



# Serving the World

## Yum! Brands 2012 Corporate Social Responsibility Report

**T**hank you for your interest in our 2012 Corporate Social Responsibility report. We are proud of the great strides our brands are making across the globe to be socially responsible companies and we're excited about the strong commitments we are taking going forward, which we've highlighted in this year's report.

You'll see several changes in the way we are presenting our information. First, we are organizing the report around our four strategic CSR pillars: people, food, community and environment. Within each pillar, you'll find a snapshot of where we are against key goals. Additionally, our online-only report continues to be paper free, which allows us to make updates as we reach major milestones throughout the year, so keep checking back to hear about our progress.

The cornerstone of our CSR efforts is our people and you'll see that in this report. Our biggest competitive advantage is our culture and the nearly 1.5 million people who work in our system across the globe. We are committed to attract, retain and train the best people and inspire greatness by fostering a company that is famous for recognition. We love celebrating the achievement of others and having a lot of fun doing it!

Secondly, we are committed to providing customers with delicious food choices that they can feel good about. That includes our dedication to offering balanced options and to continuously improve the nutrition of our products. At the same time, we are educating our customers online and in our restaurants so that they can make informed decisions about their food choices.

We're also committed to being a progressively responsible company when it comes to the environment. We are making our restaurants more energy efficient, our packaging more environmentally friendly and reducing our overall carbon footprint.

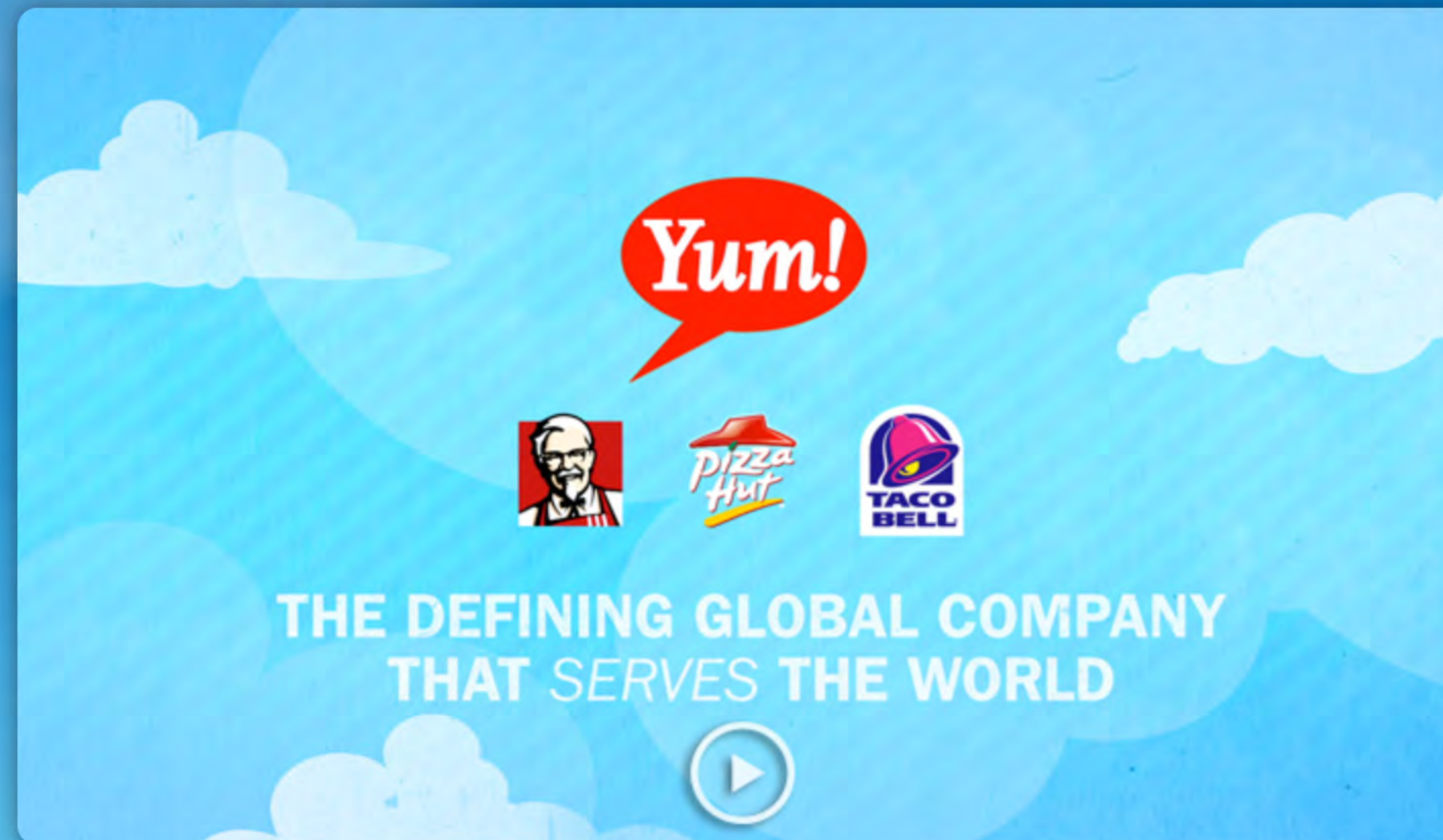
Lastly, as the defining global company that feeds the world, we've rallied together behind a noble cause. I'm proud to share that the Yum! World Hunger Relief initiative is the largest private sector program benefiting the World Food Programme and other hunger relief agencies. In the last six years, we have raised more than \$148 million – the equivalency of nearly 600 million meals for those in need. And yet we know there is still so much more we can do, which is why in 2012 we launched the Hunger to Hope Volunteer Challenge encouraging our employees to volunteer in their local communities. I'm so proud of the work we are doing in this area and for the many ways that our brands give back to their communities. Also, on a local level we also demonstrate in 125 markets where we operate that we're a company with a huge heart by supporting other causes and organizations.

Our passion around CSR is helping us achieve our vision of building the defining global company that feeds the world. While we recognize we have much more to do, we are energized about our contribution to serving the world. Thank you for your interest in CSR and Yum! to You!

David Novak  
Chairman and CEO, Yum!



## About Food People Community Environment



A message from our CEO  
**David Novak**

### CSR IN THE NEWS

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## OUR CSR COMMITMENTS



### FOOD

We serve high quality, delicious food that our customers can feel good about. To earn your trust, we follow the highest standards in the food industry – from sourcing to safety.



### PEOPLE

This is a great place to work because we believe in all people. Everyone counts and is recognized for their contributions. As an employer of choice, we offer training and wellbeing programs to attract and retain top talent.



### COMMUNITY

We have a huge heart and give back to our communities in different ways around the globe and together through World Hunger Relief. We encourage making a difference through local volunteerism.



### ENVIRONMENT

It's our goal to be a green and responsible company because we care about the environment and want to leave it better for future generations.



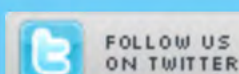
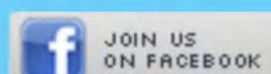


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# 39,000

Number of global restaurants

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# About Us

## ABOUT US

Yum! Brands, Inc., based in Louisville, Kentucky, has **nearly 40,000 restaurants in more than 130 countries and territories**. Yum! is ranked #201 on the Fortune 500 List with revenues of over \$13 billion in 2012 and in 2013 was named among the top 100 Corporate Citizens by Corporate Responsibility Magazine. The Company's restaurant brands – [KFC](#), [Pizza Hut](#) and [Taco Bell](#) – are the global leaders of the chicken, pizza and Mexican-style food categories. Outside the United States, the Yum! Brands system opened over five new restaurants per day, making it a leader in international retail development.

At Yum!, we are truly proud of the unique culture we've built, one that's filled with energy, opportunity and fun. We believe in our people, trust in their positive intentions, encourage ideas from everyone, and have actively developed a workforce that is diverse in style and background. Yum! is a place where anyone can, and does, make a difference.

This commitment to people extends to the communities we serve across the world. Corporate Social Responsibility (CSR) is central to our ability to succeed in the marketplace and to be a positive, responsible corporate citizen. We are actively working to align our CSR actions globally to drive industry-leading, long-term shareholder and franchisee value by operating as a responsible corporate citizen around the world. To this end, we recently adopted a global CSR framework to align and drive commitments in four categories: our food, our people, our community and our environment.

Because we're the largest restaurant company in the world and we're passionate about helping people better themselves and their communities, we're working to address these priorities:

- The health and nutritional needs of our customers
- Feeding the world's hungry
- Being responsible and intentional in our actions toward the sustainability of the environment and agricultural resources on which our business depends
- Building people capability in our associates around the world





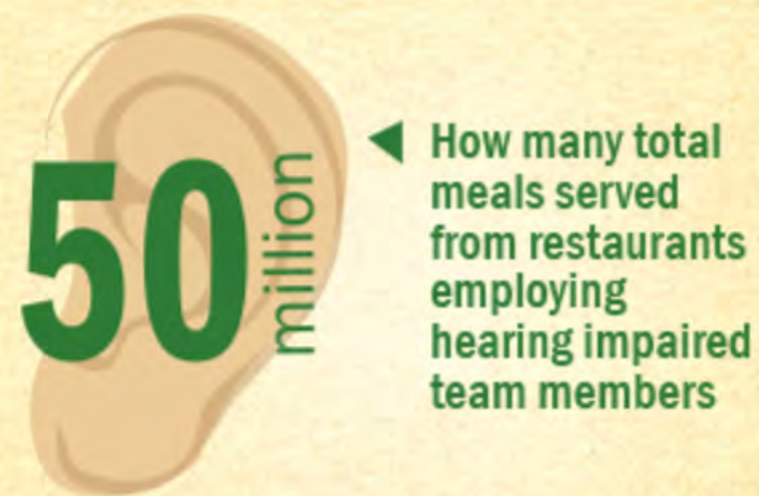


## About Food People Community Environment

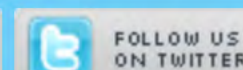
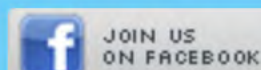
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### PRINTER FRIENDLY VERSION



## HISTORY & CULTURE

In October 1997, Yum! Brands was spun off from PepsiCo as Tricon Global Restaurants, Inc. At that moment, we established a singular goal from which we've never wavered: To be the best in the world at building great brands and running great restaurants.

Over the past 15 years, our success has been driven by our focus on building leading brands in emerging markets like China, India, Africa, Brazil and Russia in every significant category; driving aggressive, international expansion and building strong brands everywhere; dramatically improving U.S. brand positions, consistency and returns; driving industry-leading, long-term shareholder and franchisee value; and building a unique, fun culture led by people who love the restaurant business. Along the way, we also broadened our focus beyond our restaurants to important emerging issues of our global society such as our impact on people, communities, food and the environment.

Our [Future Back Vision](#) is to Become the Defining Global Company that Feeds the World through our famous recognition culture, dynamic, vibrant brands everywhere and a being company with a huge heart.

From the very beginning, we had a passion to create a company that would truly be great and lasting. We turned our passion into a roadmap, one we call the [Yum! Dynasty Growth Model](#), because dynasties endure and lead through the generations.

We believe that our customers' experience will never exceed that of our team members. For that reason, our Dynasty Growth Model starts with our people. We know that people don't just play a role in our success—they are the reason for our success.

Our corporate values, what we call our [How We Win Together<sup>2</sup> Principles](#), are built around a "People Capability First" philosophy and lay the groundwork for the way we team together every day. These Principles and our Dynasty Growth Model help guide and drive our Corporate Social Responsibility work as well.







History & Culture

Business Model

Serving the World

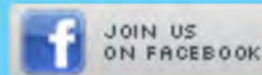
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39,000  
Number of global restaurants

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## BUSINESS MODEL

"We're proud of our consistent record of success and we will stay the course to continue delivering strong results. In 2012 we delivered full-year EPS growth of 13% or \$3.25 per share, excluding special items, marking the 11th consecutive year we achieved at least 13% and exceeded our annual target of at least 10%. This kind of consistent performance puts us in an elite group of high growth companies. Additionally, we set a new record for international development by opening nearly 2,000 new restaurants in 2012."



Pat Grismer,  
Chief Financial Officer

KFC Corporation, based in Louisville, Kentucky, is the only brand in America that can boast such a rich, 58-year history of success and innovation. In fact, KFC is the world's most popular chicken restaurant chain, specializing in Original Recipe®, Extra Crispy™, Kentucky Grilled Chicken™, Colonel's Crispy Strips® and Honey BBQ Wings®, with home-style sides and freshly made chicken sandwiches. Since its founding by Colonel Harland Sanders in 1952, KFC has been serving customers delicious, already prepared complete family meals at affordable prices. Every day, more than 12 million customers are served at KFC restaurants in 120 countries and territories around the world. KFC operates more than 4,600 restaurants in the United States and more than 18,000 total units around the world. Customers around the globe also enjoy more than 300 other products – from Kentucky Grilled Chicken™ in the United States to a salmon sandwich in Japan.

Sales (2012) - in billions	Restaurant Locations (2012)	Units (2012)
<b>U.S.</b> Company sales 0.4 Franchisee sales (a) 4.1	 ■ US ■ China ■ India ■ International	<b>U.S.</b> Company 237 Franchisee (b) 4381
<b>International</b> Company sales 1.8 Franchisee sales (a) 10.4		<b>International</b> Company 963 Franchisee (b) 8077
<b>China</b> Company sales 5.2 Franchisee sales (a) 1.5		<b>China</b> Company 3346 Franchisee (b) 914
<b>India</b> Company sales .83 Million Franchisee sales (a) 121 Million		<b>India</b> Company 113 Franchisee (b) 167

(a) Franchisee sales represent the combined estimated sales of unconsolidated affiliate and franchise and license restaurants. Franchisee sales, which are not included in our Company sales, generate franchise and license fees (typically at rates between 4% and 6%) that are included in our revenues.

(b) Franchisee represents the combined units of unconsolidated affiliates and franchise and license restaurants.

As of December 29, 2012

View More

Pizza Hut, Inc., based in Dallas, Texas, is the restaurant of choice when your favorite moments call for your favorite pizzas, pastas and wings. Offering delicious value and second-to-none food choices, Pizza Hut operates over 14,000 restaurants in more than 97 countries, including more than 7,700 restaurants in the United States. [To get social with Pizza Hut visit [social.pizzahut.com](#).]

Sales (2012) - in billions	Restaurant Locations (2012)	Units (2012)
<b>U.S.</b> Company sales 0.4 Franchisee sales (a) 5.3	 ■ US ■ China ■ India ■ International	<b>U.S.</b> Company 452 Franchisee (b) 7,304
<b>International</b> Company sales 0.6 Franchisee sales (a) 3.9		<b>International</b> Company 215 Franchisee (b) 5,089
<b>China</b> Company sales 1.3 Franchisee sales (a) -		<b>China</b> Company 986 Franchisee (b) 1
<b>India</b> Company sales 126 thousand Franchisee sales (a) 120 million		<b>India</b> Company 4 Franchisee (b) 306

(a) Franchisee sales represent the combined estimated sales of unconsolidated affiliate and franchise and license restaurants. Franchisee sales, which are not included in our Company sales, generate franchise and license fees (typically at rates between 4% and 6%) that are included in our revenues.

(b) Franchisee represents the combined units of unconsolidated affiliates and franchise and license restaurants.

As of December 29, 2012

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Taco Bell Corp., based in Irvine, California, is the nation's leading Mexican-style Quick Service Restaurant chain serving tacos, burritos, signature quesadillas, Grilled Stuft Burritos, nachos, and other specialty items such as Crunchwrap Supreme®, in addition to the Why Pay More® Value Menu. Today, Taco Bell serves more than 36.8 million customers each week in more than 5,600 restaurants in the U.S. and more than 250 international locations. Since its founding by Glen Bell in 1962, the company's countless innovations have changed the very nature of the QSR industry. From revolutionizing new kitchen preparation systems and supply chain management processes to establishing its Value Leadership, Taco Bell has kept alive Glen's pioneering spirit. "Think Outside the Bun®" is more than a company tagline – it's a way of life at Taco Bell.

Sales (2012) - in billions	Restaurant Locations (2012)	Units (2012)
<b>U.S.</b> Company sales 1.7 Franchisee sales (a) 5.7	 ■ US ■ China ■ India ■ International	<b>U.S.</b> Company 1,044 Franchisee (b) 4,651
<b>International</b> Company sales - Franchisee sales (a) 0.3		<b>International</b> Company - Franchisee (b) 282
<b>China</b> Company sales - Franchisee sales (a) -		<b>China</b> Company - Franchisee (b) -
<b>India</b> Company sales 1.3 Million Franchisee sales (a) -		<b>India</b> Company 3 Franchisee (b) -

(a) Franchisee sales represent the combined estimated sales of unconsolidated affiliate and franchise and license restaurants. Franchisee sales, which are not included in our Company sales, generate franchise and license fees (typically at rates between 4% and 6%) that are included in our revenues.

(b) Franchisee represents the combined units of unconsolidated affiliates and franchise and license restaurants.

As of December 26, 2012

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## History &amp; Culture ▾

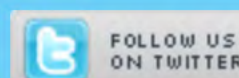
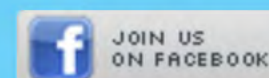
## Business Model

## Serving the World

## Our CSR Methodology ▶

Governance, Public Policy  
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Number of global restaurants

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## SERVING THE WORLD

Yum! Brands, Inc., based in Louisville, Kentucky, has **nearly 40,000 restaurants in more than 130 countries and territories.**



Our global business consists of four segments, or reporting groups—the United States, the International Division (known as Yum! Restaurants International or YRI), the China Division (known as Yum! China Division or Yum! Restaurants China) and the India Division (known as Yum! India Division or Yum! Restaurants India). YRI is segmented into several business units, including: Africa; Asia; Canada; Caribbean and Latin America; Europe; France; Germany; Korea; Middle East; Netherlands; North Africa; Turkey; South Pacific; Thailand; United Kingdom. Yum! China includes mainland China and KFC Taiwan.

### UNITED STATES

KFC - 4,618  
Pizza Hut - 7,756  
Taco Bell - 5,695  
**Total Number of Units - 18,069**

### CHINA DIVISION

KFC - 4,260  
Pizza Hut - 987  
Little Sheep - 451  
**Total Number of Units - 5,726**

### INTERNATIONAL DIVISION

KFC - 9,040  
Pizza Hut - 5,304  
Taco Bell - 282  
**Total Number of Units - 14,626**

### INDIA DIVISION

KFC - 280  
Pizza Hut - 310  
Taco Bell - 3  
**Total Number of Units - 593**

All restaurant counts are as of December 29, 2012







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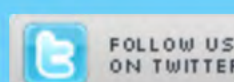
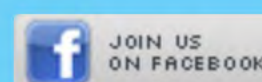
Stakeholders

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## OUR CSR METHODOLOGY

In our Corporate Social Responsibility (CSR) report, we examine the key areas of impact of our global business operations and where we have the strongest ability to play a role.

Our objectives for this report are to:

1. Reinforce our global commitment to CSR
2. Report on our performance to date under our four strategic pillars (food, people, community, environment)
3. Where possible, identify our future CSR direction, goals and policies
4. Engage in constructive dialogue with our stakeholders

As the Defining Global Company that Feeds the World, it is our privilege and honor to improve the lives of those we impact. With vibrant brands that are steeped in innovation, quality and fun food, we are excited about our business opportunities as we expand. At the same time, we understand that we have a duty to improve society and a responsibility to be a good environmental steward.

Through this report, we will engage internal and external stakeholders for their perspectives on our CSR efforts and impact. These discussions will help shape our actions and communications.

Our approach to CSR is dynamic, global in focus, yet always rooted in a People-First philosophy. We have worked diligently to understand the many CSR opportunities we have worldwide, and to develop a strategy and structure to continually improve ourselves as we serve the world.



Yum! Brands was recognized by Corporate Responsibility Magazine as a 100 Best Corporate Citizen; an acknowledgement of standout performance of public companies across the United States. The *100 Best List* documents data points of disclosure and performance measures—harvested from publicly available information in seven categories: environment, climate change, employee relations, human rights, governance, finance, and philanthropy.







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600  
million



Meals provided since World  
Hunger Relief began in 2007

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## STRATEGY

Our ability to make a positive difference in the lives of people throughout the world is virtually unlimited, and it starts with a clear focus and commitment to getting better. We have chosen to leverage our clear strengths: our expertise—what we refer to as know how—and our people.

We believe that our strongest impact and contribution to sustainability lies in the critical parts of our business—the success and diversity of our associates, feeding people, health and nutrition, our supply chain, the environment, and community engagement and impact. These are the areas in which we are concentrating our efforts. We are also driving stakeholder engagement, systematically involving key internal and external stakeholders to support and execute our CSR initiatives.

Our strategy centers on four key pillars: People, Food, Community and Environment. Tactically, we will:

1. Transparently report on our progress with key stakeholders
2. Identify opportunities for improvement
3. Develop programs and strategies that address and overcome challenges

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TO CORPORATE SOCIAL  
RESPONSIBILITY

Yum!

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Meals provided since World  
Hunger Relief began in 2007

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## STRUCTURE

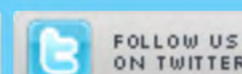
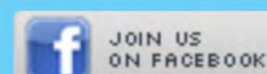
We've built an integrated, executive-level structure and process to assess, guide and oversee our worldwide CSR activities. This ensures consistency in global CSR standards and activities while allowing for local adaptation to fit diverse cultural contexts and needs.

CSR at Yum! is a partnership between the Global Sustainability and Public Affairs teams and is led by our Chief Sustainability Officer and Vice President of Corporate Social Responsibility. We engage various internal and external stakeholders to deliver on the CSR commitments outlined in this report and we will continue to engage these and additional stakeholders as we move forward on our journey.

We will continue to refine our structure as needed, as well as the ways in which we measure progress against our objectives, to enhance our CSR capabilities and effectiveness.



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Meals provided since World  
Hunger Relief began in 2007

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## STAKEHOLDERS

Many of the important decisions and actions related to CSR are made and taken by our key stakeholders, outside of the immediate control of the company, but within our system. Our franchisees are our most important partners in the implementation of practices regarding associates, sourcing and community impact.

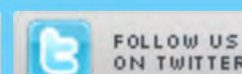
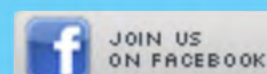
Our existing structure for engaging this important group in the U.S. includes:

- Unified Foodservice Purchasing Co-op (UFPC) Board of Directors
- Brand Franchise Associations/Board of Directors

Over the past 15 years, we have built strong relationships with franchise owners and leaders, who inform and guide our thinking. We are now expanding the team of stakeholders to include those with important perspectives in the areas related to our most important CSR impacts and we intend to share our progress with these key stakeholders:

- Diversity Outreach and Improvements
- Health and Nutrition
- Supply Chain Innovation and Management
- Animal Welfare
- Environment (e.g., energy and water use, building design, waste and packaging)
- Hunger Relief
- Community Engagement

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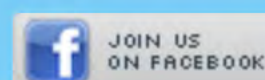
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- Trade Memberships

# 1990

Year that China formed a research and development team to understand local food choices and product formulation

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### PRINTER FRIENDLY VERSION



## GOVERNANCE, PUBLIC POLICY AND GOVERNMENT AFFAIRS

The business and affairs of Yum! Brands are managed under the direction of the Board of Directors. The Board believes that good corporate governance and high ethical standards are critical factors in achieving business success and in fulfilling the Board's responsibilities to shareholders. The Board recognizes that its practices align management and shareholder interests: Board composition, independence, and diversity; corporate governance principles; executive compensation; ethics and compliance, and a [worldwide code of conduct](#).

We operate in a complex and dynamic public policy environment. To influence this environment, as permitted by law, we make prudent political contributions that are consistent with our business objectives and conduct advocacy efforts with policymakers at national, state and local levels, both in the United States as well as in our international markets. We participate in other ways, including making political contributions through an associate Political Action Committee, engaging our employees and franchisees in grassroots political activities, and via our membership and active participation in several international, national and regional restaurant, retail and industry associations. Transparency as to our public policy participation is important to us. Our political contributions and advocacy efforts are made in compliance with our Political Contributions and U.S. Government Advocacy Policy. We also disclose an annual list of our corporate contributions and expenditures. Our Policy and annual list of contributions and expenditures can be found at [www.yum.com/investors/governance/disclosure.asp](http://www.yum.com/investors/governance/disclosure.asp).

"A diverse range of experiences and perspectives among our Directors ensures the success of the Board in overseeing our complex, varied businesses. It also enhances long-term shareholder value."



**Chris Campbell**,  
Senior Vice President,  
General Counsel &  
Secretary and Chief  
Franchise Policy Officer







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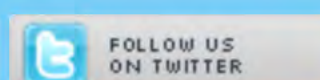
Trade Memberships

1990

Year that China formed a research and  
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## BOARD OF DIRECTORS

DAVID NOVAK  
Chairman & CEO,  
Yum! Brands



Our Board of Directors is led by Yum! Brands Chairman and Chief Executive Officer, David Novak. Among the 12 directors on the Board, nine are independent directors (based on New York Stock Exchange rules for director independence). The three non-independent directors are David Novak, Chairman and Chief Executive Officer, Jing-Shyh S. (Sam) Su, Vice Chairman of the Board, Yum! Brands, Inc. and Chairman and Chief Executive Officer, Yum! Brands China Division, and Michael J. Cavanagh, Co-Chief Executive Officer, JPMorgan Chase & Co., Corporate and Investment Bank. To view detailed profiles of our directors, please visit our website at [www.yum.com/company/bod.asp](http://www.yum.com/company/bod.asp).

The Board of Directors has established four committees:

- Audit Committee
- Management Planning and Development Committee
- Nominating and Governance Committee
- Executive/Finance Committee

Only independent directors serve on the Audit, Management Planning and Development, and Nominating and Governance Committees in accordance with our Corporate Governance Principles. The Executive/Finance Committee includes Chairman and Chief Executive Officer David Novak, along with independent directors Thomas C. Nelson, Thomas M. Ryan and Robert D. Walter. To view our Board Committee composition, please visit our website at [www.yum.com/investors/governance/charters.asp](http://www.yum.com/investors/governance/charters.asp).

To ensure continued strong performance, the Board has instituted an annual self-evaluation process led by the Nominating and Governance Committee. This assessment focuses on the Board's contribution to the Company and emphasizes those areas in which a better contribution could be made. In addition, our Audit, Management Planning and Development and Nominating and Governance Committees conduct similar self-evaluations on an annual basis.

## BOARD DIVERSITY

A diverse range of experiences and perspectives among our Directors ensures the success of the Board in overseeing our complex, varied businesses.

When recruiting new directors, we look for leaders from different backgrounds that combine a broad spectrum of experience and expertise with a reputation for integrity. For complete selection criteria and policies, please see our [Corporate Governance Principles](#).

We're proud of the diversity of our Board. As of this writing, two women (Mirian M. Graddick-Weir and Bonnie G. Hill) and three minorities (Ms. Graddick-Weir, Ms. Hill, and Jing-Shyh S. (Sam) Su) serve on our Board of Directors. Ms. Graddick-Weir is the Executive Vice-President of Human Resources at Merck & Co., Inc. She has been a Director since January 2012. Ms. Hill is President of B. Hill Enterprises, LLC, a consulting company. She has been a Director since 2003. Mr. Su, a Taiwanese national and Chinese citizen, serves as Vice Chairman of the Board, Yum! Brands, Inc. and Chairman and Chief Executive Officer, Yum! Brands China Division. He has been a Director since 2008. The balance of our Board includes Michael J. Cavanagh, David W. Dorman, Massimo Ferragamo, J. David Grissom, Jonathan S. Linen, Thomas C. Nelson, David C. Novak, Thomas M. Ryan and Robert D. Walter.







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**Corporate Governance**

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**1990**

Year that China formed a research and  
development team to understand local  
food choices and product formulation

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## CORPORATE GOVERNANCE

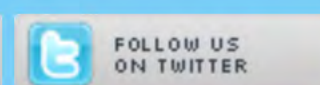
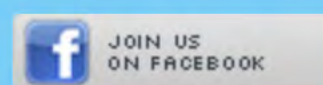
Adopted in 2001 and amended and restated in 2012, our Corporate Governance Principles of the Board of Directors, along with the Company's articles and bylaws, committee charters and the Worldwide Code of Conduct, provide the framework for Yum! Brands, Inc. governance. The Principles set out guidelines to inform all aspects of Board operations, including:

- Board Membership and Director Qualifications
- Director Independence
- Board Performance and Compensation
- Board Conduct
- Board Committees
- Role of the Chairman
- Role of the Lead Director

The Principles included a "majority voting" policy requiring any director who received a greater number of votes "withheld" from his or her election than votes "for" his or her election to promptly tender his or her resignation from the Board.

The Board reviews the Principles and other aspects of governance annually or more often, if necessary. The full text of the Corporate Governance Principles can be found at [www.yum.com/investors/governance/principles.asp](http://www.yum.com/investors/governance/principles.asp). These Principles are discussed annually in [our proxy statement](#).

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## EXECUTIVE COMPENSATION

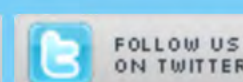
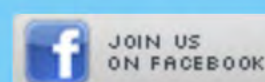
Yum! Brands' executive compensation programs, overseen by the Management Planning and Development Committee of the Board, are designed to attract and retain highly qualified leaders through competitive compensation and benefit programs, to reward our associates for personal contributions that grow the business, and to maximize shareholder returns through pay-for-performance programs. Reviewed annually by the Committee, the program's intent is to:

- Reward performance
- Pay our Restaurant General Managers and executives like owners
- Design pay programs at all levels that align team and individual performance, customer satisfaction and shareholder return
- Emphasize long-term incentive compensation

To strengthen the alignment between management and shareholder interests, the Management Planning and Development Committee has adopted formal stock-ownership guidelines, which set minimum expectations for executive and senior management ownership of Yum! stock. We have created an ownership culture in which our officers, executives and senior managers hold Yum! stock well in excess of the guidelines.

A table detailing total compensation and stock-based awards paid, earned or awarded for fiscal year 2012 to our CEO and four other most highly compensated executive officers can be found in our 2013 Proxy Statement on April 5, 2013.

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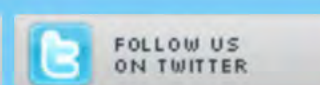
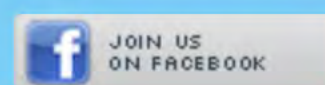
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## ETHICS AND COMPLIANCE

Yum!'s success is built on the integrity and high ethical standards of our associates. Our ethics and compliance program, based on our Worldwide Code of Conduct, demands the highest ethical standards in all of our operations around the globe.

## WORLDWIDE CODE OF CONDUCT

Yum!'s Worldwide Code of Conduct, adopted in 1997, is more than a document—it is the foundation for the way we conduct ourselves and do business throughout the world. It calls for the highest standards of ethical behavior from our Board members and our nearly 1.5 million associates, and covers a variety of critical issues, including:

- Product Quality and Food Safety
- Relationship with Franchisees
- Employee Relations
- Relationships with Customers, Suppliers and Competitors
- Diversity
- Gifts and Entertainment
- Safety and Environmental Protection
- Political and Community Activities and Contributions
- Substance Abuse
- Conflicts of Interest
- Bribery and Corruption
- Insider Trading and Proprietary Information
- Accounts, Record Keeping and Disclosure of Financial Information

The Code is published in English, Chinese, French, German, Korean, Russian, Spanish and Thai and is available on [our investor site](#).

To help ensure compliance, we have developed a comprehensive program based on continuing compliance training for above-restaurant employees.

Our Board of Directors and our most senior Company associates are also required to complete a conflict of interest questionnaire annually and certify in writing that they have read and understand the Code of Conduct.

We know that, in any organization, raising an ethics concern—especially about a superior—can be difficult. So we have set up a system for associates to raise concerns through a safe, anonymous process. Using independent third parties, The Network, Inc., Deloitte Consulting, LLP and Employee Relations Strategies, Inc., we have opened local ethics hotlines in the U.S. and 19 countries that comprise our major markets. Our associates can use these hotlines 24 hours a day 7 days a week to anonymously raise a concern about possible Code violations or other ethical conflicts not covered by the Code. After a call, the independent third party relays the information to our management to investigate the concern.

The Audit Committee of our Board has established additional procedures for complaints and concerns of associates regarding accounting and auditing matters, including the confidential or anonymous submission of such complaints or concerns. More details on these procedures can be found at [www.yum.com/investors/governance/complaint.asp](http://www.yum.com/investors/governance/complaint.asp).

We also maintain a Supplier Code of Conduct to hold all suppliers to our high standards. To learn more about our Supplier Code of Conduct, [click here](#).







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TAX AND TRADE  
POLICY

We work to maintain tax policies at the international, federal, state and local levels that foster competitiveness, efficiency and a balanced level of taxation for the corporation.

We support trade policies, including bilateral and multilateral trade agreements, which permit the free movement of commodities among international markets to provide access to the highest quality ingredients at competitive prices.

## PRINTER FRIENDLY VERSION



## GOVERNMENT AFFAIRS

Our goal is to educate policymakers about our business and the issues that are important to us and our franchisees. In pursuit of an environment where our restaurants, franchisees, associates, and the communities we serve can thrive, we focus our public policy efforts and governmental partnerships on a variety of issues including associate benefits, health and nutrition and tax and trade policy. We strictly follow all government regulations wherever we operate.

## ASSOCIATE BENEFITS

Our associates are our Company's most important resource. And in the highly competitive environment in which we operate, we know that our success depends on our ability to attract and retain a diverse, empowered workforce. We support public policies that foster a business climate that is conducive to continuing our employment practices.

We participate in the U.S. Department of Labor's Work Opportunity Tax Credit (WOTC) program. Under this program, we receive a tax credit for hiring and training workers who are economically or physically disadvantaged. We have provided thousands of first-time jobs to individuals around the country, many of whom were previously on public assistance, helping them to gain valuable job training and skills that enable them to continue as productive members of the workforce. We are proponents of maintaining the WOTC program as part of the U.S. tax code, and of simplifying it to make it more user-friendly for smaller employers such as our franchisees.

"Public policy is a key element that defines our business environment, so it is important for our voice to be part of the dialogue on issues that impact us and our franchisees. That's why we are actively involved in direct and indirect advocacy with policymakers at all levels of government, both in the United States and in our markets around the world."



**Paul Carothers,**  
VP, Public Relations -  
Government Affairs

## HEALTH AND NUTRITION

We have implemented a set of [global nutrition guidelines](#) that defines our proactive efforts to improve the nutrition profile of the foods we offer, while continuing to provide great taste, value and convenience across our markets. We are also committed to educating our consumers and encouraging them to adopt balanced, healthy lifestyles. We support policies that limit restrictions on consumer choice and we work with governments, industry associations and others to promote an environment that fosters freedom of choice and innovation.

To reinforce our commitment to health and nutrition, we have partnered with the U.S. government and dozens of leading U.S. food corporations on an initiative—the United States Department of Agriculture (USDA) MyPyramid Corporate Challenge—to help stem the tide of increasing weight and obesity among America's young people. As a charter member of the Corporate Challenge, we have committed to incorporating MyPyramid educational information in our in-restaurant marketing materials.

Additionally, we have worked with the U.S. Congress and the Obama Administration to enact uniform national menu board guidelines for prepared food sales, providing a consistent way to educate the public about the nutritional value of the foods they eat. The U.S. Food and Drug Administration is currently in the process of finalizing regulations to implement this program. Once those final rules are completed, our U.S. KFC, Pizza Hut and Taco Bell divisions will be providing calorie information in all of our company and franchised stores.

OUR ASSOCIATES' VOICE - THE YUM! BRANDS  
GOOD GOVERNMENT FUND

We maintain a non-partisan Political Action Committee (PAC) that supports candidates for public office in the U.S. The PAC is funded through the voluntary contributions of personal funds by eligible employees. No corporate funds are contributed to the PAC.

Our associate PAC is dedicated to the election of pro-business candidates at the federal, state and local levels of government. We follow the general guidelines of supporting the preservation and growth of the private enterprise system; electing candidates on a non-partisan basis, using business-related issues as the key benchmark; and emphasizing political races in areas where our associates live and work. In the 2011-12 election cycle, our PAC contributed more than \$150,000 to political candidates.

In addition to complying with all U.S. federal and state regulations, our PAC is periodically audited by both Comerica Bank and an internal Yum! audit team. Our PAC also provides an annual report to our donors regarding its activities. A detailed listing of the PAC's receipts and disbursements can be found by visiting the Federal Election Commission's website at [www.fec.gov/](http://www.fec.gov/).

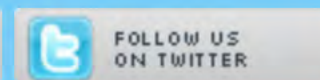
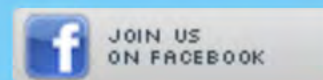
In limited circumstances as permitted by law, our Company may contribute corporate funds to state or local candidate campaigns. These contributions are disclosed as legally required. In addition, we voluntarily provide a complete listing of these contributions and our contribution policies on our website at <http://yum.com/investors/governance/disclosure.asp>.







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## TRADE MEMBERSHIPS

Trade associations enable us to join together with other companies to address common interests and issues in the public policy arena. Our trade and member-based associations act as a public advocate with the press and elected officials, develop research on relevant issues and coordinate joint efforts to address issues and opportunities within the restaurant, retail and food industries. Some of our significant memberships include:

- American Potato Trade Alliance (APTA)
- China Advertising Association (Yum! China)
- China Association of Enterprises with Foreign Investment (CAEFI)
- China Chain Stores and Franchise Association (Yum! China)
- China Cuisine Association (Yum! China)
- China Food Safety Association (Yum! China)
- Conference for Food Protection (CFP)
- European Modern Restaurant Association (EMRA)
- Food Packaging Association (FPA)
- International Food Information Council Foundation (IFIC)
- International Franchise Association (IFA)
- International Poultry Council (IPC)
- Kentucky Clean Fuels Coalition (KCFC)
- National Chicken Council (NCC)
- National Restaurant Association (NRA)
- Paper Recovery Alliance (PRA)
- Sustainable Packaging Coalition (SPC)
- U.S.-ASEAN Business Council (Southeast Asia)
- U.S. Chamber of Commerce
- U.S. Dairy Export Council (USDEC)
- U.S. Green Building Council (USGBC)
- U.S.-India Business Council (USIBC)
- U.S. Poultry & Egg Export Council (USASPEEC)







Yum! Brands 2012  
Corporate Social Responsibility Report

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Ethical Sourcing & Supply ▶

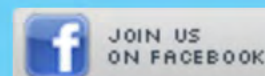


Calories in KFC's new Li'l Bucket Kids Meal  
Featuring a Kentucky Grilled Chicken®  
drumstick, green beans, GoGo squeeZ™  
applesauce and a Capri Sun Roarin' Water

[Learn More](#)

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SECTION



Our Responsibility

WATCH VIDEO



Taco Bell - Cilantro

WATCH VIDEO



KFC UK - You're In  
Good Hands

WATCH VIDEO ▶

## OUR FOOD

We are passionate about serving delicious food that lives up to the trust our customers place in us and meets the highest safety and quality standards in every aspect of our business—from sourcing and procurement to our food preparation and delivery.

We will deliver on our commitment by focusing on these key areas:

- [Choice, Transparency and Improvement in Nutrition](#)
- [Food Safety and Quality](#)
- [Ethical Sourcing and Supply](#)







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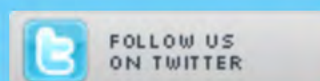
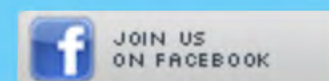
Food Safety & Quality ▶

Ethical Sourcing & Supply ▶



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PRINTER FRIENDLY VERSION



## NUTRITION

**GOAL:** BE THE PREFERRED RESTAURANT OF CHOICE FOR CONSUMERS SEEKING A DELICIOUS, BALANCED OPTION BY OFFERING MORE CHOICE, MORE TRANSPARENCY AND NUTRITIONAL IMPROVEMENTS TO OUR INGREDIENTS.



At Yum!, we are focused on improving the nutritional attributes of our menu, promoting physical activity programs and always providing great tasting food. The global debate regarding health and nutrition and the role of quick service restaurants has highlighted many challenges. We are committed to being a productive part of this debate and to helping identify solutions.

Building on our commitment to improving nutrition, Yum! appointed Jonathan Blum as Chief Global Nutrition Officer in early 2012. He reports directly to the Chief Executive Officer and is driving strategy for nutritional improvements across all of Yum! Brands. Blum is leading a global team of nutritionists in developing global guidelines and ultimately elevating the nutritional quality of our food.

“We are really proud of all of the food that we offer. We believe that all of our food can be part of a balanced lifestyle if eaten in moderation and balanced with exercise. We are also making great progress on our nutrition strategy focusing on three main pillars—offering more choice, more transparency and making more nutritional improvement to our ingredients.”



**Jonathan Blum,**  
*Chief Global  
Nutrition Officer*







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### Nutrition ▼

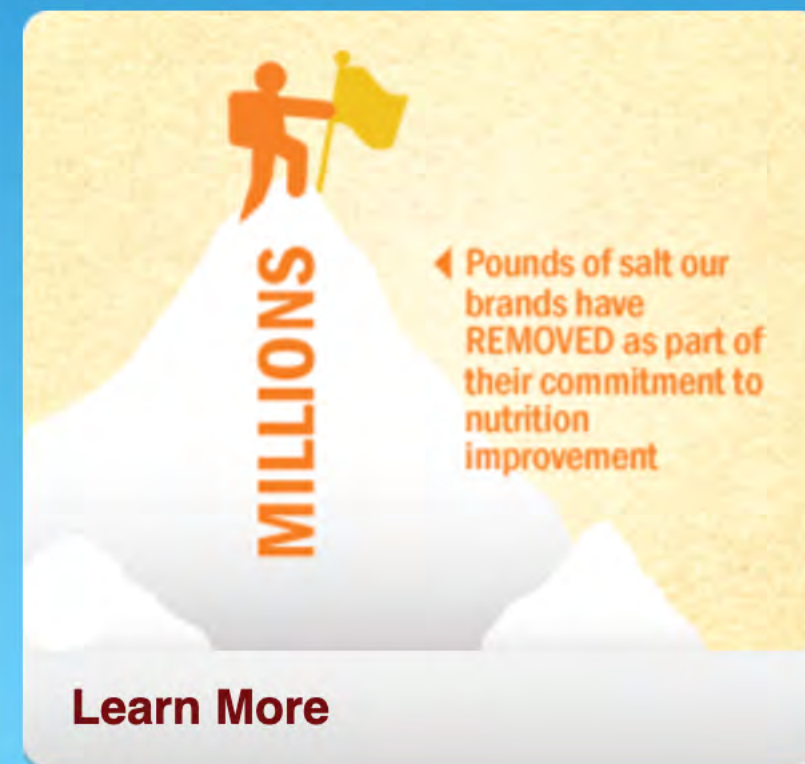
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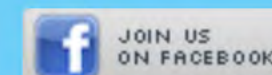
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Ethical Sourcing & Supply ▶



PRINTER FRIENDLY VERSION



## GLOBAL GUIDELINES

We believe we can have the greatest impact in advancing our health and nutrition platform throughout our system and the industry with action-oriented change.

Yum!'s Chief Global Nutrition Officer is working with our brand and divisions to drive nutrition strategy and establish goals for nutritional improvement across all brands. Under his leadership, Yum! has implemented an updated nutrition strategy focused on three pillars:

- more **choice** for consumers
- more **transparency** about product nutrition
- more **nutritional improvement** in our ingredients

Each business has developed specific nutrition plans and accountabilities which are subject to quarterly review by senior management. Continuous progress in sodium reduction is an area of particular emphasis.



We have adopted an overarching goal to ensure each of our brands will offer delicious meal options that meet 1/3 of the Recommended Daily Allowance (RDA) established for the country in which we do business (or 1/3 of the World Health Organization RDA if a country has not established RDA's) striving for 15% of meal options by 2015 and 20% by 2020.





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Choice

Transparency

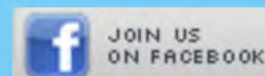
Nutritional Improvement

Kids Meals

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**Food Safety & Quality** ►**Ethical Sourcing & Supply** ►

## PRINTER FRIENDLY VERSION

**PROGRESS & FUTURE PLANS**

We always listen to the voice of the consumer. Customers are looking for more choices and variety in the food we serve, so we continue to expand our menu choices in all of our restaurants across all of our brands. As we expand our menus, improving nutritional values while maintaining the great taste of our food is also important to us. Balanced choice offerings, eliminating trans fats, reducing sodium and lowering calories and fats are some of our key areas of focus. We also strive to be transparent about what ingredients and nutrient values are in our food.

**“As the world’s largest restaurant company, it is our responsibility to make sure that we have balanced meals for people who are interested in accessing lower fat, lower calorie options and making sure that they have information available to make informed purchase decisions. Our teams around the world are working hard every day to ensure we live up to this responsibility.”**



**Regena Gerth, R.D.N.,  
L.D.**  
*Yum! Nutritionist*

At **KFC** we are proud of the improvements we have made to our high quality food and remain committed to improving the overall nutritional makeup of our products. We will continue providing consumers with great tasting products that meet their dietary needs.

**Pizza Hut** offers more than 30 million different topping combinations providing an array of toppings including fresh vegetables and lean meats. The brand is committed to continually improving the nutritional profile of our products.

**Taco Bell** has established nutritional guidelines for both existing menu items and new product development. These guidelines are a holistic approach to nutrition which mirror the USDA Dietary Guidelines across multiple nutrients. We aim to improve menu item nutrient profiles and offer options that allow balanced choices while preserving product integrity, distinction, appeal and taste that our consumers demand.



In this section we are pleased to share our progress and future plans for delivering on our commitments to provide more choice, more transparency and more nutritional improvement across our brands including some of the options our restaurants provide for consumers, as well as plans for future progress to improve the formulation of our products.







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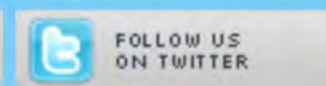
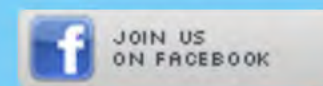
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## CHOICE

### U.S.

KFC introduced Kentucky Grilled Chicken (KGC) in 2009, which was the most successful product introduction in the brand's history. KGC is a great solution for consumers who love the flavor of KFC, but are looking for products that are lower in calories. In fact, KGC has less calories, fat and sodium than our Original Recipe® chicken, all without sacrificing the great taste of KFC. It's marinated, then seasoned with KFC's famous secret herbs and spices and slow grilled to juicy perfection.



With more than 30 million different topping combinations, **Pizza Hut** pizza is one of the most customizable products on the planet. For example, ordering a Thin 'N Crispy® pizza with half cheese, extra sauce and toppings that are lower in fat (e.g., lean meats such as chicken or ham and fruit and vegetables), can mean consumers are enjoying a great tasting pizza with 25% less fat than the regular Thin 'N Crispy® pizzas. Customization is made simple through the "Create Your Own" ordering feature at PizzaHut.com and throughout all of ordering options. In addition to personalization and customization, Pizza Hut offers an array of healthy toppings including fresh vegetables like green peppers and mushrooms, naturally-preserved Italian Sausage, 100% white meat chicken and 100% real beef, pork and ham.

For consumers looking for lower calorie, lower fat options, the Fresco option features **Taco Bell**® favorites freshly-prepared with pico de gallo—a zesty and delicious mix of diced tomatoes, white onions and cilantro—that replaces the cheese and sauce. Packed with flavor and only five calories per serving, pico de gallo reduces fat and calories without sacrificing flavor. For example, a Fresco Grilled Steak Soft Taco contains 160 calories and 4.5 total fat grams versus 250 calories and 14 total fat grams in the traditional product.

### YRI

In 2012, KFC UK launched its second non-fried product, the BBQ Rancher, building on the 2011 success of the Brazer. The BBQ Rancher is available as a burger, twister or salad and is a lighter option for customers. The So Good Salad was also launched with dedicated menu board space. Throughout 2012, this market featured three menu items that offer less than 1/3 of the UK Guideline Daily Amounts (GDA) of calories, fat and salt.

KFC UK also launched its first major social campaign around consumer choice in September 2012. The campaign, "It Doesn't Count If," features open conversations about the ways women rationalize their guilty pleasures and provides an opportunity to talk about balanced options such as the grilled BBQ Rancher Range—for the times it does count. Views of KFC UK's healthier food stories improved by more than 200%. The film itself had more than 1 million views, of which 80% watched every second of the video.



Pizza Hut Canada launched a range of balanced pizza and pasta options endorsed by their authorities.

### CHINA

In China, our largest growth market, we have steadily increased the number of menu choices since the mid-1990s, when we formed a research and development team to understand local food choices and product formulation. The Health and Nutrition Advisory Committee, consisting of a panel of leading public health and nutrition specialists, analyzes trends and research in food and nutritional science. The team provides expert advice on product development to our brands, making sure we can bring to life our goal of improving the nutritional value of our products without compromising taste or economic value.



The learnings from the Committee's work resulted in China restaurants offering more than 40 different vegetable options since 2001. We offer a variety of locally relevant, nutritionally balanced menu items, including:

- Seasonal vegetables and corn salad introduced in 2003; Fresh corn launched before 2001.
- Fish ball soup with green vegetables launched in July 2012 joining regular egg and vegetable soup on the menu
- An entire line of delicious, healthy roasted products including Roasted Chicken Leg Burger in a variety of local and international styles, Roasted Pork Burger, Roasted Wings and local favorites with a distinctive KFC Twister and wrap such as Dragon Twister and beef Twister.
- Chinese-style breakfast menu of Congees, Dough Sticks and Soya Milk.
- Highly praised rice products with local and international flavor launched in February 2010.
- Mayonnaise for the KFC burger has been upgraded to the 3rd generation in which the fat content decreased from 70% to 35%.

### INDIA

In 2012, KFC India launched an oven product called Fiery Grilled Chicken. All KFC restaurants in India (225 stores as of December 31, 2012) now have ovens and oven prepared products. Fiery Grilled Chicken was promoted heavily in 2012 and has proven to be a successful addition to the menu.

Pizza Hut in India offers three salads on their menu. Other new salad options are being evaluated and have done well in the test phase.







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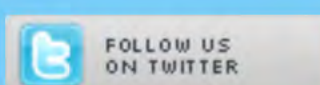
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### Food Safety & Quality ►

### Ethical Sourcing & Supply ►



#### PRINTER FRIENDLY VERSION



## TRANSPARENCY

Our consumers rely on us to provide transparent, truthful information about our menu options to help them make informed choices. We recognize our responsibility to educate our customers and to help them make informed choices. We also recognize that many consumers strive to enjoy an active, balanced lifestyle, and we appreciate the importance of combining a sensible diet with daily activity and a little fun.

We educate and inform our consumers while visiting our restaurants and through our "Keep it Balanced" website, [www.KeepItBalanced.com](http://www.KeepItBalanced.com). In most of our markets around the world, we provide nutrition information via brand websites and other customer-facing communications to inform our customers about their choices.

- Brand websites list ingredients for each permanent menu item. Each brand's website also includes nutritional values of food items, and potential food allergens and sensitivities.
- Nutrition brochures are available to consumers in restaurants with menu options that fit into a balanced diet.



As we move ahead we are committed to working with our international franchisees to provide this information in all of our restaurants worldwide and on all of our online assets.

## U.S.

As part of a broader Health and Wellness effort across the United States, Yum! has made a decision not to advertise its products on television programs specifically aimed at children under 12 years old. We also encourage markets outside the U.S. not to do so.

Additionally, we worked with U.S. Congress to enact uniform national menu board guidelines for prepared food sales, providing a consistent way to educate the public about the nutritional value of the foods they eat. This mandate was included in the U.S. Healthcare legislation. The U.S. Food and Drug Administration is currently in the process of completing actions on regulations to implement this program. Once final, our U.S. brands (KFC, Taco Bell and Pizza Hut) will place individual serving size calorie information on their respective menu boards.

## YRI

To help customers make informed choices, KFC Australia made the decision in February 2012 to display kilojoule (calorie) information on menus boards nationwide, even though this is not a legislative requirement in all states. Nutritional information is also available for all core products through in-store brochures and on the market's website. Pizza Hut Australia also publishes kilojoules (calories) on menu panels.

As part of the Government's Public Health Responsibility Deal, KFC UK and Pizza Hut UK are continually seeking ways to improve the quality of nutritional information provided to staff and customers. KFC UK launched a smart phone app with the nutritional information functionality in 2012 to make it easier for customers to access this information. Additionally, nutritional information is available on tray liners and on brand websites. KFC UK has been displaying calorie information on menu boards since the autumn of 2011.

## CHINA

In 2007, the China KFC Health and Nutrition Fund was created to fund science research and education programs related to food, nutrition and city residents. A total of two million yuan will be donated each year to support the selected programs nationwide.

## INDIA

KFC and Pizza Hut in India proactively disclosed the nutritional values of food on its brand websites. In addition KFC offers leaflets in store which carries information on nutrition. Pizza Hut deployed a QR code on the menu to inform consumers.





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ON TWITTER

## NUTRITIONAL IMPROVEMENT

As we work to make nutritional improvements to our products, we are committed to reducing sodium, eliminating trans fats, restricting allergens and sensitivities and lowering calories and fats--all while maintaining the delicious taste our customers know and love.

SodiumPalm OilOther

### SODIUM

KFC U.S. is working hard to reduce sodium in its products. The Brand began its journey to reduce sodium in 2007 working with suppliers to find options to reduce sodium without compromising product quality or unique taste. Great progress has been made to date, yet the brand recognizes there is still more work to do and is committed to addressing this nutritional improvement.

Taco Bell U.S. has removed more than two million pounds of salt from its ingredients since 2011. This is a reduction of nearly 20% overall across the menu while delivering the same great Taco Bell taste that customers love. The Brand has an ongoing commitment to reduce sodium levels and teams are continuously evaluating ingredient technologies and functionalities with suppliers to help further reduce additional sodium levels in Taco Bell food.

Amid rising concerns of Americans' sodium intake, Pizza Hut U.S. has successfully removed more than half a million pounds of salt from its menu and has established a sodium reduction plan to further develop, test and rollout incremental gains through 2013-2014.

The brand teams in India continue to look for ways to reduce sodium in KFC and Pizza Hut menu options by working with suppliers and nutrition experts.

In Australia and New Zealand, KFC has successfully implemented sodium reduction initiatives for a number of products. Since March 2010, this market has removed more than [37,500 kilograms] of salt from our chicken products including:

- 2010: Reduced sodium in chicken products by approximately 10% and seasoned chip salt by 17.5%
- 2011: Reduced sodium in burger buns by 22%, dinner rolls by 22% and tortillas by 53%
- 2012: Continued to work on reducing sodium in various core chicken products

Since 2008, Pizza Hut has been testing significant sodium reductions in core products, which have been rolled out in Korea, Canada and Australia. Reductions of up to 50% have been achieved and our goal is to roll this out globally. The Brand has also developed a broader global menu for the dine-in business including pasta, individual pizza, plated salads, an enhanced salad bar and beverages broadening the Brand's appeal through menu variety and choice.

In the UK, our KFC team was the first restaurant to stop salting fries. They have also reduced salt in chicken products every year for more than five years (in line with consumer testing.) To date, KFC UK/Ireland, has successfully reduced sodium in the following products:

- Zinger by 15% (10% of menu mix in 2012)
- Hot Wings by 15% (5% of menu mix in 2012)

As part of our continued commitment to the UK Government Responsibility Deal, in 2012 we signed the Salt Catering Pledges on training and kitchen practice and reformulation, committing KFC UK/Ireland and Pizza Hut UK to continue removing salt in the Brand's menus. They have committed to train employees about healthier lifestyle choices including salt reduction. Progress will be reported annually.

Since 2009, KFC Germany has reduced sodium in several menu items including:

- Original Recipe breading by 16%
- Marinade for filet bites by 20%
- Tortillas by 35%
- Buns by 25%

In 2013, KFC Germany will review and analyze the nutritional values of their full product range. The outcome of the analysis will determine further product development and sodium reduction measures for this Brand.



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## NUTRITIONAL IMPROVEMENT

As we work to make nutritional improvements to our products, we are committed to reducing sodium, eliminating trans fats, restricting allergens and sensitivities and lowering calories and fats--all while maintaining the delicious taste our customers know and love.

Sodium

Palm Oil

Other

## PALM OIL

As part of our global nutrition strategy, our goal over the next five years is to phase out palm oil wherever feasible. We have been working toward that goal and today, nearly 70% of our global restaurants do not use palm oil as their cooking oil.

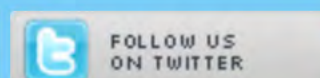
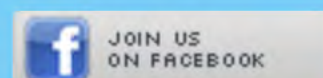
In 2011, KFC UK stopped frying in palm oil and switched to high oleic rapeseed oil and sunflower oil. The team has reduced palm oil used by 40% in volume and cut saturated fat by 25% in Original Recipe® chicken.

KFC Australia introduced canola oil in May 2012 replacing responsibly-sourced palm oil for cooking their freshly prepared menu items. The canola oil is sourced entirely from Australian farmers. This switch represents the market's desire to invest in the local economy by supporting the 10,000 Australian farmers who grow canola.

Remaining markets that are currently using palm oil in products are reviewing and testing alternatives.



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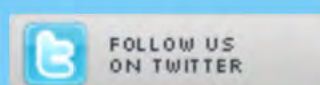
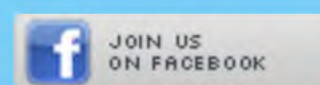
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## NUTRITIONAL IMPROVEMENT

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Sodium

Palm Oil

Other

## TRANS FATS

Many of our markets including the U.S., Canada and India, have taken steps to remove trans fats from product offerings.

## ALLERGENS AND SENSITIVITIES

Across all of our Brands we manage to guidelines regarding allergens and sensitive ingredients and restrict them in current menu items and in future product development. For example, at Taco Bell, the Frutista Freeze beverages contain only natural flavors and no high fructose corn syrup.

We also identify potential allergens and sensitivities for all our products and publish that information on our Brand websites for our consumers.

## CALORIES AND FAT

Pizza Hut U.S.'s Pan, Thin 'N Crispy®, Hand-Tossed Style and Stuffed Crust pizzas contain:

- zero grams trans fat
- no high fructose corn syrup
- only heart-healthy vegetable oils

Mayonnaise for the KFC burger in China was upgraded to 3<sup>rd</sup> generation in which the fat content decreased from 70% to 35%.

KFC UK began testing non-fried options and investing in restaurant ovens to support this initiative in 2011. Three restaurants in the region have also been early adopters of the government's Food Standards Agencies to test putting calories on menu boards.

KFC Germany reduced fat by 25% in 2011 when they stopped dipping corn in vegetable oil and began offering customers a butter pack instead.

## MSG

Pizza Hut India is monosodium glutamate (MSG) free while KFC India continues to explore ways to reduce MSG in menu items, particularly in grilled and vegetarian options.







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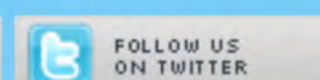
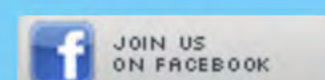
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## KIDS MEALS

In the U.S., Kids Meals are not a major focus for our Brands and represent less than 2% of our business. But everywhere that we offer Kids Meals, we continue to look for ways to offer more choice, more transparency and more nutritional improvement to our youngest consumers.

### U.S.

New to its portfolio in 2013 is Pizza Hut's great-tasting School Lunch Pizza. Meeting the United States Department of Agriculture's National School Lunch Program Nutrition Standards, this kid-approved pizza is made of 51% whole wheat crust, lite mozzarella cheese and reduced fat and sodium pepperoni. In addition to bringing more balanced choices to the menu, Pizza Hut will make nutrition, allergen and ingredient information easier for customers to access in 2013.

KFC continues to make improvements to Kids Meals and to explore opportunities for improving the product offerings and nutritional makeup of these meals. KFC now has a variety of Kids Meal options, including meals under 300 calories. For example, the Li'l Bucket Kids Meal, packaged in a kid-friendly version of KFC's iconic bucket, comes with a Kentucky Grilled Chicken® drumstick, green beans, GoGo squeeZ™ applesauce and a Capri Sun Roarin' Water, for only 210 calories.



### YRI

KFC Australia is a founding member of the Australian Quick Service Restaurant Industry Initiative for Responsible Advertising and Marketing to Children and has been engaged since its inception in 2009. The initiative provides a common framework for quick service restaurants and requires that members only publish or broadcast food and beverages that represent a healthier choice (as determined by a set nutrition criteria) to children 14 years of age and over.

This market has also voluntarily made additional commitments toward responsible marketing practices. In 2008, the team decided to no longer advertise children's meals or target advertising campaigns directly at children. They were the first quick service restaurant to remove toys from children's meals—a decision that was made to reduce 'pester power' associated with toys and to support parents in their efforts to make informed dietary choices for their children.





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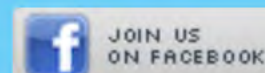
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## STAKEHOLDERS

## LISTENING TO OUR PARTNERS

Addressing the world's obesity challenge is daunting and we cannot do it alone. We need to enroll our partners in the effort to drive true and lasting change, as well as citizens' organizations, academicians and specialists who deal with the potential negative impacts of an unbalanced diet.

We build know how by listening to and dialoguing with special interest groups who help shape our understanding of issue as they evolve.

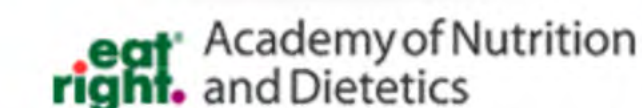
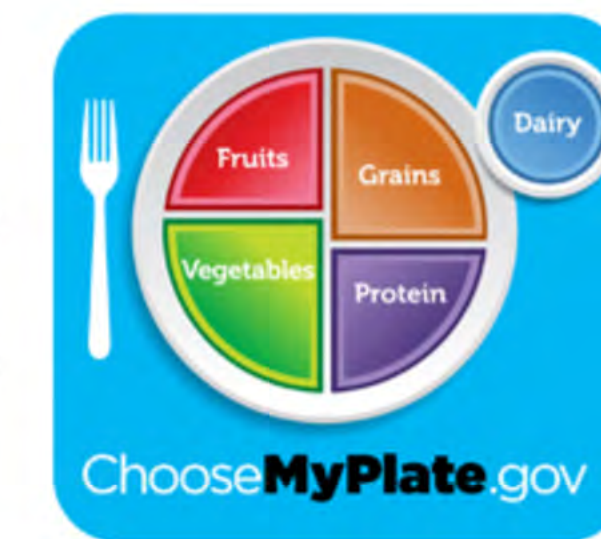
We are an active participant in the Obesity Committee and the Sodium Committee of the [International Food Information Council \(IFIC\)](#), as well as serving on its Board of Directors. IFIC is deeply involved in all levels of policy and legislative activity. Our presence brings an industry perspective to the decision-making process. It also gives us access to information that helps us formulate company-specific and coalition-oriented strategies that are based on consumer and scientific research.

We take part in the [American Heart Association Industry Nutrition Advisory Panel \(INAP\)](#). INAP is a partnership between the American Heart Association (AHA) Nutrition Committee and food industry leaders, providing a platform for sharing information and planning cooperative programs in the areas of diet/nutrition and cardiovascular disease. The panel brings together industry and science representatives to exchange information in areas of mutual interest pertaining to nutrition. Other benefits include networking, relationship building, education on relevant topics including nutrition, physical activity, metabolism and obesity, and an opportunity to provide input to AHA regarding statements and positions.

We are members of the [Academy of Nutrition and Dietetics' Exhibitor Advisory Council](#). The Council was created to represent the Academy's exhibiting companies, act as advisers to share information with management regarding rules and procedures, and to keep the Academy updated on industry trends and issues.

We are a Patron Member of the [School Nutrition Association](#). The Patron Program allows Yum! to increase interaction with school foodservice and child nutrition professionals.

We are a Community Partner with [ChooseMyPlate.gov](#) where we committed to promoting the U.S. Dietary Guidelines by posting a link to ChooseMyPlate.gov on our brochures, posters and websites.







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## FOOD SAFETY & QUALITY

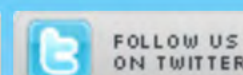
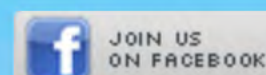
**GOAL:** MAINTAIN THE SAFEST HIGHEST QUALITY FOOD SUPPLY AND PREPARATION IN THE INDUSTRY.

Food safety is the top priority at Yum!. Our restaurant food safety systems include rigorous standards and training of restaurant employees. These standards and training topics include, but are not limited to, employee health, product handling, ingredient and product temperature management and cross contamination. Food safety training is focused on illness prevention, food safety and regulation adherence in day-to-day restaurant operations. Standards also ensure code compliance when building new or renovating existing restaurants.

Operating great restaurants that meet the highest food safety standards is also part of our commitment and is evident in every aspect of our business—from raw material procurement, including animal proteins and produce, to food preparation and serving to our customers.

We actively work with our suppliers to raise industry standards because we insist that our products are safe and of superior quality. Our supplier approval system is rigorous. Suppliers have stated that our approval process is one of the most thorough and challenging systems they have experienced. We are proud of that.

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## SUPPLIER FOOD SAFETY

We actively work with our suppliers to raise industry standards because we insist that our products are safe and of superior quality. Our supplier approval system is rigorous. Suppliers have stated that our approval process is one of the most thorough and challenging systems they have experienced and we are proud of that.

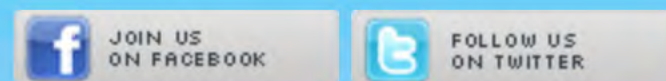
Our suppliers are selected, assessed and rewarded through the Supplier Tracking and Recognition (STAR) system. It is a rigorous, industry-recognized audit system that sets and monitors standards for all of our brands' key suppliers. In 2012, we began testing and integrating the Global Food Safety Initiative (GFSI) system into the STAR system. With this process, suppliers that have been certified under GFSI-benchmarked audit schemes have their performance and compliance monitored by QA personnel in Yum! divisions who review these audits in addition to Yum! Quality Systems audits.

In selecting a supplier we look for key performance indicators for food safety preventive controls including pest control, sanitation, operations and facility management, good manufacturing practices and product protection, recovery and food security. In addition to measuring and testing food safety and security practices, we look for outstanding performance in quality control, not just of our product formulations, but in suppliers' management processes as well.

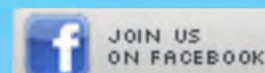
All suppliers are audited at least once per year, with higher frequency based on risk and performance levels. We have a comprehensive, interactive web-based monitoring system for tracking supplier performance, which was significantly upgraded in 2012-2013 to enhance supplier compliance monitoring and reporting. This highly secure, proprietary system, named STARnet, enables suppliers and Yum! quality managers to specifically manage all facets of their Yum! quality accountabilities from approving product specifications to reviewing and responding to product evaluations and STAR audits.



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## RESTAURANT FOOD SAFETY

Nothing is more important to us than protecting our customers and our valuable brand reputation by preventing health risks from arising in our restaurants. Our primary objective is to keep our customers safe. The nature of our business demands that we are constantly aware of, and respond to, potential health and safety issues related to the food we serve.

To maintain a rigorous and consistent focus on the dynamic challenges in this area, we formed the Global Food Safety Council. The Council works to continuously improve our food safety practices and minimize the risk of future safety issues from ingredients or the operation of our restaurants. Key areas of corporate oversight of the Council are food safety and regulatory compliance. The Council also identifies internal and external global resources to review our Supply and Restaurant Food Safety Standards, ensure compliance and share best practices. Yum!'s Chief Operations Officer heads up the council and it is made up of senior food safety, quality and compliance leaders across all divisions of Yum!.

Foodborne diseases can pose a significant risk to our supply chain and in our restaurants. There unfortunately have been a limited number of instances where food-related health issues have arisen in our supply chain or our restaurants. We have acted immediately and decisively working with health officials. We have also implemented a strategic, long-term approach that will help us to prevent and manage such issues in the future.



## EMERGING ISSUES PROGRAM

Our global Emerging Issues Program (EIP) is an accountability framework to help protect us from the negative impacts of rising food issues. The program helps us anticipate local, regional and global emerging issues, and work in partnership with our Crisis Management Program if an issue becomes an actual threat. Monitoring of potential issues is managed at brand/market level by respective Crisis Core Team.

Once identified, potential issues of brand/market impact are escalated for appropriate risk mitigation and response coordination.





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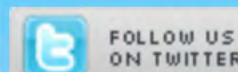
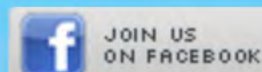
## REGULATORY AFFAIRS

Proactively establishing positive relationships with key U.S. Federal and State leadership continues to be of strategic importance. In addition, we continue to proactively meet with these leaders and staff to build their awareness of Yum! Food Safety systems. Federal and State food code influence in support of consistent and science based regulations continues also to be a priority.

Yum! is strategically involved in national Food and Drug Administration (FDA) initiatives and platforms such as the Retail Food Safety Initiative led by the FDA . Objectives and outcomes of the Retail Food Safety Initiative will impact future agency focus and Food Code updates in the interest of risk mitigation and reduction of foodborne illness in the U.S. Yum! is honored to have been requested by the FDA to participate representing the Industry sector.



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## CRISIS MANAGEMENT

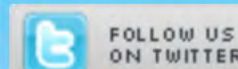
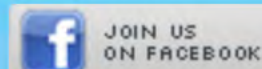
The global Yum! Crisis Management Program is required training for all key Crisis Core Team members throughout Yum! and our Brands and teaches them how to identify and manage a crisis within our system. This training, originally introduced in 2001, was updated in 2012 and offers crisis software to more effectively support local Crisis Core Teams by providing direct and consolidated material access by crisis topic.

Specific to the U.S., Yum! has been serving as an active industry representative in the creation of the first issued Council to Improve Outbreak Response (CIFOR) Industry Guidelines in the interest of outbreak prevention and management. CIFOR is led by the Food and Drug Administration and the Centers for Disease Control and finalized Industry Guidelines will be incorporated into future U.S. Food Code revisions.

Yum! continues to actively retain key experts in varying disciplines to provide both proactive and reactive support to Yum!, division or market Crisis Core Teams. These experts are either U.S. and/or globally credible having worked in varying regulatory, medical or academic fields.



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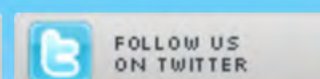
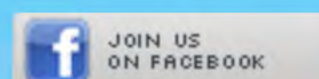
## Animal Welfare

## Global Sourcing

## Produce

## Genetically Modified Foods

70%

Of Global restaurants  
have removed Palm Oil  
from cooking oil[Learn More](#)[PRINTER FRIENDLY VERSION](#)**ETHICAL  
SOURCING &  
SUPPLY****GOAL:** SOURCING THE  
FRESHEST FOOD FROM AN  
ENVIRONMENTALLY AND  
SOCIALLY RESPONSIBLE  
AGRICULTURAL SUPPLY  
CHAIN.

Even prior to the formation of Yum!, our Brands have focused on optimizing our agriculture supply chain. Along the way, we have become more aware of, and attentive to, our social and environmental impacts. We have been responsive to issues as they arise, yet we cannot always control or avoid them at every stage of the supply chain. We work closely with food processors and, where possible, with those who raise the livestock and grow our produce to work in environmentally responsible ways. We have made great progress in a number of areas where we feel we can have the greatest and most significant impact.

Our [Supplier Code of Conduct](#) sets forth our expectations and minimum standards for all suppliers and subcontractors in our U.S. market. The Code addresses working hours and conditions, non-discrimination, child labor and forced or indentured labor. We require suppliers to conduct audits and inspections to verify compliance with the Code. In addition, we reserve the right to conduct unannounced assessments, audits and inspections of supplier facilities. Violations lead to disciplinary action, including termination of the supplier relationship for repeated violations or noncompliance.







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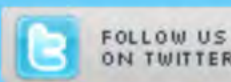
Genetically Modified Foods



Calories in KFC's new Li'l Bucket Kids Meal  
Featuring a Kentucky Grilled Chicken®  
drumstick, green beans, GoGo squeeZ™  
applesauce and a Capri Sun Roarin' Water

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## ANIMAL WELFARE

"The well-being of animals used in the production of foods for our restaurants is very important. We work closely with the experts on our Animal Welfare Advisory Council to ensure application of science-based, humane animal handling practices. Our suppliers are expected to share our commitment to humane handling of animals and we monitor their performance. Our goal is to work only with suppliers that demonstrate and maintain compliance with animal welfare practices."



**Dr. Scott Brooks,**  
Veterinarian & Director,  
QA & Animal Welfare

### ANIMAL WELFARE ADVISORY COUNCIL

We have a track record of leadership in animal welfare. Our U.S. animal welfare leadership program began with the formation of the Animal Welfare Advisory Council. The Council helps us to continuously research new methods for both welfare advancement and viability that will ultimately determine the adoption of improved practices.

The Council was instrumental in developing the Guiding Principles for our Animal Welfare Program. These Principles, which apply to all poultry suppliers across the U.S., focus on:

- Animal treatment
- Partnership with industry experts
- Ongoing training and education
- Performance quantification and supplier improvement
- Communication with industry leaders

In 2012, the Animal Welfare Advisory Council met at the University of Georgia to review current Broiler Welfare audits and to discuss the continuing suitability of American Meat Institute Audits as welfare assessment tools for swine and beef. The Council discussed animal welfare policies and audits across Yum! Brands global operations, reviewed a new electrical stun technology and were briefed on alternative sow housing options.

The consistency of establishing set standards for our Brands has allowed our suppliers to concentrate on compliance and continuous improvement. Formal, across the board adoption of American Meat Institute slaughter audit protocols for both beef and pork suppliers empowered our suppliers to focus their efforts in accordance with these well established and broadly respected standards.

Additionally, the Council has been working closely with the Yum! Restaurants International (YRI) team to align our core values on animal welfare around the world, creating audit documents and policies that address issues of well-being and create an environment that will assure continuous improvement.

Our suppliers continue to perform admirably with regard to animal welfare issues, understanding fully the requirements of the Yum! program and the expectations of our customers. The chicken, beef and pork industries have addressed these issues earnestly and positively, recognizing that their customers and ours require assurance that animal welfare is taken seriously. Yum! also continues to be a positive force in promoting good welfare practices and the necessity for validation within the industry. We are frequently invited to speak to industry groups as well as government and public symposia about animal welfare issues and developments.

### EXTERNAL CONSULTATION

While our standards for animal welfare are high, we always seek knowledge from external sources to improve our practices where appropriate. In the U.S., KFC works with the American Association of Avian Pathologists (AAAP) and has previously served on two AAAP Welfare subcommittees. Yum! is viewed by experts in academia and industry as possessing valuable insight about advancing animal welfare; addressing legitimate issues with prudence and deliberation to assure incremental improvement.

### INTERNATIONAL FOCUS

Yum! Restaurants International (YRI) established the Global Animal Welfare Program with input from the U.S., UK and our Animal Welfare Advisory Council. This program, which is based in science and best practice, allows for adjustments to cover local needs and regulations.

This global program promotes a consultancy approach to drive a better understanding of our objectives and animal welfare in general, especially with respect to developing countries. Our collaborative approach with suppliers to date has fostered a trusting partnership, to add the point that we are asked to provide input when challenges arise. We also encourage our suppliers to invest in research and development that leads to improvements in animal welfare.

Partnering with our suppliers on a journey of common goals and continuous improvement has resulted in a balanced approach benefiting animals, suppliers and our consumers who appreciate knowing that their food is coming from an ethical source.

We have seen significant positive trends in performance indicators of good animal health and well-being from our suppliers. Performance data collected from each supplier is analyzed, ranked and benchmarked against the best performers in the Yum! Supply Chain. Through this process, suppliers are informed of their strengths and weaknesses compared to other players in the our supply chain, thus encouraging improvement in key areas.

In Australia, industry leaders, state, territory and Australian governments and Animal Welfare Groups have developed animal welfare codes of practice for the poultry industry. This continues to be governed by the Australian Chicken Meat Federation, Inc. (ACMF). Annual audits are carried out by third-party auditors and corrective actions are taken for missed items. Suppliers also provide quarterly updates for review via self-auditing programs.

The UK program continues to be a strong and highly collaborative effort between our UK business and its suppliers of local and imported product. In 2011, KFC UK achieved Red Tractor certification for our fresh British chicken on the bone. It is an independent mark of quality and welfare standards for our British fresh chicken. We were also recognized for our commitment to move to free-range eggs in the UK. While all elements of the YRI program are adhered to in this market, additional local regulatory requirements are incorporated.



### ONE PROGRAM

As we move ahead, we are working to synchronize our animal welfare programs and policies. Integrating universal animal welfare principles that properly account for the issues of food safety and security in the developing world has been our primary focus. In 2012, representatives from the Yum! and YRI Quality Assurance teams calibrated with third party auditors in Brazil, a major exporter of broiler products, to assure alignment with our policies and standards. We believe that establishing foundational principles for animal well-being while recognizing regional priorities and respecting the cultures of our customers around the world is an achievable goal.

In the near future, we will adopt a singular poultry welfare audit throughout our system. Additionally, we will continue to demonstrate our commitment to animal welfare by working to constitute audits and policies that align our program for beef and pork.





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## GLOBAL SOURCING

Unified Foodservice Purchasing Co-op, LLC (UFPC®) is honored to continue our 14-year partnership with Yum! Brands in providing supply chain management services for KFC, Pizza Hut and Taco Bell. UFPC manages a \$5.8 billion spend on food, packaging, equipment and nonfood items. Evolving proprietary and strategic purchasing processes allow us to reduce costs and increase efficiencies across an ever-changing supply chain landscape.



**Steven C. McCormick,**  
President and Chief  
Executive Officer, UFPC

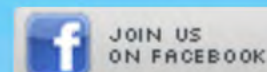
The Unified Foodservice Purchasing Co-op, LLC (UFPC) manages the supply chain for all corporate and most franchise-owned restaurants in the United States. UFPC negotiates volume purchases of equipment, food, packaging and other supplies from manufacturers and suppliers for our system.



Across our global markets, we work with several thousand suppliers, including U.S.-based suppliers that export to many countries.

The Yum! China Division operates its own independent supply chain system, working with over 500 suppliers to provide Yum! China restaurants with goods and services.

[PRINTER FRIENDLY VERSION](#)





About **Food** People Community Environment

## Nutrition ▶

## Food Safety &amp; Quality ▶

## Ethical Sourcing &amp; Supply ▼

## Animal Welfare

## Global Sourcing

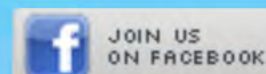
## Produce

## Genetically Modified Foods

70%

Of Global restaurants  
have removed Palm Oil  
from cooking oil[Learn More](#)

## PRINTER FRIENDLY VERSION



## PRODUCE

Yum! is an industry leader in driving enhancements in the safety of fresh produce from on-farm practices through processing and distribution to our restaurants. For example, many of Taco Bell's menu items feature fresh produce. To help further drive food safety enhancements in the produce supply chain, a Produce Safety Advisory Council was formed to advise Taco Bell and all of our Brands. The council includes industry produce experts and premier academic experts in produce and food safety.

Working together, the council has implemented the following in the U.S.:

- Field inspections of produce suppliers that focus on Good Agricultural Practices (GAP) and water testing for E. coli.
- Pre-planting inspections to ensure only low-risk fields are used
- Pre-harvest testing for E. coli and Salmonella pathogens of produce, including iceberg lettuce, cilantro, romaine lettuce, cabbage, tomatoes and onions
- Finished product lot-by-lot testing of fresh-cut produce
- Wash water system improvements for fresh and fresh-cut produce as well as research into new, more efficacious methods of washing produce
- Leading initiatives with the produce industry to establish standards for food safety compliance in the tomato supply chain as well as standardization of GAP audits for all produce
- Collaboration with the [U.S. Centers for Disease Control and Prevention](#) and the [U.S. Food and Drug Administration](#) to proactively share information on the issue
- Standardization of food safety training programs for field harvest crews and supervisors
- Training programs to certify supplier staff and third-party auditors on criteria for pre-planting and pre-harvesting risk assessments
- Multiple joint-produce safety meetings on best practices with industry leaders, including other major quick-service restaurants, retailers and distributors



Additionally, Yum! also encourages Integrated Pest Management (IPM) practices in the growing of fresh produce. Suppliers of fresh produce are actively engaged with growers who apply IPM principles in the production of produce supplied to our Brands.







About **Food** People Community Environment

Nutrition ▶

Food Safety & Quality ▶

Ethical Sourcing & Supply ▼

Animal Welfare

Global Sourcing

Produce

Genetically Modified Foods

## GENETICALLY MODIFIED FOODS

Perceptions of the risks and benefits of Genetically Modified Organisms (GMOs) vary from market to market around the globe and we strictly follow all government regulations wherever we operate. In North America, GMOs are generally accepted, whereas in Europe consumers are more resistant to GMOs. Where resistance to GMOs exists, we require our suppliers to provide non-GMO ingredients. For example, in the UK, Germany, the Netherlands and Australia, we do not source from suppliers who use GMOs in chicken. In China, we follow government regulations regarding GMO ingredients and require statements from suppliers to communicate regarding their GMO content.

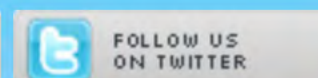
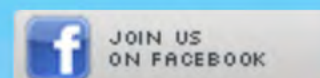
70%

Of Global restaurants  
have removed Palm Oil  
from cooking oil



[Learn More](#)

PRINTER FRIENDLY VERSION







## Yum! Brands 2012 Corporate Social Responsibility Report

### About Food **People** Community Environment

**Our Associates - Our Team** ▶

**Our Culture** ▶

**Employer Brand of Choice** ▶

**Building People & Capability** ▶

**Associate Wellbeing**

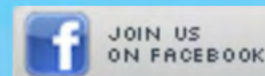
Importance we place on  
the employee - **Believe  
in People First**



[Learn More](#)

[PRINTER FRIENDLY VERSION - PAGE](#)

[PRINTER FRIENDLY VERSION -  
SECTION](#)



**Ann Byerlien, Chief  
People Officer**  
[WATCH VIDEO](#)



**A Great Place To Work**  
[WATCH VIDEO](#)



**KFC India's Speci  
Abled Store**  
[WATCH VIDEO](#)

## OUR PEOPLE

We believe in all people and that everyone has the potential to make a difference. We invest in coaching and growing the capability of every associate. We actively seek diversity in others and inspire the best in our people by celebrating their achievements and having fun doing it.

We deliver on our commitment by focusing on these key areas:

- [Our Culture](#)
- [Employer Brand of Choice](#)
- [Building People Capability](#)
- [Associate Wellbeing](#)







## About Food **People** Community Environment

### Our Associates - Our Team ▼

Associates Rights & Responsibilities

Human & Labor Rights Policy

### Our Culture ▶

### Employer Brand of Choice ▶

### Building People & Capability ▶

### Associate Wellbeing



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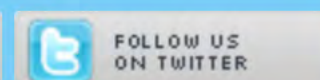
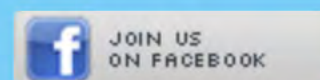
## OUR ASSOCIATES - OUR TEAM

The sustainability of our business starts with our commitment to our nearly 1.5 million global associates. We know our greatest competitive strengths are our culture and the associates in our restaurants and Restaurant Support Centers worldwide. For many of our team members, working in one of our restaurants is often their first job. We take seriously our responsibility to help all our associates develop the life skills they need to be successful in whatever they do.

With nearly 40,000 restaurants in more than 130 countries and territories, our business is diverse and complex. Over 80% of our U.S. restaurants and 90% of YRI restaurants are owned by franchisees or licensees. For that reason, we cannot oversee associate practices in every restaurant. We do, however, offer guidelines, coaching and training to encourage our franchisees and licensees to implement and manage best practices in accordance with our corporate goals and objectives.

The strength of our culture and commitment to associate growth is measured regularly. For example, in 2012 in our U.S. company-owned restaurants, 81% of our Restaurant General Managers (RGMs) and Shift Managers were promoted to those positions from within the Company.

[PRINTER FRIENDLY VERSION](#)

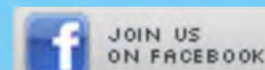






## About Food People Community Environment

### Our Associates - Our Team ▼

[Associates Rights & Responsibilities](#)[Human & Labor Rights Policy](#)[Our Culture ▶](#)[Employer Brand of Choice ▶](#)[Building People & Capability ▶](#)[Associate Wellbeing](#)[Learn More](#)[PRINTER FRIENDLY VERSION](#)

## ASSOCIATE RIGHTS & RESPONSIBILITIES

All of our associates have the right to work in a fair and safe environment. Our Worldwide Code of Conduct holds all of us accountable for ensuring that we treat our colleagues with respect and fairness, allowing them to be recognized and rewarded based on their performance. For more information or to view the Worldwide Code of Conduct, visit [www.yum.com/investors/governance/conduct.asp](http://www.yum.com/investors/governance/conduct.asp).

We expect our associates and franchisees to comply with all applicable local labor laws regarding wages and working hours in every country in which we operate. There is no place in our organization for any type of harassment or discrimination because of age, gender, race, religion, national origin, sexual orientation, or physical abilities.

## ENSURING A SAFE WORKING ENVIRONMENT

The safety of our associates and customers is deeply embedded in our primary business objectives and in the activities of our global operations. Health and safety is managed across all our strategic business units—U.S., Yum! Restaurants International (YRI), Yum! China, Yum! India and among our franchise owners. In the U.S., our Loss Prevention team has annual performance goals heavily weighted on safety in company-owned restaurants. Our China, India and YRI businesses have similar safety goals. In addition, franchisees and licensees are provided with safety and security standards as well as training set forth in our operational policies and procedures.

All of our operations around the world comply with local regulations regarding safety and injury tracking. Our goal is to continue to reduce the number of accidents and injuries in our restaurants, and some of our major markets have succeeded in significantly reducing injury frequency rates. For example, the injury frequency rates in our U.S. company-owned restaurants have declined by over 65% in the last 15 years (from 1997-2012). In markets where we have seen an increase in the number of work-related accidents and injuries, we are working to implement health and safety training and other programs to address the areas of concern.

We also have a number of programs in place to continuously improve our health and safety efforts. In the U.S., we offer safety lessons, reviews and accident investigations in all company restaurants. Members of our senior leadership team receive quarterly safety and performance data for U.S. company operations. In the UK, we offer life-saving delivery driver training, licensing and uniforms for our motorcycle delivery drivers.







## Our Associates - Our Team ▼

Associates Rights &  
Responsibilities

Human &amp; Labor Rights Policy

Our Culture ▶

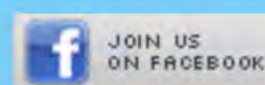
Employer Brand of Choice ▶

Building People &amp; Capability ▶

Associate Wellbeing



PRINTER FRIENDLY VERSION



## HUMAN AND LABOR RIGHTS POLICY AT YUM! BRANDS

Yum! Brands is committed to maintaining a work environment that respects and supports the fundamental human rights for all of our employees around the world. We will not employ underage children or forced laborers and we prohibit physical punishment or abuse. We respect the right of all employees to associate or not to associate with any group, as permitted by applicable laws and regulations. We comply with all local employment laws in every market where we operate. We promote, protect and help ensure the equal enjoyment of human rights by all persons, including those with disabilities.

### ETHICS AND COMPLIANCE

Yum! Brands' success is built on the integrity and high ethical standards of our associates. Our ethics and compliance program, based on our Worldwide Code of Conduct, demands the highest ethical standards in all of our operations around the globe.

### WORLDWIDE CODE OF CONDUCT

Yum!'s Worldwide Code of Conduct, adopted in 1997, is more than a document - it is the foundation for the way we conduct ourselves and do business throughout the world. It calls for the highest standards of ethical behavior from our Board members and our more than 1.5 million associates. The Code sets forth some of the policies and procedures regarding standards of conduct that are required of Yum! directors and employees. The Code of Conduct is intended to help employees conform to high ethical standards and to protect Yum! and its employees' reputations.

The Code is published in English, Chinese, French, German, Korean, Russian, Spanish and Thai. It can be found at [www.yum.com/investors/governance/conduct.asp](http://www.yum.com/investors/governance/conduct.asp).

### EMPLOYEE RELATIONS

Yum! recognizes that one of its greatest strengths lies in the talent and ability of its employees. Employees are expected to hold themselves accountable to the highest professional standards, with mutual respect being the basis of all professional relationships. Human resource goals have been established to guide the Company activities in employee relations. It is the Company's policy:

- to deal fairly with employees;
- to provide equal opportunity for all in recruiting, hiring, developing, promoting and compensating without regard to race, religion, color, age, gender, disability, genetic information, military or veteran status, sexual orientation, gender identity, citizenship, national origin, or other legally protected status;
- to maintain a professional, safe and discrimination-free work environment;
- to recognize and compensate employees based on their performance; and
- to provide a competitive array of benefits.

Sexual, racial, ethnic, religious or any other type of harassment has no place in the Yum! work environment. Racial, ethnic and religious harassment includes such conduct as slurs, jokes, intimidation or any other verbal or physical attack upon a person because of race, religion or national origin. Sexual harassment includes unwelcome sexual advances or other verbal or physical conduct of a sexual nature.

### SUPPLIER CODE OF CONDUCT

The Yum! Supplier Code of Conduct sets forth our expectations and minimum standards for all suppliers and subcontractors in our US market. The code addresses working hours and conditions, non-discrimination, child labor and forced or indentured labor. We require suppliers to conduct audits and inspections to verify compliance with the code. In addition, we reserve the right to conduct unannounced assessments, audits and inspections of supplier facilities. Violations lead to disciplinary action, including termination of the supplier relationship for repeated violations or noncompliance.

Yum! Brands is committed to conducting its business in an ethical, legal and socially responsible manner. To encourage compliance with all legal requirements and ethical business practices, Yum! has established this Supplier Code of Conduct (the "Code") for Yum!'s US suppliers ("Suppliers").

### COMPLIANCE WITH LAWS AND REGULATIONS

Suppliers are required to abide by all applicable laws, codes or regulations including, but not limited to, any local, state or federal laws regarding wages and benefits, workmen's compensation, working hours, equal opportunity, worker and product safety. Yum! also expects that Suppliers will conform their practices to the published standards for their industry.

### EMPLOYMENT PRACTICES

**Working Hours & Conditions:** In compliance with applicable laws, regulations, codes and industry standards, Suppliers are expected to ensure that their employees have safe and healthy working conditions and reasonable daily and weekly work schedules. Employees should not be required to work more than the number of hours allowed for regular and overtime work periods under applicable local, state and federal law.

**Non-Discrimination:** Suppliers should implement a policy to effectuate all applicable local and federal laws prohibiting discrimination in hiring and employment on the grounds of race, color, religion, sex, age, physical disability, national origin, creed or any other basis prohibited by law.

**Child Labor:** Suppliers should not use workers under the legal age for employment for the type of work being performed in any facility in which the Supplier is doing work for Yum!. In no event should Suppliers use employees younger than 14 years of age.

**Forced and Indentured Labor:** In accordance with applicable law, no Supplier should perform work or produce goods for Yum using labor under any form of indentured servitude, nor should threats of violence, physical punishment, confinement, or other form of physical, sexual, psychological, or verbal harassment or abuse be used as a method of discipline or control.

**Notification to Employees:** To the extent required by law, Suppliers should establish company-wide policies implementing the standards outlined in this Code and post notices of those policies for their employees. The notices should be in all languages necessary to fully communicate the policy to its employees.

### AUDITS AND INSPECTIONS

Each Supplier should conduct audits and inspections to insure their compliance with this Code and applicable legal and contractual standards. In addition to any contractual rights of Yum! or Unified Foodservice Purchasing Co-op, LLC ("UFPC"), the Supplier's failure to observe the Code may subject them to disciplinary action, which could include termination of the Supplier relationship. The business relationship with Yum! and UFPC is strengthened upon full and complete compliance with the Code and the Supplier's agreements with Yum! and UFPC.

### APPLICATION

The Code is a general statement of Yum!'s expectations with respect to its Suppliers. The Code should not be read in lieu of but in addition to the Supplier's obligations as set out in any agreements between Yum! or UFPC and the Supplier. In the event of a conflict between the Code and an applicable agreement, the agreement shall control.

**NOTE:** The Unified Foodservice Purchasing Co-op, LLC (UFPC) manages the supply chain for all corporate and most franchise-owned restaurants in the United States, including KFC, Pizza Hut and Taco Bell restaurants. UFPC negotiates volume purchases of equipment, food, packaging and other supplies from manufacturers and suppliers for our system







## About Food People Community Environment

**Our Associates - Our Team** ▶

**Our Culture** ▼

(HWWT<sup>2</sup>)

Recognition

Customer Maniacs

**Employer Brand of Choice** ▶

**Building People & Capability** ▶

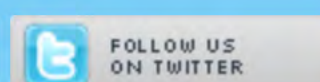
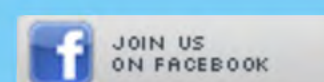
**Associate Wellbeing**



**8 million**  
Number of training  
courses offered to  
employees in 2012

**Learn More**

**PRINTER FRIENDLY VERSION**



## OUR CULTURE

**GOAL:** CONTINUE DRIVING HOW WE WIN TOGETHER<sup>2</sup> (HWWT)<sup>2</sup> LEADERSHIP PRINCIPLES EVERY DAY AND STRENGTHENING OUR ‘FAMOUS RECOGNITION CULTURE WHERE EVERYONE COUNTS’.

We're proud of the unique culture we've built, one that's filled with energy, opportunity and fun. We believe in our people, trust in their positive intentions, encourage ideas from everyone and have actively developed a workforce that is diverse in style and background. Yum! is a place where anyone can, and does, make a difference.

“At Yum!, our recognition culture is what sets us apart from our competition. We motivate and inspire each other to bring our best to work every day so that not only do we have great happy team members, but we have very satisfied customers.”



**Ann Byerlein,**  
*Chief People Officer*





## About Food People Community Environment

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(HWWT<sup>2</sup>)

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Customer Maniacs

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## HWWT<sup>2</sup>

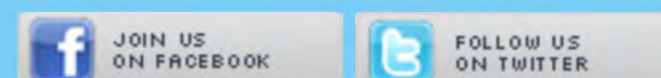
Our corporate values—or what we call our How We Win Together Principles (HWWT<sup>2</sup>)—are built around a “People Capability First” philosophy and lay the groundwork for the way we team together every day. This unique set of principles guides all aspects of our associates' daily work lives, professional and personal development and customer interactions.

At Yum!, we:

- **Believe in All People** because we believe everyone has the potential to make a difference.
- **Are restaurant and customer maniacs**...We love running great restaurants and our customers rule.
- **Go for breakthrough** by asking ourselves, “What can I do NOW to get breakthrough results in my piece of Yum?!”
- **Build know how** by being avid learners, pursuing knowledge and best practices inside and outside our company to drive for breakthrough.
- Exercise **Take the hill teamwork** by teaming together to drive action and to get big things done with urgency and excellence.
- **Recognize! Recognize! Recognize!** which helps us to attract and retain the best people and inspire greatness.



PRINTER FRIENDLY VERSION







About Food **People** Community Environment

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Our Culture ▼

(HWWT<sup>2</sup>)

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Building People & Capability▶

Associate Wellbeing

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PRINTER FRIENDLY VERSION

JOIN US ON FACEBOOK

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# RECOGNITION

Recognition is an integral part of our culture—we celebrate things big and small— and the reason our culture is brimming with positive energy, teamwork and fun. We love celebrating the achievements of others and have lots of fun doing it!

Chairman and Chief Executive Officer David Novak personally models our recognition culture in a light-hearted way with his own "Yum! Award"—a set of chomping teeth with legs that is given to all those who "walk the talk" of leadership. All leaders in the Company have their own personal recognition awards, including highly prestigious honors like the "Red Roof" hat recognition at Pizza Hut, the "Play like a Champion Today" award at KFC, "Sauce Packet" at Taco Bell, and the "Action Hero" at Yum! Restaurants International.



Our recognition culture is world famous. Check out some of the unique Yum! recognition awards and their recipients from around the world.



[Click for larger size](#)

# A HIGHLY RECOGNIZED LEADER

We are proud that David Novak has been recognized by several prestigious publications and other organizations for his leadership, business acumen and the Company's philanthropic efforts. David has been named **"2012 CEO of the Year"** by *Chief Executive magazine*, one of the world's "30 Best CEOs" for three consecutive years by *Barron's*, one of the "Top People in Business" by *FORTUNE* and one of the **"100 Best CEOs in the World"** by *Harvard Business Review*. He is the recipient of the 2012 UN World Food Program Leadership Award for Yum! Brands' World Hunger Relief effort that raises awareness, volunteerism and funds to address this global problem.

Additionally, David is known for motivating people, cultivating leaders and building winning teams. He devotes much of his time each year to personally train leadership skills to the Company's management and franchisees, emphasizing teamwork and a belief in people that rewards and recognizes customer-focused behavior with his trademarked Taking People With You program. His book based on the highly successful program, *[TAKING PEOPLE WITH YOU: The Only Way to Make BIG Things Happen](#)* (January 2012), is a *New York Times* and *Wall Street Journal* best-seller and all of the proceeds go to the United Nations World Food Programme.







## About Food People Community Environment

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### Our Culture ▼

(HWWT<sup>2</sup>)

Recognition

Customer Maniacs

### Employer Brand of Choice ▶

### Building People & Capability ▶

### Associate Wellbeing



**8 million**  
Number of training  
courses offered to  
employees in 2012

[Learn More](#)

## CUSTOMER MANIACS

We invest in delivering superior customer service and satisfaction, which we refer to as Customer Mania, in all our restaurants. Annually, we train nearly 1.5 million company and franchise associates around the globe to become Customer Maniacs, empowered to do whatever they can to serve and satisfy our customers. This makes business sense and helps our associates to build relevant business and customer-interaction skills. Our focus on Customer Mania starts with our hiring philosophy—we seek people who possess a combination of character, ambition, smarts and the ability to get results.



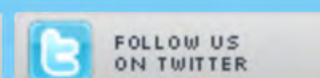
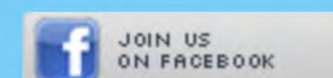
## HOW WE LEAD

At Yum!, we believe that everyone is a leader. We expect our associates to strive for breakthrough results in their piece of Yum!, as well as develop themselves and their teams. Regardless of position within our system, we coach and support every individual to grow to their full potential.

Our How We Lead principles are:

- **Step Change Thinkers:** Excellent project management and vision setting skills with the ability to consistently achieve or beat deadlines
- **Know How Builders:** Being an avid learner, pursuing knowledge and best practices inside and outside our company
- **Action Drivers:** Going full-out with positive energy and personal accountability to make big things happen
- **People Growers:** Coach and support every individual to grow to their full potential

### PRINTER FRIENDLY VERSION







## About Food People Community Environment

### Our Associates - Our Team ►

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Engaging our Associates

Coaching & Mentoring

Diversity ►

### Building People & Capability

### Associate Wellbeing

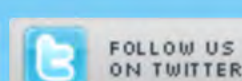
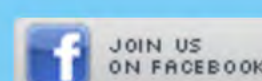
**600+**

KFC U.K. Team Leaders that have enrolled in the advance Apprenticeship in Hospitality program since 2012

*Hello!*

**Learn More**

### PRINTER FRIENDLY VERSION



## EMPLOYER BRAND OF CHOICE

GOAL: BE A MAGNET FOR THE BEST TALENT BY ARTICULATING A CLEAR EMPLOYEE VALUE PROPOSITION AND COMPREHENSIVE EMPLOYER BRANDING IMPLEMENTATION PLAN TO ATTRACT, RETAIN AND GROW OUR PEOPLE.

Yum! and our Brands put strong intentionality behind building our reputation as great places to work. We are proud to share that Yum! was recognized on [FORTUNE'S Top 50 World's Most Admired Companies List](#) in 2012.

Also in 2012, we replaced our internal engagement survey with the highly regarded Great Place to Work Survey. This tool assesses employee engagement on five dimensions: credibility, respect, fairness, pride and camaraderie. Leading companies in the world take part in this survey and we are now able to compare ourselves to the best of the best in regards to engagement.

In this first year of the new survey, we reached an 89% participation rate across 11 business units in YRI (including 5 that invited team members to take the survey). In 2013, the division plans to expand the survey to an even broader audience, including more team members.

We are also working at a market level to establish a clear Employee Value Proposition that builds our reputation as an employer of choice. KFC UK's work in this area has earned them a place on Britain's Great Places to Work list two years in a row. In 2012 and 2013, the division was named [Britain's Top Employer](#) in the large company category, becoming the first business to receive the accolade two years in a row. KFC UK also made the City and Guilds list of top 100 Apprentice Employers in 2012. This team's commitment to building pride and connections within their workplace and significant investment in training and development are drivers for this recognition. KFC UK continues to demonstrate their commitment to growing and developing talent in the local community by [offering accreditation to driven young adults](#).

KFC is recognized as one of the best workplaces in the UK at the 2013 Great Place to Work *Best Workplaces Program*, ranking 18th in the Large Employer category. Great Place to Work recognized KFC for the fun and friendly culture, strong team work and collaborative environment and for the vast range of learning, development and education opportunities open to employees. Organizations who take part in the Best Workplaces Program are evaluated using a unique methodology, which combines results from an employee survey and management survey, with the experience of employees being the most important element of the evaluation accounting for two-thirds of the total score.

James Watts, Vice President Human Resources, KFC UK & Ireland, said "We are striving to become the best company in the UK for our workplace culture, and to be famous as THE great place to work. Winning this award again will encourage and motivate us to keep reaching for this goal."



In 2013, Yum! Canada was also named one of the 50 Best Workplaces in Canada. The company earned this nomination through its high scores on employee surveys, as well as through an in-depth review of its culture and HR policies and procedures.

"Our team is the secret recipe that makes Yum! Canada such a dynamic, diverse and exciting place to work, and it's an honour to be listed among Canada's best workplaces. We know that people don't just play a role in our success – they are the reason for our success"  
–Brian Henry, Director, Human Resources, Yum! Canada







## About Food People Community Environment

### Our Associates - Our Team ►

### Our Culture ►

### Employer Brand of Choice ▼

#### Engaging our Associates

#### Coaching & Mentoring

### Diversity ►

### Building People & Capability

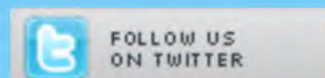
### Associate Wellbeing

**600+**  
KFC U.K. Team Leaders that  
have enrolled in the advance  
Apprenticeship in Hospitality  
program since 2012



[Learn More](#)

#### PRINTER FRIENDLY VERSION



## ENGAGING OUR ASSOCIATES

We believe "the more you know, the more you care." As a result, we actively encourage open dialogue across the entire organization and continuously seek feedback to assess how we are doing as a company.

Engaging with our associates is a priority at Yum! and we achieve high levels of engagement within our system in several ways.

### LEADERSHIP ENGAGEMENT

Operations teams spend a considerable amount of time in our restaurants—a minimum of 80% of their time is spent in our restaurants, not in an office. This means that each member of the Operations team talks monthly to associates about their work, lives and the business.

Our Executive Teams also spend significant amounts of time in our restaurants observing and speaking directly with employees and customers. These discussions often lead to improvements in associate programs and operations procedures, as well as new product innovations.

The Brand and division senior leadership teams conduct regular roundtables, team meetings, focus groups and conference calls. David Novak hosts quarterly "Talk to David" conference calls for all global associates and franchisees to share updates about our business, answer questions and listen to feedback and ideas. David also communicates frequently to the global system via an internal blog where he shares his travels, visits to restaurants, personal thoughts on the business, celebrates and recognizes accomplishments and seeks input from others.



### EMPLOYEE ENGAGEMENT

Our associates are our greatest brand ambassadors, and so engaging them in our business is a priority.

In 2011, our Russia market introduced the Customer Maniac Club—a select group of Restaurant General Managers, Area Managers and Team Members who embody the concept of customer mania. This group, nominated each year by a committee of above restaurant leaders, receives special acknowledgement at the annual RGM conference. Nominees are invited to attend the RGM conference of a sister market to meet peers, share best practices, visit KFC restaurants and sightsee. The group visited France in 2011, India in 2012 and will visit the UK later this year.



At Taco Bell U.S., employee engagement is a critical part of executing new product launches. The 2012 launch of the Doritos Locos Taco included a significant marketing campaign directed at team members to excite them about the launch and set them up to be product ambassadors for consumers.

We also actively encourage open dialogue across the entire organization and continuously seek feedback to assess how we are doing as a company. In 2012, we replaced our internal engagement survey with the highly regarded Great Place to Work Survey. This tool assesses employee engagement on five dimensions: credibility, respect, fairness, pride and camaraderie. Leading companies in the world take part in this survey and we are now able to compare ourselves to the best of the best in regards to engagement.

Results from the 2012 survey confirmed that our employees are highly engaged at Yum! We out scored many of the elite companies in the world for recognition and rank among the highest for providing "jobs with meaning" and "pride."

There's no question that the dominant message we received is that our How We Win Together culture is alive and well. This is something we are celebrating and, more importantly, are committed to continuing. To this end, our primary goal is to continue walking the talk of our How We Win Together principles and living Achieving Breakthrough Results (ABR) and Taking People With You in everything we do. The results clearly indicate staying the course will take our unique work environment to even higher levels.

We are proud of our ability to "walk the talk" of our culture and will continue our efforts to enhance associate engagement. Our commitment to consistent, open and accessible communications allows us to keep each and every one of our associates informed about, and engaged in, our business.







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#### Coaching & Mentoring

#### Diversity ►

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### Associate Wellbeing

# 600+

KFC U.K. Team Leaders that  
have enrolled in the advance  
Apprenticeship in Hospitality  
program since 2012

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## COACHING AND MENTORING

Our success is defined by one factor: the quality of our people. So, we therefore place extraordinary emphasis on growing our people and constantly strive to identify our future leaders and accelerate their development.

Our emerging talent programs build our bench strength by creating talent pipelines for leadership roles. Programs like Big Leap Forward in YRI, Blue Springs in MENA or Jump the Gap in Pizza Hut U.S. include personal involvement and coaching from executive leadership and a focus on developing effective work styles and relationships.



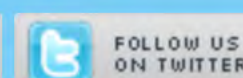
We also value and support mentoring as a powerful tool for both personal and professional growth. Leaders with a broad range of organizational knowledge and experience mentor others on development needs, career advancement, and the challenges that come with transitioning to larger roles and responsibilities. As an example, our China team leverages mentoring to enable our senior associates to guide, coach and support high-potential associates to develop and retain them. **As a result, our operations staff in China, which represents about 90% of our entire China-based team, has been entirely developed and promoted from within.** Within YRI, high-potential associates are paired with a senior leader in the same function but a different market to drive know how and business exposure.

Additionally, Yum! India had a breakthrough idea and launched Yum! Academy to build a pipeline of “ready-now” team members. To do this, they recruit potential team members from underprivileged areas of India, and then teach them social skills, hospitality, hygiene and how to be customer maniacs. This idea shows just how dedicated our team is to making our HWWT<sup>2</sup> culture a competitive advantage for both our company and our employees.

These programs ensure continuity of leadership, and a continued commitment to drive our culture. They also position Yum! as a global leader in talent management and are a source of great pride for us.

To help our associates become strong coaches, we are also implementing a new and effective coaching framework that builds on the foundation of our (HWWT)<sup>2</sup> culture and ABR training. This framework provides flexibility needed for coaches in whatever environment they may be operating in and the methods our leaders want and need in order to be effective people growers.

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## DIVERSITY

Diversity is an organizational priority set by our Chairman. We believe that the more our company—including all levels of our workforce, our franchisees and our suppliers—reflects and engages the global marketplace in which we operate, the more we'll be able to satisfy our customers. We do that with a "Believe in All People" attitude. We trust in positive intentions and believe everyone has the potential to make a difference. We actively seek diversity in others to expand our thinking and make the best decisions. We coach and support every individual to grow to their full capability.

Progress in our diversity initiatives is a business priority and the work of everyone in our system. Each of our Brands sponsor leadership initiatives focused on recruiting and developing high-potential diverse talent. Additionally, part of increasing diversity is engaging our people in the discussion to build know how and gain commitment. In 2012, we hosted 30 companies, 15 educators and more than 80 Yum! leaders in two Diversity Experience Sessions to drive positive impact throughout Yum! and in the broader community.

**Diversity and Inclusion is about unleashing the power of people! Creating an environment where ALL people feel valued and supported, allows the focus to be on the work that leads to more engagement, innovation, execution and positive business results.**



**James Fripp**, Yum!  
Brands Sr. Director of  
Global Diversity and  
Inclusion

## RECRUITMENT AND RETENTION

Yum! has a highly intentional recruitment program with a goal of 50% diverse candidate identification. It focuses on:

1. Hiring top, diverse talent post MBA and early in their careers via the Management Leadership of Tomorrow Institute
2. Building dynamic, and robust partnerships with the National Society of Hispanic MBAs (NSHMBA), the National Black MBA Association (NBMBA), the National Association of Women MBAs (NAWMBA), the Women's Foodservice Forum (WFF), and the Multicultural Foodservice and Hospitality Alliance (MFHA)
3. Leveraging online business networking tools (i.e., LinkedIn), including minority sites, to communicate our job openings to key diversity groups and associations

More than 76% of our U.S. Company operations hires in 2012 were either women or minorities, while 40% of our Director level hires were women. In YRI, women held 29% of Director-level and above positions in 2012, up from 24% in 2011.

Our goal is to continue developing and increasing female leadership across the organization with emphasis on the General Manager representation in our international business. In 2012, we created and executed temporary international assignments for female associates to build know how, capability and bench talent strength. Yum! Restaurants International Chief People Officer Misty Reich set a bold goal of developing 15 females for leadership positions within the YRI organization and is committed to doing so using breakthrough methods and experiences.

Since 2012, we have hired and/or promoted three female General Managers to run our YRI business units. To ensure this positive progress continues, we have developed a pilot program for General Manager development that will create a strong diverse talent bench.

Diversity is also a standing part of our quarterly Business Reviews. We focus on providing robust growth opportunities through broadening experiential and developmental assignments. In 2012 we focused on building learning experiences that increase our multicultural competency, improve our communication skills, build better teams and drive creativity and innovation. Yum! has become an active partner in the Diversity Connections Consortium, a network of diversity practitioners based in Dallas, Texas who meet regularly to discuss diversity best practices. And in Kentucky, Yum! helped to start the Louisville chapter of MBA Women International with one of our executives serving as the chapter's first President.

Our franchisees are as committed to diversity, and in some cases are blazing a trail for women in their own markets. The Americana franchise group in the Middle East was the first restaurant company to employ women in the back of house in Saudi Arabia. Americana also staffs call centers in Riyadh and Jeddah with women.







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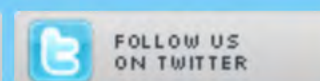
#### Specially Abled Restaurants

### Building People & Capability ►

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## FRANCHISING AND SUPPLIERS

We are proud of the progress we have made, and continue to make, in promoting supplier diversity in the U.S. We partner with our Unified Foodservice Purchasing Co-op (UFPC) with a goal of increasing purchasing expenditures to minority and/or women-owned businesses.



Recruiting minority and women franchisees and suppliers is a priority for Yum! and our Brands and we continue to align with diversity leaders such as the National Minority Supplier Development Council, the National Urban League, the League of United Latin American Citizens and the U.S. Pan-Asian American Chamber of Commerce and others to provide strategic access to minority suppliers and entrepreneurs who are exploring business opportunities.

To further demonstrate our commitment to franchising and supplier diversity, in 2010 we established a Minority Lending Assistance Program designed to aid qualified new ethnic minority franchisees in their efforts to enter the KFC, Pizza Hut and Taco Bell systems. Our goal is to increase the number of minority franchisees and minority owned restaurants in our system.

Yum! was recently recognized by the [International Franchise Association](#) (IFA) with the Ronald E. Harrison Award for our accomplishments in Diversity and Inclusion.



National  
Urban League





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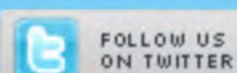
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Associate Wellbeing



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PRINTER FRIENDLY VERSION



## SPECIALLY ABLED RESTAURANTS

One of our How We Work Together<sup>2</sup> principles—Believe in All People—is built on the importance of actively seeking diversity, believing everyone has the potential to make a difference and coaching and supporting every individual to grow to their full capacity. Believing in all people, we take great pride in creating employment opportunities for people with disabilities.

Our Americana franchise group opened the first specially abled KFC restaurant in 1994. The restaurant in Cairo, Egypt is completely operated by deaf people and features special signage and back-of-house equipment to ensure a great experience for both customers and team members. Americana expanded to a second restaurant in 2000, and the success of both has led to further development in the region.

Yum! India opened the division's first specially abled KFC restaurant in 2008 and has since expanded to 16 speech and hearing impaired stores in nine cities employing over 300 hearing and speech impaired team members. The Yum! India team plans to continue developing specially abled restaurants with a goal of employing 1000 speech and hearing-impaired employees by 2015.

The success of this program is driven by a 360 degree approach to developing specially abled team members focused on hiring, training, creating an enabling work environment, engaging the team members and assisting their development for growth and career progression.

In 2010, the Yum! India team received the National Centre for Promotion of Employment for Disabled People (NCPEDP) - Shell Helen Keller Award 2010 for demonstrating their belief in equal rights and gainful employment for persons with disabilities.

In March 2013, the Yum! India team received the Presidential award from India's President Pranab Mukherjee for their outstanding performance as an employer of people with disabilities.



### KFC THAILAND

A similar program in KFC Thailand, called We Hear Every Dream, provides KFC careers for the hearing-impaired. With a goal of hiring 70% specially abled staff in its first restaurant, the team installed new machines, equipment and a special management system. Hearing-impaired associates were extensively trained on order-taking procedures and understanding customer preferences. Other team members working at the same location received training in communicating with the hearing-impaired to assist them as needed when providing services. Hearing-impaired team members receive the same compensation and career growth opportunities as others in similar roles in the organization.

The KFC Thailand team won the 2012 Excellence Award of Disability Empowerment from Business Sector from The National Office for Empowerment of Persons with Disabilities (NEP), and is committed to expanding from one restaurant to three in 2013.



### PLUG YOUR EARS, SHUT OUT THE WORLD, AND HEAR WHAT'S IN THEIR HEARTS.

In a KFC campaign, we captured the hearts of an entire nation when KFC's top executives were the first to volunteer for the project by plugging their ears for the entire day. Their lives were filmed and widely shared on various social networks. Meanwhile, A Deaf Day was launched at KFC Special Serve stores where customers were served by deaf people to help consumers experience deafness themselves. Additionally, consumers could interact with the touch screen posters installed inside the stores to understand the life and dreams of deaf KFC employees.







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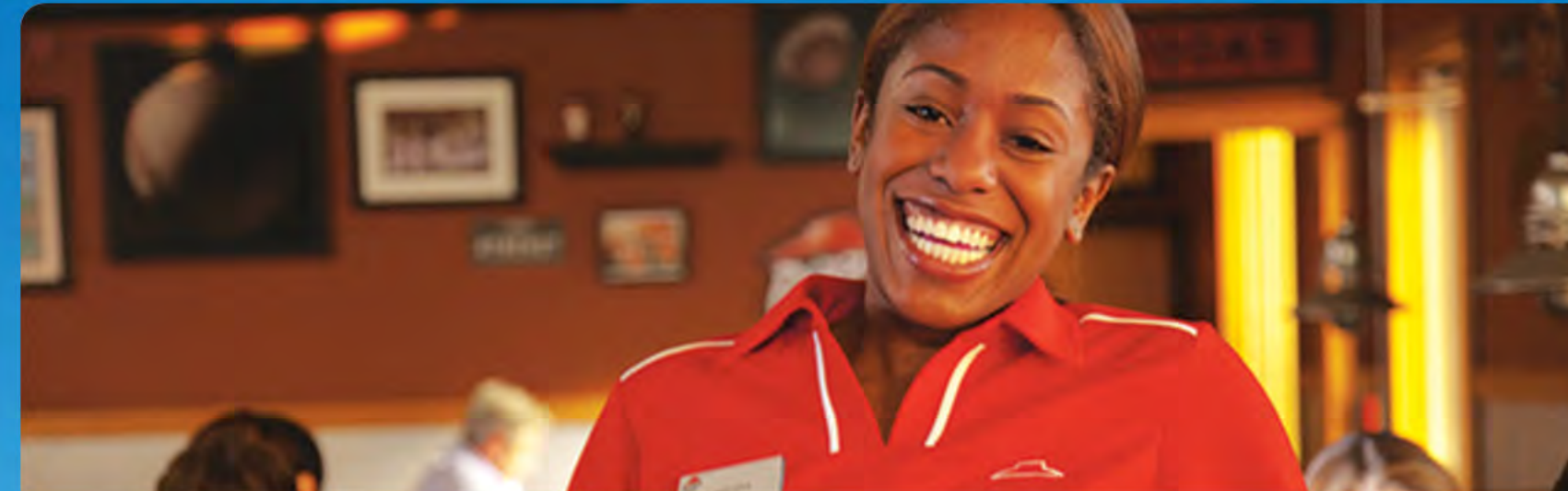
**Associate Wellbeing**

**600+**

KFC U.K. Team Leaders that  
have enrolled in the advance  
Apprenticeship in Hospitality  
program since 2012



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## BUILDING PEOPLE & CAPABILITY

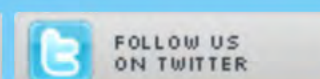
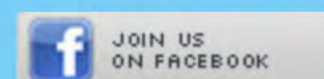
**GOAL:** LEAD THE INDUSTRY  
WITH INNOVATIVE KNOW  
HOW BUILDING  
EXPERIENCES THAT DRIVE  
AND ACCELERATE HIGH  
PERFORMANCE IN OUR  
TEAMS AND OUR  
RESTAURANTS.

Our diversified, decentralized operations in more than 130 countries and territories demand an approach to building people capability that is customized and highly interactive. We strive to create programs across the world that unlock individual talent and foster both business and personal growth.

We want to make learning and career development opportunities accessible to as many of our associates as possible. In the U.S., we provide salaried associates with tuition reimbursement for qualified undergraduate and graduate courses taken toward a job-related degree program at any accredited college or university, up to a maximum of \$4,000 per calendar year. We also award over \$500,000 in scholarships annually through our Andy Pearson Scholarship Program, established in memory of our founding Chairman. Since implementing the scholarship program in 2003, we have awarded just over 2,000 scholarships to associates and their legal dependents.

We seek to maximize training and development opportunities for our associates wherever we operate. We've made significant progress across our global markets, and we are pleased to share some of our global results throughout this section.

**PRINTER FRIENDLY VERSION**





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## YUM! UNIVERSITY

Yum! University is a worldwide learning and development platform that offers courses and workshops delivered in various formats and is designed to teach the skills and behaviors that continue to build the capability of above-restaurant leaders—franchise and company—around the world. Our traditional and virtual classrooms are forums where we can build new skills, share best practices, develop relationships and learn together in a "one system" way across all brands and geographies.

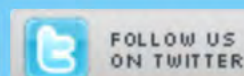
Yum! University focuses on developing three core areas that are important to our success:

- Culture Excellence
- Leadership Excellence
- Functional Excellence

Within each of these areas of excellence, we have developed skill-building workshops and programs that are adaptable to meet local needs and drive a consistent vocabulary, processes, models and skills across the system.



Yum! University in Russia is dedicated to building people capability. A variety of world class training programs are offered and taught by top HR verified instructors who recognize achievement with diplomas and certificates. The main goal of the program is to ensure our people are equipped with the highest skills possible to succeed.

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## Culture Excellence ▼

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Results

## Leadership Excellence

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Investing in Technology to Build  
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## Associate Wellbeing

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## CULTURE EXCELLENCE

## TAKING PEOPLE WITH YOU TRAINING PROGRAM

In 2012, we took the next steps in our culture evolution with the launch of Taking People With You training to all of our more than 39,000 restaurants around the world. We developed paper-based and online learning modules for our restaurant managers available in more than 11 languages as well as supporting "tool cards" that serve as a guide to making big things happen in their piece of Yum!. The modules follow the leadership lessons found in David Novak's best-selling book by the same name. A copy of the book was provided to each of our restaurant general managers across the entire system. The accompanying training is designed to be completed across a several week period with real-time on the job application following each module. This training is considered best-in-class and was [recognized by Brandon Hall](#), a leading learning and development researcher as a Gold Award winning effort.



## ACHIEVING BREAKTHROUGH RESULTS

We have been on a journey to take our culture to a new level within Yum!. In 2008, we introduced a new, high-impact leadership and action-planning training program—Achieving Breakthrough Results (ABR)—to all of our above store leaders (including everyone in our Restaurant Support Centers around the world), all Restaurant General Managers and all franchisees. The objective of ABR is to provide the personal training and tools for individuals to raise the bar on their performance and achieve breakthrough results in and outside the workplace.

In ABR, we begin by asking ourselves, "What can I do now to get breakthrough results in my piece of Yum!?" This determined attitude, which we call "intentionality," drives step-change thinking. We imagine how big something can be and work "future back," setting a vision for success, then working backward to develop the strategies and actions to achieve it, and always doing so with positive energy and personal accountability.

After completing the initial workshop, associates and franchisees are provided with four weeks of targeted coaching to help "make it stick"—integrating the concepts, tools and skills they learned into their day-to-day behavior, both on and off the job.

The program has been very well received around the world, and we continue to reinforce the tools and behaviors of ABR in all of our processes and communications so it stays ingrained in our culture and our way of doing business. To date, the vast majority of our employees and many franchisees and their teams have gone through ABR training and as new leaders join our system, ABR training is a standard practice for their on-boarding.







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## LEADERSHIP EXCELLENCE

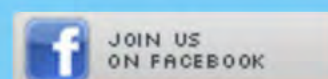
Our philosophy at Yum! is that the Restaurant General Manager (RGM) is our #1 leader, and each division puts considerable effort into developing RGMs who are not only experts in how we operate our restaurants, but also in being a people leader who can create an environment where our restaurant teams reach their best performance. Our U.S. and YRI divisions all implement a training program designed to provide a progression path for managers—from Shift Supervisor to RGM to Area Manager—that includes both hard and soft skills development.

Leadership for above restaurant leaders is a focus as well. Our Pizza Hut U.S. business provides rich leadership experiences for this broader audience through the Pizza Hut Academy, launched in late 2011. Academy curriculum is designed to provide hands-on, in-depth operations training for franchisees, Area Coaches and Restaurant Support Center associates.

With the continued growth in our Yum! China business, we recognize a need to continue recruiting the best RGMs in the industry. To do so, the team in China developed "Whampoa Academy" as an employment brand to attract high caliber young university graduates to join Yum! China as Management Trainees. This training and career development system promises that young graduates without any prior restaurant experience can develop their careers from Management Trainees to RGMs in four years. To date, more than **11,000** Operations team members have received nearly **315,000** hours of training.



Yum! University also focuses on building the leadership capability of our above-store population. In 2010, we launched two foundational programs: Leading Self for Breakthrough and Leading Others to Breakthrough to enable capability building across the world in ways that reinforce our culture and belief that "everyone is a leader." These programs have been well received around the world. Going forward, Yum! University is launching the next level of leadership development which focuses on emerging talent throughout the system. Two different programs will be tested in 2013 that are designed to accelerate leadership capability building across our system for above-store leaders.

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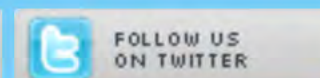
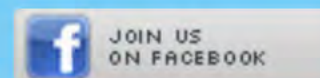
**600+**

KFC U.K. Team Leaders that have enrolled in the advance Apprenticeship in Hospitality program since 2012



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### PRINTER FRIENDLY VERSION



## LIFE SKILLS/FUNCTIONAL EXCELLENCE

### ACCREDITED TRAINING

Several of our divisions have undertaken efforts to receive public accreditation for the training we deliver in our restaurants. Our KFC UK and Australia divisions are two examples of successful programs.

KFC UK [launched an Apprenticeship in Hospitality program](#) in 2012, making them the first business in the sector to work with City and Guilds to support functional skills development. We know that the right sort of training can turn a job into a career, so this team offers all Team Leaders the opportunity to train for an internationally recognized Advanced Apprenticeship in hospitality management. Team Leaders who go through the program are more technically competent particularly with the financial and numerical aspects of running a shift and, even more importantly, are far more confident as leaders on a shift.

The rigorous curriculum allows participants to study Math and English, and gain a National Vocational Qualification in Hospitality Management, with 12 months spent on an Advanced Apprenticeship program.

To date, over 600 KFC UK Team Leaders have signed up to the Advanced Apprenticeship program. All program graduates, 61% of which are between ages 18 to 24, received rapid promotions post program completion. KFC UK has committed to enrolling an additional 200 to 300 employees annually.

Building on their successes in people development, the KFC UK team introduced a three-year Business Management course in a partnership with De Montfort University Leicester (DMU). The degree is specifically designed for the market's Restaurant General Managers (RGMs), combining existing KFC training with lectures and workshops from DMU's Business Management degree program. The first group of RGMs began the program in January 2013 and 60 will participate over the next five years.



In our Australia business, we've been recognized as a Registered Training Provider by the Australian government. Similar to our UK program, this program provides associates with valuable life skills training while at the same time providing training to do their jobs in our restaurants. The Australia team is currently exploring ways to offer university level credit for this training to provide team members with easier and more affordable access to degree programs.

Similarly, the Americana franchise group in the Middle East offers accreditation for its comprehensive training programs. In a program that blends practical on-the-job restaurant experience and training with classroom lectures, team members can earn a diploma from a technical secondary school, shift supervisors can work toward an advanced diploma from a technical college, and assistant restaurant managers can earn a university degree in Restaurants Operation and Management.

## LANGUAGE SKILLS TRAINING

In addition to accredited training, a system-wide initiative was launched in late 2011 to all associates around the world to provide extremely affordable access to language skills training. Partnering with Rosetta Stone, hundreds of associates around the world have taken advantage of one of the 24 available languages offered to improve their overall skills and remove language as a barrier to working together and with our customers.



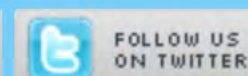
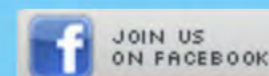


[About](#) [Food](#) [People](#) [Community](#) [Environment](#)[Our Associates - Our Team](#) ▶[Our Culture](#) ▶[Employer Brand of Choice](#) ▶[Building People & Capability](#) ▼[Yum! University](#)[Culture Excellence](#) ▶[Leadership Excellence](#)[Life Skills/Functional Excellence](#)[Investing in Technology to Build People Capability](#)[Associate Wellbeing](#)**600+**KFC U.K. Team Leaders that  
have enrolled in the advance  
Apprenticeship in Hospitality  
program since 2012[Learn More](#)

## INVESTING IN TECHNOLOGY TO BUILD PEOPLE CAPABILITY

Our learning and development strategy hinges on our ability to implement a global learning technologies platform. We understand the power that these technologies have in driving greater consistency in our execution as well as increasing the speed and ease of delivering learning across the system. Over the past few years, we have been moving aggressively to reduce the paper-intensive training systems historically used in our restaurants.

Our technology-based methods now include self-paced online instruction and virtual classroom sessions, as well as the beginning adoption of social networks that enable more informal learning and sharing of best practices. For example, we have largely eliminated our paper-based standards manuals (as large as 3,900 pages per restaurant) as all of our Brand restaurants come online. In many markets, this is already a reality. We are implementing these learning technologies into our restaurants across our entire global restaurant system and are **currently live in more than 25,000 restaurants around the world. In 2012, we delivered nearly eight million courses to team members—up 40% from 2011, and more than 80% of those were delivered via self-paced online learning or in live or recorded virtual classrooms.** For 2013, we expect to well exceed 10 million course completions as the learning technology foundation becomes even more embedded in the way we realize operational excellence around the globe.

[PRINTER FRIENDLY VERSION](#)



## About Food People Community Environment

### Our Associates - Our Team ►

### Our Culture ►

### Employer Brand of Choice ►

### Building People & Capability ►

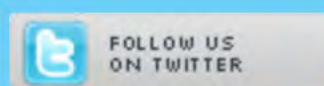
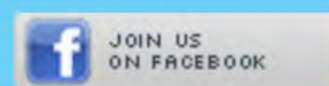
### Associate Wellbeing



Amount awarded to associates annually through Andy Pearson Scholarship

[Learn More](#)

### PRINTER FRIENDLY VERSION



## ASSOCIATE WELLBEING

**GOAL:** BUILD WELLBEING AND ENERGY PROGRAMS TO GIVE OUR ASSOCIATES AND THEIR FAMILIES TOOLS AND PROGRAMS TO STAY HEALTHY AND ENJOY VIBRANT LIVES.

We provide comprehensive, total rewards packages that help us attract, retain and engage talented Customer Maniacs all around the world based on principles that matter to each associate. Our programs are designed to:

- Reward individuals and our teams for driving great business results
- Support our associates in caring for their health and preparing for their future
- Provide resources to promote personal energy and wellness
- Provide opportunities for personal and professional growth and development

Since our business is spread around the world and our franchise owners develop and execute their own associate rewards programs, we offer a wide variety of programs to our full and part-time associates that are competitive around the globe. For example, our compensation rewards include competitive base pay, short-term bonuses to recognize immediate results and long-term incentives to build wealth and retain talent. In the U.S. and in some of our larger international markets such as Australia, our restaurant managers receive YUMBUCKS stock appreciation rights, which allow them to share in the financial success of the company. Grants are given to new restaurant leaders on an annual basis to demonstrate our commitment to them as well as to existing leaders in recognition for achieving positive restaurant performance. By making each restaurant manager an owner of the company, we offer them a stake in the company's overall results, as well as his/her own restaurant's performance.

At Yum!, we developed a wellness and energy program, "Energy to Win," that is available to associates in many countries. Our vision is to encourage associates to lead healthy, balanced, energetic lives so they can achieve breakthrough results at home and at work. We strive to create a culture where associates build their know how about personal health and lifestyle, take action to make change, and are recognized and celebrated for the results they achieve for themselves and their families. Leaders from around the globe have used these ideas to design local programs. Here are some examples:



**energy to win**

**In the U.S.,** thousands of participants attend "Know Your Health" events every year. At the events, employees receive a basic health screening and coaching to improve their lifestyle. The Know Your Health event creates a teachable moment where associates are encouraged to enroll in a variety of action drivers suited to individual needs, such as Weight Watchers, smoking cessation or the Employee Assistance Program (EAP). In addition to lowering overall medical cost for employees and the Company, potentially catastrophic medical conditions have been detected and prevented. Yum! focuses on wellness because we want our employees to lead healthy, balanced, energetic lives at home and at work. We achieve an average of 70% participation at annual biometric screening events through our unique culture and leadership support. These results are dramatically higher than most companies, even where an incentive is offered.

**In the UK,** restaurant employees and managers participate in motivation sessions, health screenings and coaching around wellness and lifestyle. More than 85% of participants reported they make better choices to take care of themselves, feel better about life and feel better about working for our company.

**Our China team** integrates wellness and stress management know how building and tools into many of their basic training and development systems. Examples include their associate recognition system, annual conferences, internal newsletters and Operations training curriculum. The team leverages these resources to help restaurant management teams better understand the concepts and techniques and include them in their daily routines.



**Associates from seven countries and 11 business units** participate in a global walking challenge designed to encourage activity and exercise. The results showed a significant increase in employee physical activity, a significant reduction of stress and improvements in quality of life and productivity.

**Finally, the Energize for Life (EFL) program** was created for Yum! associates with our unique culture in mind. The specific exercise and nutrition components are brought to life in onsite group training sessions that creates accountability and delivers consistent results. In 2012, EFL was expanded to all U.S. brand corporate headquarters and in 2013, we plan to test EFL in international markets starting with Australia.

We are proud to provide a dynamic, rewarding workplace and our compensation and benefit policies compare favorably with those of our principal competitors. More information about the range of compensation and benefits available to our associates, please visit [our careers website](#).



About Food People **Community** Environment

World Hunger Relief

Volunteerism

Local Community  
Engagement ▶

Press Releases

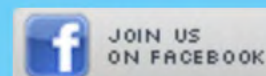


Meals provided since World  
Hunger Relief began in 2007

[Learn More](#)

[PRINTER FRIENDLY VERSION - PAGE](#)

[PRINTER FRIENDLY VERSION -  
SECTION](#)



Laurie Schalow - VP,  
Public Affairs/CSR  
[WATCH VIDEO](#)



World Hunger Relief  
2012 Recap  
[WATCH VIDEO](#)



WHR State  
Department Mess  
[WATCH VIDEO](#) ▶

## OUR COMMUNITY

We are a company with a Huge Heart and we believe our greatest contribution as a global company is in making food accessible to the less fortunate. We invest in giving back to the communities in which we work and live, making a positive difference in the lives of our customers, associates, franchisees and their families.

We deliver on our commitment by focusing on these key areas:

- [World Hunger Relief](#)
- [Volunteerism](#)
- [Local Community Engagement](#)







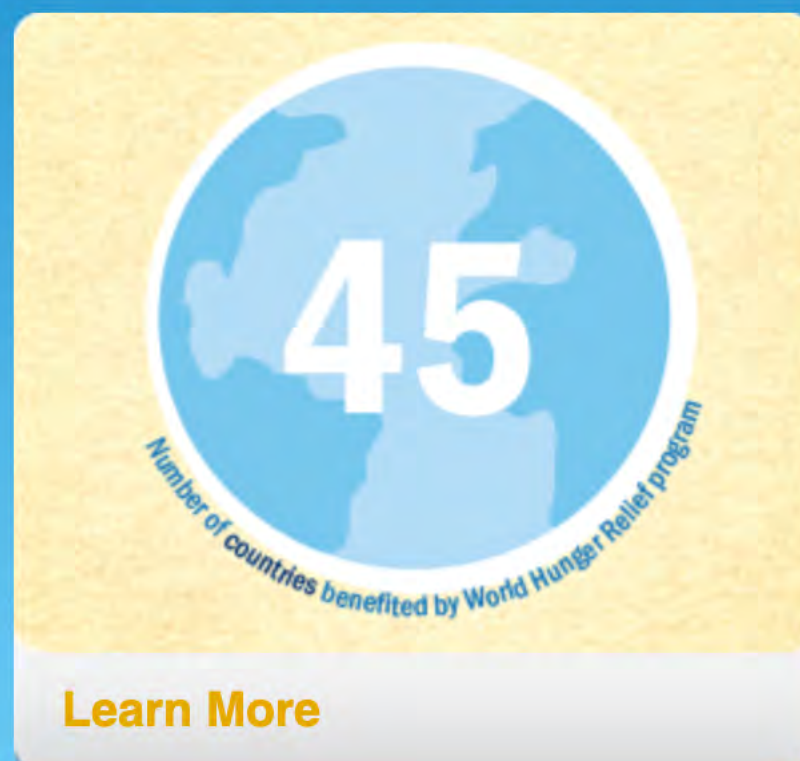
## About Food People **Community** Environment

### World Hunger Relief

### Volunteerism

### Local Community Engagement

### Press Releases



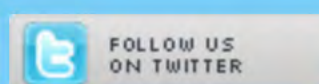
[Learn More](#)

"Since 2007, Yum! Brands' World Hunger Relief campaigns have raised significant funding for WFP's work as well as awareness of the world's hungry poor. This critical support ensures that our school meals and nutrition programs continue to reach millions in need, giving them an opportunity to lead a healthy life. It is a testimony to the Yum! family's unwavering commitment to doing well by doing good."

**Ertharin Cousin,**  
Executive Director, United  
Nations World Food  
Programme



### PRINTER FRIENDLY VERSION



## WORLD HUNGER RELIEF

**GOAL:** MOBILIZE OUR CUSTOMERS, ASSOCIATES, FRANCHISEES AND THEIR FAMILIES TO ALLEVIATE HUNGER THROUGH AWARENESS, VOLUNTEERISM AND FUNDRAISING.

### Overview

### Results

### Recognition

### WHR Around the World

As we approached our 10<sup>th</sup> anniversary in 2007, we decided to align our system around a global crisis that we were well positioned to address—hunger relief. Yum! and our Brands had a longstanding commitment to hunger relief in the U.S. through our [Harvest program](#), contributing on average \$50 million worth of prepared meals to 3,000 hunger relief agencies across the country each year and now with nearly one billion people in the world facing hunger and malnutrition, we had an opportunity to create a global movement to address the world's most solvable problem.

In October 2007, our associates, franchisees and suppliers in more than 100 countries joined forces to bring awareness and action to this global crisis as we launched [World Hunger Relief \(WHR\)](#)—an annual initiative leveraging the power of our global restaurant system to address hunger through awareness, volunteerism and fundraising.

This global movement is now the world's largest private sector hunger relief effort in history benefiting the [United Nations World Food Programme \(WFP\)](#). WFP is the world's largest humanitarian agency fighting hunger worldwide, feeding on average more than 90 million people in over 70 countries each year.



### Partnering together to end world hunger

The movement is primarily focused on engaging our associates, franchisees and consumers in our nearly 40,000 restaurants around the globe to end world hunger by contributing money to help feed beneficiaries of the WFP. Through the use of restaurant point of purchase materials, broadcast, print and online advertising and public service announcements featuring our global spokesperson and WFP ambassador, Christina Aguilera, the campaign has grown year over year with Yum! being WFP's largest corporate donor and partner.



The money raised for the WFP is given as unrestricted funds to be used for WFP's greatest needs around the globe, allowing WFP the flexibility to get food and resources where they are most needed. As a part of our commitment to ensuring 100% of the consumer and associate funds donated are used by WFP for feeding people and the related programs, the Yum! Foundation contributes \$2 million annually to help the WFP manage the expenses associated with our global campaign.

In 2012, the World Food Program USA and the U.S. Department of State [honored David Novak and Christina Aguilera](#) with the George McGovern Leadership Award WFP's top humanitarian award for their considerable contributions to the fight against hunger through our World Hunger Relief effort.





About Food People **Community** Environment

World Hunger Relief

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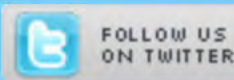
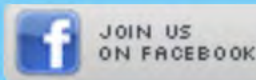
[Learn More](#)

“Since 2007, Yum! Brands’ World Hunger Relief campaigns have raised significant funding for WFP’s work as well as awareness of the world’s hungry poor. This critical support ensures that our school meals and nutrition programs continue to reach millions in need, giving them an opportunity to lead a healthy life. It is a testimony to the Yum! family’s unwavering commitment to doing well by doing good.”

Ertharin Cousin,  
Executive Director, United  
Nations World Food  
Programme



PRINTER FRIENDLY VERSION



## WORLD HUNGER RELIEF

**GOAL:** MOBILIZE OUR CUSTOMERS, ASSOCIATES, FRANCHISEES AND THEIR FAMILIES TO ALLEVIATE HUNGER THROUGH AWARENESS, VOLUNTEERISM AND FUNDRAISING.

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WHR Around the World

## RESULTS

For the past six years the World Hunger Relief campaign has leveraged the power of more than 39,000 restaurants around the world, sparking a global movement to end hunger and generating an overwhelming outpouring of support from millions of customers, employees, franchisees and their families. To date, the World Hunger Relief movement has delivered:

### AWARENESS:

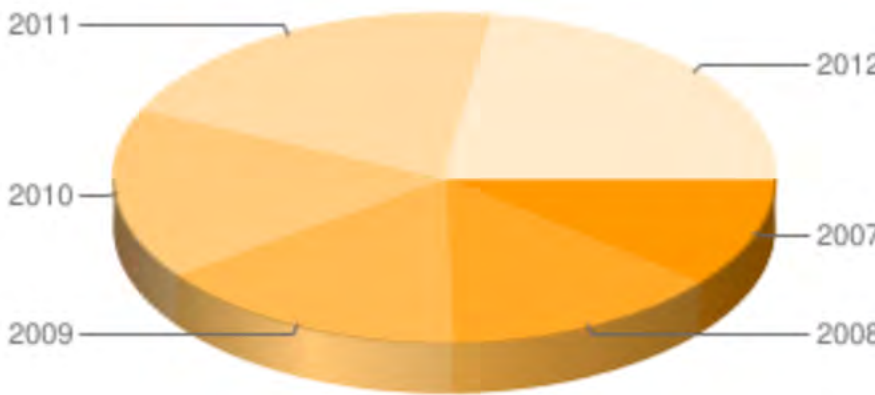
More than 4 billion worldwide impressions in 2012  
Approximate value of nearly \$50 million annually in public service announcements, advertising, public relations, web-based communications and in-restaurant promotional materials



### FUNDRAISING

Yum! has donated the following to WFP and other hunger relief agencies:

Year	Funds	Meals
2007:	\$16 million	64 million
2008:	\$20 million	80 million
2009:	\$22.5 million	90 million
2010:	\$24.5 million	98 million
2011:	\$30 million	120 million
2012:	\$33 million	132 million



### TOTAL RAISED: \$148 MILLION/NEARLY 600 MILLION MEALS

In seven years of WHR, the impact of the program has been astounding providing nearly 600 million meals to WFP operations in countries of greatest needs with an emphasis on [School Feeding programs](#). Funds raised by our teams also [support emergency operations](#) and [mother-child health and nutrition programs](#). In total, WHR support has provided much-needed food for millions of beneficiaries in more than 45 countries. Scroll over the map below to see countries that have received funding for meals since 2007\*.


\*On average \$0.25 provides one meal.

## COUNTRIES RECEIVING FUNDING AND FOOD AS A RESULT OF THE WORLD HUNGER RELIEF CAMPAIGN





- World Hunger Relief
- Volunteerism
- Local Community Engagement ▶
- Press Releases



Learn More

“Since 2007, Yum! Brands’ World Hunger Relief campaigns have raised significant funding for WFP’s work as well as awareness of the world’s hungry poor. This critical support ensures that our school meals and nutrition programs continue to reach millions in need, giving them an opportunity to lead a healthy life. It is a testimony to the Yum! family’s unwavering commitment to doing well by doing good.”

Ertharin Cousin,  
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WORLD  
HUNGER RELIEF

**GOAL:** MOBILIZE OUR CUSTOMERS, ASSOCIATES, FRANCHISEES AND THEIR FAMILIES TO ALLEVIATE HUNGER THROUGH AWARENESS, VOLUNTEERISM AND FUNDRAISING.

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# RECOGNITION

## 2012:

- League of American Communications Professionals Magellan awards: #8 in Top 50 2012 Communication Campaign; Gold Award for Excellence
- PR News CSR Awards – Honorable Mention for Cause Branding Campaign, World Hunger Relief
- SABRE Awards – Gold Finalist, Food Service category for World Hunger Relief
- The World Food Program USA and the U.S. Department of State - honored David Novak and Christina Aguilera with the George McGovern Leadership Award WFP’s top humanitarian award

## 2011:

- League of American Communications Professionals Magellan awards: Silver Award for Corporate/Organizational Communications category; #28 in Top 50 2011 Communication Campaign (out of 375 entries).
- PRSA Landmarks of Excellence Awards – Merit Award: Overall Communication Program; Award of Excellence: News Media/Video-Internal Video; Merit Award: News Media/Video; Merit Award: News Media/Video-Image, Promotional Marketing.
- PRSA Skyline Awards – 2011 PRSA Chicago Skyline, Award of Excellence, External PR: World Hunger Relief
- SABRE Awards – Gold nomination, External PR Corporate Social Responsibility category
- American Chamber of Commerce Stars of Africa Award; Gold Award for Add Hope

## 2010:

- League of Communications Professionals - Winner - Magellan Awards for Community Relations: Most Creative Campaign; #9 in Top 50 2010 Communication Campaign (out of 379 entries); Gold Award for Excellence
- United Nations World Food Programme - Partner of the Year
- PR Week - Winner - Cause-Related Campaign of the Year

## 2009:

- PR News' Nonprofit PR Awards - Finalist for Nonprofit/Corporate category
- PR Week Awards - Winner for Cause-Related Campaign of the Year
- Hermes Creative Awards - Platinum Winner
- PRSA Skyline Awards - Merit Award for the Category Events & Observances, More than 7 Days
- PRSA Bronze Anvil Award of Commendation - Winner for Digital Press Kits Category

## 2008:

- PR News CSR - Honorable mention, "Overall Leader in CSR Practices: Corporation with more than 25,000 employees"

## 2007:

- IABC Gold Quill - Merit Award in Business Communication Category
- PR News CSR - Finalist in the Media Relations Category
- IPRA 2008 Golden World Awards - Winner, Corporate Social Responsibility Category
- SABRE Awards - Gold Winner, Business and Society, Corporate Social Responsibility Category
- PRSA Skyline Awards - Skyline Award Winner, Public Service/Partnerships




World Hunger Relief

Volunteerism

Local Community  
Engagement

Press Releases



45  
Number of countries benefited by World Hunger Relief program

Learn More

“Since 2007, Yum! Brands’ World Hunger Relief campaigns have raised significant funding for WFP’s work as well as awareness of the world’s hungry poor. This critical support ensures that our school meals and nutrition programs continue to reach millions in need, giving them an opportunity to lead a healthy life. It is a testimony to the Yum! family’s unwavering commitment to doing well by doing good.”

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## WORLD HUNGER RELIEF

**GOAL:** MOBILIZE OUR CUSTOMERS, ASSOCIATES, FRANCHISEES AND THEIR FAMILIES TO ALLEVIATE HUNGER THROUGH AWARENESS, VOLUNTEERISM AND FUNDRAISING.

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## WHR AROUND THE WORLD

Our teams around the globe are hard at work building brands with purpose. World Hunger Relief is an initiative that unites our system around a common cause. The success of the movement is centered around the way our teams around the world take it and make it their own—from uniquely branded campaigns like Pizza Hut U.S.’s Share a Slice of Hope or KFC South Africa’s Add Hope to days of giving, team member car washes and other team member led activities to raise awareness and funds to help solve hunger.



Read below to learn about some of the branded campaigns around the world or [click here to see some of our teams in action](#).

### PIZZA HUT U.S. – SHARE A SLICE OF HOPE

Launched in 2011, Share a Slice of Hope encourages consumers and Pizza Hut employees nationwide to help others through the company’s three philanthropic pillars: children’s literacy, World Hunger Relief and community involvement. It is a movement across Pizza Hut’s U.S. restaurants that positions America’s largest pizza chain as a leader in the fight against the global hunger epidemic.



During the brand’s World Hunger Relief campaign, Pizza Hut challenges America to “Share a Slice of Hope” through multiple donation channels. Customers who make a donation in-store at their neighborhood restaurants are invited to add a personalized pepperoni to a pizza-shaped sharing board displayed in each participating restaurant. Customers who donate with their order at [pizzahut.com](#) can share their donation with friends and followers on social media to create the ultimate Share a Slice of Hope experience. The Pizza Hut team has successfully partnered with companies like Zynga and Hulu to offer exclusive opportunities to those who Share a Slice of Hope.

Pizza Hut’s BOOK IT! reading incentive program is also part of the “Share a Slice of Hope” movement. Students who participate in the BOOK IT! program are invited to raise funds for World Hunger Relief through local reading challenges.

### KFC U.S. – RECIPE FOR HOPE



Colonel Harland Sanders’ secret recipe to a well-lived life included giving back to the community and helping those in need. KFC U.S. honors the Colonel’s legacy by raising money to feed the hungry through the Brand’s in-restaurant Recipe for Hope fundraising campaign.

In 2012, KFC U.S. called on fans to “Pass the Bucket” on Facebook to raise awareness and funds for World Hunger Relief. KFC donated \$1 to WFP for each of the first 10,000 fans who shared KFC’s Recipe for Hope image on their Facebook page.

Recipients of the KFC Colonel’s Scholars scholarship (2012 and prior) are asked to contribute their time and talent to help feed the hungry as part of KFC’s Recipe for Hope.

### KFC SOUTH AFRICA – ADD HOPE

In 2009, KFC South Africa decided to take a creative approach to raising funds for hunger relief by creating a fictitious menu item. KFC South Africa put ‘Hope’ on the menu—literally. Instead of asking customers to donate money, KFC team members ask them to ‘Add Hope’ by buying a side item that costs a mere R2 (approximately \$0.25 USD) and is a donation towards feeding a hungry child.

In 2011, after two years and much success driving awareness and establishing credibility, the KFC South Africa team was determined to take the campaign to new heights and they did so with an active demonstration of where the donations actually go. The team created the Wall of Hope, a moving art installation to continue driving awareness and engagement. This thought-provoking interactive piece consisted of 5,500 silhouetted childlike figures. Each figure depicted a happy child with an empty tummy, a tummy that could only be filled with an R2 piece—a physical demonstration that all it takes is an R2 coin to fill a child’s empty stomach. The installation was designed to drive donations but also to act as the centerpiece for the entire 2011 Add Hope campaign.



To continue spreading Hope in 2012, the team partnered with renowned South African adventurer Riaan Manser, who set out on a Journey of Hope cycling the word “hope” across the face of the South African map.



His cycling adventure highlighted the plight of hunger and the positive impact that Add Hope is making on Africa’s children. Manser completed the 4100 KM Journey of Hope in two months raising awareness and engaging others along the way. Consumers joined Manser’s amazing Journey of Hope walking the final 2KM of the journey with Manser which ended at the 2012 Wall of Hope.

The KFC South Africa team raised more than R12 million (nearly \$1.3 million USD) in stores throughout 2012 filling many hungry tummies and bringing hope to many hungry children.

### YUM! CHINA

Yum! China partnered with the China Foundation for Poverty Alleviation (CFA) and the World Food Programme to launch the China World Hunger Relief campaign in 2008. This program aims to provide nutrition enhancement for needy children in China’s most poverty stricken mountainous regions

To date, the Yum! China team has raised nearly \$11.3 million USD, providing 17.6 million meals to more than 80,000 children in China. A total of 46.5 million consumers have participated in this campaign, making it one of the largest public donation campaigns in China. Yum! China has received several media and government awards recognizing World Hunger Relief as the most successful cause campaign carried out by multinationals.



### YUM! INDIA



The Yum! India team demonstrates their huge heart and commitment to feeding the hungry through in-restaurant fundraising and creatively engaging division leaders and restaurant support center staff. This team always makes fundraising fun leading to high levels of engagement and significant increases year over year in raising awareness and funds to help address the hunger issue.

Customers across India are very supportive of the cause and have helped this team to raise nearly \$1.2 million USD. Funds raised through this team’s World Hunger Relief efforts benefit the World Food Programme and other feeding programs across India to provide nutritious meals to school children.



World Hunger Relief

Volunteerism

Local Community  
Engagement

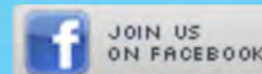
Press Releases

Distance traveled by one man on  
bike to raise awareness for Hunger  
in South Africa in 2012



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## VOLUNTEERISM

**GOAL:** BE THE WORLD'S  
DEFINING VOLUNTEER  
MOVEMENT ENGAGING  
EMPLOYEES AND  
FRANCHISEES YEAR-ROUND  
TO MAKE AN IMPACT IN  
LOCAL COMMUNITIES,  
FURTHERING OUR MISSION  
TO BE THE DEFINING GLOBAL  
COMPANY THAT FEEDS THE  
WORLD.

As the world's largest restaurant company, it is our privilege and responsibility to give back to the communities where we live and work. We support our associates' volunteer efforts and encourage them to work with their supervisors on volunteer opportunities. Volunteerism is a key component of our World Hunger Relief initiative and since 2007, nearly 1.5 million of the Company's employees, franchisees and their families have volunteered millions of hours to aid hunger relief efforts in communities worldwide.



In 2012, we launched the [Hunger to Hope Volunteer Challenge](#) to further demonstrate our commitment to hunger relief and giving back to the communities where we live and work. We're on a mission to be the Defining Global Company that Feeds the World and through the Hunger to Hope Volunteer Challenge, we want to become the Defining Global Volunteer Movement to actively raise awareness of the hunger issue and engage our local communities to provide help.

With nearly 1.5 million associates around the world, we also know that our teams have the ability to make an impact on other key social issues in their local communities. We want to recognize and reward their efforts to support other qualified nonprofit charitable organizations. All teams who enter the Challenge will make a lasting impact in the lives of their partner charities—and in their local communities. Yum! is rewarding our team members and franchisees for their efforts by awarding money to the partnering charity organizations for teams who inspire us with their acts of volunteerism. Twenty teams in total will win cash awards for their qualified local charity partners. Winners will be announced in September 2013.



[Follow us on our journey to be the Defining Global Volunteer Movement.](#)

## LEADING BY EXAMPLE

In the Fall of 2012, leaders across our brands and divisions helped to launch the Challenge by working in their local communities to give back and lead by example. We are proud of all the ways our leaders stepped up to do their part to bring awareness and action to solve hunger.

**David Novak** and the **Yum! leadership team** volunteered their afternoon visiting children and serving a hot lunch at a children's home in Louisville.



The **Yum! Restaurants International** leadership team prepared food boxes for local families as part of their volunteer activity at the North Texas Food Bank. To help, this team filled enough boxes to deliver 35,000 meals to the hungry in North Texas!

Leaders from **Yum! China** sorted and packed boxes of clothing, shoes, gloves and scarves (all donated by the restaurant support center staff) to deliver to local children in need.



The **leadership team in Dubai** celebrated World Food Day by visiting the United Nations Humanitarian Response Depot (UNHRD) warehouses—the largest relief distribution warehouse in the world based in Dubai—and assisting with packaging emergency relief supplies.



Leaders from **KFC South Africa** visited 1000 Hills Community Helpers to serve food to 700 people in KwaZulu-Natal.



The **KFC Australia** leadership team assisted the local Meals on Wheels in their production kitchen and with meal deliveries.



**KFC U.S., Pizza Hut U.S. and Taco Bell U.S.** leadership teams activated their restaurant support center teams in significant projects to benefit the Neighborhood House in Louisville, Dallas Life Mission and Project Hope Alliance in Orange County, CA.

The leadership team at **KFC France** launched the Hunger to Hope Challenge by giving out supplies at a food distribution center run by France's most loved charity, *Les Restaurants du Cœur*. On average, 350 families are served in this busy center, just one of the many distribution centers in Paris and across France. This event also inaugurated KFC France's official partnership with the charity which will include several initiatives to help feed families in need in France.



Leaders from the **European Franchise Business Unit** took their teams with them to assist Emmaus, an organization working to combat poverty and homelessness. Teams contributed by gardening, painting walls, renovating reception centers and having lunch with those less fortunate.

The **Canada leadership team and associates** volunteered at the North York Harvest Food Bank sorting over 4600 pounds of food for families in need.

Leaders from **Pizza Hut Korea** hosted preschool children from the Global Village Love-Sharing Organization, Korea's largest NGO supporting hunger relief in multi-culture families, for a cooking class and lunch. Restaurant General Managers from this division will continue the partnership with the organization for their Hunger to Hope Volunteer Challenge projects.



### Pizza Hut "Makes it Great" for Families

The Pizza Hut team in the U.S. was the presenting sponsor of the 25th Annual Children's Medical Center Holiday Parade in Dallas, Texas. More than 100 Pizza Hut volunteers helped bring to life a magical event for more than 350,000 in-person attendees and a nation-wide television audience. The parade is the highlight of a partnership between Pizza Hut and Children's Medical Center, where the goal is to help families with children facing medical issues.





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Local Partnership Programs

Disaster Relief

Press Releases

**\$700**  
million

Fair market trade value of  
food donated in the U.S.  
through Harvest program  
since 1992

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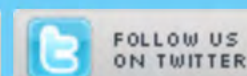
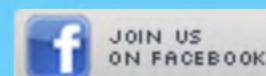
## LOCAL COMMUNITY ENGAGEMENT

**GOAL:** DEMONSTRATE OUR HUGE HEART BY GIVING BACK TO OUR LOCAL COMMUNITIES THROUGH PROGRAM PARTNERSHIPS, SPONSORSHIPS AND CAUSE-RELATED MARKETING EFFORTS.

As a global food company, we believe that we can make the greatest contribution and impact by making food accessible to the less fortunate in the world. We are in the business of feeding people—whether it's the billions of customers who visit our restaurants each year or those we feed through community hunger relief initiatives. In the U.S., we also give back with programs that focus on college scholarships, reading incentives and mentoring at-risk teens.

We provide financial support to charities across the world, and our nearly 1.5 million associates and our franchisees give to their local communities everyday through meals, monetary donations and personal time. We know that as individuals and as a system we can—and will—make this world a better place.

PRINTER FRIENDLY VERSION





World Hunger Relief

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Local Community Engagement ▾

Local Partnership Programs

Disaster Relief

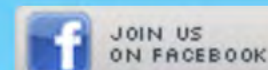
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million

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## LOCAL PARTNERSHIP PROGRAMS

Yum! Foundation

U.S. Brands

YRI

China

## YUM! BRANDS FOUNDATION

The Yum! Brands Foundation supports U.S. charities working in the areas of hunger relief, youth, social services and the arts through annual unrestricted and restricted grants. In 2012, the Yum! Brands Foundation total giving to benefit these organizations exceeded \$8.3 million.

The Yum! Foundation Matching Gift Program in the U.S. supports and encourages associates to contribute financially to nonprofit organizations in their communities by matching dollar-for-dollar gifts by associates to qualified non-profit groups, up to \$10,000 per associate per year. The Yum! Foundation Board Support Program encourages associates to engage in their communities by providing financial support to nonprofit organizations with boards on which our associates actively serve.



## DARE TO CARE FOOD BANK

We are a global company with far-reaching community programs, but we remain dedicated to solving issues at home as well. In Louisville, Kentucky, home of Yum! and our KFC U.S. Restaurant Support Center, one in 4 children is at risk of going to bed hungry each night. Since 2002, Yum! and its associates have committed over \$10 million to end hunger in the Kentucky/Indiana area through our partnership with the [Dare to Care Food Bank](#), Louisville's largest hunger relief organization.



**Dare to Care**  
Food Bank

Our support has enabled Dare to Care to expand the number of Kids Cafés, after-school programs that provide a nutritious meal to children in the local community along with adult-supervised activities including homework clubs. This brings the total number of meals served to at-risk youth in Louisville to over 100,000 annually. It has also allowed for the creation of the Backpack Buddy and Patrol Against Hunger programs. Patrol Against Hunger, a partnership with our local law enforcement agency, is a first-of-its-kind program, providing meals to housebound elderly across our community and is considered a model program for other communities.

"Yum! Brands has been an invaluable partner to the Dare to Care Food Bank providing over \$10 million and over 85 million meals to families, children and seniors. Without the help of our friends at Yum! Brands, there would be many more people struggling with hunger in our community."



**Brian Riendeau**,  
Executive Director,  
Dare to Care Food Bank

## HARVEST

We're also addressing hunger across the U.S. through our Harvest program. Since its launch over two decades ago, Harvest has become the largest prepared-food donation program in the world (in terms of pounds donated). In 2012, we donated over 10 million pounds of wholesome food, with a fair market value of nearly \$60 million, to needy families and children. Since the creation of the program, we've donated nearly 160 million pounds of food, with a fair market value of over \$700 million, to those at risk of hunger. The donated food is distributed through a network of over 3,000 hunger relief organizations in hundreds of communities across the U.S. These donations not only help individuals in need, they are also [creating a healthier and safer environment across the country](#).

Additionally, we are committed to building on the success of this program and expanding the model to other countries to assist in feeding more people around the world.

"Food Donation Connection and Yum! Brands have been fighting against hunger, hand in hand, for over 20 years. Together we help to provide over 10 million pounds of prepared food every year from Yum! restaurants to worthy nonprofit organizations. We are proud and grateful to be able to partner with Yum! to put an end to hunger."



**Bill Reighard**,  
President, Food  
Donation Connection



## MUHAMMAD ALI CENTER PEACE GARDENS

Launched in 2010, the [Muhammad Ali Center Peace Garden grant program](#) is a partnership between the [Muhammad Ali Center](#) and the Yum! Brands Foundation with the goal of teaching children in underprivileged schools multicultural respect, nutrition and hunger relief through gardening. Yum! Brands Foundation underwrites the initiative as part of our World Hunger Relief effort, helping children learn to grow their own food with plants from different countries. Yum!'s commitment to the program includes \$100,000 in awards to establish multicultural gardens in underprivileged schools through 2014, as well as contributions of educational materials and a classroom curriculum translated into six languages. The National Gardening Association, a recognized leader in the field, provides assistance with curriculum development and the grant process.



Since the program's inception in 2010, more than 150 garden projects in over 15 countries have been established, touching the lives of thousands of children. Grant recipients include schools spanning the globe from Australia, Haiti, India, Indonesia, Kenya, Mexico, New Zealand, Pakistan, South Africa, Tanzania to the United Kingdom.



Each Muhammad Ali Center Peace Garden is making a positive impact on its community. In South Africa, for example, a Peace Garden was established in Johannesburg in June 2011 to benefit approximately 1,600 students by supplying fresh fruit and vegetables for the school's food program. The school had previously experienced a food shortage after floods destroyed their earlier gardening program. Another example includes India where a Peace Garden was established in Gurgaon in July 2012. Students from two elementary schools worked together to create a Peace Garden that ultimately harvested food for the students and their families.

By 2014, approximately 200 Muhammad Ali Center Peace Gardens will be established as part of the grant program.







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## LOCAL PARTNERSHIP PROGRAMS

Yum! Foundation

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## U.S. BRANDS

### TACO BELL US

#### TACO BELL FOUNDATION FOR TEENS



Taco Bell believes in teens. Each day, we serve and interact with millions of teens. They are our customers, our employees, our friends and families. They are also our future—future leaders, franchisees, suppliers and partners. That's why we're committed to setting them up for success in the real world. This means addressing factors critical to their future, including graduating from high school, career and college-readiness, staying active and healthy and serving in their communities. We inspire and enable Teens to achieve más in life!

Since 1995, the [Taco Bell Foundation for Teens](#), a nonprofit 501(c)(3) public benefit corporation, has awarded more than \$42 million in grants and scholarships to give more than 1 million teens the support they need to graduate high school and reach their full potential. We serve teens through core programs like Graduate for Más, and through our partners,

such as the Boys & Girls Clubs of America and many other youth organizations nationwide. We convene our strong network of Taco Bell employees, customers and franchisees to join together for teens.

### TACO BELL WELCOMES SAILORS HOME WITH DORITOS® LOCOS TACOS

In 2012 when the USS Dwight D. Eisenhower arrived home to Norfolk, Virginia after a six-month deployment, Taco Bell was there to provide warm and delicious food from a familiar brand. As more than 3,000 sailors came ashore and reunited with their loved ones, Taco Bell served Doritos® Locos Tacos—a product that America has been going crazy over—as part of this special homecoming.



## KFC U.S.

### KFC COLONEL'S SCHOLARS, KFC FOUNDATION



The KFC Foundation was formed more than 10 years ago to deliver meaningful programs and services to the communities in which KFC team members, franchisees, operators and customers live and work. [The KFC Colonel's Scholars](#) program is the primary program of the KFC Foundation and empowers students to grow, develop and improve their lives with secondary education scholarship resources. The program enables high school students with entrepreneurial drive, strong perseverance and demonstrated financial need to pursue up to four years of study at an accredited public institution in the state where they reside. This \$20,000 scholarship provides funding for tuition, books, fees and room and board for four years. Since the initiation of this program in 2006, the KFC

Foundation has awarded 525 scholarships to students across the United States equating to more than \$10 million in scholarships.

In 2012, the KFC Foundation developed and implemented the KFC Colonel's Employee Scholarship awarding \$450,000 in scholarships to 300 restaurant hourly employees and/or shift supervisors. This \$1,500 scholarship funds tuition, books and fees for those KFC restaurant team members attending a 2-year or 4-year college, technical or vocational school. The KFC Foundation is proud to assist in providing educational opportunities to those who have the passion and determination to accomplish their dreams.

Moving forward, the KFC Foundation will continue to evolve its programs and services to better meet the needs of the KFC Family and the community.



### KFC BRINGS PEOPLE TOGETHER WITH A TASTE THE WORLD LOVES



KFC's Colonel Harland Sanders debuted his secret Original Recipe® of 11 herbs and spices more than 70 years ago, creating a legendary combination that has since become a favorite of chicken lovers everywhere. The Colonel was much more than a talented cook though. In addition to developing one of the most famous recipes in the world, he was also passionate about families, kids and education. Over the years, the Colonel and KFC Corporation have donated millions of dollars to programs supporting families, children and education. Throughout 2012, the brand highlighted the ways it

continues to bring families and friends together around the Colonel's timeless recipe.

To kick off the year dedicated to bringing people together, KFC U.S. reunited Air Force Captain Cherissa Jackson, a single mom and critical care nurse deployed to Afghanistan, with her twin daughters. The surprise homecoming took place at a Maryland KFC in January. The surprises continued as Jackson's parents and siblings were flown to the reunion and KFC awarded \$20,000 college scholarships to Jackson's daughters who were high school seniors and excellent students. ([Link to video](#))

## PH U.S.



### BOOK IT!® PROGRAM

In its 29th year, the [Pizza Hut BOOK IT!® program](#) is the longest-lasting and largest children's literacy program in the United States. Each year, the BOOK IT!® program makes reading fun for more than 16 million children in over 686,000 classrooms through its Reading Incentive Program. Since 1985, Pizza Hut has invested nearly \$500 million in the program, and has awarded nearly 200 million Personal Pan Pizzas to students who have met their monthly BOOK IT!® reading goals.



## CHILDREN'S MEDICAL CENTER

Headquartered in suburban Dallas, Pizza Hut U.S. is a proud partner of the Children's Medical Center (CMC), which is one of the nation's leading care providers for children. Through its partnership, Pizza Hut team members volunteer their time reading to children at CMC and provide routine "gift drops" at both hospital locations. One of the largest commitments the company makes to CMC is sponsoring the Children's Medical Center Parade, which is an honored holiday tradition in Dallas-Fort Worth drawing more than 250,000 each year. The parade is also broadcast in more than 100 additional markets throughout the U.S., ultimately reaching an audience of more than 3 million people with a message about the mission of CMC.



## THE H.U.T. FUND

The mission of the Help Unleash Talent (H.U.T.) Fund is to even the playing field for local high school students. The fund was established by Pizza Hut U.S. at the Booker T. Washington High School for the Performing and Visual Arts in 2008 and has provided more than 75 students with resources they needed, but couldn't afford, to help them fulfill their academic and artistic potential.

## KFC LI'L PLAYGROUND MAKEOVER

Community playgrounds in St. Clair, Missouri and Broad Channel, Queens, New York have won makeovers through KFC's Li'l Buckets Kids Meal's Facebook Contest. In St. Clair, the \$11,000 grant allows the Franklin County Special Education Cooperative to add wheelchair ramps and handicap-accessible equipment to benefit special needs students who are now able to play with their classmates instead of watching from the sidelines. Broad Channel will use its grant to rebuild a playground destroyed by Hurricane Sandy. The new playground is expected be a place of joy for kids in the community who experienced so much destruction from the storm.

## MARK WAHLBERG AND TACO BELL ENCOURAGE GRADUATION

The Taco Bell Foundation for Teens partnered with Get Schooled and Mark Wahlberg to launch a program named "Graduate for Más™." The program challenges and encourages teens to make a personal commitment to graduate from high school — enabling them to achieve the most for themselves and their communities.







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## LOCAL PARTNERSHIP PROGRAMS

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## YRI

Our impact stretches far beyond the U.S. and we are deeply committed to making positive changes in all the countries in which we operate. Here are just a few examples of the ways our teams around the world are giving back to the communities where they live and work.

## U.K

## BARNARDO'S PARTNERSHIP

KFC UK launched a partnership with Barnardo's in 2012 to offer disadvantaged young people the opportunity to participate in work experience placements in a KFC restaurant for up to four weeks. A number of young adults have since participated in placements, with several going on to secure jobs at KFC — a powerful and life-changing stop for these young people.

The partnership, which began in 2011 as a pilot in North-West England, is designed to help people from Barnardo's services to get a start in the job world and harnesses KFC's expertise in providing important skills for young adults. Participants follow a specially-tailored program designed to introduce underprivileged young people to the workplace, while equipping them with highly transferrable skills such as food preparation, customer service, working in a fast-paced environment and being part of a team.

The results of the pilot demonstrate a powerful impact on the young people involved and the KFC teams they have worked with.



"I've been in and out of care homes most of my life. I could never concentrate in class and I didn't get good grades. To be honest, I thought I'd never get a job. But Barnardo's has helped me deal with my problems, and thanks to KFC's training, now I've got a job. I feel proud of myself."

— Jamie, work placement program graduate and KFC UK employee

## LITTER PICK-UP

The KFC UK team is also working hard to tackle litter. Daily and nightly litter patrols take to the streets, in high visibility jackets, to clean up the areas around our restaurants — a deed that has been extremely well received in local communities. KFC UK also sponsors waste bins and coordinates litter pick-ups with local businesses in the communities where they operate.

## KFC AUSTRALIA

KFC Australia is proud of its partnership with the [McGrath Foundation](#) to help support families affected by breast cancer. The Foundation was initiated by leading Australian cricketer, Glenn McGrath, after his wife lost her life to breast cancer. Additionally, given KFC's longstanding association with cricket, the McGrath Foundation is a worthy and obvious choice as a charity partner. Since 2010 KFC Australia has helped raise over \$550,000 for this worthy cause. The money raised by our customers has helped place McGrath Breast Care Nurses in regional communities to provide care and support to families throughout their breast cancer experience and has also helped increase breast cancer awareness.

KFC restaurants in the state of Victoria and New South Wales provide young people with opportunities to grow through long-standing partnerships with the REACH Foundation and Whitelion.

The [REACH Foundation's](#) vision is that every young person has the support and self-belief they need to fulfill their potential and clean up their dream. At its core, REACH is about youth inspiring youth. The organization runs school and community programs designed to promote the mental health and emotional wellbeing of young people. KFC in Victoria has supported this organization for more than 15 years and sponsors REACH 'heroes days' by providing food for participants and collecting donations in our restaurants.

For more than 13 years, KFC Victoria has supported [Whitelion](#), an organization that works with at risk youth and is specifically involved in an initiative that offers young people employment opportunities. KFC has supported hundreds of young people from the Whitelion Employment Program. KFC employment opportunities are provided to participants in the Program across metropolitan and regional Victoria, and more recently, in Tasmania, New South Wales and South Australia. KFC Victoria has successfully held nine Annual Charity Golf days, which have raised more than \$220,000 for Whitelion.

Additionally, KFC staff have been involved in mentoring and other activities with adolescents. KFC has provided food for Whitelion youth camps throughout the year by sourcing food donations from suppliers and offering employees opportunities to volunteer and serve the food onsite. KFC also regularly supports Whitelion events through the donation of food to the young people and staff at Whitelion.



our shared and genuine commitment to supporting young Australians to fulfill their potential."

"Our enduring partnership with KFC began soon after REACH was established in 1994. The longevity of the relationship and the passionate involvement of KFC management, franchisees and staff, reflects

— Sarah Davies, Chief Executive, The REACH Foundation

## EUROPEAN FRANCHISE BUSINESS UNIT

In 2012, the European Franchise Business Unit team in Paris partnered with [Emmaüs](#), a local charity that helps the less fortunate by distributing food and offering shelter and transition from a life on the streets. The entire Restaurant Support Center team participated in the refurbishment of six homeless shelters in Paris, working alongside Emmaüs staff.



## KFC FRANCE



launch an employee volunteer program in 2013. The KFC Foundation will also support existing charitable initiatives with the World Food Programme.

In 2012, KFC France created the KFC Foundation and announced a new partnership with France's best known charity, [Les Restos du Cœur](#). With the creation of a company foundation under the auspices of the Fondation de France, KFC confirms its commitment as a French corporate citizen.

Enjoying strong growth over the past 10 years in France, KFC has consistently worked to make concrete, long-lasting commitments with regard to its employees, customers, partners and, more broadly, the general public. To complement its international outreach through the World Hunger Relief program, KFC France recently created a partnership with [Les Restos du Cœur](#), for whom the team is conducting its first campaign and



## GERMANY

During KFC Germany's 2012 Annual Conference, the team launched a social volunteering project in collaboration with the Essen University Hospital Clinic for Pediatrics. Restaurant General Managers and associates from the Restaurant Support Center—170 team members in total—purchased and wrapped gifts for the children in the Clinic for Pediatrics, visited with the children and presented the gifts to brighten their holidays.

Building on the success of the 2012 event, the KFC Germany Team is committed to expanding this initiative in conjunction with their 2013 Annual Conference. Additionally, the children in the Essen University Hospital Clinic for Pediatrics added a request for regular visits from clowns on their "wisher." The KFC Germany team is making this wish come true by sponsoring two clowns to visit the children weekly throughout 2013.



## SOUTH AFRICA

In South Africa, the KFC team supports a number of local charities involved in hunger alleviation projects throughout the country. Nationally, the team supports the SOS Children's Villages where their sponsorship of R3.5 million (approximately \$375,000 USD) feeds 1000 children three substantial meals a day. The [Add Hope](#) campaign also supports World Vision which supports three areas in South Africa where drop off centers provide much needed hunger alleviation to rural communities. Add Hope supports two regional community initiatives: Lebone Care Centre and the '1000 Hills Community Helpers' who run feeding programs in the Bloemfontein and Kwazulu-Natal area, both of which require food relief urgently.



"Lebone's mission is to give people hope and a future and to be a light in the darkness of this world. Add Hope is giving us the ability to be a shining light and through Add Hope, hopelessness is turned into a future filled with hope and opportunities. Thank you Add Hope for being a shining light! We are proud and privileged to partner with you in adding hope to many lives."

— Lebone Care Centre



KFC South Africa has also sponsored the [KFC Mini-Cricket](#) program since 2009. Through the Mini-Cricket program, KFC South Africa promotes active and balanced lifestyles among young boys and girls. Over 100,000 children across South Africa participate in the program each year and the experience is usually their first exposure to the game of cricket.

## THAILAND

## SCHOOL LUNCH PROGRAMS

In addition to supporting the Yum! World Hunger Relief program, the Yum! Thailand team collects funds throughout the year to help provide nutritious lunches and healthy lives to local children. Suitable nutrition is an important factor for quality of life and students' ability to learn, so KFC and Pizza Hut in Thailand initiated the School Lunch Program in which the teams raise funds via donation boxes at restaurants. Funds collected support two initiatives:

- **Home-Grown School Feeding Program** — KFC Thailand is the first corporation to partner with this program, which was founded in 1980 by Her Royal Highness Princess Maha Chakri Sirindhorn.
- **Sustainable and Healthy School Lunch Program** — Students at 10 schools in rural areas throughout several regions are educated with knowledge in nutrition and agriculture to sufficiently and sustainably plant vegetables, feed animals, farm eggs and more for their own school meals. In 2012, nearly 700,000 children received nutritious lunches and healthier lives by participating in this program.



"Yum! Restaurants International Thailand is an organization that pays attention to the malnutrition of children in remote areas. Since 2011, the total funds of 15,500,000 baht have been raised by Yum! Thailand as the constant support to Her Royal Highness Princess Maha Chakri Sirindhorn's royal initiative, Agriculture for School Lunch Project. On behalf of the children under the project, we would like to extend our gratitude to Yum! Thailand."

— Sub-lieutenant Kittit Khanthamit, Grand Chamberlain, H.R.H. Princess Sirindhorn's Agriculture for School Lunch Project

KFC and Pizza Hut in Thailand also raise funds to help Thai residents in times of natural disasters. Through both fundraising and volunteerism, this team has [helped several communities affected by natural disasters](#).

## KFC SEVEN SHOOT



Importantly, KFC Thailand strives to help make dreams come true. The backbone of this campaign is the restaurant general managers and their crew members who support and select children in each community. In Season Four, 4,046 teams participated in this program.

The American Chamber of Commerce in Thailand (AMCHAM) awarded this team the 2012 AMCHAM Corporate Social Responsibility Excellence Recognition and the Creative Partnership designation for excellence in creativity and innovation. Yum! Thailand received this recognition for the second consecutive year.

Apart from fundraising to support hunger relief programs, KFC and Pizza Hut in Thailand are committed to helping better Thai society. This team supports KFC Seven Shoot, the greatest 7-player youth football league in Thailand, which originated by KFC Thailand in 2009. The league offers children in every school and every community the opportunity to demonstrate their football playing abilities. The goal of this program is to encourage children to spend their spare time exercising.

Football is considered a way to strengthen relationships among children, families, schools and communities. Most

## RUSSIA

## IMAGINE CUP

The Russia YRI team recently aligned with Microsoft Russia and joined their Imagine Cup for young programmers. KFC Russia will sponsor a reward, and in return, teams from Russia and all around the world will develop a project for us. The task is to develop an entertainment solution, such as a game, that is linked to our brand and promotes a balanced and physically active lifestyle. We are glad for the opportunity to support young innovation while, at the same time, encouraging healthy living.







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## LOCAL PARTNERSHIP PROGRAMS

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### CHINA

#### FIRST LIGHT FOUNDATION

KFC China and the China Youth Development Foundation (CYDF) established the KFC China First Light Foundation in 2002 to help students in need. This scholarship fund is the first of its kind in the country and introduces recipient students to three aspects of support—receiving help via the scholarship money and opportunities, engaging in self-help via work-study employment opportunities with Yum!, and carrying out social responsibility projects in the name of their own association "First Light Commune." This project has been funded for 11 years and will extend until 2017. The second phase was launched in 2009 and will extend until 2017. Yum! China's total investment will increase to nearly \$13 million USD and the project will help nearly 4,000 students complete four years of college.



#### PIZZA HUT GREEN SCOUT CAMP

Since 2009, Pizza Hut China has dedicated the last week of May as "Pizza Hut Environmental Protection Week" to promote the green life concept to consumers through stores nationwide.

Pizza Hut China also launched the "Pizza Hut Green Scout Camp" nationwide in 2010, which encourages the Student Society of Universities to deliver six courses of Environmental Protection knowledge in one full year's time to primary school students. The students become a "Pizza Hut Green Scout" if they successfully collect six pins after completing all courses. This program aims to bring together two generations to work for a green future.



In 2012, the team partnered with an NGO to execute this project, which greatly promoted development of this camp. **More than 40,000 primary school students have completed their courses, becoming a "Pizza Hut Green Scout."** Due to the success of the project in Tianjin, the local government enacted regulation to expand the environmental protection education into all primary and middle schools. The "Pizza Hut Green Scout" program is becoming the most influential environmental educational project in China.

#### THREE-ON-THREE TOURNAMENT

In 2004, KFC China launched a national youth three-on-three basketball tournament, the largest corporate-sponsored sports program in Chinese history. The program started with 48,000 participants representing 640 restaurants from 172 cities. In 2012, Yum! China partnered with Jeremy Lin, American professional basketball player for the Houston Rockets of the National Basketball Association, as [the official spokesperson for this program](#). This program, now in its ninth season, is now the world's largest grassroots basketball program with **more than 176,800 participants—that's 33,300 teams across more than 500 cities.**



#### THE HAPPY CAMP

More than 1.2 million children attend Yum! China's Happy Camp every year where they learn the benefits of exercise and healthy foods. This healthy lifestyle initiative teaches important concepts including "Breakfast is the most important meal of the day," "The secrets of fruit," "Milk is healthy food," and more.

#### SCHOOL PROGRAMS

KFC in China also sponsors two school programs to teach healthy lifestyles to children across China.

- The Happy Classroom/Chicky Educational Course** – This community program aimed at enriching primary school students' extra-curricular activities includes education on nurturing healthy eating and exercising habits among children along with other topics that are important to this age group.
- Chicky Sports Game** – Started in Shanghai in 2003, this program is designed to help children develop exercise habits and adopt a healthy lifestyle. Since 2003, 1.65 million students in 3,300 schools in 18 cities have participated in the program.







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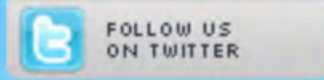
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## DISASTER RELIEF

In the spirit of our culture and vision to be a company with a Huge Heart, Yum!, together with our associates and franchise partners, have also assisted with many relief efforts in response to natural disasters. Whether they are providing hot meals, financial assistance through the Red Cross and other nationally recognized disaster assistance agencies to help supply the critical support where the need is greatest or volunteering their time, our teams are demonstrating their commitment to giving back and helping those who need it most.

We also work with our partners at the United Nations World Food Programme to [allocate funds raised in our World Hunger Relief program to disaster relief campaigns](#).



Following the devastation of Hurricane Sandy in October 2012, Taco Bell U.S. sent its taco truck to feed first responders, relief workers and those displaced by the storm. They visited five cities in five days serving tacos and burritos. Pepsi partners with the Brand in this community outreach by providing beverages. It was a true one-system effort providing some with their first hot meal in days.



Also in October 2012, volunteers from KFC and Pizza Hut in Thailand visited flooded Prachin Buri offering food to the more than 700 families affected by the greatest floods ever in 20 years of the Eastern Region.



In June 2012, KFC and Pizza Hut in Thailand volunteered to bring back colors and dreams to the Suandek Bangprak School that was affected by significant floods in late 2011. KFC and Pizza Hut volunteers helped to revive the school by painting and planting.



In March 2012, following the destructive storms that struck Southern Indiana—including Henryville, which was one of the hardest-hit communities and the birthplace of Colonel Harland Sanders—and West Liberty, Kentucky, KFC U.S. activated its “KFC Feeds” program to provide free hot meals to tax-exempt nonprofit agencies such as churches, community centers and the American Red Cross. Beginning the day after the storms, KFC franchisees began serving hundreds of meals each day.



In 2012, Yum! allocated \$25,000 to assist with the destruction of Typhoon Bopha, the strongest tropical cyclone to ever hit on the southern Philippine island of Mindanao. The storm caused widespread destruction on Mindanao, leaving thousands homeless and more than 600 fatalities.

To assist the 25,000 people adversely affected by the early 2012 floods in Ecuador, funds from our World Hunger Relief campaign were allocated to support WFP’s relief efforts ensuring that victims of the floods received high energy biscuits to provide them with the recommended daily kilocalories.

The drought and famine crisis in the Horn of Africa saw one of the most challenging responses in WFP’s recent history. At the start of the 2012 World Hunger Relief efforts, Yum! committed the first million dollars raised to help WFP conduct emergency operations for 8,000,000 beneficiaries in five countries in the region (i.e., Somalia, Ethiopia, Djibouti, Kenya and Uganda).

Funds raised in the 2010 World Hunger Relief campaign provided much-needed emergency biscuits and emergency logistics support in Japan following the massive 9.0 earthquake and tsunami that hit Japan in March 2011.

Following a flood that hit the Southern Philippines in 2011, support from our World Hunger Relief efforts and other donors helped WFP to provide rice and vegetable oil for over 350,000 people in 11 flood-affected municipalities through food distributions and food-for-work programs.



In August 2010, floods devastated much of Pakistan. Yum! immediately directed \$100,000 of the funds raised for the World Food Programme to assist with this crisis. These funds were in addition to \$400,000 already earmarked for the school feeding program in that country. Yum! also provided an additional \$50,000 to assist the victims of the flooding and matched funds through the Yum! Foundation of all donations made by our associates around the world.

After devastating floods crippled Nashville, Tennessee in May 2010, our Pizza Hut Trailer Team received calls from Pizza Hut franchisee NPC and Red Cross asking for help. The Pizza Hut Trailer Team was eager to help out, providing volunteers and evacuees with a hot meal. Pizza Hut served approximately 13,000 pizzas over 5 days to affected Nashville residents.



In January 2010, global humanitarian and sports icon Muhammad Ali, along with Christina Aguilera, joined forces to help WFP’s Haiti relief efforts by appearing in a global Public Service Announcement underwritten by the Yum! Brands Foundation. Donations raised through Ali and Aguilera’s PSA, highlighting a text message and online campaign, went directly to support WFP’s efforts to get food to earthquake survivors in Haiti. Yum! also directed \$500,000 from its World Hunger Relief campaign effort to help WFP provide food for earthquake victims, and the Yum! Brands Foundation matched all Yum! employee donations up to a system-wide total of \$500,000.

In May 2012, West, Texas experienced a deadly explosion that affected the entire town. Pizza Hut Franchisees worked with the Red Cross to deliver pizzas to first responders who assisted with the relief efforts. Just a year prior, and after tornadoes swept a six-state region including Alabama, Georgia, and Tennessee, the Yum! Brands team worked directly with the Red Cross to provide thousands of hot meals to volunteers and victims, bringing happiness and comfort to those most in need.







## Yum! Brands 2012 Corporate Social Responsibility Report

### About Food People **Community** Environment

World Hunger Relief

Volunteerism

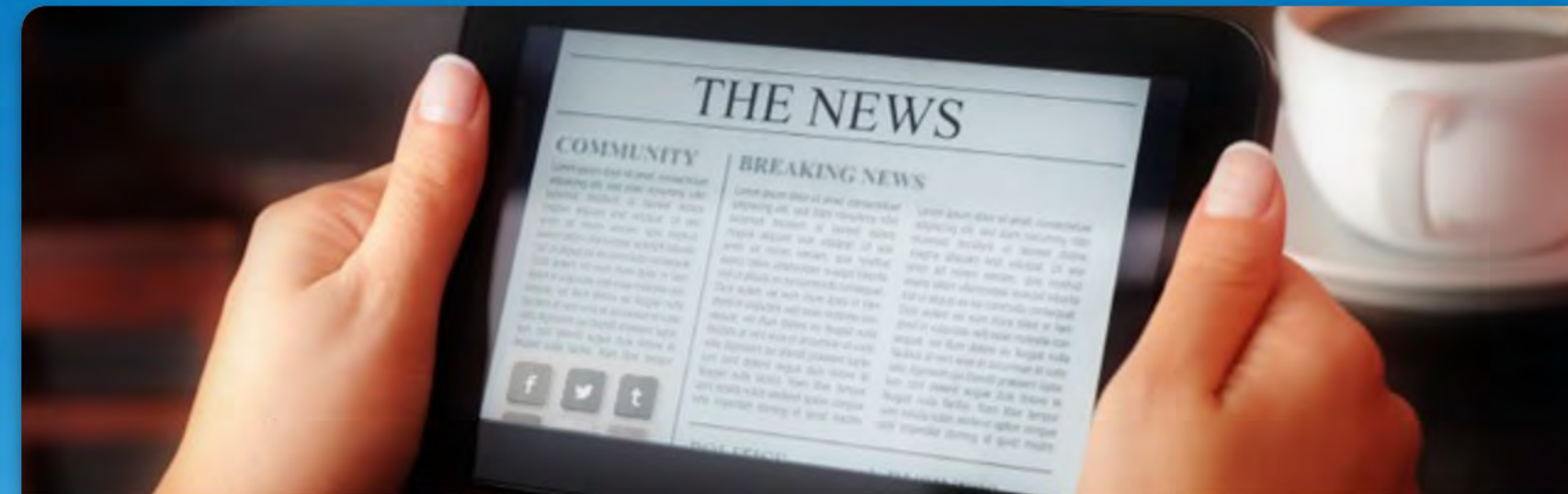
Local Community  
Engagement

Press Releases



Amount awarded to associates  
annually through Andy Pearson  
Scholarship

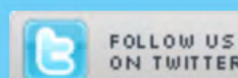
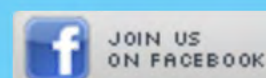
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## YUM! CSR IN THE NEWS

Read the latest Yum! Brands CSR news from around the world.

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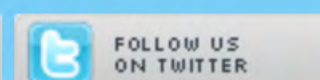
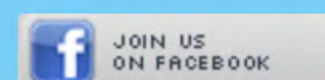
Engaging our Communities  
With Sustainability

Of new restaurant builds  
LEED certifiable by 2015

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SECTION



# The Environment ▶

Integrating Business  
with Sustainability  
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 Closed Loop  
Recycling in Australia  
▶ WATCH VIDEO
 KFC Indonesia Gr  
Action  
▶ WATCH VIDEO

## OUR COMMITMENT

We are intentional about incorporating sustainability into our way of doing business to reduce our environmental footprint for the benefit of our customers, associates, franchisees and their families, shareholders and the planet.

We deliver on our commitment by focusing on these key areas:

- [Green Building Standards](#)
- [Efficient Energy](#)
- [Water Use](#)
- [Sustainable Paper-Based Packaging](#)
- [Waste Recovery and Recycling](#)







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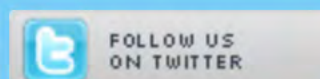
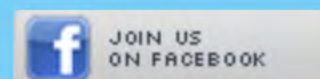
Sustainable Paper-Based Packaging ▶

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## OUR ENVIRONMENTAL GOALS

Environmental stewardship is at the heart of how we do business. With more than 39,000 restaurants, and our rapid growth around the globe, we acknowledge our responsibility to be environmentally responsible corporate stewards. We are committed to reducing our environmental footprint for the benefit of our customers, stakeholders and planet as we become the Defining Global Company that Feeds the World. We believe we can continue to maximize our profit growth and increase our shareholder value, while reducing our environmental impact and continuing to serve the food our consumers love.

Yum! welcomes the opportunity to drive environmental sustainability priorities and best practices into our day-to-day business. We do this using the principles that we use to operate great restaurants, namely by developing the know how of our people and by setting breakthrough goals.

Under the direction of our Chief Sustainability Officer, the Global Sustainability team is actively working to deliver on Yum!'s Global Enterprise Wide Goals for Sustainability:

1. Design and build all new company restaurants to be LEED certifiable by 2015
2. Reduce energy consumption in company-owned restaurants 15% by 2015
3. Reduce water consumption in company-owned restaurants 10% by 2015
4. Implement supplier environmental audits by 2015
5. Purchase paper-based packaging with fiber from responsibly managed forest and recycled sources
6. Work to implement waste recovery projects that will reduce, recycle and reuse our waste in all Company stores

We are pleased to share the great progress we've made along our environmental sustainability journey as a result of the efforts of company and franchisee leaders and our suppliers across the globe. As we celebrate our successes, we also recognize that there's still much work to be done and we will continue working together to step-change our sustainability efforts.





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Green Buildings in Action

#### Energy Efficiency ▶

#### Carbon Disclosure Project

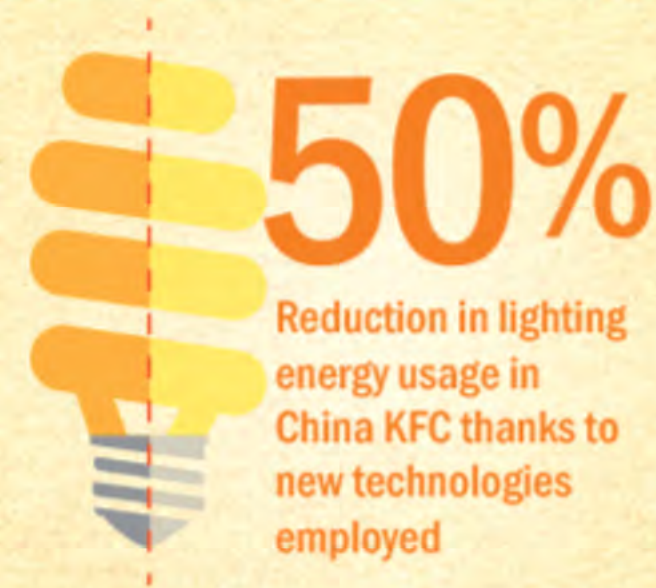
#### Water Conservation ▶

#### Supplier Scorecard

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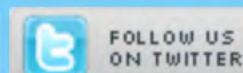
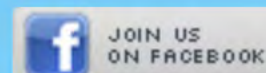
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## GREEN BUILDING

**GOAL:** DESIGN AND BUILD ALL NEW COMPANY RESTAURANTS TO BE LEED CERTIFIABLE BY 2015.



**PROGRESS: ON TARGET**

The core of sustainable building innovation and experimentation at Yum! has been the E3 Initiative - Energy, Environment and Economics. The goal of the initiative is to develop green building solutions that meet the bottom line objectives of people, planet and profits. This holistic design approach looks at all aspects of our buildings and sites and endeavors to test technologies and approaches in experimental buildings. Green buildings focus on the core areas of energy savings, water conservation, site sensitivity, sensible material use and environments for people.

Developing sustainable solutions means investing in thoughtful and measured research. Only through this process can field-tested and restaurant-ready solutions be prepared and deployed into our system. Although green principles may remain constant, the execution of those principles across global markets varies. As we build our understanding, our expectation is to apply proven green solutions to more existing buildings and all new buildings.

In 2010, we announced our goal to develop five LEED certifiable (or other country specific third-party validation) restaurant prototypes/standards across our business divisions by 2012. We are proud to report that we achieved this goal. At the end of 2012 the Yum! system achieved certification for restaurants in the U.S., United Kingdom, Turkey, China and India.

We are now working toward a new goal of requiring 100% LEED certifiable buildings for new company owned restaurants by 2015. Although individual markets and franchisees will have the option, they will not be required to submit for certification as part of this goal. They will be participating in an internal commissioning process designed to comply with minimum requirements. We are a member of the [United States Green Building Council](#) (USGBC) and the organization has been a valued supporter of the development of our green buildings around the world.





**Our Goals**

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## GREEN BUILDING IN ACTION

### FRANCE: KFC CHARTRES CONSERVATION RESTAURANT

KFC France opened its first green restaurant in the town of Chartres, the capital of France's Eure-et Loir region, on July 3, 2012.

The KFC building was carefully designed to maximize energy savings. This was done by focusing on the top users of energy in our restaurants: air-conditioning and heating, equipment and lighting. For example, the kitchen exhaust hood design has been optimized for both energy savings and functionality. It's a win-win. The building also uses efficient LED technology to achieve maximum lighting savings and to improve the length of life of the lamps - another win-win.

To reduce water use, another key objective of the project, KFC France installed a system to capture rain water falling on the roof for landscaping irrigation. High efficiency irrigation nozzles and rain sensors help to ensure that we use collected water efficiently. Captured rainwater is also used to reduce the building's dependence on potable water for sanitary uses.

Going green goes beyond energy and water savings to using more environmentally sensitively materials. It starts with the building design and continues to restaurant operations. Now that we are in operation, the restaurant has implemented a composting program to reduce food waste going into landfills.



### UNITED STATES: KFC INDIANAPOLIS LEED GOLD RESTAURANT

LEED certification of the KFC location was based on a number of green design and construction features that positively impacted the project and the broader community. The restaurant is designed to use 25% less energy and water than a conventional KFC restaurant. It features energy-efficient cooking equipment, low-power, long-life LED lighting, locally sourced building materials, fixtures designed for lower water use, waste recycling (including cooking oil and plastics) and many other green innovations.



"We're very proud of our eco-friendly restaurant in Indianapolis. Not only is this the first LEED-certified restaurant in Indiana, it is the state's first LEED-certified retail establishment. The teams at KFC and Yum! are proud to be on the forefront of helping make Indiana a little 'greener.'"



**Roger McClendon,**  
Chief Sustainability  
Officer, Yum! Brands

### CHINA: KFC LINGYIN HANGZHOU LEED GOLD RESTAURANT & KFC JINGPAN SHANGHAI LEED GOLD RESTAURANT

In China, Yum! is developing sustainable building approaches by embracing the people, planet, profits model. We champion operational excellence by improving how we design, build, operate and maintain our restaurants. Sustainable buildings are a vehicle to achieve our goals of reducing global energy and water consumption 10% by 2015.

We now have two restaurants in China functioning as laboratories to explore, test and validate green building principles. The first, nicknamed the "Lucky Clouds" restaurant, is located in Hangzhou, China and exemplifies our work with green buildings. It is named for the traditional Chinese motif built into the ceiling which symbolizes good fortune and imagination. Energy consumption for lighting has dropped 50%, and 25% less energy is being used for heating, air-conditioning and ventilation. Changes in water use have resulted in savings of over 2,700 gallons a day. That is enough to meet the average daily water consumption of 120 people in China. The savings from this store can also reduce CO2 the same amount as approximately 4,500 trees. Several hours away, is our second test building in Shanghai where we have continued to explore and refine our approaches.



### UNITED KINGDOM: KFC WINCANTON LEED DESIGNED RESTAURANT (CURRENTLY SUBMITTED)

In the autumn of 2012, the KFC UK team built upon their sustainability successes at the KFC store in Wisbech, with the opening of our new eco-restaurant in Wincanton. This "restaurant of the future" is the most environmentally-friendly to-date in the UK and includes a host of new and improved eco-features including:

- An innovative system that enables the restaurant to generate electricity and hot water from used oil
- Energy monitoring and control system that remotely monitors and controls all cooking, HVAC and refrigeration
- LED lights in the dining room and parking lot to reduce energy consumption
- Waterless urinals and infra-red sensor taps to reduce water use
- Constructing the building and furnishings from sustainable timber derived from FSC and PEFC sources



The systems we have in place will be monitored, measured and compared with an identified baseline restaurant in our network. This will help us to determine which features are the most effective and should be rolled out in new and remodeled restaurants in the future.

### INDIA: KFC CHENNAI LEED GOLD RESTAURANT

The city of Chennai, on the east coast of India, is home to KFC's highest achieving LEED building. To achieve LEED Gold certification, the design and construction team focused on the five core areas necessary to make the restaurant as sustainable as possible: energy efficiency, water conservation, site sensitivity, sensible material use and putting people first.

Because of its coastal location, this building effectively uses the sun's energy. We use sunlight to reduce the need for artificial lighting though the use of sensors located inside the building near windows. When the sun is shining, the artificial lights are off. But that's not all that the sun is giving to us. High up on the roof we are using a solar collector to pre-heat our water. By using the sun's energy to heat water, we reduce the need to use fossil fuels. We anticipate that up to 75% of the restaurant's hot water needs will be fulfilled by use of this system.

The team in India developed and installed an extensive signage package that lines the walls of this restaurant. This signage was installed to generate excitement around green aspects of the building and to share energy and water conservation goals. So, while customers are enjoying their favorite KFC foods, they are also learning about what it takes to earn green credentials and the ways this team is working to reduce the impacts on the environment.



### UNITED KINGDOM: RECYCLING CONSTRUCTION WASTE

Waste is inevitable when constructing new buildings. To minimize construction waste, the KFC UK team works with a company that tracks everything leaving our restaurant development sites and ensures that as much material as possible is recycled. The results of this partnership have been astounding. In 2012, the team diverted 96% of its construction waste from landfills. In total, this equaled 1,257 metric tons (2,770,065 pounds) of waste being recycled versus only 52 metric tons (114,088 pounds) sent to landfills.



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## Energy Efficiency in Action

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India's restaurant hot water needs fulfilled through solar heat, reducing usage of fossil fuels

[Learn More](#)**ENERGY EFFICIENCY**

**GOAL:** REDUCE ENERGY CONSUMPTION IN COMPANY-OWNED RESTAURANTS 15% BY 2015.

**PROGRESS: ABOVE TARGET**

Energy consumption is a key part of green building design and restaurants have very high levels of energy intensity due to their relatively small building size and the amount of cooking, ventilation and refrigeration needed to prepare and serve food. To meet our goals, we have continued our efforts to reduce energy intensity in both new and existing restaurants. Our internal teams work diligently to make improvements and work closely with vendors, consultants and organizations such as the U.S. Department of Energy's Better Building Alliance and the American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) to not only improve our restaurants, but to help lead the industry to greener practices.

In 2006, we established a goal to reduce energy usage in our U.S. Company-owned restaurants (from 2005 levels) by 12% by the end of 2009. In our 2010 CSR report, we reported that we achieved that goal, having measured a 14% reduction through the application of numerous energy conservation measures (ECMs). At that time, we established a new goal of 10% reduction for global company-owned restaurants by 2015. We're pleased to report that we're nearly 90% of the way toward achieving this goal—three years ahead of schedule. So, what do you do when you reach your goal? You set a new target. **We are now working toward our newly established goal of 15% reduction by 2015.** Since 2006, conservation efforts by our teams around the world have prevented the release of 569,000 metric tons of CO2 into the atmosphere. That is equivalent to avoiding the greenhouse gas release from over 118,500 passenger cars.

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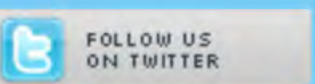
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India's restaurant hot water needs fulfilled through solar heat, reducing usage of fossil fuels

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## ENERGY EFFICIENCY GOAL IN ACTION

### AUSTRALIA: IMPROVING REFRIGERATION

Inside the refrigeration equipment that keeps our fresh KFC chicken at the optimum chilled temperature, a new innovative device is attached to the refrigeration coils, quietly working to increase the equipment efficiency. This is something our customers and employees will never see, but it is reducing energy consumption of the refrigeration units by an average of 20%. The savings are achieved by utilizing more of the surface of the coil and thus improving heat transfer. The use of this innovative device extends beyond refrigeration units to HVAC equipment where we are seeing equally impressive savings.

### CHINA: OPTIMIZED LIGHTING

Going green is not a destination, it is a journey—that's our philosophy at Yum!. Our journey to optimized lighting in China is a great example. In a series of steps we have worked to refine both the amount of lighting and applied technology to provide substantial energy savings and improve the look of our KFC dining rooms. By using this technology, we have been able to achieve 50% reduction in lighting energy use.



### UNITED STATES: SOLAR POWER EXPERIMENT AT TACO BELL

In sunny California, a forward thinking Taco Bell franchisee installed a 200 foot long roof over the drive-thru that is covered with solar panels. This building is the first completely solar powered restaurant for the brand. Although it is not feasible for every Taco Bell restaurant to be powered by the sun at this time, this is an inspiring example of one possible path to help our environment.

### UNITED KINGDOM: TRANSFORMING USED COOKING OIL TO POWER

We are testing a new technology at two restaurants in the United Kingdom that will convert our used cooking oil into electricity and heat water via an on-site generator system. We are continuing to evaluate this technology and we are hopeful that it can supply up to 15% of the restaurant's energy needs. Although this technology is still in test, each year 100% of our used KFC cooking oil, 7.75 M liters, is collected and refined into biodiesel.

### UNITED STATES: LED LIGHTING

Recently a small but substantial change was made to the interior Taco Bell lighting design—restaurant plans now include dining room LED ceiling lights as standard. Of course, this easy change will save energy, but it does more. The long life of LEDs means much less replacement which is good for the environment (less waste) and it's also good for our employees (saves time).

### CHINA: OPTIMIZED HVAC DESIGN

You might not expect that the design and optimization of the Heating, Ventilation and Air-Conditioning System (HVAC) is one of the most important aspects to controlling energy consumption in a restaurant—but it is. Designs must provide a healthy, comfortable environment using the lowest amount of energy possible. This sounds easy, but maintaining comfortable conditions with low energy use is a design challenge. And, it is a challenge that our KFC team in China has met. The latest green design built in the city of Hangzhou uses 25% less HVAC energy.

### CHINA: KFC HEATED HOLDING CABINET

Preparing all of the great tasting food that our customers in China crave takes energy. Not just from our employees, but from the power company. Cooking equipment is our largest energy consuming category. One example of the way our teams are working to reduce equipment energy is our procedure for keeping our world famous chicken warm. Our new holding cabinet, now being tested in China, uses 35% less energy than the previous model.

### UNITED STATES: GREENING THE FLEET

Beginning in 2009, we began implementing a strategy to reduce our carbon footprint and provide a more fuel-efficient corporate passenger vehicle fleet in the United States. Since the start of the program, we have cut CO2 emissions by 10%, which was achieved by reducing the use of six-cylinder engines and, just recently, by increasing the use of hybrids. By replacing a standard vehicle in our fleet with a hybrid, carbon output is reduced by about 45%. The use of hybrids began in 2012 and we anticipate continued adoption of these vehicles will make a positive impact on the environment.

### UNITED KINGDOM: RECYCLING OIL INTO ENERGY

KFC has been turning used cooking oil into bio-diesel for a long time. However, KFC and Tidy Planet founder Simon Webb recently developed a more sustainable solution for this oil. CHiP is a small cogeneration system, which turns used cooking oil into electricity and hot water on-site. The system can provide most of the hot water required by the KFC restaurant and potentially 15% of electricity. Due to the success of CHiP, we are looking at the 10 biggest oil producing equity Drive Thrus to extend the scheme with a view to rolling out further across the estate. We are the first company in the UK to develop and successfully pilot such a system.

### WINCANTON APPROVED FOR LEED GOLD

Wincanton has been approved for LEED for Retail: New Construction Gold certification. There have been some great learnings from this development. LEED will save money as we roll out some of the initiatives, such as a new design extract canopy. This uses less power on extraction, reducing not only electricity costs, but also maintenance. Some top line results from Wincanton are: water 20% reduction; energy 36% reduction; energy offset with renewables 12%; construction waste 94% NOT sent to landfill.







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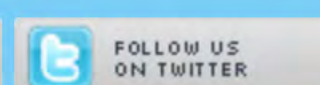
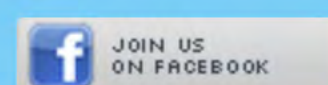
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## CARBON DISCLOSURE PROJECT

**GOAL:** REDUCE ENERGY CONSUMPTION IN COMPANY-OWNED RESTAURANTS 15% BY 2015.



**PROGRESS: ABOVE TARGET**

We recognize that telling our story and reporting progress to stakeholders and potential investors in a transparent way is critical to being a good corporate citizen. Because of this, Yum! has been participating in the Carbon Disclosure Project (CDP) over the past three years. The project examines how well companies are reducing their carbon footprint that affects climate change and has a long-term impact on our environment. The report allows potential investors and shareholders to view the detail of our submission. This public status, combined with an excellent increase in our score (24 points over the last year, which only five other companies have accomplished), is a strong symbol of our commitment to transparency and the environment.



**YUM! BRANDS HAS PARTICIPATED IN CDP (CARBON DISCLOSURE PROJECT) REPORTING SINCE 2010 AND WE ARE PROUD TO STATE THAT IN THE RECENTLY RELEASED 2013 REPORT, YUM! RECEIVED A 92/B.**

To view the 2013 full report, [click here](#).

### Yum! Brands Recognition & Rankings

- [CR 100: Best Corporate Citizenship](#)
- [Newsweek Green Rankings: Environmental Ranking](#)





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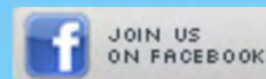
**10%** Goal to reduce water consumption in company-owned restaurants by 2015

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**WATER CONSERVATION****GOAL:** REDUCE WATER CONSUMPTION IN COMPANY-OWNED RESTAURANTS 10% BY 2015**PROGRESS: BELOW TARGET**

We have a finite quantity of water on the planet that is suitable for human consumption. We must all do our part to maintain the quality of water supplies and reduce demand for water as the global population continues to increase. In our restaurants, we use water for beverages and ice, to run equipment such as dishwashers, to irrigate landscape and to provide clean buildings for our customers. We actively evaluate technologies to reduce our water footprint and recognize that reducing the amount of hot water used has the added positive impact of reducing energy consumption.

Consistent with our energy efficiency goal, we established a 2005 baseline for water consumption and have subsequently set the 10% reduction goal for global company-owned stores by 2015. We've implemented several projects to reduce water consumption including high efficiency building fixtures, irrigation systems and equipment. Despite having saved over 275 million gallons (1.04 billion liters) of water through the end of 2012, we've achieved 10% of our goal. We recognize that we'll have to redouble our water conservation efforts to achieve our goal and we have plans in place to do that.

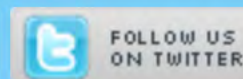
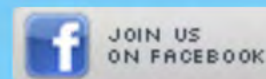
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**10%** Goal to reduce water consumption in company-owned restaurants by 2015

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## WATER CONSERVATION IN ACTION

### UNITED STATES: OPTIMIZING IRRIGATION

Irrigation sprinklers are one of the hidden users of water. They are set to run early in the morning before our facilities open. We are aware of this consumption and are implementing water conserving technologies in our restaurants in 2013 to reduce the amount of water used for landscaping. We are also taking action at our corporate office in Louisville, Kentucky including installing high efficiency sprinkler heads and controls to reduce water consumption by 30%. That saves about 1 million gallons of water each year.

### FRANCE: INNOVATIVE RAINWATER USE

Beneath a KFC parking lot in France is a 20,000 liter tank that holds rainwater collected from the roof. Although not seen by many people, this system, currently under test, is responsible for providing irrigation water to keep the landscape green and for providing water to restrooms.

### INDIA: EFFICIENT FAUCETS

Washing hands is a must in restaurants and customers and associates at our green restaurant in Chennai, India are now washing their hands in a more earth-friendly way. This facility installed highly efficient water saving aerators in 2012. These small inserts for faucets control the flow rate of water and yield significant water savings. In fact, we anticipate a savings of over 18,000 gallons of water per year.



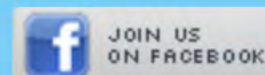


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With Sustainability](#)**95%** Fiber sourced responsibly at  
Pizza Hut U.S.; from well-managed  
forests and recycled sources.[Learn More](#)**SUPPLIER  
SCORECARD****GOAL:** IMPLEMENT SUPPLIER  
ENVIRONMENTAL AUDITS BY  
2015.**PROGRESS: ON TARGET**

Along our journey to reducing our total global carbon footprint, we recognized the need for an environmental audit of our suppliers. Our objective is to drive continuous improvement by assessing our suppliers in 5 key areas: energy efficiency, water efficiency, waste/recycling, pollution reduction and environmental management. The audit drives awareness as well as sustainable behaviors and actions within our supply chain.

Our Australia market introduced this environmental supplier audit into their supply chain in 2009. The Canada team followed in 2010 launching this environmental audit pilot in their market. In 2012, the audit was successfully introduced to KFC UK/Ireland. Both Canada and Australia have reported significant efficiencies and sustainable improvements within their supply chains since the audit began.

To continue driving continuous improvement among our suppliers, three additional markets are planned for 2013.

[PRINTER FRIENDLY VERSION](#)





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#### Energy Efficiency ▶

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#### Supplier Scorecard

#### Sustainable Paper-Based Packaging ▼

##### Sustainable Paper-Based Packaging in Action

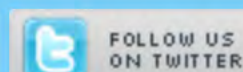
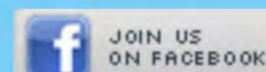
#### Waste Recovery & Recycling

#### Engaging our Communities With Sustainability



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## SUSTAINABLE PAPER-BASED PACKAGING

**GOAL:** PURCHASE PAPER-BASED PACKAGING WITH FIBER FROM RESPONSIBLY MANAGED FORESTS AND RECYCLED SOURCES.



### PROGRESS: IN PROGRESS

Given the large volume of packaging we buy, Yum! is uniquely positioned to provide environmentally preferable packaging to our consumers around the globe while also reducing our impact on the environment and our communities. Our ability to serve food safely, quickly and conveniently is largely dependent upon our use of disposable packaging.

Throughout the quick service restaurant industry, the way in which we package food has been consistent with the standardized packaging available in the industry. Understanding and addressing our packaging impact on the environment and working closely with our suppliers, is a global imperative for the long-term sustainability of our business.

Yum! is committed to making sustainable packaging a priority. In support of this commitment, we have developed the following Sustainable Sourcing and Waste Recovery Principles:

- Yum! is moving toward Sustainable Sourcing by ensuring that paper and paper-based packaging products we buy do not knowingly come from illegal or other [unwanted fiber sources](#).
- We will give preference to suppliers who source wood fiber, certified by a third-party, which meets the most rigorous forest management standards. Currently the Forest Stewardship Council standard is considered the most rigorous standard by leading conservation organizations. We will also source paper and packaging from other national certification systems that are endorsed by the Program for Endorsement of Forest Certification (PEFC), such as the Sustainable Forestry Initiative (SFI), provided the fiber avoids the unwanted sources listed above. We will work with all suppliers to progressively increase the proportion of certified material as larger quantities become available.
- Yum! is committed to Sustainable Packaging by increasing the amount of recycled content, as permitted by regulatory and technical constraints, across our global system. This will be done within packaging content regulations to ensure food safety, as well as within performance criteria to retain functionality. Though limited availability of suitable recycled fiber restricts our access to the supply of these materials in some geographical areas, we will work to leverage sustainable practices into all of our wrappers, napkins, and containers worldwide.

Over the next several months, Yum! will engage with our suppliers and gathering data on all paper-based packaging sourcing to assess our current state. This will allow us to better understand the forest sources of our fiber, identify higher risk sources, avoid or phase out of unwanted sources, and preference more responsible sources. By 2014, we will release a more detailed procurement policy with public targets to achieve these goals. We are collaborating with a third-party to assist us in this effort.







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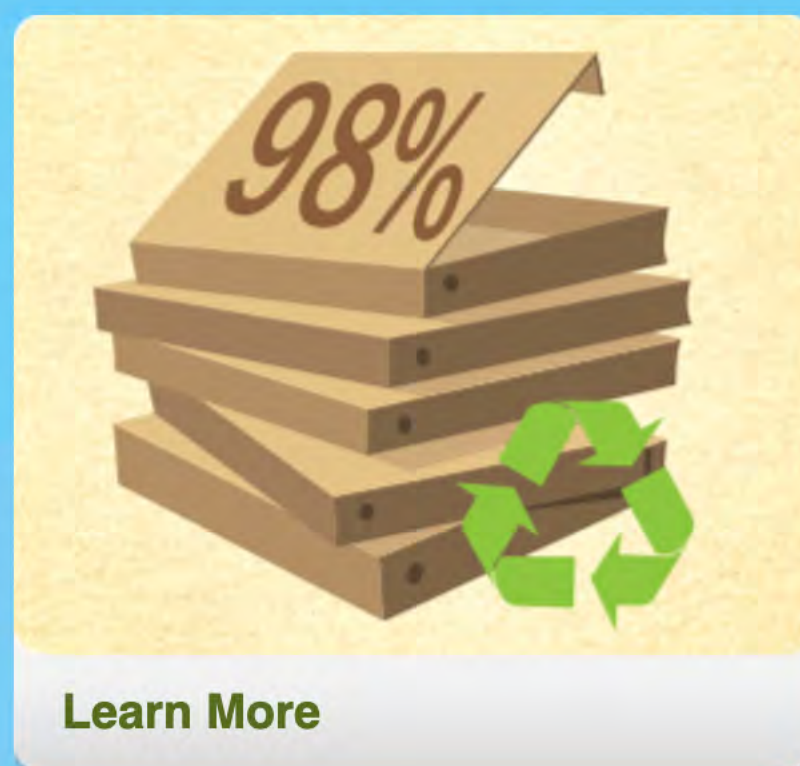
Supplier Scorecard

Sustainable Paper-Based Packaging ▼

Sustainable Paper-Based  
Packaging in Action

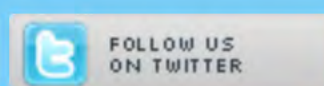
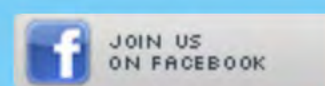
Waste Recovery & Recycling

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## SUSTAINABLE PAPER-BASED PACKAGING IN ACTION

### UNITED STATES: FIBER SOURCING AT PIZZA HUT

Pizza Hut U.S. has made strides in the sustainability of its packaging. Fiber sourced from certified forests or recycled sources accounts for 95% of paper used (by weight). For corrugated cardboard packaging products alone, that number climbs to 100%. In addition, 35% of fibers in packaging materials come from recycled sources. The good news continues, as after the packaging is used, 98% of the materials are capable of being recycled.

### UNITED STATES: A MORE SUSTAINABLE PIZZA BOX

In 2012, Pizza Hut U.S. released a redesigned pizza box that is a great example of innovation in sustainability. Reducing the front edge of the box by about half of the total box height on large and medium boxes delivers sustainability wins and cost savings. This subtle change will save more than 9,000 tons of paperboard annually. According to Chainalytics LLC, in the U.S. alone, the savings will add up to 46 million square feet of corrugated board. In other words, if you stacked the eliminated material on an American football field (not covering the end zones), it would be more than 128 feet high.

### UNITED KINGDOM: SUSTAINABLE PACKAGING

Our KFC UK team is working hard to deliver on packaging sustainability goals and to meet customers' expectations. To date, this team has achieved the following:

- Increased recyclability of our iconic bucket as it no longer has a plastic coating
- Sourced napkins made from 100% recycled fiber sources
- Reduced packaging by 1,400 tons—equivalent to 127 double decker buses—by switching our Fillet and Zinger burgers from cardboard 'clamshells' to paper wrappers and moved our classic chicken meals, the Colonel's Meal and Variety Meal, from cardboard boxes to paper bags
- Changed foil wrappers for Mini Fillet Burgers to paper wrappers that are 100% recyclable and biodegradable



### UNITED STATES: KFC DELIVERING IMPROVEMENTS

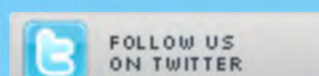
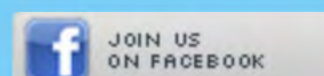
In 2011, KFC U.S. purchased 78% of all new wood fiber products from third-party certified sources. In addition to this, nearly 25% of all paper packaging was made from recycled content. As part of its effort to move toward renewable paper based resources, KFC has reduced plastic packaging in the KFC U.S. system from 40% to 28% by weight. These efforts represent an undertaking by KFC U.S. to increase the sustainability of the Brand's packaging through maximizing recycled content, where allowed, and working to guarantee all fiber products come from third-party certified sources.






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Of cardboard, bottles and cans diverted from landfills through KFC Australia's closed loop recycling program in 2012

**Learn More****PRINTER FRIENDLY VERSION****WASTE RECOVERY AND RECYCLING**

**GOAL:** WORK TO IMPLEMENT WASTE RECOVERY PROJECTS THAT WILL REDUCE, RECYCLE AND REUSE OUR WASTE IN ALL COMPANY STORES.

**PROGRESS: IN PROGRESS**

Yum! is committed to implementing projects to reduce, reuse and recycle our food and packaging waste. This includes food recovery, diverting waste from landfills and packaging reclamation programs.

Reducing the amount of waste generated from restaurant operations is one of our major environmental challenges. Our waste reduction efforts address both restaurant operations as well as our corporate offices. While each of these areas of operation has different primary waste streams, our Waste Management Program enables us to increase recycling and waste recovery efforts across our system.

In our restaurants, programs are focused on exploring ways to both reduce and utilize our waste streams. Restaurant waste falls into several main categories: food, spent cooking oil, corrugated cardboard and packaging. We are expanding recycling to all of our restaurants as recycling systems become available. We also work with cross-industry groups such as the [Paper Recovery Alliance](#) and [Food Waste Reduction Alliance](#) to further food waste recovery and recycling efforts.







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**Waste Recovery & Recycling**

**Waste Recovery & Recycling In Action**

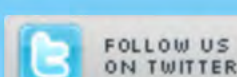
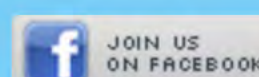
**Engaging our Communities With Sustainability**

**1,300 Tons**

Of cardboard, bottles and cans diverted from landfills through KFC Australia's closed loop recycling program in 2012

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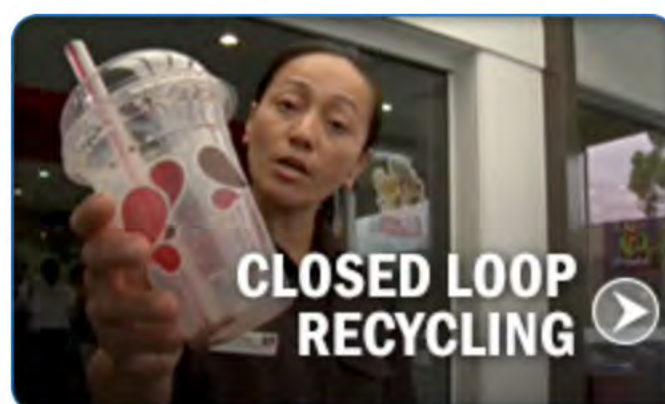
## WASTE RECOVERY AND RECYCLING GOAL IN ACTION

### AUSTRALIA: DO THE RIGHT THING, USE THE RIGHT BIN

KFC Australia is paving the way with their waste recovery and recycling efforts through their 2012 rollout of new recycling systems at select KFC restaurants throughout New South Wales.

KFC Australia is the first quick service restaurant to participate in a new nationwide recycling initiative, "Do the Right Thing, Use the Right Bin," a public-private partnership funded by the Australian Packaging Covenant.

To date, new recycling systems for public use have been installed at 59 KFC restaurants in New South Wales—providing recycling opportunities for an estimated 30 million customers per year. Another 135 KFC restaurants also installed back of house cardboard recycling bins, which diverted thousands of tons of waste in 2012.



of its kind in the quick service restaurant industry."

The KFC Australia team is committed to continue introducing this highly successful new recycling program at KFC restaurants across Australia.

"Last year, nationally we diverted over 1300 tons of cardboard, bottles, and cans from landfill through our Closed Loop recycling program, the first national public place recycling program

Michael Clark, Chief Supply Chain Officer, KFC Australia

### INDIA: SOLID WASTE PILOT

Yum! India successfully piloted a solid waste management program in Delhi National Capital Region and the team is now in the process of rolling it out nationally. All of the waste that is generated in our restaurants under this program is collected by an NGO who segregates the waste, recycles paper, composts wet and food waste or diverts to animal farms. As a result of this program, 95% of the waste generated from the restaurants is being recycled and the market is also able to earn carbon credits.

### UNITED STATES: KFC OIL RECYCLING PROGRAM

KFC U.S. franchisee KBP Foods installed an automated closed-loop oil distribution system in all of their 163 restaurants. A closed-loop oil management solution automates fresh oil delivery, storage, handling and disposal of used oil. Not only is it better for employees, it is better for the environment since it eliminates plastic and cardboard packaging typically required for oil shipping as well as reduces oil waste and increases used oil recycling yields.

### UNITED STATES: CORPORATE OFFICES EMBRACE REDUCE, REUSE, RECYCLE

Corporate offices through the United States are focusing on the Three-R strategy of waste recovery: Reduce, Reuse and Recycle. Office paper, corrugated cardboard, plastic, glass, batteries and aluminum are collected and recycled. In one year alone, we recycled over 269,000 pounds of paper and 63,000 plastic drink containers. We are also striving to increase the recycled content in our office supplies. Currently about 11% of all office supply products include recycled materials.

Our Global Sustainability team also launched an internal recycling website to encourage corporate associates' understanding of, and commitment to, this effort. Associates visit this site to ask questions, seek advice and offer suggestions on ways Yum! can do better with our waste recovery efforts.



### CAYMAN ISLANDS: KFC REUSABLE CONTAINERS INITIATIVE

To celebrate Earth Month, KFC in the Cayman Islands replaced its small single-use polystyrene container with a new polypropylene reusable container and lid. It is predicted that about 60% of customers will keep the reusable containers for at least six weeks while using them multiple times. The containers are given to customers when they purchase a side item. KFC hopes to offer a more sustainable alternative to disposable packaging.







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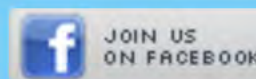
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## ENGAGING OUR COMMUNITIES WITH SUSTAINABILITY

At Yum!, we believe in building know how and that everyone has the potential to make a difference. To help bring this belief to life we engage with our communities to foster sustainability. This investment in the people of our communities in which we work and live is how we contribute to greater environmental awareness and action. The sustainability journey is one that we must all share and we are proud of the action we are driving to engage our communities in this journey.

## UNITED STATES: TOP OF THE CLASS- SUSTAINABILITY CHALLENGE

In 2012, university students from across the United States competed to win the inaugural Yum! Brands [Global Sustainability Challenge](#). Teams submitted business plans for products or business processes that have measurable, positive environmental benefits. Six semi-finalists were selected to travel to Yum!'s corporate offices in Louisville, Kentucky to compete for \$20,000 in cash prizes for the most innovative "green" proposal, which addresses the Yum! Sustainability Focus Areas: green building design and construction; reduced energy consumption; reduced water consumption; sustainable packaging; and waste recovery.

The winner of the competition was EZ Green from the University of California, Berkeley. The EZ Green solution serves as a virtual facility manager and provides a three pronged approach to energy management:

1. Integration of building energy modeling through a software based auto-calibration process allowing rapid development and deployment of specific energy models
2. Ongoing real-time, automated evaluation of energy efficiency scenarios that account for energy consumption, time of use and utility rate structures
3. Inclusion of an automated control system to implement operational changes



Proventus Innovations, the team from the University of Louisville, was the runner-up in the 2012 competition. This team partnered with researchers at the University of Pittsburgh to develop Smart Insulation, an active barrier that can be adjusted to allow or prevent heat transfer.

"Winning the Yum! Global Sustainability Challenge provided timely validation for our concept and gave us added momentum to pursue our vision. When we tell potential new members of the team, prospective customers or investors that we won this Challenge, there is a discernable positive change to their reception of our pitch."

Jiechao Li,  
University of California, Berkley Master's student  
and winner of the inaugural Yum! Brands Global Sustainability Challenge

## UNITED STATES: PROVIDING DRINKING WATER ONE STEP AT A TIME

Clean drinking water will be available to 230 more people thanks to the Shoes for Water Campaign held at Yum! corporate offices in the United States. Conducted in celebration of Earth Day 2012 the drive succeeded in collecting over 2,100 pairs of shoes. Collected shoes were donated to EDGE Outreach (now known as WaterStep) for sale to exporters for use in developing countries. Funds raised through the sale of these shoes were used to help provide clean drinking water for those in need. The strong support of the Shoes for Water drive assisted EDGE Outreach in sending four trained volunteers to bring clean water to an orphanage in Ethiopia, set up nine water purification systems in Costa Rica and Haiti and 16 additional systems in India.



## INDONESIA: GREEN STEPS TO START A MOVEMENT

Small changes can make a significant impact. Inspired by other "green" movements, KFC Green Action was launched in April 2012 in South Jakarta.

KFC Green Action focuses on the use of organic products, improved packaging and recycling programs, and planting trees. The initiative is just underway, but already, change is noticeable. Indonesian KFCs are using more organic rice in their stores. Additional agricultural changes will be developed through partnerships with more than 550 area farmers. KFC Indonesia is working with more than 550 farming families to improve not only their productivity, but also their welfare. Packaging change has started with the removal of Styrofoam packaging from all stores. More than 1 million plants and trees have been planted throughout Indonesia in partnership with the Chaki Kid's Club. In addition to planting trees, children in the club are educated about environmental issues in the Green Earth program.



## UNITED STATES: FOOD RECOVERY FOR GOOD

KFC and Pizza Hut restaurants across the United States are demonstrating their commitment to hunger relief by participating in the [Harvest Program](#) and donating surplus products to local hunger relief agencies. Through Harvest, the brands donate nearly 15 million pounds of our product to over 3,000 non-profit agencies each year. Redirecting wholesome, safe-to-eat product is a responsible alternative to discarding any surplus—helping to feed the hungry in local communities.

These donations are not only helping individuals in need, they are also creating a healthier and safer environment across the country. When food is disposed in a landfill, it quickly breaks down and becomes a significant source of methane—a potent greenhouse gas with 21 times the global warming potential of carbon dioxide. By donating our product, we are reducing, recovering and recycling product while helping those in need. In fact, since our program began in 1992, we have diverted over 150,000 tons of green house gasses from the atmosphere!

