

# Yum! Brands, Inc. - Climate Change 2018

## C0. Introduction

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### C0.1

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**(C0.1) Give a general description and introduction to your organization.**

Yum! Brands, Inc., headquartered in Louisville, Kentucky, has over 45,000 corporate-owned and franchised restaurants in more than 135 countries and territories. In 2017, Yum! Brands was named to the Dow Jones Sustainability North America Index, was ranked among the top 100 Best Corporate Citizens by Corporate Responsibility Magazine, and is one of Aon Hewitt's Top Companies for Leaders in North America. In 2018 Yum! Brands was recognized as part of the inaugural Bloomberg Gender-Equality Index. 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 seven new restaurants per day on average, making it a leader in global retail development.

### C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 1	January 1 2017	December 31 2017	No	<Field Hidden>
Row 2	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Row 3	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>
Row 4	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>

## C0.3

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**(C0.3) Select the countries/regions for which you will be supplying data.**

Australia  
 Brazil  
 Canada  
 France  
 Germany  
 India  
 Netherlands  
 Russian Federation  
 South Africa  
 Spain  
 Thailand  
 Turkey  
 United Kingdom of Great Britain and Northern Ireland  
 United States of America

## C0.4

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

C0.5

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your consolidation approach to your Scope 1 and Scope 2 greenhouse gas inventory.**

Operational control

C1. Governance

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C1.1

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**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

C1.1a

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**(C1.1a) Identify the position(s) of the individual(s) on the board with responsibility for climate-related issues.**

Position of individual(s)	Please explain

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Position of individual(s)	Please explain
Chief Executive Officer (CEO)	Our CEO has ultimate responsibility for climate-related issues and is a member of the Board of Directors. The Audit Committee of the Board of Directors is updated annually on the Company's environmental commitments and progress. Within the management structure, the CEO entrusts the Vice-President of Global Citizenship and Sustainability to drive company strategy relating to climate change. This individual is responsible for: <ul style="list-style-type: none"> <li>• Leveraging sustainability to promote business growth, drive brand equity and minimize business, social and financial risks of Yum! Brands' global business enterprise;</li> <li>• Focusing on the scope of the business model for the entire business enterprise globally (Franchisee and Corporate);</li> <li>• Ensuring Yum! Brands operates efficiently and sustainably to drive shareholder value and brand positioning.</li> </ul>

## C1.1b

**(C1.1b) Provide further details on the board's oversight of climate-related issues.**

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<p>Yum! Brands believes that good corporate governance is a critical factor in achieving business success and embraces practices that align with management and shareholder interests. Oversight for environmental, social and governance (ESG) issues ultimately resides with the Yum! Brands Board of Directors, which is briefed through its Audit Committee on an annual basis. Historically, the brief has been conducted by our Vice President of Global Citizenship and Sustainability and/or General Counsel. Key topics for the reporting year included setting of our updated sustainability strategy, and reporting progress against goals including our energy and climate targets.</p>

## C1.2

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**(C1.2) Below board-level, provide the highest-level management position(s) or committee(s) with responsibility for climate-related issues.**

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	Both assessing and managing climate-related risks and opportunities	Annually

## C1.2a

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**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored.**

The Vice President of Global Citizenship and Sustainability is responsible for leading the execution of the ESG strategy, including climate-related issues. This position reports to the Yum! General Counsel and ultimately to the Chief Executive Officer and chairs our ESG Council which consists of senior leaders across the company including:

- Vice President of Global Citizenship and Sustainability
- Vice President, Supply Chain
- Global Chief Food Safety Officer
- Global Chief Communications Officer

- Chief Food Innovation Officer
- Chief Transformation and People Officer
- General Counsel/Associate General Counsel

Oversight for environmental, social and governance (ESG) issues ultimately resides with the Yum! Brands Board of Directors, which is briefed through its Audit Committee on an annual basis. The brief, on behalf of the ESG Council, typically is performed by our Vice President of Global Citizenship and Sustainability and/or General Counsel.

Additional duties of the Vice President of Global Citizenship and Sustainability include the representation of sustainability issues, such as climate change, on the Yum! Risk Committee. This senior level committee is responsible for the evaluation and reporting (as appropriate) of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. This committee, which looks at short, medium and long term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors. More specifically, the size and scope of the potential impact are considered as are the possible duration, and whether the impact is likely to be a one-time occurrence or recurring in nature. The effect of the risk on business strategy given the risks and opportunities in both the short and long term is then considered.

### C1.3

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**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

Yes

## C1.3a

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**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues.**

**Who is entitled to benefit from these incentives?**

Chief Sustainability Officer (CSO)

**Types of incentives**

Monetary reward

**Activity incentivized**

Energy reduction project

**Comment**

The Vice President of Global Citizenship and Sustainability serves as the Chief Sustainability Officer and is responsible for leading the execution of the Yum! sustainability strategy, including climate change. Performance of the corporation is factored into incentives.

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**Who is entitled to benefit from these incentives?**

Environment/Sustainability manager

**Types of incentives**

Monetary reward

**Activity incentivized**

Energy reduction target

**Comment**

Climate related goals are delegated to the appropriate business management units/divisions and teams within those business management units/divisions. Performance against these goals impact overall performance scores and compensation adjustments for employees who are accountable for our goals As one example, members of our Global Sustainability Team were directly responsible for surpassing our energy reduction target to reduce energy consumption in Company-owned restaurants 15% by the end of 2015. The team's performance against these targets were evaluated at a six-month progress review and an annual performance review. We continue to apply this approach to our ongoing efforts.

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**Who is entitled to benefit from these incentives?**

All employees

**Types of incentives**

Recognition (non-monetary)

**Activity incentivized**

Energy reduction target

**Comment**

Achievements that drive business results, including those that reduce the Company's environmental impacts, are sometimes recognized by non-monetary recognition awards. Recognition is an integral part of the Yum! Brands culture and everyone across the Company is encouraged to celebrate the achievements of others. Awards that have been given for progress in achieving sustainability targets include our "Positive Spark" award which has been presented to employees for their contributions toward our sustainability targets. For example, associates in China and France have received the "Positive Spark" award for sustainability initiatives such as LEED restaurant development. We also have given our "Green Apple" award for contributions toward sustainability education within the company. Individuals in the U.K., China, Australia and the U.S. have received this recognition.

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**Who is entitled to benefit from these incentives?**

All employees

**Types of incentives**

Other non-monetary reward

**Activity incentivized**

Energy reduction project

**Comment**

Employees who contribute to the success of Yum! Brands are eligible for the "Achieving Breakthrough Results" award. This award involves recognition and a monetary award or equity grant for efforts that drive breakthrough results for the Company. For example, it has been awarded to certain employees who are helping to achieve our sustainability targets through efforts such as our Citizenship and Sustainability Report and CDP responses.

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## C2. Risks and opportunities

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### C2.1

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**(C2.1) Describe what your organization considers to be short-, medium- and long-term horizons.**

	From (years)	To (years)	Comment
Short-term	0	2	All time horizons are intended to be directional in nature. Forward looking time frames or statements are not predictions nor guarantees of future events or performance. They are subject to change and no assurance that they will represent future outcomes or events is provided.
Medium-term	2	5	All time horizons are intended to be directional in nature. Forward looking time frames or statements are not predictions nor guarantees of future events or performance. They are subject to change and no assurance that they will represent future outcomes or events is provided.
Long-term	5	25	All time horizons are intended to be directional in nature. Forward looking time frames or statements are not predictions nor guarantees of future events or performance. They are subject to change and no assurance that they will represent future outcomes or events is provided.

### C2.2

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**(C2.2) Select the option that best describes how your organization's processes for identifying, assessing, and managing climate-related issues are integrated into your overall risk management.**

Integrated into multi-disciplinary company-wide risk identification, assessment, and management processes

### C2.2a

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**(C2.2a) Select the options that best describe your organization's frequency and time horizon for identifying and assessing climate-related risks.**

	Frequency of monitoring	How far into the future are risks considered?	Comment
Row 1	Annually	>6 years	We disclose annually on our sustainability progress and include risk evaluation into our standard review processes to better manage our environmental footprint as a global company. Our VP of Citizenship and Sustainability represents sustainability issues, such as climate change, on the Yum! Risk Committee. This senior level committee is responsible for the evaluation and reporting (as appropriate) of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings.

## C2.2b

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**(C2.2b) Provide further details on your organization's process(es) for identifying and assessing climate-related risks.**

Yum! Brands believes that good corporate governance is a critical factor in achieving business success and embraces practices that align with management and shareholder interests. At the company level, oversight for environmental, social and governance (ESG) issues ultimately resides with the Yum! Brands Board of Directors, which is briefed through its Audit Committee on an annual basis. The brief, on behalf of the ESG Council, historically has been conducted by our Vice President of Global Citizenship and Sustainability and/or General Counsel. The Vice President of Global Citizenship and Sustainability chairs the ESG Council and is responsible for coordinating risk management and opportunity identification, including climate change. This senior leader also works with sustainability leads at KFC, Pizza Hut, and Taco Bell to develop and lead the execution of the strategy which addresses risk and opportunities at the brand level. Brand sustainability leads work within individual markets and departments such as Development, Operations, and Supply Chain.

Additional duties of Vice President of Global Citizenship and Sustainability include the representation of sustainability issues, such as climate change, on the Yum! Risk Committee. This senior level committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. This committee, which looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the

business including, but not limited to, financial, operational and reputational factors. More specifically, the size and scope of the potential impact are considered as are the possible duration, and whether the impact is likely to be a one-time occurrence or recurring in nature. The effect of the risk on business strategy given the risks and opportunities in both the short and long term is then considered.

Working groups determine the magnitude and timelines for impact. The Company assesses alternatives and determines an appropriate next step and action plan. 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. Another example is our standing ESG Working Group a cross functional team which includes representation from government relations, legal, finance and communications, that engages in ongoing efforts such as our materiality assessment, disclosures to sustainability rating and ranking agencies, and our citizenship report. Yum! Global Sustainability is responsible for managing this group as well as ESG metrics, analysis and disclosures.

Our organization currently defines “substantive financial or strategic impact” in the area of climate change as shortages or interruptions in the availability and delivery of food and other supplies that may increase costs or reduce revenues; increases in food prices which have an adverse impact on profit margins; changes in operating costs that adversely affect our results of operations, including energy, governmental regulations that may adversely affect our business operations, growth processes, or financial condition; health concerns arising from outbreaks of viruses or other diseases; events that would potentially disrupt our corporate reputation.

An example of these risks can be seen in the United Kingdom as the costs of complying with environmental regulations could be locally relevant, due to factors such as installing new equipment or paying additional taxes on energy use. However, there are also savings opportunities that can be realized with the implementation of energy conservation. Brands and markets conduct business cases prior to implementing approaches to take advantage of opportunities. An example of this is the implementation of our green building standard called Blueline.

## C2.2c

### (C2.2c) Which of the following risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Our Government Relations team monitors for adopted climate related regulations to include in our corporate risk analysis. The Global Sustainability team developed a green restaurant design standard, called Blueline, that has been implemented that addresses reducing carbon emissions. Risks are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee.
Emerging regulation	Relevant, always included	Our Government Relations team monitors for pending climate related regulations to include in our corporate risk analysis. The Global Sustainability team developed a green restaurant design standard, called Blueline, that has been implemented that addresses reducing carbon emissions. Risks are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee.
Technology	Relevant, always included	Our Yum! Chief Information Security Officer is responsible for risk evaluation and deploying a number of strategies consistent with common industry practices to mitigate cybersecurity risk, including: companywide policies and standards, risk assessments, and risk based security and encryption protocols. Risks are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee.
Legal	Relevant, always included	Our Concepts and their franchisees are subject to numerous laws and regulations around the world. These laws change regularly and are increasingly complex. These include many areas of sustainability including but not limited to environmental laws and regulations, health, sanitation, food, and workplace safety. Risks are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee.
Market	Relevant, always included	The Vice President of Global Citizenship and Sustainability works with sustainably leads at KFC, Pizza Hut, and Taco Bell to develop and lead the execution of the strategy which addresses risk and opportunities. Brand sustainability leads work within individual markets and departments such as and including Development, Operations, and Supply Chain. Risks are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee.
Reputation	Relevant, always included	The financial implications of a damaged reputation could negatively impact our market share, stock price and brand equity. For example, same-store sales for our China division declined 18% in the fourth quarter of 2014 following a supply chain issue in July of that year which adversely impacted our reputation with our customers. Risks are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee.
Acute physical	Relevant, always included	This risk can impact the availability and price of our products that are contingent on stable precipitation patterns. For example, a significant amount of our annual spend in our U.S. supply chain is with food products. Impact of any event would be determined by geographical extent and severity of the drought. Our ability to source from a diversified supplier base helps to minimize potential impacts. Risks are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee.
Chronic physical	Relevant, always included	Restaurants are a relatively energy intensive business based on the size of our operations. Cost to procure energy vary significantly in different countries across the globe. Disruptions in supply and general cost increases can lead to financial burdens on restaurants. Examples of markets for our restaurants that tend to be subject to high prices or supply disruptions are India, South Africa and numerous counties in our Latin America and Caribbean market. Although these impacts are acute at one scale they tend to widespread and persistent. Risks are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee.

	Relevance & inclusion	Please explain
Upstream	Relevant, always included	The Yum! Brands Crisis Management Program is dedicated to anticipating, identifying and managing potential emerging food safety issues at the local, regional and global levels to protect the health and safety of our consumers and employees. In the event of a crisis, we have global Crisis Core Teams (CCTs) and a community outbreak detection system in place that constantly monitors foodborne illnesses, contamination and other food safety issues worldwide. CCTs monitor potential risks for appropriate mitigation and response coordination. Risks are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee.
Downstream	Relevant, always included	We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters. We continually evaluate the impact climate change has on our business and understand that as a large food retailer, changes in precipitation extremes have the potential to influence the price, quality and supply of materials in targeted regions. Risks are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee.

## C2.2d

### **(C2.2d) Describe your process(es) for managing climate-related risks and opportunities.**

Yum! Brands believes that good corporate governance is a critical factor in achieving business success and embraces practices that align with management and shareholder interests. At the company level, oversight for environmental, social and governance (ESG) issues ultimately resides with the Yum! Brands Board of Directors, which is briefed through its Audit Committee on an annual basis. The brief, on behalf of the ESG Council, typically is performed by our Vice President of Global Citizenship and Sustainability and/or General Counsel. The Vice President of Global Citizenship and Sustainability chairs the ESG Council and is responsible for coordinating risk management and opportunity identification, including climate change. This senior leader also works with sustainability leads at KFC, Pizza Hut, and Taco Bell to develop and lead the execution of the strategy which addresses risk and opportunities at the brand level. Brand sustainability leads work within individual markets and departments such as Development, Operations, and Supply Chain.

Additional duties of Vice President of Global Citizenship and Sustainability include the representation of sustainability issues, such as climate change, on the Yum! Risk Committee. This senior level committee is responsible for the evaluation and as appropriate,

reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. This committee, which looks at short, medium and long term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors. More specifically, the size and scope of the potential impact are considered as are the possible duration, and whether the impact is likely to be a one-time occurrence or recurring in nature. The effect of the risk on business strategy given the risks and opportunities in both the short and long term is then considered. Working groups determine the magnitude and timelines for impact. The Company assesses alternatives and determines an appropriate next step and action plan. 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. Another example is Yum!'s ESG Working Group that that engages in ongoing efforts such as our materiality assessment, disclosures to sustainability ratings and rankings agencies, and our citizenship report. Yum! Global Sustainability is responsible for managing this group as well as ESG metrics, analysis and disclosures.

One example of how this process has been applied to a transition risk is the monitoring and management of changes in regulation. Our Concepts and their franchisees are subject to numerous laws and regulations around the world, which change regularly and are increasingly complex. In order to mitigate and manage the regulatory mandates and increased compliance costs that this risk can cause, we utilize a multi-lateral approach focused on managing our carbon reduction efforts that includes our Global Sustainability and Government Relations teams as well as brand and market teams. We routinely work with key stakeholders to mitigate impacts that could be created by current or expected regulations concerning climate change. For example, our Global Sustainability team developed a green restaurant design standard that has been implemented, reducing carbon emissions as well as decreasing the corresponding carbon taxes where they apply such as in the U.K.

One example of how this process has been applied to a physical risk is the prevention and mitigation of virus and disease outbreaks within our global restaurants. Food safety starts with our leadership and cascades to our franchise partners and restaurant employees. The Yum! Brands Crisis Management Program is dedicated to anticipating, identifying and managing potential emerging food safety issues at the local, regional and global levels to protect the health and safety of our consumers and employees. In the event of a crisis, we have global Crisis Core Teams (CCTs) and a community outbreak detection system in place that constantly monitors foodborne illnesses, contamination and other food safety issues worldwide. CCTs monitor potential risks for appropriate mitigation and response coordination.

## C2.3

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**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

## C2.3a

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**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Transition risk

**Primary climate-related risk driver**

Policy and legal: Mandates on and regulation of existing products and services

**Type of financial impact driver**

Policy and legal: Increased operating costs (e.g., higher compliance costs, increased insurance premiums)

**Company- specific description**

Changes in, or non-compliance with governmental regulations: Our Concepts and their franchisees are subject to numerous laws and regulations around the world. These laws change regularly and are increasingly complex. These include many areas of sustainability including but not limited to environmental laws and regulations, health, sanitation, food, and workplace safety such as GHG regulations in the U.K.

**Time horizon**



Long-term

**Likelihood**

Unlikely

**Magnitude of impact**

Medium-low

**Potential financial impact**

**Explanation of financial impact**

Compliance with new or existing laws and regulations could impact our or our Concepts' franchisees' operations. The compliance costs associated with these laws and regulations could be substantial. Increased regulation could result in higher energy costs. This could either directly impact restaurants or be embedded in the supply chain. For example, since 2013, we have seen annual increases in our energy costs in the U.K. due to environmental regulation. This trend is expected to continue. Our equity stores in the U.K that have a half hourly metered consumption greater than 6,000 mWh per year meet the profile for the CRC Energy Efficiency Scheme. For example, from April 2015 to March 2016, our U.K. market paid \$1,040,335.98 USD.

**Management method**

We have dedicated resources focused on managing our carbon reduction efforts that include a Global Sustainability team and a Government Relations team, as well as brand and market teams. We routinely work with key stakeholders to mitigate impacts that could be created by current or expected regulations concerning climate change. For example, our Global Sustainability team developed a green restaurant design standard that has been implemented in the U.K., reducing carbon emissions by over 20% and resulted in a reduction in the carbon taxes paid.

**Cost of management**

**Comment**

Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. The cost of climate-risk management largely included in broader and risk management efforts. Specific costs are primarily driven by investing in education and training of key stakeholders, especially our employees, to adopt and implement our strategy to mitigate risk.

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**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Transition risk

**Primary climate-related risk driver**

Reputation: Shifts in consumer preferences

**Type of financial impact driver**

Reputation: Reduced revenue from decreased demand for goods/services

**Company- specific description**

Brand Reputation: Our success depends in large part upon our ability and our Concepts' franchisees' ability to maintain and enhance the value of our brands and our customers' loyalty to our brands. Brand value is based in part on consumer perceptions on a variety of subjective qualities. Business incidents, whether isolated or recurring, and whether originating from us, franchisees, competitors, suppliers or distributors, can significantly reduce brand value and consumer trust, particularly if the incidents receive considerable publicity or result in litigation. For example, our Concepts' brands could be damaged by claims or perceptions about the quality or safety of our products or the quality or reputation of our suppliers, distributors or franchisees, regardless of whether such claims or perceptions are true. Similarly, entities in our supply chain may engage in conduct, human rights abuses or environmental wrongdoing, and any such conduct could damage our or our Concepts' brands' reputations. The risk for this driver occurs in both Direct Operations and in the Supply Chain as reputation is important for all components of our value chain. As such it is important to all of stakeholders including customers and investors. One example of this was the issue experienced with a supplier in China in 2014.

**Time horizon**

Long-term

**Likelihood**

Unlikely

**Magnitude of impact**

Medium-low

**Potential financial impact**

**Explanation of financial impact**

The financial implications of a damaged reputation could negatively impact our market share, stock price and brand equity. For example, same-store sales for our China division declined 18% in the fourth quarter of 2014 following a supply chain issue in July

of that year which adversely impacted our reputation with our customers.

### **Management method**

We have resources including our Vice President of Global Citizenship and Sustainability, Chief Communications Officer, General Counsel to actively monitor and engage in this area. Brand teams, are focused on building three iconic brands people trust and champion. To deliver this commitment to our consumers, our teams focus on developing great-tasting product options at affordable prices built on our rigorous quality and safety standards. Oversight for environmental, social and governance (ESG) issues ultimately resides with the Yum! Brands Board of Directors, which is briefed through its Audit Committee on an annual basis. The brief typically is performed by our General Counsel and/or our Vice President of Global Citizenship and Sustainability. We proactively publicly communicate the Company position on being good corporate stewards. Our Citizenship and Sustainability Report and other public disclosures such as CDP. For example, when launching we have held multiple Twitter Chats through a third-party media company called Triple Pundit to share our progress against key environmental goals to engaged stakeholders to demonstrate our commitment to transparency and maintaining a positive brand position.

### **Cost of management**

#### **Comment**

Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. The cost of climate-risk management largely included in broader and risk management efforts. Specific costs are primarily driven by investing in education and training of key stakeholders, especially our employees, to adopt and implement our strategy to mitigate risk.

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### **Identifier**

Risk 3

### **Where in the value chain does the risk driver occur?**

Supply chain

### **Risk type**

Physical risk

### **Primary climate-related risk driver**

Please select

### **Type of financial impact driver**

Please select

### **Company- specific description**

Shortages or interruptions in the availability and delivery of food and other supplies: The products sold by our Concepts and their franchisees are sourced from a wide variety of domestic and international suppliers. We, along with our Concepts' franchisees, are also dependent upon third parties to make frequent deliveries of food products and supplies that meet our specifications at competitive prices. Shortages or interruptions in the supply of food items and other supplies to our Concepts' restaurants could adversely affect the availability, quality and cost of items we use and the operations of our restaurants. Such shortages or disruptions could be caused by inclement weather, natural disasters, other a variety of other issues. Our supply chain group monitors potential shortages and/or interruptions so that alternative supply sources can be obtained if needed. An advantage of our global supply chain is the ability to adapt to localized shortages and/or interruptions.

### **Time horizon**

Long-term

### **Likelihood**

Unlikely

### **Magnitude of impact**

Medium-low

### **Potential financial impact**

### **Explanation of financial impact**

A shortage or interruption in the availability of certain food products or supplies could increase costs and limit the availability of products critical to restaurant operations, which in turn could lead to restaurant closures and/or a decrease in sales. In addition, failure by a key supplier or distributor for our Concepts and/or our Concepts' franchisees to meet its service requirements could lead to a disruption of service or supply until a new supplier or distributor is engaged, and any disruption could have an adverse effect on our business. This risk can impact the availability and price of our products that are contingent on stable precipitation patterns. For example, a significant amount of our \$6 billion a year spend in our U.S. supply chain is with food products. Impact of any event would be determined by geographical extent and severity of the drought. Our ability to source from a diversified supplier base helps to minimize potential impacts.

### **Management method**

We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters. We continually evaluate the impact climate change has on our business and understand that as a large food retailer, changes in precipitation extremes have the potential to influence the price, quality and supply of materials in targeted regions.

## Cost of management

### Comment

Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. The cost of climate-risk management largely included in broader and risk management efforts. Specific costs are primarily driven by investing in education and training of key stakeholders, especially our employees, to adopt and implement our strategy to mitigate risk.

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### Identifier

Risk 4

### Where in the value chain does the risk driver occur?

Supply chain

### Risk type

Physical risk

### Primary climate-related risk driver

Please select

### Type of financial impact driver

Please select

### Company- specific description

Increase in food prices and potentially adverse impacts on profit margins: Our and our Concepts' franchisees' businesses depend on reliable sources of large quantities of raw materials such as proteins (including poultry, pork, beef and seafood), cheese, oil, flour and vegetables (including potatoes and lettuce). Raw materials purchased for use in our Concepts' restaurants are subject to price volatility caused by any fluctuation in aggregate supply and demand, or other external conditions. Our supply chain group monitors potential adverse cost factors so that alternative supply sources can be obtained if needed. An advantage of our global supply chain is the ability to adapt to better adapt to localized fluctuations.

### Time horizon

Long-term

### Likelihood

Unlikely

**Magnitude of impact**

Medium-low

**Potential financial impact****Explanation of financial impact**

Historical prices of raw materials used in the operation of our Concepts' restaurants have fluctuated for a variety of reasons. We cannot provide assurance that our Concepts' franchisees will continue to be able to purchase raw materials at reasonable prices, or that the cost of raw materials will remain stable in the future. Because we and our Concepts' franchisees provide competitively priced food, we may not have the ability to pass through to our customers the full amount of any commodity price increases. If we and our Concepts' franchisees are unable to manage the cost of raw materials or to increase the prices of products proportionately, our and our franchisees' profit margins may be adversely impacted.

**Management method**

We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters. We continually evaluate the impact climate change has on our business and understand that as a large food retailer, changes in precipitation extremes have the potential to influence the price, quality and supply of materials in targeted regions.

**Cost of management****Comment**

Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. The cost of climate-risk management largely included in broader and risk management efforts. Specific costs are primarily driven by investing in education and training of key stakeholders, especially our employees, to adopt and implement our strategy to mitigate risk.

---

**Identifier**

Risk 5

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

### Primary climate-related risk driver

Please select

### Type of financial impact driver

Please select

### Company- specific description

Changes in operating costs due to energy: Restaurants are a relatively energy intensive business based on the size of our operations. Cost to procure energy vary significantly in different countries across the globe. Disruptions in supply and general cost increases can lead to financial burdens on restaurants. Examples of markets for our restaurants that tend to be subject to high prices or supply disruptions are India, South Africa and numerous counties in our Latin America and Caribbean market. Although these impacts are acute at one scale they tend to be widespread and persistent.

### Time horizon

Long-term

### Likelihood

Unlikely

### Magnitude of impact

Low

### Potential financial impact

### Explanation of financial impact

An increase in operational costs from a variety of factors, including energy could adversely affect our operating results. Given the franchise nature of our business increased costs would more directly impact franchisees however our success is directly tied to the success of our franchisees and therefore it remains a risk. Increased energy costs for the supply chain could also adversely affect operation results. For example, a significant increase in gasoline prices could result in the imposition of fuel surcharges by our distributors. For example, in our U.K. market the costs of complying with environmental regulations could be substantial, due to factors such as installing new equipment or paying additional taxes on incremental energy use.

### Management method

Continue to monitor policy closely and its impact on our business, while continuing to manage sustainability impacts that are most material to our supply chain. One example is that our purchasing co-op in the U.S. actively manages electricity contracts in deregulated markets to secure competitively priced sources of power.

### Cost of management

**Comment**

Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. The cost of climate-risk management largely included in broader and risk management efforts. Specific costs are primarily driven by investing in education and training of key stakeholders, especially our employees, to adopt and implement our strategy to mitigate risk.

---

**Identifier**

Risk 6

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type**

Physical risk

**Primary climate-related risk driver**

Please select

**Type of financial impact driver**

Please select

**Company- specific description**

Health concerns arising from outbreaks of viruses or other diseases: While many factors contribute to disease outbreaks, it has been reported that changes in global climate and bring about the spread of diseases into new, previously impacted areas. Our business could be materially and adversely affected by the outbreak of a widespread health epidemic, including various strains of avian flu or swine flu, such as H1N1. The occurrence of such an outbreak of an epidemic, illness or other adverse public health developments could materially disrupt our business and operations. Such events could also significantly impact our industry and cause a temporary closure of restaurants, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations.

**Time horizon**

Long-term

**Likelihood**

Unlikely

**Magnitude of impact**



Medium-high

### **Potential financial impact**

#### **Explanation of financial impact**

Operations could be disrupted if any of our employees or employees of our business partners were suspected of having the avian flu or swine flu, or other illnesses, since this could require us or our business partners to quarantine some or all such employees or disinfect our restaurant facilities. Outbreaks of avian flu occur from time to time around the world, and such outbreaks have resulted in confirmed human cases. It is possible that outbreaks could reach pandemic levels. Public concern over avian flu generally may cause fear about the consumption of chicken, eggs and other products derived from poultry, which could cause customers to consume less poultry and related products. Avian flu outbreaks could also adversely affect the price and availability of poultry, which could negatively impact our profit margins and revenues. We could also be adversely affected if governments impose mandatory closures, seek voluntary closures or impose restrictions on operations of restaurants.

#### **Management method**

Food safety starts with our leadership and cascades to our franchise partners and restaurant employees. Our approach is a holistic one, ensuring that food safety is considered at every step along the value chain. The Yum! Brands Crisis Management Program is dedicated to anticipating, identifying and managing potential emerging food safety issues at the local, regional and global levels to protect the health and safety of our consumers and employees. In the event of a crisis, we have global Crisis Core Teams (CCTs) and a community outbreak detection system in place that constantly monitors foodborne illnesses, contamination and other food safety issues worldwide. CCTs monitor potential risks for appropriate mitigation and response coordination. Our restaurants also provide fully functioning WASH services for all workers. 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. Employees are educated to follow hygiene requirements These WASH services are part of commitment to food safety as well as general disease prevention.

#### **Cost of management**

#### **Comment**

Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. The cost of climate-risk management largely included in broader and risk management efforts. Specific costs are primarily driven by investing in education and training of key stakeholders, especially our employees, to adopt and implement our strategy to mitigate risk.

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## C2.4

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**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

### C2.4a

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**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Move to more efficient buildings

**Type of financial impact driver**

Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company- specific description**

New Green Buildings: As a growth company who has opened seven buildings a day with our franchisees we understand the built environment has a climate change impact. Our fundamental approaches to designing and building more efficient new buildings is contained in our global green building standard called Blueline. It provides a framework for our system to build restaurants with reduced environmental impacts including focus on energy and water efficiency.

**Time horizon**

Current

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

**Potential financial impact**

14400000

**Explanation of financial impact**

New building financial savings are dependent on current market design, green approaches selected and local utility costs. Savings come from either full implementation of the Blueline standard or partial as reported by the market. For full implementation, it is expected, based on detailed study and test projects that between 10% and 30% utility savings will be realized per restaurant. In 2017, it is estimated that we and our franchise partners implemented technologies in new buildings that are expected to save 14.4 MM over the first year of their use. This number is an approximation based on market reports and included both full Blueline implementation and reported selected approaches that were implemented.

**Strategy to realize opportunity**

Implementation is conducted by local development teams in conjunction with corporate brand oversight. Yum! global sustainability maintains the Blueline standard using a website. Three levels of progressive attainment is possible in the system. We conduct periodic market review to assess compliance and provide feedback. Brands and markets are responsible for execution of the standards. The foundation of this whole-building solution for new restaurants are third party systems such as LEED as well as detailed in-restaurant testing and sub-metering conducted throughout the world.

**Cost to realize opportunity**

19300000

**Comment**

The costs associated with the implementation of these methods are primarily the initial capital costs. In 2017, an estimated 19.3MM dollars were invested in new green building development in our system throughout the world by the company and franchisees. This number is an approximation based on market reports.

---

**Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Reduced water usage and consumption

**Type of financial impact driver**

Reduced operating costs (e.g., through efficiency gains and cost reductions)

**Company- specific description**

Energy Efficiency in Existing Buildings : More energy efficient approaches implemented in our existing restaurants enable Yum! Brands and its franchisees to take advantage of energy savings and opportunities thereby endeavor to reduce greenhouse gas output. The establishment of product efficiency standards for equipment and products has incentivized the market to develop more efficient products. We and our franchisees have invested in these technologies and look for additional opportunities. Examples of our approaches include more efficient hoods and walk-in refrigeration equipment.

**Time horizon**

Current

**Likelihood**

Virtually certain

**Magnitude of impact**

Medium-low

**Potential financial impact**

3900000

**Explanation of financial impact**

Since 2006, Yum! Brands has been actively implementing energy conservation projects in existing buildings. Savings vary according to market and technology used. However, in 2017 it is estimated that we and our franchise partners implemented technologies that are expected to save 3.9 MM over the first year of their use. This number is an approximation based on market reports.

**Strategy to realize opportunity**

Yum! Brands employs sub-metering to identify the largest areas of opportunity in our restaurants. Once the areas of opportunity are identified, energy conservation measures are thoroughly researched and tested. Once these measures are validated, they are retrofitted into existing restaurants throughout the system by our markets where feasible.

**Cost to realize opportunity**

5400000

**Comment**

The costs associated with the implementation of these methods are the initial capital costs. In 2017, it is estimated that we and our franchise partners implemented technologies cost an estimated 5.4MM in existing and or remodeled buildings. This number is an approximation based on market reports. In addition, other approaches were done without added capital expense. An example of this was the energy management program that has been implemented in 92 restaurants in India.

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**Identifier**

Opp3

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Energy source

**Primary climate-related opportunity driver**

Please select

**Type of financial impact driver**

Please select

**Company- specific description**

Renewable Energy: Renewable energy projects, enabled by renewable energy regulations, may create opportunities that result in a cost savings for the company, reducing utility costs.

**Time horizon**

Medium-term

**Likelihood**

About as likely as not

**Magnitude of impact**

Medium-low

**Potential financial impact**

5000

**Explanation of financial impact**

The exact financial implications vary according to market and the scope of the installation. The estimate provided is based on test result from test buildings in Australia and may or may not be indicative of future results. Reduced operational costs as well increased resilience in some markets may be opportunities in the upcoming years.

**Strategy to realize opportunity**

The ability to source energy from renewable sources may result in a positive financial return for Yum and its franchisees. However, there are inherit limitations for our application of on-site solar due to the small size of our buildings. We are currently testing on-site solar energy at KFC Australia.

**Cost to realize opportunity**

22000

**Comment**

The costs associated with the implementation of these methods are primarily the initial capital costs although maintenance costs may be expected.

**C2.5**

**(C2.5) Describe where and how the identified risks and opportunities have impacted your business.**

	Impact	Description
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	Impact	Description
Products and services	Not yet impacted	One identified risk was health concerns arising from outbreaks of viruses or other diseases. While many factors contribute to disease outbreaks, it has been reported that changes in global climate and bring about the spread of diseases into new, previously impacted areas. Our business could be materially and adversely affected by the outbreak of a widespread health epidemic, including various strains of avian flu or swine flu, such as H1N1. The occurrence of such an outbreak of an epidemic, illness or other adverse public health developments could materially disrupt our business and operations. Such events could also significantly impact our industry and cause a temporary closure of restaurants, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential timeframe or financial impact. The cost of management largely included in broader and risk management efforts. Specific costs are primarily driven by investing in education and training of key stakeholders, especially our employees, to adopt and implement.
Supply chain and/or value chain	Not yet impacted	Increases in food pricing may have an adverse impact on our and our concepts' franchisees' profit margins. We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters. We continually evaluate the impact climate change has on our business and understand that as a large food retailer, changes in precipitation extremes have the potential to influence the price, quality and supply of materials in targeted regions. Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential timeframe or financial impact. The cost of management largely included in broader and risk management efforts. Specific costs are primarily driven by investing in education and training of key stakeholders, especially our employees, to adopt and implement.
Adaptation and mitigation activities	Impacted	One identified risk was health concerns arising from outbreaks of viruses or other diseases. While many factors contribute to disease outbreaks, it has been reported that changes in global climate and bring about the spread of diseases into new, previously areas not impacted. Food safety starts with our leadership and cascades to our franchise partners and restaurant employees. Our approach is a holistic one, ensuring that food safety is considered at every step along the value chain. The Yum! Brands Crisis Management Program is dedicated to anticipating, identifying and managing potential emerging food safety issues at the local, regional and global levels to protect the health and safety of our consumers and employees. In the event of a crisis, we have global Crisis Core Teams (CCTs) and a community outbreak detection system in place that constantly monitors foodborne illnesses, contamination and other food safety issues worldwide. CCTs monitor potential risks for appropriate mitigation and response coordination. Our restaurants also provide fully functioning WASH services for all workers. 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. Employees are educated to follow hygiene requirements These WASH services are part of commitment to food safety as well as general disease prevention. Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. The cost of management largely included in broader and risk management efforts. Specific costs are primarily driven by investing in education and training of key stakeholders, especially our employees, to adopt and implement.
Investment in R&D	Impacted	Recognizing the opportunity for energy conserving, GHG reducing technologies and approaches resulted in increased R&D. During the preparation of our green building standard, BlueLine Yum! our brands and selected franchisees invested in building R&D. This included extensive sub-metering of utilities and green and not green buildings to gather and study the most effective approach. Together we built a series of over thirty green buildings to test our approaches.
Operations	Impacted	Energy conserving, GHG reducing technologies and approaches as identified as opportunities are being implemented in thousands of our restaurants. These include more efficient hoods, refrigeration equipment, HVAC and lighting. Higher efficiency equipment increases our resiliency to adapt to specific events including challenges with local utility supplies.
Other, please specify	Not evaluated	We have not evaluated any additional impacts at this time.

## C2.6

### (C2.6) Describe where and how the identified risks and opportunities have factored into your financial planning process.

	Relevance	Description
Revenues	Not yet impacted	One identified risk was health concerns arising from outbreaks of viruses or other diseases. While many factors contribute to disease outbreaks, it has been reported that changes in global climate and bring about the spread of diseases into new, previously unimpacted areas. Our business could be materially and adversely affected by the outbreak of a widespread health epidemic, including various strains of avian flu or swine flu, such as H1N1. The occurrence of such an outbreak of an epidemic, illness or other adverse public health developments could materially disrupt our business and operations. Such events could also significantly impact our industry and cause a temporary closure of restaurants, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations. Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential timeframe or financial impact.
Operating costs	Impacted for some suppliers, facilities, or product lines	Energy conserving, GHG reducing technologies and approaches as identified as opportunities are being implemented in thousands of our restaurants. These include more efficient hoods, refrigeration equipment, HVAC and lighting. Higher efficiency equipment increases our resiliency to adapt to specific events including challenges with local utility supplies. The risk of changes in operating costs due to energy our factored into our standard planning proses as energy is a component of the restaurant profit and loss statement. Restaurants are a relatively energy intensive business based on the size of our operations. Cost to procure energy vary significantly in different countries across the globe. Disruptions in supply and general cost increases can lead to financial burdens on restaurants. Examples of markets for our restaurants that tend to be subject to high prices or supply disruptions are India, South Africa and numerous counties in our Latin America and Caribbean market. Although these impacts are acute at one scale they tend to widespread and persistent. We have also identified risks or shortage or interruptions in the availability and delivery of food and other supplies as well as increased food prices. We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters. We continually evaluate the impact climate change has on our business and understand that as a large food retailer, changes in precipitation.
Capital expenditures / capital allocation	Impacted for some suppliers, facilities, or product lines	Taking advantage of more efficient new buildings and incorporating energy savings approaches into existing buildings is factored into capital expenditures during the annual planning process. The costs associated with the implementation of these methods are primarily the initial capital costs. In 2017, an estimated 19.3MM dollars were invested in new green building development in our system throughout the world by the company and franchisees. This number is an approximation based on market reports. In 2017 it is estimated that we and our franchise partners implemented technologies cost an estimated 5.7MM in existing and or remodeled buildings. This number is an approximation based on market reports.
Acquisitions and divestments	Not impacted	The risks and opportunities that have been identified are not typically impacting acquisition and divestment.
Access to capital	Not impacted	The risks and opportunities that have been identified have not historically impacted our access to capital.



	Relevance	Description
Assets	Impacted for some suppliers, facilities, or product lines	Energy conserving, GHG reducing technologies and approaches as identified as opportunities are being implemented in thousands of our restaurants. These include more efficient hoods, refrigeration equipment, HVAC and lighting. Higher efficiency equipment increases our resiliency to adapt to specific events including challenges with local utility supplies.
Liabilities	Not impacted	The risks and opportunities that have been identified have not had a material impact on our liabilities.
Other	Not evaluated	We have not evaluated any additional financial planning processes at this time.

### C3. Business Strategy

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#### C3.1

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**(C3.1) Are climate-related issues integrated into your business strategy?**

Yes

#### C3.1a

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**(C3.1a) Does your organization use climate-related scenario analysis to inform your business strategy?**

No, but we anticipate doing so in the next two years

## C3.1c

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### **(C3.1c) Explain how climate-related issues are integrated into your business objectives and strategy.**

- i. Yum! Brands' business strategy is focused on building three global iconic brands that people trust and champion. In 2010, our business made the strategic decision to establish the Yum! Global Sustainability team with alignment from our then CEO and Chairman of the Board. In 2016, the importance of sustainability was further recognized within the Company. As part of our transformational reorganization designed to focus efforts enabling delivery of ongoing, long-term results, each of our three brands now have dedicated resources to further drive sustainability, including climate change, within the Company and with our franchise partners.
  
- ii. Our sustainability strategy is fundamentally linked our corporate strategy that is designed to unlock our potential. It is called our "Recipe for Growth" and begins with a set of shared values. Our values challenge and inspire us to elevate our brands, our culture, our performance and our impact on customers and the communities that we serve. In response to our Recipe for Growth we have developed our Global Citizenship and Sustainability Strategy. This strategy focuses uses the strength of our brands and franchisees to make a powerful impact on the world, and included our absolute emissions reduction target (which has now been achieved) to reduce 22% of our Scope 1 and 2 emissions by the end of 2017 as compared to our 2005 base year. We will continue to work on energy conservation and GHG emission reduction by striving to reduce average restaurant energy and GHG emissions by 10% from our current levels by the end of 2025.
  
- iii. The most substantial business decision made during the reporting year that has been influenced by climate change was the development of our long-term sustainability strategy. This business decision was directly influenced by stakeholder feedback that was incorporated into our materiality assessment, which identified our three priority ESG topics to address: Food Safety, Nutrition and Energy-Emissions and Climate Change. The resulting strategy includes several climate-related aspects, including energy reductions, GHG emissions, and sustainable sourcing.

iv. Our sustainability strategy is influenced by our overarching belief that we have a responsibility to reduce our environmental impact and the resulting greenhouse gas emissions that contribute to climate change. We do so in order to build and maintain trust with our stakeholders, comply with the law, and realize cost savings accompanied with environmental efficiency projects. The resulting strategy includes several climate-related aspects, including energy reductions, GHG emissions, and sustainable sourcing.

v. Energy, emissions, and climate change has been an integral component of our environmental strategy and Yum! has a track record of over a decade of investment and progress in this area. During this journey we have set various long and short-term goals. In 2017, we and our franchisees invested over 25MM (USD) in innovative technologies for new building construction to reduce energy usage and our associated greenhouse gas emissions. In the short term we will work to enhance the ease of data gathering across our system in all ESG areas, including those related to climate change.

vi. Our fundamental, long term strategy is twofold: First, it is to design, build and operate restaurants to be measurably more sustainable using green building standards to drive reductions in energy, GHG emissions, waste and water use and to report progress annually through CDP disclosures. Second is to work elevate the supply chain to reduce deforestation through objectives including the sourcing 100% of palm oil used for cooking and paper-based packaging from responsible and sustainable sources.

vii. Our commitment to a process of continual improvement in all that we do, including efforts to reduce our impact on the environment, gives us a strategic advantage over our competitors. We continually seek means of addressing margin improvement and the wishes of customers who desire to enjoy our products while minimizing our impact on the climate.

viii. We acknowledge the global trend as demonstrated by the Paris Agreement, and growing expectations from investors and consumers for businesses to address global climate change. Our Company is monitoring global efforts and will continue to work toward reducing energy consumption and study additional appropriate measures to incorporate into future goals.

## C3.1g

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### **(C3.1g) Why does your organization not use climate-related scenario analysis to inform your business strategy?**

At the time of questionnaire submittal, Yum! Brands has not yet incorporated climate scenario analysis into business strategy planning. We are in the process of identifying opportunities to augment our Global Citizenship and Sustainability Strategy, and will be evaluating the next generation of energy and carbon targets and initiatives. Part of this evaluation will include our readiness for science-based targets and application of climate scenario analysis to inform our strategy and business decisions across the value chain.

## C4. Targets and performance

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### C4.1

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#### **(C4.1) Did you have an emissions target that was active in the reporting year?**

Absolute target

### C4.1a

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#### **(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Scope**

Scope 1+2 (location-based)

**% emissions in Scope**

100

**% reduction from base year**

22

**Base year**

2005

**Start year**

2006

**Base year emissions covered by target (metric tons CO2e)**

1943203

**Target year**

2017

**Is this a science-based target?**

No, but we anticipate setting one in the next 2 years

**% achieved (emissions)**

100

**Target status**

Underway

**Please explain**

Since 2005 we have demonstrated a steady track record of progress of reducing energy consumption and emissions. Our current goal which has now matured was to achieve a 22% reduction by the end of 2017 as compared to our base year. To be consistent with past reporting and to take a system approach for those franchisees who opt to participate, China savings have been included. We are pleased to report that the efforts of our teams around the world resulted in exceeding our 2017 energy reduction goal of 22%. We are committed to continuing our progress in this area and will be looking to further reduce our average restaurant energy and GHG emissions by an additional 10% by the end of 2025. Moving forward, we will continue to evaluate our energy reduction efforts, assessing whether and how a science-based target would work with our business strategy.

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## C4.2

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**(C4.2) Provide details of other key climate-related targets not already reported in question C4.1/a/b.**

**Target**

Waste

**KPI – Metric numerator**

Amount of back-of-house operation waste diverted by restaurants in the U.S. (tons) in the reporting year

**KPI – Metric denominator (intensity targets only)**

Amount of back-of-house operation waste generated by restaurants in the U.S. (tons) in the reporting year

**Base year**

2016

**Start year**

2017

**Target year**

2017

**KPI in baseline year**

**KPI in target year**

50

**% achieved in reporting year**

25

**Target Status**

Underway

**Please explain**

Yum! Brands is committed to first reducing, and then mindfully reusing or recycling, the waste generated at our restaurants. We have set an aspirational goal to divert 50% of the back-of-house operational waste generated by weight in our U.S. restaurants by

2020. To achieve this goal, we first determined our heaviest sources of waste: spent cooking oil, cardboard and food. Our baseline for this is rolling. In other words, we seek to divert 50% of the waste generated in the reporting year. Pursuant to the CDP Guidance for year-on-year rolling targets, we have reported our base year as the previous reporting year (2016) and the start year and target year as the reporting year (2017). Reducing wasted food—our highest emitter of methane—is where Yum! Brands has made the most significant strides. We adhere to the EPA’s Food Recovery Hierarchy, which shows that there are much better places for leftover food than the landfill or even the compost bin. According to this hierarchy, reducing food waste begins at the source. We work with suppliers to purchase only as much fresh food as we expect to sell to customers based on our projections. The next best use for surplus food is to feed hungry people. That’s exactly what Yum! has been doing for more than 25 years through our Harvest program. Through Harvest, Pizza Hut and KFC stores donate surplus food from our restaurants to food banks, soup kitchens and other nonprofits.

**Part of emissions target**

We use the EPA’s WARM tool to calculate the CO2e avoidance related to our waste diversion activities. Results are included in our emission reduction results.

**Is this target part of an overarching initiative?**

Other, please specify (U.S. EPA Food Recovery Challenge (FRC))

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**Target**

Other, please specify (Sustainable Palm Oil)

**KPI – Metric numerator**

Volume of sustainable palm oil purchased (metric tons)

**KPI – Metric denominator (intensity targets only)**

Volume of cooking oil purchased (Metric tons)

**Base year**

2014

**Start year**

2015

**Target year**

2018

**KPI in baseline year**

**KPI in target year**

100

**% achieved in reporting year**

80

**Target Status**

Underway

**Please explain**

Yum! Brands is committed to reducing deforestation through our sustainable paper-based packaging and palm oil sourcing strategies and policies. We disclose our commitments to sustainable sourcing of paper-based packaging and palm oil in our CDP responses on Climate Change and Forests, as these policies contribute directly to reducing our environmental impact. Sustainable palm oil sourcing is a priority at Yum! Brands. Our goal is to source 100% of palm oil used for cooking from sustainable and responsible sources by the end of 2018. Our Sustainable Palm Oil Policy gives preference to third-party certification by the Roundtable on Sustainable Palm Oil (RSPO).

**Part of emissions target**

Not included.

**Is this target part of an overarching initiative?**

Remove deforestation

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**Target**

Other, please specify (Paper Based Packaging)

**KPI – Metric numerator**

Volume of certified wood product and recycled content purchased (metric tons)

**KPI – Metric denominator (intensity targets only)**

Volume of paper-based packaging purchased (Metric tons)

**Base year**

2013

**Start year**

2014



**Target year**

2020

**KPI in baseline year****KPI in target year**

100

**% achieved in reporting year**

69

**Target Status**

Underway

**Please explain**

Yum! Brands is committed to reducing deforestation through our sustainable paper-based packaging and palm oil sourcing strategies and policies. We disclose our commitments to sustainable sourcing of paper-based packaging and palm oil in our CDP responses on Climate Change and Forests, as these policies contribute directly to reducing our environmental impact.

**Part of emissions target**

Not included.

**Is this target part of an overarching initiative?**

Remove deforestation

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**C4.3**

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**(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.**

Yes

## C4.3a

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**(C4.3a) Identify the total number of projects at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of projects	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	43000	808917
Not to be implemented	0	0

## C4.3b

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**(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.**

**Activity type**

Energy efficiency: Building services

**Description of activity**

Other, please specify (New construction)

*Other, please specify: New Construction (combination of approaches)*

**Estimated annual CO2e savings (metric tonnes CO2e)**

1072

**Scope**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

380649

**Investment required (unit currency – as specified in CC0.4)**

301196

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

Using our global green building standard, called Blueline, technologies and practices that reduce energy consumption and greenhouse gas emissions from design and construction of new restaurants are being used globally. With our system opening seven buildings a day, designing and constructing these buildings is a focus of reducing our environmental impact. We include energy reducing technologies in areas including high-efficiency HVAC, optimized hoods, interior lighting, parking lot lighting, signage lighting, hot water generation, cooking equipment as well as key construction practices such as HVAC. Our goal is to have equity restaurants comply with the standards. Brands and countries incorporate standard components into their templates as feasible. As we do not track Scope 1 and Scope 2 savings and investment specifically we have allocated a percentage of overall savings and investment levels as reported together and divided according to the percentage of GHG emissions reported for Scope 1 and Scope 2.

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**Activity type**

Energy efficiency: Building services

**Description of activity**

Other, please specify (New construction)

*Other, please specify: New Construction (combination of approaches):***Estimated annual CO2e savings (metric tonnes CO2e)**

3472

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

1232271

**Investment required (unit currency – as specified in CC0.4)**

975059

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

Using our global green building standard, called Blueline, technologies and practices that reduce energy consumption and greenhouse gas emissions from design and construction of new restaurants are being used globally. With our system opening seven buildings a day, designing and constructing these buildings is a focus of reducing our environmental impact. We include energy reducing technologies in areas including high-efficiency HVAC, optimized hoods, interior lighting, parking lot lighting, signage lighting, hot water generation, cooking equipment as well as key construction practices such as HVAC. Our goal is to have equity restaurants comply with the standards. Brands and countries incorporate standard components into their templates as feasible. As we do not track Scope 1 and Scope 2 savings and investment specifically we have allocated a percentage of overall savings and investment levels as reported together and divided according to the percentage of GHG emissions reported for Scope 1 and Scope 2.

---

**Activity type**

Energy efficiency: Building services

**Description of activity**

Other, please specify (New construction)

*Other, please specify: New Construction (combination of approaches)*

**Estimated annual CO2e savings (metric tonnes CO2e)**

61656

**Scope**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

12798957

**Investment required (unit currency – as specified in CC0.4)**

18072415

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

Using our global green building standard, called Blueline, technologies and practices that reduce energy consumption and greenhouse gas emissions from design and construction of new restaurants are being used globally. With our system opening seven buildings a day, designing and constructing these buildings is a focus of reducing our environmental impact. We include energy reducing technologies in areas including high-efficiency HVAC, optimized hoods, interior lighting, parking lot lighting, signage lighting, hot water generation, cooking equipment as well as key construction practices such as HVAC. Our goal is to have equity restaurants comply with the standards. Brands and countries incorporate standard components into their templates as feasible, Franchisees are encouraged to participate.

---

**Activity type**

Energy efficiency: Building services

**Description of activity**

Other, please specify (Existing construction)

*Other, please specify: Existing Construction: combination of approaches*

**Estimated annual CO2e savings (metric tonnes CO2e)**

884

**Scope**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

162446

**Investment required (unit currency – as specified in CC0.4)**

300448

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

The principles that we use to reduce emissions in new buildings also apply in existing buildings. During remodel programs and retrofitting projects these are implemented in restaurants across the globe. The nature and scope of these projects vary from year to year but data is reported annually. For this reporting cycle examples include walk-in freezer measures from Germany KFC, efficient Hood designs from Russia KFC, China KFC hood designs, and Taco Bell LED parking lighting.

---

**Activity type**

Energy efficiency: Building services

**Description of activity**

Other, please specify (Existing construction)

**Estimated annual CO2e savings (metric tonnes CO2e)**

2861

**Scope**

Scope 2 (location-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

525884

**Investment required (unit currency – as specified in CC0.4)**

972638

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

The principles that we use to reduce emissions in new buildings also apply in existing buildings. During remodel programs and retrofitting projects these are implemented in restaurants across the globe. The nature and scope of these projects vary from year to year but data is reported annually. For this reporting cycle examples include walk-in freezer measures from Germany KFC, efficient Hood designs from Russia KFC, China KFC hood designs, and Taco Bell LED parking lighting.

---

**Activity type**

Energy efficiency: Building services

**Description of activity**

Other, please specify (Existing construction)

*Other, please specify: Existing construction (combination of approaches)***Estimated annual CO2e savings (metric tonnes CO2e)**

11955

**Scope**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

3206229

**Investment required (unit currency – as specified in CC0.4)**

4670021

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

6-10 years

**Comment**

The principles that we use to reduce emissions in new buildings also apply in existing buildings. During remodel programs and retrofitting projects these are implemented in restaurants across the globe. The nature and scope of these projects vary from year to year but data is reported annually. For this reporting cycle examples include walk-in freezer measures from Germany KFC, efficient Hood designs from Russia KFC, China KFC hood designs, and Taco Bell LED parking lighting.

---

**Activity type**

Other, please specify (Waste Recovery - food donation)

**Description of activity**

<Field Hidden>

**Estimated annual CO2e savings (metric tonnes CO2e)**

14530

**Scope**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

0

**Investment required (unit currency – as specified in CC0.4)**

0



**Payback period**

<1 year

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Reducing wasted food—our highest emitter of methane—is where Yum! Brands has made the most significant strides. We adhere to the EPA’s Food Recovery Hierarchy, which shows that there are much better places for leftover food than the landfill or even the compost bin. According to this hierarchy, reducing food waste begins at the source. We work with suppliers to purchase only as much fresh food as we expect to sell to customers based on our projections. The next best use for surplus food is to feed hungry people. That’s exactly what Yum! has been doing for more than 25 years through our Harvest program. Through Harvest, Pizza Hut and KFC stores donate surplus food from our restaurants to food banks, soup kitchens and other nonprofits. Emissions reduction calculated used EPA Waste Reduction Model (WARM) spreadsheet. Cost and savings not calculated.

---

**Activity type**

Other, please specify (Waste recovery - Recycling)

**Description of activity**

<Field Hidden>

**Estimated annual CO2e savings (metric tonnes CO2e)**

712487

**Scope**

Scope 3

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in CC0.4)**

0

**Investment required (unit currency – as specified in CC0.4)**

0

**Payback period**

<1 year

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Yum! Brands is committed to first reducing, and then mindfully reusing or recycling, the waste generated at our restaurants. We have set an aspirational system goal to divert 50% of the back-of-house operational waste generated by weight in our U.S. restaurants by 2020. To achieve this goal, we first determined our heaviest sources of waste: spent cooking oil, cardboard and food. Emissions reduction calculated used EPA Waste Reduction Model (WARM) spreadsheet. Cost and savings not calculated.

---

**C4.3c**

---

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Financial optimization calculations	For both holistic green buildings and individual energy efficiency measures, financial calculations are completed to determine the financial payback and confirm that the initiative has an acceptable ROI. One example comes from the development building standard, Blueline. During this process the sub-metering of both green and non-green restaurants, in nearby locations, allowed for detailed utility consumption measurements. These measurements were normalized for factors including sales levels when appropriate so that financial calculations could be done. This process was repeated in countries such as the U.S., Australia, China, France and the U.K. The results of this works assists in driving investment in emission reduction activities.
Internal incentives/recognition programs	At Yum! our values challenge and inspire us to elevate our brands, our culture, our performance and our impact with customers and in the communities, that we serve. Providing recognition to those who lead with heart and courage to drive results is a valued part of what it means to be part of the Yum! family. Achievements that drive business results, including those that reduce the Company's environmental impacts, are recognized by non-monetary recognition awards. Recognition is an integral part of the Yum! Brands culture and everyone across the Company is encouraged to celebrate the achievements of others. All leaders in the Company have unique personal recognition awards. Awards that have been given for progress in achieving sustainability targets include our "Positive Spark" award which has been presented to employees for their contributions toward our sustainability targets. For example, associates in China and France have received the "Positive Spark" award for sustainability initiatives such as LEED restaurant development. We also have given our "Green Apple" award for contributions toward sustainability education within the company. Individuals in the U.K., China, Australia and the U.S. have received this recognition. In addition, project that have demonstrated commitment and achievement receive our Blueline award in recognition to their dedication to our green building initiative.

## C4.5

---

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

No

## C5. Emissions methodology

---

### C5.1

---

**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

#### Scope 1

**Base year start**

January 1 2005

**Base year end**

December 31 2005

**Base year emissions (metric tons CO<sub>2</sub>e)**

275003

**Comment**

The base year for our GHG Inventory is 2005. Calculated Scope 1 emissions for 2005 were 275,003 MT CO<sub>2</sub>e.

#### Scope 2 (location-based)

**Base year start**

January 1 2005

**Base year end**

December 31 2005

**Base year emissions (metric tons CO2e)**

1668200

**Comment**

The base year for our GHG Inventory is 2005. Calculated Scope 2 (location-based) emissions for 2005 were 1,668,200 MT CO2e.

**Scope 2 (market-based)**

**Base year start**

January 1 2005

**Base year end**

December 31 2005

**Base year emissions (metric tons CO2e)**

1668200

**Comment**

The base year for our GHG Inventory is 2005. Calculated Scope 2 (market-based) emissions for 2005 were 1,668,200 MT CO2e.

## C5.2

---

**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate Scope 1 and Scope 2 emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

## C6. Emissions data

---

### C6.1

---

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

#### Row 1

**Gross global Scope 1 emissions (metric tons CO2e)**

107301.9

**End-year of reporting period**

<Field Hidden>

**Comment**

Our total Scope 1 emissions for 2017 was 107,301.9 MT CO2e.

#### Row 2

**Gross global Scope 1 emissions (metric tons CO2e)**

<Field Hidden>

**End-year of reporting period**

<Field Hidden>

**Comment**

<Field Hidden>

#### Row 3

**Gross global Scope 1 emissions (metric tons CO2e)**

<Field Hidden>

**End-year of reporting period**

<Field Hidden>

**Comment**

<Field Hidden>

**Row 4**

**Gross global Scope 1 emissions (metric tons CO2e)**

<Field Hidden>

**End-year of reporting period**

<Field Hidden>

**Comment**

<Field Hidden>

## C6.2

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

Utilized residual mix emission factors for markets in Europe.

## C6.3

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Row 1**

**Scope 2, location-based**

351442.5

**Scope 2, market-based (if applicable)**

357330.1

**End-year of reporting period**

<Field Hidden>

**Comment**

Utilized residual mix emission factors for markets in Europe.

**Row 2**

**Scope 2, location-based**

<Field Hidden>

**Scope 2, market-based (if applicable)**

<Field Hidden>

**End-year of reporting period**

<Field Hidden>

**Comment**

<Field Hidden>

**Row 3**

**Scope 2, location-based**

<Field Hidden>

**Scope 2, market-based (if applicable)**

<Field Hidden>

**End-year of reporting period**

<Field Hidden>

**Comment**

<Field Hidden>

**Row 4**

**Scope 2, location-based**

<Field Hidden>

**Scope 2, market-based (if applicable)**

<Field Hidden>

**End-year of reporting period**

<Field Hidden>

**Comment**

<Field Hidden>

## C6.4

---

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

## C6.5

---

(C6.5) Account for your organization's Scope 3 emissions, disclosing and explaining any exclusions.

**Purchased goods and services**

**Evaluation status**



Relevant, not yet calculated

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

Yum! Brands has a large and decentralized supply chain and we work to address sustainability in key prioritized areas. Currently that is the procurement of palm oil for cooking and the fiber-based packaging from responsible sources. Stakeholder engagement is one way by which we do this. For example, we are members of the Roundtable on Sustainable Palm Oil (RSPO) and our palm oil policy gives preference to certifications by that organization. Sourcing sustainable palm has a positive impact on GHG emissions. We are also evaluating means to calculate the GHG impact for segments of purchased goods and services.

**Capital goods**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

We are not a manufacturer of products. Our organization is moving to a 98% franchise-based organization and as such, the material quantity of equipment is owned by other franchisees.

**Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

Energy related activities are included in Scope 1 and 2.

**Upstream transportation and distribution****Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

266329

**Emissions calculation methodology**

Emissions include all transport vehicles for international franchisees and were calculated proportionately based on available data for all stores within the United States (assuming 620 gallons of diesel fuel per store). All calculations were completed utilizing emission factors presented in the Federal Register (2009) EPA; 40 CFR Parts 86, 87, 89 et al; Mandatory Reporting of Greenhouse Gases; Final Rule, 30Oct09, 261 pp. Tables C-1 and C-2. Table of Final 2013 Revisions to the Greenhouse Gas Reporting Rule, September 24, 2013.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

**Explanation****Waste generated in operations****Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

345000

**Emissions calculation methodology**

For company owned restaurants, we calculated an estimation of GHG emissions derived from waste removed from our restaurants. This does not include products and packaging removed by customers. This calculation is based on a limited sampling US restaurant data to determine an approximate per restaurant average. GHG emissions have been estimated using the EPA's WARM tool using the best available categories. We anticipate refining our process in upcoming years.

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

### **Explanation**

#### **Business travel**

##### **Evaluation status**

Relevant, calculated

##### **Metric tonnes CO2e**

15459

##### **Emissions calculation methodology**

Emissions include air travel for all corporate and international markets as reported in our 2017 Global Surveys. Emissions were calculated using factors presented in the Federal Register (2009) EPA; 40 CFR Parts 86, 87, 89 et al; Mandatory Reporting of Greenhouse Gases; Final Rule, 30Oct09, 261 pp. Tables C-1 and C-2. Table of Final 2013 Revisions to the Greenhouse Gas Reporting Rule, September 24, 2013.

##### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

### **Explanation**

#### **Employee commuting**

##### **Evaluation status**

Relevant, not yet calculated

##### **Metric tonnes CO2e**

##### **Emissions calculation methodology**

##### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

### **Explanation**

#### **Upstream leased assets**

##### **Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

Emissions from leased assets for offices, warehouses and other uses are reflected in our scope 1 and 2 values.

**Downstream transportation and distribution**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

Our products are consumed immediately. There are no embedded emissions associated with downstream transportation and distribution.

**Processing of sold products**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e**

**Emissions calculation methodology**

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

**Explanation**

All the products sold by our restaurants are consumed immediately without any further processing.

**Use of sold products**

**Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e****Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

All the products sold by our restaurants are consumed immediately.

**End of life treatment of sold products****Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e****Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

All the products sold by our restaurants are consumed immediately.

**Downstream leased assets****Evaluation status**

Not relevant, explanation provided

**Metric tonnes CO2e****Emissions calculation methodology****Percentage of emissions calculated using data obtained from suppliers or value chain partners****Explanation**

Yum! Brands does not lease any downstream assets.

## Franchises

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

8644705

### Emissions calculation methodology

In 2017, for the first time, we have estimated GHG emissions for all markets. These estimates were calculated on an average energy use and GHG emission per country based on data received from equity restaurants and sampling of franchise units and include data emissions data for electricity, fuels, heating/cooling, HFC, and distribution. We anticipate refining our process in upcoming years.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Explanation

## Investments

### Evaluation status

Not evaluated

### Metric tonnes CO2e

### Emissions calculation methodology

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

### Explanation

## Other (upstream)

### Evaluation status

Not evaluated

### Metric tonnes CO2e

### Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

Other (downstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

Emissions calculation methodology

Percentage of emissions calculated using data obtained from suppliers or value chain partners

Explanation

## C6.7

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(C6.7) Are carbon dioxide emissions from biologically sequestered carbon relevant to your organization?

No

## C6.10

---

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.000078044

Metric numerator (Gross global combined Scope 1 and 2 emissions)

458744.4

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

5878000000

**Scope 2 figure used**

Location-based

**% change from previous year**

57

**Direction of change**

Decreased

**Reason for change**

Our overall decrease in emissions intensity per revenue was due to emission reduction activities as well as shifting of emissions to Scope 3 as a result of the divestiture of the China division on October 31, 2016. The removal China's high GHG emission factors contributes to lower intensity for Yum! Brands.

---

**Intensity figure**

211.4

**Metric numerator (Gross global combined Scope 1 and 2 emissions)**

458744.4

**Metric denominator**

Other, please specify (Per restaurant)

**Metric denominator: Unit total**

2170

**Scope 2 figure used**

Location-based

**% change from previous year**

6



**Direction of change**

Decreased

**Reason for change**

Our overall decrease in emissions intensity per equity store count was due to emission reduction activities as well as shifting of emissions to Scope 3 as a result of the divestiture of the China division on October 31, 2016. The removal of China's high GHG emission factors contributes to lower intensity for Yum! Brands.

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**C7. Emissions breakdowns**

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**C7.1**

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**(C7.1) Does your organization have greenhouse gas emissions other than carbon dioxide?**

Yes

**C7.1a**

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**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	97204.09	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	254.76	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	70.51	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	9772.54	IPCC Fifth Assessment Report (AR5 – 100 year)

## C7.2

---

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
Australia	805.07
Brazil	1368.72
Canada	1181.64
France	778.65
Germany	1269.33
India	3402.92
Netherlands	2354.11
Russian Federation	821.52
South Africa	338.88
Spain	109.83
Thailand	12452.51
Turkey	1659.11
United Kingdom of Great Britain and Northern Ireland	4655.34
United States of America	76104.27

## C7.3

---

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By business division

## C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
KFC	38705.06
Pizza Hut	32689.57
Taco Bell	34897.4
Corporate	1009.87

## C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Australia	34843.7	34843.7	45968	0
Brazil	402.9	402.9	2566	0
Canada	480	480	3156	0
France	1079.8	1328.6	23171	0
Germany	5764	9322.3	12744	0
India	17007.7	17007.7	21923	0
Netherlands	10411.3	11252.9	21204	0
Russian Federation	25058.8	25058.8	61053	0
South Africa	32375.1	32375.1	32528	0
Spain	219.8	333.3	747	0
Thailand	16121.7	16121.7	31377	0

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted in market-based approach (MWh)
Turkey	13527.5	13527.5	30571	0
United Kingdom of Great Britain and Northern Ireland	25451.4	26576.8	72511	0
United States of America	168698.8	168698.8	331179	0

## C7.6

---

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By business division

### C7.6a

---

**(C7.6a) Break down your total gross global Scope 2 emissions by business division.**

Business division	Scope 2, location-based emissions (metric tons CO2e)	Scope 2, market-based emissions (metric tons CO2e)
KFC	200209.7	206018.24
Pizza Hut	68709.2	68788.26
Taco Bell	77752.6	77752.58
Corporate	4771	4771.02

## C7.9

---

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

**C7.9a**

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined) and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Field Hidden>		
Other emissions reduction activities	808917	Decreased	37.4	Emissions reduction activities provided an annualized reduction of 808,917 MT CO2e for reporting markets. Our gross total Scope 1 and 2 emissions in 2016 were 2,162,743 MT CO2e. We therefore calculated the emissions percentage as follows: $(808917/2162743)*100 = 37.4\%$ .
Divestment	1716867.3	Decreased	79.38	The Yum! Brands China Division became a fully independent company as of December 31, 2016 and accounted for roughly 75% of our total Scope 1 and 2 emissions in 2016. This divestment resulted in a reduction of 1,716,867.3 MT CO2e as reported by China in our 2017 Global Survey. We therefore calculated the emissions percentage as follows: $(1716867.3/2162743)*100 = 79.38\%$ .
Acquisitions		<Field Hidden>		
Mergers		<Field Hidden>		
Change in output		<Field Hidden>		
Change in methodology		<Field Hidden>		
Change in boundary		<Field Hidden>		

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in physical operating conditions		<Field Hidden>		
Unidentified		<Field Hidden>		
Other		<Field Hidden>		

## C7.9b

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**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Location-based

## C8. Energy

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### C8.1

---

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

## C8.2

---

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertakes this energy-related activity
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

## C8.2a

---

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	431347	431347
Consumption of purchased or acquired electricity	<Field Hidden>	77610	613089	690699
Consumption of purchased or acquired heat	<Field Hidden>	0	4466	4466
Consumption of purchased or acquired steam	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>
Consumption of purchased or acquired cooling	<Field Hidden>	<Field Hidden>	<Field Hidden>	<Field Hidden>
Consumption of self-generated non-fuel renewable energy	<Field Hidden>	0	<Field Hidden>	0
Total energy consumption	<Field Hidden>	77610	1048902	1126512

## C8.2b

---

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

## C8.2c

---

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

394943

**MWh fuel consumed for the self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

394943

**MWh fuel consumed for self-generation of steam**



<Field Hidden>

**MWh fuel consumed for self-generation of cooling**

<Field Hidden>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Field Hidden>

---

**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

379

**MWh fuel consumed for the self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

379

**MWh fuel consumed for self-generation of steam**

<Field Hidden>

**MWh fuel consumed for self-generation of cooling**

<Field Hidden>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Field Hidden>

---

**Fuels (excluding feedstocks)**

Gas Oil

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

36024

**MWh fuel consumed for the self-generation of electricity**

36024

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Field Hidden>

**MWh fuel consumed for self-generation of cooling**

<Field Hidden>

**MWh fuel consumed for self- cogeneration or self-trigeneration**

<Field Hidden>

---

## C8.2d

---

(C8.2d) List the average emission factors of the fuels reported in C8.2c.

**Acetylene**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

## **Agricultural Waste**

### **Emission factor**

<Field Hidden>

### **Unit**

<Field Hidden>

### **Emission factor source**

<Field Hidden>

### **Comment**

<Field Hidden>

## **Alternative Kiln Fuel (Wastes)**

### **Emission factor**

<Field Hidden>

### **Unit**

<Field Hidden>

### **Emission factor source**

<Field Hidden>

### **Comment**

<Field Hidden>

## **Animal Fat**

### **Emission factor**

<Field Hidden>

### **Unit**

<Field Hidden>

### **Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Animal/Bone Meal****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Anthracite Coal****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Asphalt****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Aviation Gasoline****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Bagasse****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Bamboo****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Basic Oxygen Furnace Gas (LD Gas)****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Biodiesel****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Biodiesel Tallow**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Biodiesel Waste Cooking Oil****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Bioethanol****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

## Biogas

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Biogasoline

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Biomass Municipal Waste

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>



**Comment**

<Field Hidden>

**Biomethane****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Bitumen****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Bituminous Coal****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Black Liquor**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Blast Furnace Gas**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Brown Coal Briquettes (BKB)**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Burning Oil****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Butane****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Butylene**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Charcoal****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Coal****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

## Coal Tar

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Coke

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Coke Oven Gas

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

**Comment**

<Field Hidden>

**Coking Coal****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Compressed Natural Gas (CNG)****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Condensate****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Crude Oil**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Crude Oil Extra Heavy**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Crude Oil Heavy**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Crude Oil Light****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Diesel****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Distillate Oil**



**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Dried Sewage Sludge****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Ethane****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

## Ethylene

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Fuel Gas

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Fuel Oil Number 1

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

**Comment**

<Field Hidden>

**Fuel Oil Number 2**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Fuel Oil Number 4**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Fuel Oil Number 5**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Fuel Oil Number 6**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Gas Coke**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Gas Oil**

**Emission factor**

2676.49

**Unit**

kg CO2e per m3

**Emission factor source**

World Resources Institute (2015). GHG Protocol tool for stationary combustion. Version 4.1

**Comment****Gas Works Gas****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**GCI Coal****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**General Municipal Waste****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Grass**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Hardwood**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

## Heavy Gas Oil

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Hydrogen

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Industrial Wastes

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

**Comment**

<Field Hidden>

**Isobutane****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Isobutylene****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Jet Gasoline****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>



**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Jet Kerosene**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Kerosene**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Landfill Gas**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Light Distillate****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Lignite Coal****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Liquefied Natural Gas (LNG)**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Liquefied Petroleum Gas (LPG)****Emission factor**

227.14

**Unit**

kg CO2e per MWh

**Emission factor source**

World Resources Institute (2015). GHG Protocol tool for stationary combustion. Version 4.1

**Comment****Liquid Biofuel****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

## Lubricants

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Marine Fuel Oil

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Marine Gas Oil

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

**Comment**

<Field Hidden>

**Metallurgical Coal****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Methane****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Motor Gasoline****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Naphtha****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Natural Gas****Emission factor**

201.94

**Unit**

kg CO2e per MWh

**Emission factor source**

World Resources Institute (2015). GHG Protocol tool for stationary combustion. Version 4.1

**Comment****Natural Gas Liquids (NGL)****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Natural Gasoline**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Non-Biomass Municipal Waste**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Non-Biomass Waste**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Oil Sands**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Oil Shale**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>



## Orimulsion

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Other Petroleum Gas

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Paraffin Waxes

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

**Comment**

<Field Hidden>

**Patent Fuel****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**PCI Coal****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Peat****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Pentanes Plus**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Petrochemical Feedstocks**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Petrol**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Petroleum Coke****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Petroleum Products****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Pitch**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Plastics****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Primary Solid Biomass****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

## Propane Gas

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Propane Liquid

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Propylene

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

**Comment**

<Field Hidden>

**Refinery Feedstocks****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Refinery Gas****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Refinery Oil****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Residual Fuel Oil**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Road Oil**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**SBP**

**Emission factor**

<Field Hidden>



**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Shale Oil****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Sludge Gas****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Softwood**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Solid Biomass Waste****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Special Naphtha****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

## Still Gas

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Straw

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Subbituminous Coal

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

**Comment**

<Field Hidden>

**Sulphite Lyes****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Tar****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Tar Sands****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Thermal Coal**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Thermal Coal Commercial**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Thermal Coal Domestic**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Thermal Coal Industrial****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Tires****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Town Gas**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Unfinished Oils****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Vegetable Oil****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

## Waste Oils

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Waste Paper and Card

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>

### Comment

<Field Hidden>

## Waste Plastics

### Emission factor

<Field Hidden>

### Unit

<Field Hidden>

### Emission factor source

<Field Hidden>



**Comment**

<Field Hidden>

**Waste Tires****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**White Spirit****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Wood****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Wood Chips**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Wood Logs**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Wood Pellets**

**Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Wood Waste****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

**Other****Emission factor**

<Field Hidden>

**Unit**

<Field Hidden>

**Emission factor source**

<Field Hidden>

**Comment**

<Field Hidden>

C8.2e

---

(C8.2e) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	431347	431347	0	0
Heat	4466	4466	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2f

---

(C8.2f) Provide details on the electricity, heat, steam and/or cooling amounts that were accounted for at a low-carbon emission factor in the market-based Scope 2 figure reported in C6.3.

**Basis for applying a low-carbon emission factor**

No purchases or generation of low-carbon electricity, heat, steam or cooling accounted with a low-carbon emission factor

**Low-carbon technology type**

<Field Hidden>

**MWh consumed associated with low-carbon electricity, heat, steam or cooling**

<Field Hidden>

**Emission factor (in units of metric tons CO2e per MWh)**

<Field Hidden>

**Comment**

There were no electricity, heat, steam, and/or cooling amounts that were accounted for at a low-carbon emission factor for 2017.

---

## C9. Additional metrics

---

### C9.1

---

**(C9.1) Provide any additional climate-related metrics relevant to your business.**

## C10. Verification

---

### C10.1

---

**(C10.1) Indicate the verification/assurance status that applies to your reported emissions.**

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

### C10.1a

---

**(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 and/or Scope 2 emissions and attach the relevant statements.**

**Scope**

Scope 1

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

[Independent Accountant Report.pdf](#)

**Page/ section reference**

Whole document

**Relevant standard**

Attestation standards established by AICPA (AT105)

**Proportion of reported emissions verified (%)**

100

---

**Scope**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

[Independent Accountant Report.pdf](#)

**Page/ section reference**

Whole document

**Relevant standard**

Attestation standards established by AICPA (AT105)

**Proportion of reported emissions verified (%)**

100

---

**Scope**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

[Independent Accountant Report.pdf](#)

**Page/ section reference**

Whole document

**Relevant standard**

Attestation standards established by AICPA (AT105)

**Proportion of reported emissions verified (%)**

100

---

## C10.1b

---

**(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Scope**

Scope 3- all relevant categories

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Attach the statement**

[Independent Accountant Report.pdf](#)

**Page/section reference**

Whole document

**Relevant standard**

Attestation standards established by AICPA (AT105)

---

## C10.2

---

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

No, we do not verify any other climate-related information reported in our CDP disclosure



## C11. Carbon pricing

---

### C11.1

---

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

### C11.1a

---

**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**

UK carbon price floor

### C11.1c

---

**(C11.1c) Complete the following table for each of the tax systems in which you participate.**

**Alberta carbon tax**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**BC carbon tax**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Chile carbon tax**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

## Colombia carbon tax

### Period start date

<Field Hidden>

### Period end date

<Field Hidden>

### % of emissions covered by tax

<Field Hidden>

### Total cost of tax paid

<Field Hidden>

### Comment

<Field Hidden>

## Denmark carbon tax

### Period start date

<Field Hidden>

### Period end date

<Field Hidden>

### % of emissions covered by tax

<Field Hidden>

### Total cost of tax paid

<Field Hidden>

### Comment

<Field Hidden>

## Estonia carbon tax

### Period start date

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Finland carbon tax**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**France carbon tax**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Iceland carbon tax**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Ireland carbon tax**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

## Japan carbon tax

### Period start date

<Field Hidden>

### Period end date

<Field Hidden>

### % of emissions covered by tax

<Field Hidden>

### Total cost of tax paid

<Field Hidden>

### Comment

<Field Hidden>

## Latvia carbon tax

### Period start date

<Field Hidden>

### Period end date

<Field Hidden>

### % of emissions covered by tax

<Field Hidden>

### Total cost of tax paid

<Field Hidden>

### Comment

<Field Hidden>

## Liechtenstein carbon tax

### Period start date

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Mexico carbon tax**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Norway carbon tax**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Poland carbon tax****Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Portugal carbon tax****Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>



## Slovenia carbon tax

### Period start date

<Field Hidden>

### Period end date

<Field Hidden>

### % of emissions covered by tax

<Field Hidden>

### Total cost of tax paid

<Field Hidden>

### Comment

<Field Hidden>

## South Africa carbon tax

### Period start date

<Field Hidden>

### Period end date

<Field Hidden>

### % of emissions covered by tax

<Field Hidden>

### Total cost of tax paid

<Field Hidden>

### Comment

<Field Hidden>

## Sweden carbon tax

### Period start date

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Switzerland carbon tax****Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**UK carbon price floor****Period start date**

April 1 2016

**Period end date**

March 31 2017

**% of emissions covered by tax**

7

**Total cost of tax paid**

918677

**Comment**

Our U.K. Market participates in The CRC Energy Efficiency Scheme, as regulated by the United Kingdom Carbon Price Floor. Submissions under this Scheme do not align directly with the reporting period of this disclosure, however our most recent submission covered the period of 1 April 2016 – 31 March 2017. Our next submission will be confirmed in September 2018 and covers the period of 1 April 2017 – 31 March 2018. The percentage of emissions covered by the tax represents the proportion of total global Scope 1 and 2 (location-based) emissions reported for 2017.

**Ukraine carbon tax****Period start date**

&lt;Field Hidden&gt;

**Period end date**

&lt;Field Hidden&gt;

**% of emissions covered by tax**

&lt;Field Hidden&gt;

**Total cost of tax paid**

&lt;Field Hidden&gt;

**Comment**

&lt;Field Hidden&gt;

**Other carbon tax, please specify****Period start date**

&lt;Field Hidden&gt;

**Period end date**

&lt;Field Hidden&gt;

**% of emissions covered by tax**

&lt;Field Hidden&gt;

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Other carbon tax, please specify**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Other carbon tax, please specify**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Other carbon tax, please specify**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Other carbon tax, please specify**

**Period start date**

<Field Hidden>

**Period end date**

<Field Hidden>

**% of emissions covered by tax**

<Field Hidden>

**Total cost of tax paid**

<Field Hidden>

**Comment**

<Field Hidden>

**Other carbon tax, please specify**

**Period start date**

<Field Hidden>

**Period end date**

&lt;Field Hidden&gt;

**% of emissions covered by tax**

&lt;Field Hidden&gt;

**Total cost of tax paid**

&lt;Field Hidden&gt;

**Comment**

&lt;Field Hidden&gt;

## C11.1d

---

**(C11.1d) What is your strategy for complying with the systems in which you participate or anticipate participating?**

The Yum! Government Relations team actively monitors developing climate regulations. Any developments are brought to the attention of the Yum! and brand sustainability teams. At warranted, pending developments are reviewed and if deemed necessary included in our corporate risk analysis process. As done with other risks they are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee. For regulations already enacted, our market financial, tax and legal team work to ensure our compliance with all laws. The U.K. Carbon Price Floor is a good example of how this has worked and we have integrated fulfillment of our obligations into our standard procedures.

## C11.2

---

**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**

No

## C11.3

---

### (C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

## C12. Engagement

---

### C12.1

---

#### (C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

### C12.1a

---

#### (C12.1a) Provide details of your climate-related supplier engagement strategy.

##### **Type of engagement**

Compliance & onboarding

##### **Details of engagement**

Included climate change in supplier selection / management mechanism

*Suppliers follow our policy to remain suppliers. For example: Preference is given to RSPO certified palm oil.*

##### **% of suppliers by number**

4

**% total procurement spend (direct and indirect)**

10

**% Scope 3 emissions as reported in C6.5**

0

**Rationale for the coverage of your engagement**

Palm oil and timber are two key supplier groups for Yum! that have the potential to impact deforestation and impact climate change. Therefore we have prioritized these suppliers. We have long standing and clear policies and goals associated for each of these areas. We believe that working with our peers, suppliers, NGOs, and other internal and external stakeholders is essential to achieving our goal. That's why we give preference to suppliers who are certified by the Roundtable on Sustainable Palm Oil (RSPO) field. Yum! Brands will not knowingly buy paper-based packaging products that were made with fiber that comes from illegal or the following unwanted sources: a. Wood harvested from forests that have been converted to plantations or non-forest use b. Wood from high conservation value forests, unless those forests are credibly certified c. Wood where the source forest and species are unknown d. Wood harvested in a manner that violates human rights e. Wood harvested that violates local or international laws

**Impact of engagement, including measures of success**

We are engaging with markets and suppliers on compliance with our policy to transition to sustainable palm oil and paper-based packaging. This policy contributes to reducing our environmental impact from undesirable palm in agricultural processes that have a negative impact on climate change. We conduct an annual survey of suppliers to measure progress, identify issue and create corrective actions. Results are reported in CDP-Forests. As a result of this process we have removed suppliers from our value chain and encouraged others to act more sustainability. Increasing procurement of certified fiber sources as well as recycled content is one of our climate change strategies.

**Comment**

Scope 3 emissions are estimated for corporate restaurants only. It is an approximation and subject to refinement as methods of estimation improve. Because of this, 0% of emissions generated by our suppliers are reported in C6.5.

---

**C12.3**

---

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**



Direct engagement with policy makers  
 Trade associations  
 Other

### C12.3a

**(C12.3a) On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Food donation and GHG Reduction)	Support	<p>Our food donation program, Harvest, is focused on donating wholesome, surplus food from our restaurants to local food agencies, which diverts food waste from our restaurants and landfills. To encourage food donation programs like Harvest, we engage with policy makers at the local, state and federal level, in addition to trade associations and other industry partners to enact policy that not only addresses food insecurity, but also supports a sustainable environment. Prepared food donation programs are EPA-verified as reducing Greenhouse Gas Emissions (GHG) from landfills and waste combustion. For every 5,100 pounds of prepared food product donated, 5 tonnes of GHG emissions are saved from the atmosphere, equal to one passenger vehicle. We have also engaged in briefing US House of Representative Staffers as part of participation with the Food Waste Reduction Alliance. This year we joined a scission with USDA Secretary Purdue to share our passion and progress regarding Food Donation. The program is currently most advanced in the US, however, we are working to expand it internationally. In 2017, we were also able to donate food in countries including the U.K., Canada, Spain, Mexico, Thailand, Australia and South Africa. In 2017, Our Vice President of Global Citizenship and Sustainability attended the food waste meeting at the G7 in Bologna to advocate for food donation and its positive implications for feeding the hungry and GHG avoidance.</p>	<p>In 2015, legislation providing a permanent food donation tax deduction was passed at the federal level and similar legislation has been proposed in Kentucky, Massachusetts, Minnesota, New Jersey, New York, Ohio and Pennsylvania. The enactment of a restaurant charitable food donation tax credit helps address food insecurity, assists in moving towards a more sustainable environment and streamlines small business restaurant operations. Yum! Brands is also seeking ways to expand the Harvest program overseas. For example, in 2017 our Government Relations team, in conjunction with our global consultants and trade association partners, undertook education efforts in Italy to raise awareness for the Harvest program. The efforts highlighted both the economic and environmental opportunities the program provides and potential legislative changes required for wide-scale implementation. To date, the Spanish Parliament has been especially receptive to the program, viewing it as a means to both reduce hunger and cut back on food waste. Our hope is to broaden the work out across the EU in upcoming years.</p>

### C12.3b

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

**C12.3c**

---

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

U.S. Green Building Council

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The USGBC is committed to the development of green buildings with one of the goals being to combat global climate change. The promotion of the LEED rating system helps to mitigate the contribution of buildings to climate change by promoting reductions through building operations energy use, transportation energy use, embodied energy and materials, water use, use of clean energy supplies, and promoting non-energy related drivers such as reforestation and refrigerant purchases.

**How have you, or are you attempting to, influence the position?**

We work with the USGBC in support of the development of the LEED rating system. We sit on the Retail User Group-Retail and the LEED Pilot Credit Committee.

---

**Trade association**

National Restaurant Association (NRA)

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The NRA is committed to educating their members about environmental sustainability in the restaurant business and including how to minimize food waste. That's why they have taken a leadership role, in partnership with the Food Waste Reduction Alliance, Grocery Manufacturers Association and the Food Marketing Institute, to reduce food waste in our industry. One of the main objectives of the group is to recycle unused food waste by diverting it from landfills.

**How have you, or are you attempting to, influence the position?**

We partner closely with the NRA to encourage more food donation. Specifically, the NRA succeeded in getting Congress and the White House to encourage more food donation by permanently extending the enhanced tax deduction for food donations to smaller corporations. We currently serve on a number of committees including Sustainability Education, Supply Chain and Federal Affairs. Additionally, we partner with state and local restaurant associations to explore how the federal tax credit can apply at the state level.

---

**C12.3e**

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**(C12.3e) Provide details of the other engagement activities that you undertake.**

We communicate with the United States Department of Energy through the Better Building Alliance via conferences and seminars on ways to measure energy consumption and reduce the use of energy by retail businesses. In particular, among other topics we discuss are issues related to sustainable, recyclable or decreased takeout food packaging. We currently serve on a number of committees including Sustainability Education, Supply Chain and Federal Affairs. Overall, we advocate for public policy that addresses climate change in a way that recognizes the real economic and operational challenges faced by our business.

Yum! Brands has been a member of the U.S. Green Building Council since 2008 and supports their mission to transform the design and construction industry to provide for a greener future. Our support includes participation in ongoing continuous improvement efforts in support of the LEED rating system through participation in the LEED User Group-Retail and LEED Pilot Committee where we advocate for clarity of process and the inclusion of sustainability issues relevant to the restaurant industry.

We are also engaged in creating connecting and convening businesses, non-profits, government agencies and individuals in support of sustainability in our corporate home-town of Louisville, Kentucky where actively support the efforts of the Louisville Sustainability Council. The efforts of this organization along with Metro Louisville, enabled the city to be recognized for its four-star sustainability efforts, including on climate change action, by Star Communities.

## C12.3f

---

**(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

Our strategy is influenced by our belief that we have a responsibility to reduce our environmental impact and the resulting greenhouse gas emissions that contribute to climate change, and we recognize that direct engagement with policy makers has the potential to drive changes in legislation that will support our efforts along this journey. Our sustainability governance structure helps to ensure that any activities which may influence policy (direct or indirect) are consistent with our overall environmental sustainability strategy. The Yum! Brands Government Relations team and Global Sustainability team are closely linked and managed by our Vice President of Global Citizenship and Sustainability. In addition, our Yum! Communications team manages communications to coordinate consistent communications regarding ESG issues such as climate change. All three groups are part of our ESG Council whose activities include avocation for solutions that are consistent with our strategy and coordination with the brands to execute against goals associated with the strategy.

## C12.4

---

**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

[Yum-2017-Global-Citizenship-Sustainability-Report.pdf](#)

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

---

**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

[Yum-2017-Global-Citizenship-Sustainability-Report.pdf](#)

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

---

**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

[Newsweek.jpg](#)

**Content elements**

Other, please specify (Recognition)

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

[DJSI Release.jpg](#)

**Content elements**

Other, please specify (Recognition)

---

**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

[CR100 Release.jpg](#)

**Content elements**

Other, please specify (Recognition)

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## C14. Signoff

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### C-FI

---

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

## C14.1

---

**(C14.1) Provide details for the person that has signed off (approved) your CDP climate change response.**

	Job title	Corresponding job category
Row 1	President and Chief Financial Officer (CFO)	President

## Submit your response

---

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	Public or Non-Public Submission	I am submitting to
I am submitting my response	Public	Investors

**Please confirm below**

I have read and accept the applicable Terms



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