalized and cities where our corporate offices are located.



"At Yum!, we want to unlock the power of diversity and create a culture of equity, inclusion and belonging that is so strong for all of our restaurant team members, franchisees and communities that our customers feel it."

James Fripp
Yum! Chief Equity & Inclusion Officer

KEY EQUITY & INCLUSION PARTNERSHIPS





Introducing Yum!'s New Social Purpose: Unlocking Opportunity

"On June 25, 2020, we expanded our Recipe for Good efforts and [announced our new social purpose](#) to unlock opportunity, which builds on 20 years of investing in our people-first culture and is a landmark commitment to have a positive and sustainable social impact on the communities where we operate and for the restaurant team members who work on the frontline of our brands around the world."

Jerilan Greene
Yum! Chief Communications & Public Affairs Officer and Chairman and CEO, Yum! Foundation



UNLOCKING OPPORTUNITY INITIATIVE

We're investing \$100 million over the next five years to fight inequality with focus on three areas:



Equity & Inclusion

We'll deepen our investments in efforts to produce equity, fairness, inclusion and belonging inside our company, across all aspects of our brands and throughout our franchise businesses.



Education

We'll expand access and funding of education and skills training, which both empower restaurant team members to build their best lives and uplift our communities.



Entrepreneurship

We'll create pathways to entrepreneurship for restaurant employees wanting to lead a business, franchise or social enterprise, as well as for small businesses and social entrepreneurs looking to make a meaningful difference in their communities.



Q: What inspired Yum! to launch a new social purpose?

A: We know that today's leading companies demonstrate social value alongside financial value. And while our company benefits society in many ways – as you can read throughout this report – we wanted to identify specific issues where we could make a unique difference. More than a year ago, we began our journey listening to outside stakeholders and interviewing leaders across the business. We heard a common theme: the importance of investing in people. Our 2,000 franchisees employ most of the more than 1.6 million people worldwide working for our brands, and their businesses help support thousands of local economies. Therefore, we've built a social purpose framework around unlocking opportunity for frontline restaurant team members and communities by increasing access to ingredients for a positive future – equity and inclusion, education and entrepreneurship.

Q: How did the events of 2020, including COVID-19 and instances of racial injustice, tie into your decision to launch a new social purpose?

A: Our global leadership team was already developing our path forward on Unlocking Opportunity when the events of 2020 unfolded and helped us refine our point of view on where we wanted Yum! to make a sustainable difference. The global Unlocking Opportunity Initiative we announced is a refinement of what Yum! has been doing for 20 years – investing in unlocking the potential of people. Now, more than ever, we recognize the many faces of inequality that challenge the lives of the people working in our brands or local communities. Alongside our franchisees, we plan to do our part on a long-term journey and are excited that Yum! can contribute to the global movement against inequality in a meaningful and intentional way that aligns with who we are as a company.

Brand Community Impact

Our brands focus their community impact efforts on the issues they're most passionate about and that align with their brand identities. Altogether, our brands donated more than \$66 million to communities around the world in 2019. From supporting youth through education and literacy to fighting hunger, here are a few of the ways they are giving back:



KFC continues to tackle child hunger through the Add Hope program in South Africa, and its partnership with Blessings in a Backpack in the U.S., which kept children fed during school closures in 2020.



Pizza Hut U.S. expanded its support of First Book's Stories for All Project™, a collection of diverse books and educational resources that reflect myriad experiences, cultures and communities. Additionally, Pizza Hut International invested in RGMs around the world through scholarships for continued education.



Taco Bell launched Round Up, through which customers are encouraged to round up their order total to the nearest dollar, with the extra change being donated to the Taco Bell Foundation and No Kid Hungry – raising \$30 million since its inception in 2019.

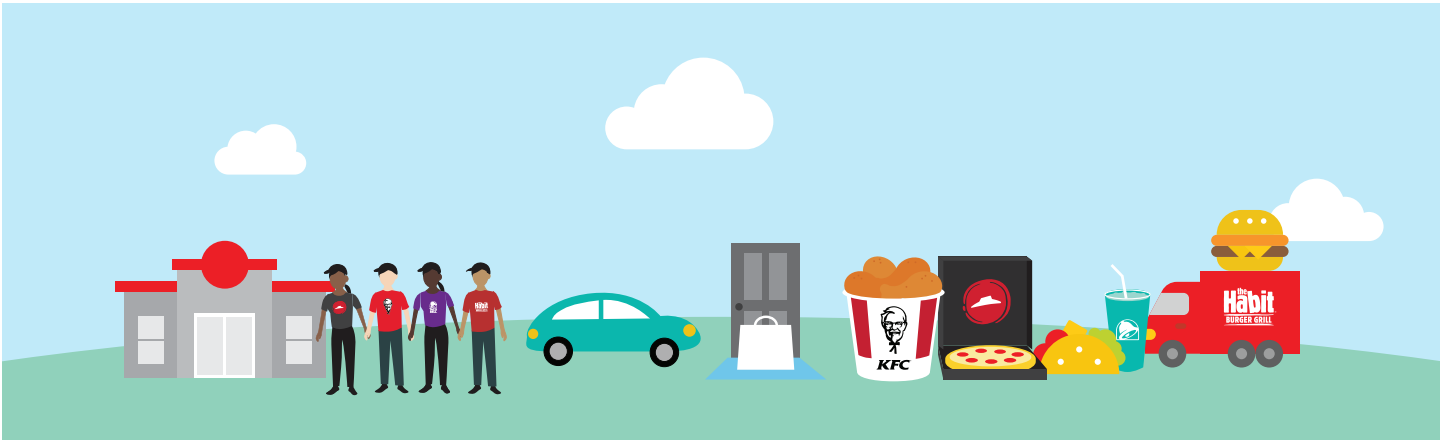


The Habit Burger Grill continues its fight to help end childhood hunger in America through its partnership with No Kid Hungry.



Yum! Foundation Continues to Spread Good

The Yum! Foundation has grown its impact in a number of ways. In 2019, it expanded from providing domestic employee matching gifts and disaster relief to international support. This broader focus was essential throughout the COVID-19 crisis. In response to recent instances of racial injustice, the Foundation [pledged](#) \$3 million to advance equality and social justice, \$1 million of which will go to community organizations identified with input from RGMs across the U.S. In Louisville, Kentucky, we continued to give to our three community partners – Dare to Care, Metro United Way and Fund for the Arts – with a special focus on lifting Black voices through the work of these organizations.



YUM!'S COVID-19 RESPONSE

As we navigated the coronavirus pandemic, our number-one priority was the health and safety of our KFC, Pizza Hut, Taco Bell and The Habit Burger Grill employees, customers and franchisees. During this difficult time, [our response](#) included the following:



Supporting Impacted Employees

- Global Medical Relief Fund for restaurant team members and family members diagnosed with COVID-19
- One-time \$1,000 bonuses for nearly 1,200 RGMs at company-owned stores
- One-time bonuses for employees at company-owned stores
- Paid leave for company-owned restaurant employees unable to work



Keeping Restaurants Open Safely

- Low-contact options including delivery, drive-thru and curbside pickup
- Contactless delivery through our own and third-party services
- Temperature checks and counter shields for increased safety



Helping Franchise Business Owners

- Global Franchise Health and COVID-19 Support Team for business continuity
- Capital assistance and grace periods for payments



Giving Back to Communities

- Hundreds of thousands of meals donated to food banks, healthcare workers and other essential personnel
- Books and other educational resources for students without access to these items at home

PEOPLE 2019 Performance Summary

		Goal	Status
Culture & Talent	Create a culture of engagement that attracts, retains and grows the best people and creates high performance in our restaurants.	Measure Yum! Brands' employee engagement.	In 2019, we launched an enhanced global employee engagement survey to all corporate employees, and results showed a 90% engagement level. Yum! outperformed benchmarked companies with engagement among Yum! employees in the 95th percentile.
		Provide Yum! Brands' employees with training and development that builds world-class leaders and business results.	More than 33,000 employees participated in training programs in 2019, including our leadership development program, Heartstyles, and unconscious bias program, Inclusive Leadership, as well as on compliance polices, including our Code of Conduct, with more than 2 million corporate training hours logged.
Equity, Inclusion & Belonging	Build an inclusive culture among our employees, franchisees, suppliers and partners to reflect the diversity of our customers and communities.	Continue building upon ongoing inclusion efforts to help ensure our workplaces are environments where all people can be successful.	Launched the Yum! Unlocking Opportunity Initiative with an investment of \$100 million over the next five years to fight inequality for employees and communities around the globe with a focus on three key areas, one of which is Equity, Inclusion and Belonging.
		Significantly increase the number of women in senior leadership globally and achieve gender parity in leadership globally by 2030 in alignment with Paradigm for Parity®.	Aligned with the Paradigm for Parity®, a coalition of companies working to increase the number of women in senior operating roles. In 2019, 40% of global leadership roles were held by women, and half of our global workforce were women.
		Significantly increase diverse representation of underrepresented minorities in the U.S. among corporate employees.	Increased focus on coaching capability, sponsorship programs and customized individual development plans. Joined We Are All Human's Hispanic Promise, a national pledge to hire, promote, retain and celebrate Hispanics in the workplace.
Community & Philanthropy	Support global initiatives related to hunger relief, literacy and youth education, as well as nonprofits near our hometown headquarters.	Continue rolling out Inclusive Leadership training and anti-racism training across our system, including company-owned and franchise restaurants.	Continued expanding our Inclusive Leadership training to employees and franchisees around the world and started to develop an online module of the program to help provide more access to the curriculum.
		Donate food, funds, time and talent to help local and global communities.	Our global organization donated \$66 million in 2019, supporting brand efforts such as the KFC Foundation, Pizza Hut's BOOK IT! program and the Taco Bell Foundation's Live Más Scholarship. We also donated 5.95 million pounds of food through our Harvest program.
Ethics & Human Rights	Hold our employees, franchisees and suppliers to the highest standards of professional and ethical conduct.	Remain committed to our Global Code of Conduct and Supplier Code of Conduct, which addresses guidelines for working conditions consistent with frameworks such as those of the International Labour Organization (ILO) and the United Nations Guiding Principles on Human Rights.	<ul style="list-style-type: none"> Tracked about 140,000 hours of training on issues related to human rights policies and the ethical treatment of individuals in our system. Established global membership with Sedex, one of the world's leading ethical trade membership organizations that works with business to improve working conditions in global supply chains, to further strengthen our existing supply chain auditing capabilities with focus on human rights and labor practices.