



KPMG LLP
Two Financial Center
60 South Street
Boston, MA 02111

Independent Accountants' Review Report

To the Management of Yum! Brands, Inc.:

Report on the Statement of Greenhouse Gas Emissions for the year ended December 31, 2024

Conclusion

We have reviewed whether the Statement of Greenhouse Gas Emissions and notes (the Statement) of Yum! Brands, Inc. (the Company) for the year ended December 31, 2024 have been prepared in accordance with the criteria set forth in the basis of presentation in Note 1 of the Statement (the Criteria).

Based on our review, we are not aware of any material modifications that should be made to the Statement for the year ended December 31, 2024 in order for it to be prepared in accordance with the Criteria.

Our conclusion on the Statement does not extend to any other information that accompanies or contains the Statement and our report.

Basis for conclusion

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants in the versions of AT-C section 105, *Concepts Common to All Attestation Engagements*, and AT-C section 210, *Review Engagements*, that are applicable as of the date of our review. We are required to be independent and to meet our other ethical requirements in accordance with relevant ethical requirements related to the engagement. We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our conclusion.

Responsibilities for the Statement

Management of the Company is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Statement such that it is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the Statement and appropriately referring to or describing the criteria used; and
- preparing the Statement in accordance with the Criteria.

Inherent limitations in preparing the Statement

As described in Note 1 of the Statement ('Use of estimates and estimation uncertainties'), emissions data included in the Statement are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements.



Our responsibilities

The attestation standards established by the American Institute of Certified Public Accountants require us to:

- plan and perform the review to obtain limited assurance about whether any material modifications should be made to the Statement in order for it to be prepared in accordance with the Criteria; and
- express a conclusion on the Statement based on our review.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the Statement and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- inquiring of management to obtain an understanding of the methodologies applied to measure and evaluate the GHG emissions;
- evaluating management's application of the methodologies;
- inspecting supporting documentation for a selection of activity data;
- considering the appropriateness of emission factors used and estimates;
- recalculating a selection of the GHG emissions; and
- performing analytical procedures.

The procedures performed in a review vary in nature and timing from, and are substantially less in extent than, an examination, the objective of which is to obtain reasonable assurance about whether the subject matter information is prepared in accordance with the criteria, in all material respects, in order to express an opinion. Because of the limited nature of the engagement, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an examination been performed.

KPMG LLP

Boston, Massachusetts
May 29, 2025

Yum! Brands, Inc.
Statement of Greenhouse Gas Emissions
For the year ended December 31, 2024

Greenhouse Gas Emissions <i>in metric tons carbon dioxide equivalent</i> <i>(MTCO_{2e})</i>	2024 Location-based	2024 Market-based	2024 Total
Scope 1	41,192	N/A	41,192
Scope 2	121,117	99,517	99,517
Subtotal: Scope 1 & 2 (market-based)			140,709
Scope 3¹	33,959,598	34,144,516	

See accompanying notes to the Statement of Greenhouse Gas Emissions.

¹ The Company uses both the location and market-based method for calculating scope 3 category 14 emissions for franchisees.

Yum! Brands, Inc.
Notes to the Statement of Greenhouse Gas Emissions
For the year ended December 31, 2024

Note 1: The Company

Overview of Business

As of December 31, 2024, Yum! Brands, Inc. (Yum! or the Company), based in Louisville, Kentucky, and its franchisees, operates a system of over 61,000 restaurants in more than 155 countries and territories. The Company's restaurant brands are KFC, Pizza Hut, Taco Bell, and Habit Burger & Grill (the Concepts), which operate in the chicken, pizza, Mexican-style, and burger food categories. Over 98% of restaurants are operated by independent franchisees or licensees under the terms of franchise or license agreements. The terms franchise or franchisee within this report are meant to describe third parties that operate restaurants under either franchise or license agreements.

Basis of presentation

The Statement of Greenhouse Gas (GHG) Emissions (the Statement) has been prepared for the calendar reporting year ended December 31, 2024.

The Company has prepared its GHG emissions in accordance with the World Resources Institute and World Business Council for Sustainable Development's Greenhouse Gas Protocol standards and guidance (collectively, the GHG Protocol):

- Scope 1 and Scope 3 GHG Emissions have been prepared in accordance with the GHG Protocol: A Corporate Accounting and Reporting Standard, Revised Edition.
- Scope 2 GHG Emissions have been prepared in accordance with the GHG Protocol Scope 2 Guidance: An amendment to the GHG Protocol Corporate Standard.

Organizational and operational boundaries

The Company presents its GHG emissions under the operational control approach, accounting for emissions from operations over which it, or one of its subsidiaries, has the full authority to introduce and implement its operating policies. Franchisees independently manage and run their businesses and restaurant operations in compliance with the terms of the franchise agreement. Therefore, the Company does not have operational control over franchisees, and they are not included within the Company's organizational boundary. As such, emissions from franchisees are included in Scope 3 GHG emissions.

Scope 1 emissions are direct emissions from the combustion of fuel from sources within the organizational boundary. Identified emission sources for the Company comprise the following:

- Stationary Combustion: Company-owned offices and restaurant equipment, boilers, furnaces, and generators.
- Mobile Combustion: Company-owned and leased vehicles.
- Fugitive Emissions: Leakages from air conditioners and refrigeration equipment located in company-owned restaurants.

Yum! Brands, Inc.
Notes to the Statement of Greenhouse Gas Emissions
For the year ended December 31, 2024

Scope 2 emissions are indirect emissions from the generation of acquired and consumed electricity, steam, heat or chilled water. Identified emission sources for the Company comprise purchased electricity at Company-owned restaurants and offices.

Scope 3 emissions are indirect emissions that occur in the value chain of the Company, including both upstream and downstream emissions. These emissions have been calculated (but are not presented) in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and following the GHG Protocol Technical Guidance for Calculating Scope 3 Emissions

The Company presents total Scope 3 emissions, which comprise all material Scope 3 categories. Due to the significance of the franchisee model, Scope 3 emissions from franchisee-owned restaurants are combined with Scope 3 emissions from Company-owned restaurants throughout the Scope 3 categories – for example, Category 1 – Purchased Goods and Services which include procured ingredients and packaging for both Company-owned and franchisee-owned restaurants.

Identified relevant emission sources included in total Scope 3 emissions comprise the following:

- Category 1 – Purchased Goods and Services: Emissions from ingredients, including core proteins of chicken, beef and dairy products, cooking oils, and plastic and fiber-based packaging procured for both Company-owned and franchisee-owned restaurants.
- Category 4 – Upstream Transportation and Distribution: Emissions associated with the shipment of purchased goods from third-party vendor warehouses to both Company-owned and franchisee-owned restaurants.
- Category 5 – Waste Generated in Operations: Emissions associated with the disposal of food and packaging waste at both Company-owned and franchisee-owned restaurants.
- Category 6 – Business Travel: Emissions associated with ground and air business travel by Company employees only. Emissions associated with business travel for franchisees relating to the operation of franchisee-owned restaurants are assumed immaterial and not reported by the Company.
- Category 9 – Downstream Transportation and Distribution: Emissions associated with delivering sold products from Company-owned and franchisee-owned restaurants to customers, facilitated by employees of the Company, employees of franchisees, and food and/or delivery aggregators.
- Category 12 – End-of-Life Treatment of Sold Products: Emissions from the disposal and treatment of plastic and fiber-based packaging once the food products have been consumed by customers.
- Category 14 – Franchises: Scope 1 and Scope 2 (location and market-based) emissions associated with the consumption of natural gas, diesel, liquefied petroleum gas, and purchase of electricity, heat and cooling used in the operations of franchisee-owned restaurants.

Yum! Brands, Inc.
Notes to the Statement of Greenhouse Gas Emissions
For the year ended December 31, 2024

Base Year

The Company's base year for Scope 1, Scope 2 (location and market-based method) and Scope 3 GHG emissions, (location and market-based method) is 2019. The base year is recalculated if there are changes in any of the following that are significant either individually or collectively.

- Structural changes in the organizational boundary, such as acquisitions or divestments, including to or from a franchisee.
- Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in a significant impact on the base year emissions data.

Yum! has set the threshold used to determine if a recalculation is necessary at 10% of total reported emissions. The acquisition of 216 KFC restaurants from a franchisee in the U.K. and Ireland on April 29, 2024 did not meet this threshold. No adjustments were made to the base year in 2024.

Use of estimates and estimation uncertainties

The Company bases its estimates and methodologies on historical experience, available information and various other assumptions that it believes to be reasonable. Emissions data included in the Statement of GHG Emissions are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary.

Note 2: Greenhouse Gas Emissions

Emissions per GHG

GHG emissions include four of the seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), nitrogen trifluoride (NF₃) and sulphur hexafluoride (SF₆) emissions have been omitted from our reporting as they are not a material source of GHG emissions for the Company.

The following table presents the Company's GHG Emissions by scope and type of gas:

<i>Emissions in MTCO₂e</i>	CO ₂	CH ₄	N ₂ O	HFC	Total CO ₂ e
Scope 1	35,224	23	27	5,918	41,192
Scope 2 (location-based)	120,493	224	400	N/A	121,117
Scope 3 (location-based)	33,598,806	6,209	13,081	341,502	33,959,598

Yum! Brands, Inc.
Notes to the Statement of Greenhouse Gas Emissions
For the year ended December 31, 2024

Global Warming Potentials

GHG emissions were calculated using the 100-year Global Warming Potentials (GWP) from the International Panel on Climate Change (IPCC) Fifth Assessment Report with the exception of when International Energy Agency (IEA) Emission Factors are applied that use the IPCC Fourth Assessment Report.

Measurement methodologies

Scope 1 GHG emissions

Source	Method	Emission factors	Inputs
Stationary combustion	Emission factors applied to actual data or average data when actual data is unavailable.	EPA GHG Emission Factors Hub, released June 2024	<ul style="list-style-type: none"> Fuel receipts and invoices Purchase records
Mobile combustion	Emission factors applied to actual data or average data when actual data is unavailable.	DEFRA UK Government GHG Conversion Factors for Company Reporting, released July 2024	<ul style="list-style-type: none"> Fuel receipts and invoices Purchase records Fuel type Distance traveled
Fugitive emissions	Global warming potentials applied to actual data or average data when actual data is unavailable. A default leakage rate of 5% is assumed for all equipment in alignment with WRI guidance.	IPCC Fifth Assessment Report, released October 2014; ASHRAE Standard 34 Designation and Safety Classification of Refrigerants, released May 2021	<ul style="list-style-type: none"> Refrigerant charge Refrigerant type

Methodology description

Emissions are calculated by multiplying the consumption of each energy type by the appropriate emission factor. Consumption is based on actual data when available. When actual data is unavailable, consumption is estimated based on the average consumption by Concept(s) in the same geographic location during the reporting year.

Yum! Brands, Inc.
Notes to the Statement of Greenhouse Gas Emissions
For the year ended December 31, 2024

Scope 2 GHG emissions

Source	Method	Emission factors	Inputs
Purchased electricity	Location-based	IEA Emission Factors, released September 2024; EPA eGRID, released January 2024	<ul style="list-style-type: none"> • Utility bills/metered consumption
Purchased electricity	Market-based	IEA Emission Factors, released September 2024; Green-e Residual Factors, released December 2024; AIB Residual Factors, released June 2023	<ul style="list-style-type: none"> • Utility bills/metered consumption • Energy Attribute Certificates (EACs)

Methodology description

Emissions are calculated by multiplying the purchased electricity consumption by the appropriate emission factor. Consumption is based on actual data when available. When actual data is unavailable, consumption is estimated based on the average consumption by Concept(s) in the same geographic location during the reporting year.

Location-based method estimates are based on grid-average emission factors for defined geographic locations.

Market-based method estimates are based on emission factors derived from contractual instruments, which meet the GHG Protocol ‘Scope 2 Quality Criteria’. This includes electricity purchases covered by EACs. When these factors are not available, emissions are estimated using residual mix factors.

The Company has not traded, sold, purchased, transferred, or banked any carbon allowances.

Yum! Brands, Inc.
Notes to the Statement of Greenhouse Gas Emissions
For the year ended December 31, 2024

Scope 3 GHG emissions

Source	Method	Emission factors	Inputs
Category 1, Purchased Goods and Services	Average-data	Agri-footprint 6.3, released March 2023; CleanMetrics, Food Carbon Emissions Calculator, accessed April 2025; GLEAM database, accessed April 2025; Supplier Provided Emission Factors, accessed April 2025; Daniel Posen et. Al, accessed April 2025; Journal of Polymers and the Environment, accessed April 2025; Ecoinvent Database, accessed April 2025	<ul style="list-style-type: none"> • Weights of purchased goods from purchasing records
Category 4, Upstream Transportation and Distribution	Fuel- and distance- based	DEFRA UK Government GHG Conversion Factors for Company Reporting, released July 2024	<ul style="list-style-type: none"> • Purchase records • Fuel type • Distance traveled • Mass of goods
Category 5, Waste Generated in Operations	Average-data	EPA WARM Tool – Version 16, released December 2023	<ul style="list-style-type: none"> • Waste weights
Category 6, Business Travel	Fuel- and distance- based	DEFRA UK Government GHG Conversion Factors for Company Reporting, released July 2024	<ul style="list-style-type: none"> • Purchase records • Transportation type • Distance traveled
Category 9, Downstream Transportation and Distribution	Distance- based	DEFRA UK Government GHG Conversion Factors for Company Reporting, released July 2024	<ul style="list-style-type: none"> • Distance traveled
Category 12, End of Life Treatment of Sold Products	Average-data	EPA WARM Tool – Version 16, released December 2023	<ul style="list-style-type: none"> • Weights of purchased plastic and fiber-based packaging from purchasing records
Category 14, Franchises	Franchise- specific and average-data Location and market-based for franchisees’ scope 2 emissions	EPA GHG Emission Factors Hub, released June 2024; IEA Emissions Factors, released September 2024; and EPA eGRID, version released January 2024; Green-e Residual Factors, version released December 2024; and AIB Residual Factors, version released June 2023; ASHRAE Standard 34 Designation and Safety Classification of Refrigerants, released May 2021; IPCC Fifth Assessment Report, released October 2014	<ul style="list-style-type: none"> • Purchase records • Utility bills/metered consumption • Refrigerant charge – mass of refrigerant • Refrigerant annual leakage rate

Yum! Brands, Inc.
Notes to the Statement of Greenhouse Gas Emissions
For the year ended December 31, 2024

Methodology description

Actual activity data was received directly from value chain partners across the Company's global footprint. When actual data was either unavailable or incomplete, a per restaurant average by Concept, and if possible, by location, was calculated and applied to the number of Company-owned and/or franchisee-owned restaurants.

The average-data method estimates emissions using input weights and applying secondary emission factors based on input type.

The distance-based method estimates emissions using distance and type of transportation and applying secondary emission factors based on the type of transport.

The fuel-based method estimates emissions using fuel consumption and applying secondary emission factors by fuel type.

The franchise-specific method estimates emissions using site-specific activity data relating to operations within a franchisee-owned restaurant and applying secondary emission factors by activity type.

The location-based indirect electricity emissions calculations utilized EPA eGrid factors within the United States and IEA country factors for all other geographies. The market-based calculations use Green-e Residual Mix factors within the United States, European Residual Mix country factors in Europe, and International Energy Agency country factors for all other geographies. Adjusted emissions factors due to residual mix are only available in the United States, United Kingdom and certain European countries (e.g., France, Germany, Italy, Netherlands, and Spain), all other countries are not available, which may result in double counting between electricity consumers.

Note 3: Subsequent event

On January 8, 2025, the Company terminated its franchise agreements with a franchisee in Turkey. The termination affects 284 KFC restaurants and 254 Pizza Hut restaurants in Turkey, which are currently not operational. The impact of the closures will be assessed in accordance with the criteria described in the Basis of Presentation in the year of termination (2025).