

LETTER FROM OUR CEO >

PERFORMANCE SUMMARY >

Currently undergoing maintenance. Check back soon. Thank you.

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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ABOUT US

Yum! Brands, Inc., based in Louisville, Kentucky, has **over 41,000 restaurants in more than 125 countries and territories**. Yum! is ranked #216 on the Fortune 500 List with revenues of over $13 billion and in 2014 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.

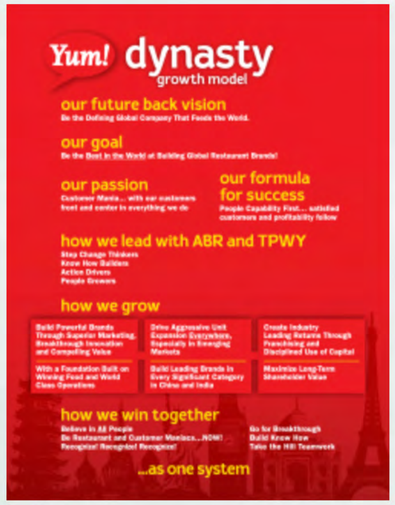
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HISTORY & CULTURE

Over the past 17 years, our success has been driven by our focus on:

- Building leading brands that people trust and champion in emerging markets like China, India, Africa, Brazil and Russia,
- 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.

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.

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BUSINESS MODEL



Greg Creed
Chief Executive Officer
Yum! Brands

"In 2014, we grew full-year EPS 4% to $3.09 per share, excluding Special Items. This was well below our 2014 full-year target of at least 20%. These results were heavily skewed by the challenges handed to our biggest division as we suffered two highly publicized supplier incidents in two years in China. However, we know our brands are resilient and continue to believe this setback is temporary. After our first supplier incident, which negatively impacted 2013, we recovered and delivered strong results in the first half of 2014. Specifically, our China Division operating profit increased 116% and Yum! EPS grew 27% through our first two quarters, prior to Special Items. We were convinced 2014 would be a year of at least 20% EPS growth. The July Shanghai Husi supplier incident changed all that. However, we are fully committed to achieving at least 10% EPS growth in 2015 and I'm confident we have the people and plans in place to deliver double-digit growth going forward"

KFC Corporation, based in Louisville, Kentucky, is the world's most popular chicken restaurant chain. KFC specializes in Original Recipe®, Extra Crispy™, Kentucky Grilled Chicken® and Extra Crispy™ Strips, Hot Wings™, Go Cups, Famous Bowls, Pot Pies, freshly made chicken sandwiches, biscuits and home-style side items. There are more than 19,400 KFC outlets in 120 countries and territories around the world. KFC Corporation is a subsidiary of Yum! Brands, Inc., Louisville, Kentucky. (NYSE: YUM.) For more information, visit www.kfc.com. Follow KFC on Facebook and Twitter.

Pizza Hut, a subsidiary of Yum! Brands, Inc. (NYSE: YUM), is the world's largest pizza company with more than 15,600 restaurants in 92 countries worldwide. In 2014, Pizza Hut was named the Harris Poll Equitrend® Pizza Brand of the Year and received the top score in Customer Satisfaction among limited-service restaurant chains from the American Customer Satisfaction Index® (ACSI). Pizza Hut began 57 years ago in Wichita, Kansas, and is the proprietor of the BOOK IT!® Program, the longest-running, corporate-supported children's literacy program in America. For more information, visit http://pizzahutnewsroom.com.

Taco Bell Corp., a subsidiary of Yum! Brands, Inc., (NYSE: YUM), is the nation's leading Mexican-inspired quick service restaurant. Taco Bell serves made to order and customizable tacos, burritos, and specialties such as the exclusive Doritos® Locos Tacos, protein-packed Cantina Power® Menu and lower calorie Fresco Menu. The company encourages customers to "Live Más," both through its food and in ways such as its Feed The Beat® music program and its nonprofit organization, the Taco Bell® Foundation for Teens™. Taco Bell and its more than 350 franchise organizations have almost 6,000 restaurants across the United States.

For 2014 Financial Highlights, Click Here.

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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



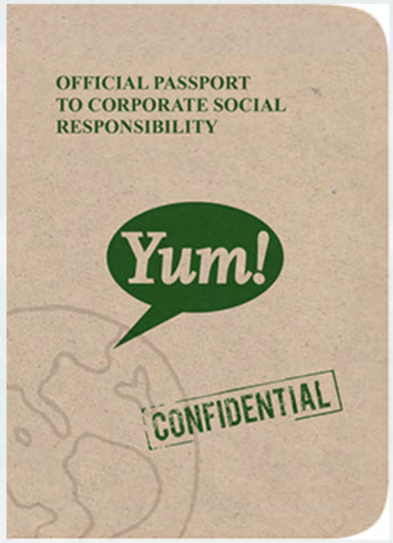
As the Defining Global Company that Feeds the World, it is our privilege and honor to improve the lives of those we impact. With vibrant brands that are steeped in innovation, quality and fun food, we are excited about our business opportunities as we expand. At the same time, we understand that we have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

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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. Produce an annual CSR report
2. Transparently report on our progress with key stakeholders
3. Identify opportunities for improvement
4. Develop programs and strategies that address and overcome challenges

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STRUCTURE



We've built an integrated, executive-level governance 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.

It starts with our leadership at the highest level, which is why we formally update our Board of Directors annually on our CSR commitments and progress, and cascades throughout the entire business. CSR activities are mandated in the partnership between our Global Sustainability and Public Affairs teams that are 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 partnering with these and additional stakeholders as we move forward on our journey.

We are also committed to evolving 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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STAKEHOLDERS

Our stakeholders are central to guiding the important CSR decisions and actions we make. That's why our focus is to create positive change through our CSR actions that extends to all of our key stakeholders including employees, franchisees, suppliers, investors, customers and the local communities we serve.

Our franchisees are our most important partner in the implementation of practices, including sourcing and community impact. Over the past 17 years, we have built strong relationships with them to enable collaboration and partnership. Our existing structure for engaging this important group in the U.S. includes:

- Restaurant Supply Chain Solutions (RSCS) Board of Directors
- Brand Franchise Associations/Board of Directors

We also partner with other key stakeholders to gain important perspectives in areas related to our most important CSR impacts and continually share our progress in the following key areas:

- Diversity and Inclusion
- 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 and Volunteerism
- Human Rights

We continue to explore how we work with all current and future stakeholders to best identify and prioritize our CSR efforts that create positive impacts for our business and society alike.

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GOVERNANCE, PUBLIC POLICY AND GOVERNMENT AFFAIRS

Our governance, public policy and government affairs are managed with a view to the success of our business and fulfilling our Board's responsibilities to our shareholders. The Board's governance practices align management and shareholder interests, and include the following: independence of the majority of Board members; Board diversity; corporate governance principles; executive compensation programs that demonstrate pay for performance; stringent ethics and compliance standards, CSR commitments and progress, and having a Worldwide Code of Conduct and Political Contributions and U.S. Government Advocacy Policy. We operate in a complex and dynamic public policy environment. We influence this environment by conducting advocacy efforts with policymakers at national, state and local levels, both in the United States as well as in our international markets.

"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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BOARD OF DIRECTORS

Our Board of Directors is led by Yum! Brands Executive Chairman, David Novak. Among the 13 directors currently on the Board, nine are independent directors (based on New York Stock Exchange rules for director independence). The four non-independent directors are David Novak, Executive Chairman, Yum! Brands, Inc., Greg Creed, Chief Executive Officer, Yum! Brands, Inc., Jing-Shyh S. (Sam) Su, Vice Chairman, Yum! Brands, Inc. and Chairman and Chief Executive Officer, Yum! Restaurants China Division, and Michael J. Cavanagh, Co-President and Co-Chief Operating Officer for the Carlyle Group. To view detailed profiles of our directors, please visit our website at 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 Executive Chairman 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.

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, three women (Mirian M. Graddick-Weir, Bonnie G. Hill and Elane B. Stock) 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 2012. Ms. Hill is President of B. Hill Enterprises, LLC, a consulting company. She has been a Director since 2003. Ms. Stock is Group President of Kimberly-Clark International. She has been a Director since January 2014. 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! Restaurants China Division. He has been a Director since 2008. The balance of our Board includes Michael J. Cavanagh, Greg Creed, David W. Dorman, Massimo Ferragamo, Jonathan S. Linen, Thomas C. Nelson, David C. Novak, Thomas M. Ryan and Robert D. Walter.

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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. These Principles are discussed annually in our proxy statement.

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EXECUTIVE COMPENSATION

Yum! Brands' executive compensation programs, with oversight 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 executives like owners
- Design pay programs that align team and individual performance, customer satisfaction and company and shareholder interests
- 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.

Tables detailing total compensation and stock-based awards paid, earned or awarded for fiscal year 2014 to our CEO, CFO and three other most highly compensated executive officers can be found in our 2015 Proxy Statement.

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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 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
- Anti-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, Portuguese, Russian, Thai and Turkish, 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 an independent third party, The Network, Inc., we have opened local ethics hotlines in the U.S. and 17 countries that comprise our major markets. Our associates can use these hotlines 24 hours a day, 7 days a week to raise a concern anonymously about possible Code of Conduct violations or other ethical conflicts not covered by the Code of Conduct. 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.

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.

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 food safety, workplace requirements and practices, health and nutrition, tax policy and regulation of foodservice operations and practices.

"It is imperative that we engage policy makers both domestically and abroad in a 360 degree dialogue that seeks to build, change, or reinforce perceptions of Yum! in the public policy arena. Our integrated strategy leverages the work of our government relations, regulatory affairs, and corporate social responsibility teams to impact the process in a positive way."



Brett Hale,
VP, Public Relations
Government Affairs

ASSOCIATE BENEFITS

Our associates are our Company's most important resource. 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 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 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.

HEALTH AND NUTRITION

We have implemented a set of global nutrition guidelines that define 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 customers 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 the United States Department of Agriculture (USDA) ChooseMyPlate Corporate Challenge to help stem the tide of increasing weight and obesity among America's young people. As a Community Partner , we are committed to incorporating ChooseMyPlate educational information in our restaurants and online nutrition and 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. In 2016 our U.S. KFC, Pizza Hut and Taco Bell stores will provide calorie information in all of our company and franchised stores in accordance with the newly adopted U.S. Food and Drug Administration regulations.

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 personal voluntary contributions of 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 2014, our PAC contributed $56,550 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. We are pleased to report that the most recent internal Yum! audit, conducted in 2013, awarded our PAC a "Well Controlled" rating. 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.

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 public advocates 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:

Academy of Nutrition and Dietetics

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)

Dairy Management, Inc. (DMI)

European Modern Restaurant Association (EMRA)

Food Waste Reduction Alliance (FWRA)

International Food Information Council Foundation (IFIC)

International Franchise Association (IFA)

International Poultry Council (IPC)

Kentucky Clean Fuels Coalition (KCFC)

Louisville Sustainability Council

National Chicken Council (NCC)

National Restaurant Association (NRA)

Paper Recovery Alliance (PRA)

School Nutrition Association

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 (USAPEEC)

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CSR POLICIES AND STATEMENTS

We believe in practices that demonstrate responsibility to all of our stakeholders including our associates, customers and the communities we serve. The below policies and positions illustrate our commitment to transparency, continued efforts to realize improvement and accountability to drive sustainable business.

- Antibiotic Statement
- Worldwide Code of Conduct
- Conflict Minerals Policy
- Corporate Governance Principles
- Sustainable Sourcing Policy
- Palm Oil Policy
- Human Rights and Labor Policy
- Political Contributions and U.S. Government Advocacy Policy
- Supplier Code of Conduct

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RECOGNITION & RANKINGS

We are intentional about incorporating sustainability into our way of doing business and as a result we have received recognition for our efforts.

AON HEWITT TOP COMPANIES FOR LEADERS IN NORTH AMERICA

In 2014, Yum! was named one of the Aon Hewitt Top Companies for Leaders® in North America for its unique and comprehensive leadership development programs and practices. Conducted since 2001, the Aon Hewitt Top Companies for Leaders study is an analysis of talent management and leadership practices of organizations around the world. Visit www.aon.com/topcompanies-winners for the full list of Aon Hewitt Top Companies for Leaders.

CARBON DISCLOSURE PROJECT

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 participated in the Carbon Disclosure Project (CDP) for the past four years. The project examines how well companies are reducing their carbon footprint, which 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 increase in our score for the third straight year in a row, is a strong symbol of our commitment to transparency and the environment.

> Yum! has participated in CDP (Carbon Disclosure Project) reporting since 2010 and we are proud to state that in the recently released 2014 report, Yum! received a 95/B.

To view the 2014 full report, click here.

CR 100 : BEST CORPORATE CITIZENSHIP

Corporate Responsibility Magazine named Yum! one of the year's top public companies in terms of commitment to corporate social responsibility. Yum! is the only restaurant company that made the 2014 list and claimed the 84th spot, a 13-position increase from 2013. To view the full list, click here.

FORBES' TOP 10 CHIEF HUMAN RESOURCES OFFICERS

Yum! Chief People Officer Anne Byerlein was named one of *Forbes'* Top 10 Chief Human Resources Officers (CHRO). The Top 10 CHRO list was developed by Mike Myatt, a *Forbes* contributor, author and leadership expert and advisor to Fortune 500 CEOs and Boards. Read Myatt's full article here.

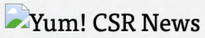
HUMAN RIGHTS CAMPAIGN CORPORATE EQUALITY INDEX

Yum! was included in the Human Rights Campaign Foundation's 2015 Corporate Equality Index, the national benchmarking tool on corporate policies and practices pertinent to lesbian, gay, bisexual and transgender employees. Read the full report here.

NEWSWEEK GREEN RANKINGS

Yum! was named to the 2014 Newsweek Green Rankings, which ranks the world's largest companies on corporate sustainability and environmental impact. To view the full rankings, click here

HISTORY & CULTURE >
OUR CSR METHODOLOGY >
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CSR IN THE NEWS



YUM! CSR IN THE NEWS

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

Currently undergoing maintenance. Check back soon. Thank you.

NUTRITION
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OUR RESPONSIBILITY



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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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 conversation 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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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 and Yum!'s Global Corporate Nutritionist are working with all of our divisions to drive nutrition strategy and establish goals for nutritional improvement. As a result of this leadership, we have 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 division 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 one-third of the Recommended Daily Allowance (RDA) established for the countries in which we do business (or one-third of the World Health Organization RDA if a country has not established RDAs), striving for 15% of meal options by 2015 and 20% by 2020.

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PROGRESS & FUTURE PLANS

We listen to the voice of the customer and because they are looking for more choices and variety in the food we serve, 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 the ingredients and nutrient values 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 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! Corporate 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 two billion 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 United States Department of Agriculture's (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, as well as plans for future progress to improve the formulation of our products.

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CHOICE

U.S.



KFC introduced Kentucky Grilled Chicken (KGC) in 2009, which was one of the most successful product introductions in the brand's history. KGC is a great option for consumers who love the flavor of KFC, but are looking for products that are lower in calories. It's marinated, then seasoned with KFC's famous secret herbs and spices and slow grilled to juicy perfection. KGC has between 80 and 220 calories, 4-10 grams of fat and 1-3 grams of saturated fat depending upon the piece.

KFC continues to offer a variety of sides to balance any meal including green beans, mashed potatoes and gravy, corn and cole slaw, each having less than 10 grams of fat per serving.

KFC introduced Kids Meal with plenty of meal options under 300 calories. For example, a Kids Meal including a Kentucky Grilled Chicken drumstick, green beans, GoGo squeeZ™applesauce and Capri Sun® Roarin' Waters has 205 calories.

With more than two billion different topping combinations, Pizza Hut's pizza is one of the most customizable products on the planet. For example, ordering a Thin 'N Crispy® pizza with less cheese and toppings that are lower in fat (lean meats such as chicken or ham and fruit/vegetables), can mean consumers are enjoying a great tasting pizza with up to 25 percent 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 our ordering options.

New to Pizza Hut's menu are Skinny Slice and Gluten Free Pizzas. Skinny Slice Pizzas are delicious pizzas made with smarter proportions, so you get the same great flavor, with fewer calories per slice. Skinny Slice comes in five delicious recipes that are each only 250 calories or less per slice. Or, you can create your own Skinny Slice Pizza with select toppings for 300 calories or less per slice.

Pizza Hut now offers cheese and pepperoni Gluten Free Pizzas in select locations throughout the U.S. These pizzas are made with Udi's® gluten free crust that is prepared following a strict preparation process certified by the leading gluten free certification program, the Gluten Intolerance Group (GIG).

Meeting the USDA's National School Lunch Program and All Foods Sold in Schools nutrition standards, Pizza Hut offers kid-approved pizzas made of 51 percent whole wheat crust, lite mozzarella cheese, and reduced fat and sodium pepperoni.

Real and fresh ingredients are important to Pizza Hut. That's why we offer an array of toppings including fresh vegetables like green peppers and mushrooms, naturally-preserved Italian sausage, 100 percent white meat chicken, and 100 percent real beef, pork, and ham. Further, Pizza Hut's Pan, Thin 'N Crispy®, Hand-Tossed Style, and Stuffed Crust pizzas contain:

- Zero grams of artificial trans fat
- No high fructose corn syrup
- No Monosodium Glutamate (MSG)
- No artificial colors/dyes

Most items on Taco Bell's menu can be ordered at any restaurant or through mobile ordering by requesting it to be prepared "Fresco Style." This lower in calorie and fat option means our freshly prepared pico de gallo is substituted for any mayo-based sauces, guacamole, reduced-fat sour cream and cheese. In fact, our Fresco Menu has seven signature Fresco items that are each under 350 calories and 10 grams of fat. For example, a Fresco Grilled Steak Soft Taco contains 150 calories and 4.5 total fat grams versus 200 calories and 10 total fat grams in the traditional product.

In 2014, Taco Bell launched Cantina Power– a new menu that combines high protein and big flavor. It features burritos and bowls packed with lean protein and nutrient-rich produce, with more than 20 grams of protein all under 500 calories or less. Because our customers want the classic Taco Bell flavors they love, we also include real cheddar cheese, reduced-fat sour cream, guacamole and pico de gallo.

INTERNATIONAL



At KFC UK, we continue to explore 'better for you' and 'lighten up' options as part of our work to reduce calories, salt and fat and add healthier choices to our menu. These include Corn on the Cob, Salads and BBQ Beans, as well as drinks such as Tropicana Orange Juice, Copella Apple Juice, Low Sugar Fruit Shoots, diet soft drinks, bottled water, Innocent Fruit Tube and Munch Bunch Yogurt.

In September, KFC UK launched a new line of slow cooked pulled chicken products which includes the Ultimate Burger, Chicken Twister Wrap and lower calorie Lil' Wrap, and provides customers with a greater choice across the KFC menu. A blend of white breast and dark meat slow cooked in a sauce and tumbled in a dry spice rub offers a non-fried option for customers with the Pulled Chicken Twister at 440 kcal and the Lil Wrap at 240 kcal.

KFC Germany has three grilled products available: Grilled KFC Gourmet Chicken, Grilled Chicken Salad and Yummy Twister. These lighter menu options are displayed on dedicated special green menu board spaces. To give our customers the opportunity to make a balanced choice we promote changing from fries to healthier side options (corn on the cob, mashed potatoes or coleslaw).

KFC France launched a new oven cooked sandwich in 2013 called the Brazer Parmesan which offers a more balanced choice to customers.

In December 2013, KFC Thailand launched Foilicious, chicken on the bone oven cooked in foil to preserve the flavor and juiciness of the chicken. Customer satisfaction and product quality were very high.

At KFC Australia, we are passionate about great tasting food and are continually investigating how we can improve products and provide broader menu choices. We have been on a journey to improve balanced food choices for our customers and are committed to reducing sodium and sugar, and reducing trans-saturated fats to less than 0.5% without compromising on taste or quality. In 2013, we launched a permanent grilled menu, ensuring that customers can enjoy more options when visiting KFC.

Our KFC South Africa menu provides customers with a fresh Green Salad option as well as a Grilled Burger, Grilled Twister, diet soft drinks and bottled water, available nationally.

In Australia, Pizza Hut launched a Light & Delicious range, and offer a gluten free base that is a permanent option on the menu.

Pizza Hut Europe launched new balanced options in 2013:

- Tuscani pizza range with salad on top in Poland (Prosciutto & Arugula, Chorizo & Spinach)
- Pizza Sun in Germany, Romania, Luxembourg and Sweden
- Fresh fruit beverages, including grapefruit, cucumber and basil, and watermelon lemonades
- Salad bar enhancements
- New plated salad offerings in Poland, Greece, Cyprus and Romania

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

CHINA



In China, our largest growth market, we have steadily increased the number of menu choices since the mid-1990s. More than 40 different vegetable options have been served in our China restaurants since 2001. We offer a variety of locally relevant, nutritionally balanced menu items, including the following:

- Seasonal vegetables and corn salad
- Egg and vegetable soup, and fish ball soup with green vegetables
- An entire line of delicious, healthy roasted foods, including Roasted Chicken Leg Burger in a variety of local and international styles; Roasted Pork Burger such as BBQ Flavored Double Mighty Burger; Roasted Wings; and local favorites with a distinctive KFC twister and wrap.
- Chinese-style breakfast menu of Congees and Soya Milk
- Rice product with local and international flavor has been highly praised by customers since the first launch in February 2010

INDIA



In 2012, KFC India launched an oven product called Fiery Grilled Chicken. All of our KFC restaurants in India (395 stores as of December 31, 2014) now have ovens and oven prepared products. Fiery Grilled Chicken was promoted heavily and has proven to be a successful addition to the menu.

Pizza Hut in India meets the goal of providing more than 15% of the meals with less than one-third RDA, which includes personal portion pastas and Magic Pan Pizza.

Taco Bell in India has also met the goal of more than 15% of the meals with less than one-third RDA, which includes the burrito, quesadilla, and Mexican pizza.

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TRANSPARENCY

Our customers 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. We also recognize that many of them strive to enjoy an active, balanced lifestyle. We appreciate the importance of combining a sensible diet with daily activity and a little fun.



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 customers 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! 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 the 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.'s Affordable Healthcare Act. The U.S. Food and Drug Administration has finalized regulations to implement this mandate and requires companies to comply with the requlations by December 1, 2016. In compliance with the regulations, our U.S. brands (KFC, Taco Bell and Pizza Hut) will place individual serving size calorie information on their respective menus.

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 2015.

Taco Bell has voluntarily posted ingredient statements, nutrition and allergen information online since 2008, and on mobile devices since 2009.

INTERNATIONAL

At KFC Australia, we are committed to being open and transparent in how we cook our food, providing customers with the opportunity to make informed decisions on behalf of themselves and their family. We have been proactive in their approach to kilojoule labeling for some time, making it easier for customers to be aware of the nutritional content in their meal.

- Since 2002, they have provided allergen information on in-store brochures
- Since 2008, they have provided detailed nutrition and allergen information on in-store brochures, and on their website
- Since 2012, they were one of the first quick service restaurant systems in Australia to introduce menu board labeling in all their stores nationally, despite this not being required by law in every state
- Since 2013, they introduced a nutrition calculator on their website, for their customers to easily understand the nutritional value of their food.

In 2013, Pizza Hut Australia was the only pizza chain to partner with the government on formulating QSR guidelines. We also have kilojoule information on menu panels nationwide. Full nutritional and allergen data is available in store and online.

Pizza Hut Australia had an overall sodium reduction of 10% in pizzas and side dishes in 2013. Examples of reductions:

- Pepperoni: 29% reduction
- Beef Crumble: 25% reduction
- Shredded Ham: 28% reduction
- Diced Bacon: 14% reduction
- Italian Sausage: 31% reduction
- Chicken: 13.5% reduction

Our KFC South Africa market updated their website in June 2013 to provide the nutritional information that customers need to make informed decisions. Nutritionals are also available on request in the restaurant.

The Public Health Responsibility Deal in the UK

The UK Department of Health works with the food manufacturing and retail industry to improve the nations' health and wellbeing, and as a high-profile food company we have a role to play in this. In 2011, we became a partner of the Public Health Responsibility Deal, and pledged to roll out calorie information on all our menu boards.

KFC UK remains a committed partner to the Department of Health Public Health Responsibility Deal. As part of this we previously rolled out calorie information on our menu boards and in line with new EU requirements we also show energy information (KJ) for whole meals, not just individual items.

Throughout 2014 as part of our commitment to transparency we have provided information and answered customer questions about where our food comes from, how we work with suppliers, animal welfare and nutrition through the C is for Chicken and Let's Talk Chicken campaigns. This remains an honest and straightforward way for customers to ask us any questions about our food and our restaurants.

As part of this campaign of transparency we have really focused on the provenance of our chickens to be open about welfare and standards. We have produced videos featuring Martin Shuker, our General Manager, and Mark Baxter, our previous Head of Technical, where they visit the farms our chickens come from, and meet with Red Tractor auditors to discuss the welfare standards of our chickens and demonstrate the short and simple supply chain that we have. These have been featured on our Facebook page, to support open and honest conversations with our customers.

Red Tractor Week

We're proud to be part of the Red Tractor farm assured scheme, an independent mark of quality that guarantees the chicken we source from every country meets the high standards for food safety and hygiene, animal welfare and the environment. Furthermore all our UK suppliers implement welfare enrichment in their barns, thereby exceeding the requirements of Red Tractor.

We introduced the Red Tractor logo on our bucket for the first time in September and were an active supporter of Red Tractor Week from September 15-21, 2014. We ran a full page advertisement in *The Sun on Sunday* during the Week and on our Facebook page.

One hundred percent of our Original Recipe Chicken on the Bone is Red Tractor certified and comes from over 500 UK farms. We are proud of our association with Red Tractor standards of welfare and we want our customers to know about it; that's why we made the decision to put the logo on pack. The new-look buckets were in stores in time for Red Tractor Week, providing the perfect opportunity to promote our independently audited quality assured chicken to customers."



KFC Germany offers three tools to provide customers with nutrition information to make informed decisions. Nutrition brochures are displayed in all that provide an overview of calories, nutritional data, additives and allergens as well as a QR code to link to the KFC online nutrient calculator. The calculator enables consumers to calculate all menu options concerning nutrients and to get information on allergens and additives. On all tray liners information on nutrients, allergens and additives are available. Besides the main nutrient categories (fat, carbohydrate, protein, energy) additional information on saturated fatty acids, sugar and salt is now included.

In 2013, KFC Thailand established in-store nutrition information, i.e. counter standee, brochures and a QR code to access the KFC Nutrition website.

Most of the franchisees in Pizza Hut Europe communicate full nutritional information on their websites.

CHINA

In 2007, the China KFC Health and Nutrition Fund was founded in an effort to fund the science, research and education programs related to food, nutrition and city residents. We donated 1.5 million Yen in 2013 and by the end of 2013, total donation to food science research and education programs had reached over 12 million Yen 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 contain information on nutrition. Pizza Hut also deployed a QR code on the menu to inform customers.

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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



KFC U.S. is working hard to reduce sodium in its products. The brand began this journey to reduce sodium in 2007 by 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 an ongoing commitment to reduce sodium levels and has teams that are continuously evaluating ingredient technologies and functionalities with suppliers to help reduce sodium levels. Taco Bell's efforts to reduce sodium across its menu has been taking place since 2008, and since then has reduced sodium on average by 15% across the menu.

Amid rising concerns of Americans sodium intake, Pizza Hut successfully removed over half a million pounds of salt from its menu in 2012 and has plans to remove another 1.5 million pounds of salt from core ingredients in 2015.

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.

Before the introduction of the Public Health Responsibility Deal, KFC UK was the first quick-service chain in the UK to stop salting fries. We have maintained a program to reduce the amount of salt in our food every year for more than five years and recently became one of the first companies to sign the Salt Pledge as part of the Responsibility Deal, committing us to further reduce salt by training employees and changing our kitchen practices.

KFC UK is exploring an innovative technology that uses salt crystal to further reduce salt in our Original Recipe chicken without impacting taste. Our aim is to deliver an additional 15% reduction in salt from our best-selling products by the end of 2014.

- KFC UK's efforts successfully cut the salt content in five of our chicken options by 8 – 20% in 2012. Specifically, salt content in recent years has fallen by 24% in our popcorn chicken since 2009
- 30% in our Zinger chicken since 2011
- 15% in our Hot Wings in 2012
- 15% in our mini fillets in 2013

In Australia, KFC has successfully implemented sodium reduction initiatives for a number of products, making significant reductions across a range of products including:

- 2010: Reduced sodium across core chicken menu items by an average of 15% and seasoned chip salt by 21%
- 2011: Reduced sodium in burger buns by 30% and dinner rolls by 37%

Further reductions across various menu items including tortillas, bacon and chicken products are currently in progress.

We have also been testing a number of sodium reduction initiatives to proactively help customers make more nutritional choices. During World Salt Awareness Week, KFC Australia actively encouraged customers via in-store communications to hold the salt when ordering KFC chips. The Australian Division of World Action on Salt and Health (AWASH) showed its support for the initiative, congratulating KFC for taking a proactive stance on educating customers about salt. This is just one educational initiative Australia will roll out to help customers make informed decisions when they visit KFC.

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 pastas, individual pizzas, plated salads, an enhanced salad bar and beverages broadening the brand's appeal through menu variety and choice.

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

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

We are constantly working on further salt reduction options in our recipes at KFC Germany. In 2014 we focused on the chicken marinades to be launched in 2015.

In KFC Africa there has been a 5% reduction in the Original Recipe breading resulting in 45 tons of salt removed from our customer's diets.

Pizza Hut Europe has reduced the salt in its mozzarella cheese by 15% and in its dough by 17%.

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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. 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 customers.

U.S.

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, a meal with a Kentucky Grilled Chicken® drumstick, green beans, GoGo squeeZ™ applesauce and a Capri Sun Roarin' Water, for only 210 calories.

Taco Bell® discontinued kid's meals and toys at its U.S. restaurants in January 2014, becoming the first national quick service restaurant chain to do so with nationwide implementation.

INTERNATIONAL

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.

Australia has also voluntarily made additional commitments toward responsible marketing practices. In 2008, the team decided to no longer advertise children's meals in the media 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.

In February 2013, KFC Australia launched a brand new Grilled Chicken Mini Wrap Kids Meal. This new meal is considered a better choice for children because it has been developed to meet a set of strict nutrition criteria for children aged 4-8 years. These criteria were developed by a team of Accredited Practicing Dietitians in consultation with national guidelines and authorities on children's nutrition.

KFC Africa removed toys as an incentive in their kids' meals.

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STAKEHOLDERS

LISTENING TO OUR PARTNERS

Pizza Hut U.S. is a member of The Whole Grains Council, which helps consumers find whole grain foods and understand their health benefits; helps manufacturers and restaurants create delicious whole grain foods; and helps the media write accurate, compelling stories about whole grains. Pizza Hut's whole grain crust for school lunch is endorsed by The Whole Grains Council.

Pizza Hut has partnered with Udi's, the No. 1 gluten-free brand in North America, and the Gluten Intolerance Group (GIG), the pioneer non-profit organization providing gluten-free programs and processes, to bring to market gluten-free cheese and pepperoni pizzas prepared using strict back-of-house procedures certified by GIG.

Taco Bell has partnered with the American Vegetarian Association (AVA) to become the first QSR restaurant to offer AVA certified vegetarian food items.

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, academia 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 issues as they evolve.

We are an active participant in the **International Food Information Council (IFIC)**, and serve 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.

Our nutritionists are members of the **Academy of Nutrition and Dietetics** (formerly the American Dietetic Association), the world's largest organization of food and nutrition professionals. The Academy is committed to improving the nation's health and advancing the profession of dietetics through research, education and advocacy. Membership in the Academy provides our nutritionists with networking and relationship building opportunities, education on relevant topics including nutrition, physical activity, metabolism, and obesity and an opportunity to be a part of the conversation in improving the nation's health.

We have had an active partnership with **Dairy Management, Inc.**™ (DMI) since 2012. With dedicated resources including nutrition experts and onsite dairy scientists, DMI works directly with Taco Bell and Pizza Hut to create new and innovative products using dairy to delight customers. DMI is funded by America's nearly 49,000 dairy farmers, as well as dairy importers.

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 also 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.

KFC Thailand also continues promoting a balanced and active lifestyle among young boys ages 12-15 by supporting KFC Seven Shoot, the greatest 7-player youth football league in Thailand, offering 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 and show their football talent.

Since 2013, KFC Germany has had an active membership in Germany's biggest multi-stakeholder platform for obesity prevention for children and young adults. In Germany more than 100 members of "PEB", the Platform Diet and Physical Activity, work towards preventing overweight and obesity in children and young people. The Platform unites social forces from very diverse fields e.g. Government on federal, state or local level, Health, Education, Science, Industry, Civil Society and Public Sector, Sports and Consumer Protection. All have the mutual concern of promoting healthy lifestyles for children and young people. The members make use of their specific possibilities, resources and structures to implement the jointly established objectives, field of action and concrete measures.

In May 2014, KFC Germany was elected as an active board member of "PEB," an alliance to support balanced diet and exercise to support healthy lifestyles, in the fields of communication and public relations with public affairs, along with PR experts of PEB members from the areas of education, industry, sports, health, science, consumer protection, governmental organization and the public sector.

NUTRITION

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- RESTAURANT FOOD SAFETY
- REGULATORY AFFAIRS
- CRISIS MANAGEMENT

ETHICAL SOURCING & SUPPLY



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 prevention of cross contamination. Food safety training is focused on illness prevention, food safety and regulation adherence in day-to-day restaurant operations. Standards also promote 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.

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SUPPLIER FOOD SAFETY



Our supplier quality management system includes food safety and quality requirements that support our QA vision, "Trust in Every Bite," starting with the sourcing of materials and ending with the delivery of the highest level of service and superior products to our customers.

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
- Hazard Analysis and Critical Control Point (HACCP)
- Product protection
- Recovery
- Food defense

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.

Our food safety and quality governance structure and programs are designed to ensure effective control in each step of the supply chain. Each food safety plan for a particular supplier depends upon the specific risk assessment that evaluates each unique supply chain. Suppliers are typically audited at least once per year. However, the exact audit frequency depends on performance levels as well as risk and considers a wide range of factors that include the people capability and food safety climate of each supplier. Feedback is provided to suppliers on performance relative to targets that support and drive continuous improvement efforts. Equivalent standards and expectations are applied to our distributors.

Our suppliers are selected, assessed and rewarded through a rigorous supplier tracking and recognition program called STAR. We use an internal system called STARnet to monitor supplier performance. STARnet enables suppliers and Yum! quality managers to specifically manage the audit process, the approval of product specifications, product evaluations and supplier scorecards.

> KFC, Pizza Hut and Taco Bell have committed to sourcing chicken in the U.S. raised without antibiotics that are critically important to human medicine by the end of 2016.

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RESTAURANT FOOD SAFETY



Nothing is more important to Yum! than protecting our customers. We value our brands' reputations, too, which means our top priority is preventing health risks from arising in our restaurants. The nature and business demands of the restaurant industry requires Yum! to be aware of, and respond to, potential health and safety issues related to the food we serve. We are proud of our food and we take our responsibilities seriously.

To maintain a rigorous and consistent focus on the dynamic challenges of supply chain and restaurant food safety, our Global Food Safety Council works continuously to reduce risk by improving Yum! food safety policies, standards, processes and measurement systems by maximizing effective control of ingredients quality and restaurant operations. Yum!'s Chief Food Safety Officer leads the Council which is composed of the most senior science, food safety and quality experts from across the Company together with Restaurant Operations and Supply Chain leaders. In addition, the Global Food Safety Council sponsors a range of projects that ensures the Company maintains awareness of new food safety science, risk and emerging best practices in risk mitigation.

In compliment to the newly created global Yum! Food Safety Policies, Yum! has created or updated 21 Food Safety Standards that cover the required controls and behaviors in restaurants such as training, food safety surveillance, personal standards and dealing with emergency situations. This work was done in collaboration with food safety and QA experts from across Yum!, representing each brand and division to ensure that consistent, globally relevant best practices were defined in the final standards.

EMERGING ISSUES



We are committed to identifying and managing potential emerging issues that could threaten customers of any of our brands in any market. Emerging issues management is an accountability framework to help protect Yum! and our brands from the negative impacts of potential emerging food safety issues. Emerging issue monitoring helps to anticipate local, regional and global emerging issues, and works in partnership with the Yum! Global Crisis Management Program to alert and activate the Crisis Core Team if an issue becomes an actual threat. Monitoring of potential issues is managed at brand/market level by respective Crisis Core Teams for appropriate risk mitigation and response coordination. Effectively managing emerging issues helps protect customers and brands.

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REGULATORY AFFAIRS



Proactively establishing positive relationships with key U.S. Federal and state leadership continues to be of strategic importance to our brands and to Yum!. U.S. Federal and state Food Code influence in support of consistent, unified and science-based regulations, continues to be a priority to ensure sound, safe restaurant food safety practices across the U.S. Where permitted by law, Yum! also encourages international business units to build positive relationships with regulatory leaders and to support science-based regulations. International business units are proactively engaged in Regulatory Affairs outreach with further expansion planned in 2015.

Yum! is strategically involved in U.S. Food and Drug Administration (FDA) initiatives and platforms such as the Retail Food Safety Initiative (RFSI). The RFSI supports the FDA prevention-based, farm-to-table food safety strategy and specific action steps to drive improvement which will impact future agency focus and FDA Food Code updates in the interest of risk mitigation and reduction of foodborne illnesses in the U.S. Yum! is honored to have been requested by the FDA to participate by representing the restaurant food industry sector.

Yum! supports FDA Food Code adoption at state and local levels. Yum! continues to be pro-actively engaged in state Food Code work, supporting the state regulatory community in local code or regulation updates. We have seen steady and progressive moves to more science-based regulations, further supporting unified state and local Food Code adoption.

We were pleased to see reference to the Council to Improve Outbreak Response (CIFOR) Industry Guidelines and Tools included in the 2013 FDA Food Code update. Yum! played an active role on the CIFOR Industry Work Group for the past five years.

Yum! has been committed and actively involved with the U.S. Conference for Food Protection (CFP) since 1988 at various levels, participating on councils, select committees and on the Executive Board. CFP brings together food safety leaders and experts representing federal, state and local regulatory, trade, consumer, academia and industry sectors to engage, discuss and deliberate pertinent food safety topics of Food Code relevance. Our commitment to CFP remains strong, valuing this unique setting to promote food safety and consumer protection.

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CRISIS MANAGEMENT



The Yum! Brands Crisis Management Program is extensive and proactive to address potential crises that might impact our brands' customers, employees or locations anywhere across the globe. The global Yum! Crisis Management Program ensures that key decision makers are properly identified and trained as Crisis Core team members long before a potential crisis might occur. This helps to prevent, mitigate and control crisis events through swift action and proper response. Yum!'s online crisis training course, along with crisis web application tools, allows Crisis Core team members to quickly identify and successfully manage a crisis within the Yum! system efficiently and effectively .

The global Yum! Crisis Management Program is reviewed periodically both internally and externally in consultation with experienced medical and epidemiology experts to update content and Crisis Core team member training, when appropriate, based upon key learnings and shared best practices around the globe. This global team's collaborative approach and deep experience with regulatory issues, food safety and crisis management sets the standard for other restaurant companies.

Yum! and its brands continue to play a leadership role in continuous improvement efforts in the industry. As an example, Yum! served as an active industry representative in the creation of the first Council to Improve Outbreak Response (CIFOR) Industry Guidelines for foodborne illness outbreak prevention and management. CIFOR is led by the Food and Drug Administration (FDA) and the Centers for Disease Control (CDC) and includes various industry, trade, state and local regulatory representatives to prevent foodborne illness to the extent possible and to mitigate its effects where necessary. The CIFOR Industry Guidelines and Tools were incorporated by reference into the 2013 FDA Food Code update.

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ETHICAL SOURCING & SUPPLY

GOAL: SOURCING THE FRESHEST FOOD FROM AN ENVIRONMENTALLY AND SOCIALLY RESPONSIBLE AGRICULTURAL SUPPLY CHAIN.

Our brands continue to focus on optimizing our agriculture supply chain. As an industry, processes and customer expectations change, requiring us to be 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 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. The Supplier Code of Conduct addresses such issues as 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 Supplier Code of Conduct. 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. We encourage our suppliers to exceed these standards and to share their best practices with us so that we can continue to improve.

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ANIMAL WELFARE

The well-being of animals used in the production of foods for our restaurants is very important. Yum! works 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.

ANIMAL WELFARE ADVISORY COUNCIL

Yum! Brands has 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 in 2003. 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, pork, and beef 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

The consistency of establishing set standards for our brands has allowed our suppliers to concentrate on compliance and continuous improvement.

The adoption of the 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 Yum! and our brands around the world to align our core values on animal welfare globally, creating audit documents and policies that address issues of well-being and establish an environment that will assure continuous improvement.

Our suppliers continue to work diligently with Yum! regarding 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 has contributed to the work of the American Association of Avian Pathologists (AAAP) and has previously been represented on two AAAP Welfare subcommittees. Yum! is viewed by experts in academia and our industry as possessing valuable insight about advancing animal welfare; addressing legitimate issues with prudence and deliberation to foster incremental improvement.

INTERNATIONAL FOCUS

Yum! 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 has fostered a trusting partnership and 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 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 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 elements of the Yum! program are adhered to in this market, additional local regulatory requirements are incorporated as well.

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 Yum! 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 single 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.

> KFC, Pizza Hut and Taco Bell have committed to sourcing chicken in the U.S. raised without antibiotics that are critically important to human medicine by the end of 2016.

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GLOBAL SOURCING

Restaurant Supply Chain Solutions, (RSCS), is honored to continue its 17-year partnership with Yum! Brands in providing supply chain management services for KFC, Pizza Hut and Taco Bell. In the U.S., RSCS manages purchases of more than $6 billion on food, packaging, equipment and nonfood items for corporate and most franchise-owned restaurants. 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, RSCS

Across our global markets, Yum! Brands supply chain professionals work collaboratively with franchise partners to manage food and packaging requirements, carefully leveraging efficiencies, assuring supply and adhering to trade requirements. We work with thousands of suppliers, including U.S.-based suppliers that export to other 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.

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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. To help further drive food safety enhancements in the produce supply chain, a Produce Safety Advisory Council was formed to advise 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.:

- Training requirements for field inspectors who perform field risk assessments. The focus of the training is to identify risk and take actions to mitigate risk.
- Pre-planting inspections to ensure only low-risk fields are used
- Pre-harvest testing for E. coli and Salmonella pathogens on produce, including iceberg lettuce, cilantro, romaine lettuce, spinach, cabbage, tomatoes and onions.
- Harvest crew adult training best practices.
- Finished product lot-by-lot testing of fresh-cut produce.
- Significant wash water system improvements for fresh and fresh-cut produce as well as research into new, more effective methods of washing produce.

In collaboration with the United Fresh Produce Association and the produce industry, Yum! Brands established standards for food safety compliance in the tomato supply chain as well as standardization of Good Agricultural Practices audits for all produce. Initiatives include:

- Tomato metrics and avoidance of comingling of tomato fields per lot
- Collaboration with the U.S. Centers for Disease Control and Prevention and the U.S. Food and Drug Administration
- 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.

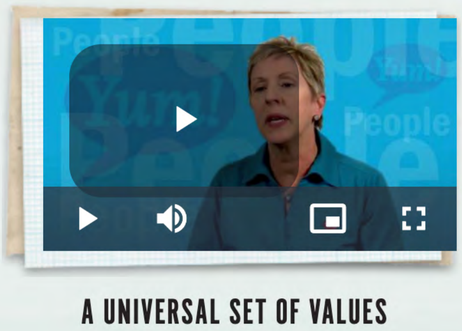
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GENETICALLY MODIFIED FOODS

Perceptions of the risks and benefits of Genetically Modified Organisms (GMOs) as well as related regulations vary from market to market around the globe. We strictly follow all government regulations wherever we operate. In some countries, GMOs are generally accepted, whereas in other countries consumers are more resistant to GMOs. Where resistance to GMOs exists, we require our suppliers to provide non-GMO ingredients.

OUR TEAM
OUR CULTURE
EMPLOYER BRAND OF CHOICE
BUILDING PEOPLE CAPABILITY
ASSOCIATE WELLBEING





A UNIVERSAL SET OF VALUES

OUR PEOPLE

At Yum!, we champion “People Capability First!” We know people are our greatest asset. We believe in all people and actively invest in coaching and growing the capability of every person in our business. Not only that but we celebrate achievements and have 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

OUR TEAM
ASSOCIATES RIGHTS & RESPONSIBILITIES
HUMAN & LABOR RIGHTS POLICY
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OUR TEAM

The sustainability of our business starts with our commitment to our 1.5 million global associates and franchisees. 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 of our associates develop the life skills they need to be successful in whatever they do.

With more than 41,000 restaurants in 125 countries and territories, our business is diverse and complex. Nearly 80% of our restaurants are owned by franchisees or licensees. Because our system is multifaceted and we cannot oversee associate practices in every restaurant, we are unwavering when it comes to offering guidelines, coaching and training that encourages our franchisees and licensees to implement and manage best practices in accordance with our corporate goals and objectives.

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ASSOCIATE RIGHTS & RESPONSIBILITES



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 view the Worldwide Code of Conduct.

We expect our associates, franchisees and suppliers 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, gender expression and/or identity, 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 of our strategic business divisions – KFC, Pizza Hut, Taco Bell, China, 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 international markets 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 71% in the last 17 years (from 1997-2014). 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-owned 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.

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HUMAN AND LABOR RIGHTS POLICY AT YUM! BRANDS



Yum! Brands is committed to maintaining a work environment that respects and supports 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 labor 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, minorities and women. We have and will continue to partner with various stakeholders to collect input and help guide our human rights efforts.

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" 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, executives and 1.5 million associates. The Code of Conduct sets forth 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, Portuguese, Russian, Spanish, Thai and Turkish. It can be found at 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, gender identity and/or expression, 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.

SUPPLIER CODE OF CONDUCT

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 by Yum! Brands suppliers and subcontractors, Yum! has established it's Supplier Code of Conduct (the "Code") for Yum!'s suppliers ("Suppliers").

The Yum! Supplier Code of Conduct sets forth our expectations and minimum standards for all Suppliers and subcontractors. 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.

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, and conflict minerals. 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 Restaurant Supply Chain Solutions, LLC (RSCS), 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 RSCS is strengthened upon full and complete compliance with the Code and the Supplier's agreements with Yum! and RSCS.

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 RSCS and the Supplier. In the event of a conflict between the Code and an applicable agreement, the agreement shall control.

NOTE: Restaurant Supply Chain Solutions, LLC is the supply chain purchasing co-op for U.S. company-owned and most franchised KFC, Pizza Hut and Taco Bell restaurants.

OUR TEAM
OUR CULTURE
(HWWT²)
RECOGNITION
CUSTOMER MANIACS
EMPLOYER BRAND OF CHOICE
BUILDING PEOPLE CAPABILITY
ASSOCIATE WELLBEING



OUR CULTURE

GOAL: CONTINUE DRIVING HOW WE WIN TOGETHER² (HWWT)² 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."



Anne Byerlein
Chief People Officer
Yum! Brands, Inc.

OUR TEAM
OUR CULTURE
(HWWT²)
RECOGNITION
CUSTOMER MANIACS
EMPLOYER BRAND OF CHOICE
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HWWT²

Our corporate values—or what we call our How We Win Together Principles (HWWT)²—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! Brands, 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.

OUR TEAM
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RECOGNITION
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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!

Our new Chief Executive Officer, Greg Creed, is building on the already strong recognition culture established by past Chairman and Chief Executive Officer David Novak. Greg is passionate about putting people first and has brought his own personality to his very own recognition award, which is given to people at the Company who are true brand builders.

Having a personal recognition award is not unique to only leaders. Many associates throughout 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 and the "Sauce Packet" at Taco Bell.

We have many other ways of bringing recognition to life that engages employees from our Restaurant Support Centers down to our team members. Some examples of these are:

- Milestone Service Awards
- Customer Mania Awards
- Recognition Cards
- Champions Club Celebrations
- Restaurant General Managers Conference

Our recognition culture is world famous.







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OUR TEAM
OUR CULTURE
(HWWT²)
RECOGNITION
CUSTOMER MANIACS
EMPLOYER BRAND OF CHOICE
BUILDING PEOPLE CAPABILITY
ASSOCIATE WELLBEING

CUSTOMER MANIACS



We invest in delivering superior customer service and satisfaction, which we refer to as Customer Mania. Annually, we train our 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 developing our people and their leadership skills.

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:** Using innovative and unconventional approaches to achieve breakthrough results
- **Know How Builders:** Seeking and sharing information to grow the business
- **Action Drivers:** Achieving breakthrough results by pushing beyond current possibilities
- **People Growers:** Building world class capability by developing ourselves and others
- **How We Win Together:** Walking the talk of our culture

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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 that Yum! has been recognized on *FORTUNE'S* Top 50 World's Most Admired Companies List in 2013.

In 2012, we replaced our internal engagement survey with the highly regarded Great Place to Work Survey (GPTW). This tool assesses employee engagement on five dimensions: credibility, respect, fairness, pride and camaraderie, 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. 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 , including five that invited team members to take the survey. In 2014, six KFC Global Markets & Yum! Canada participated in the GPTW Survey in order to seek accreditation, of which some results and outcomes are still pending.

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 the top 50 UK GPTW list for five years, making them a GPTW Laureate. In 2012, 2013 and 2014 the business unit was named Britain's Top Employer in the large company category, becoming the first business to receive the accolade three years in a row. KFC UK also made the City and Guilds list of top 100 Apprentice Employers in 2014, and was highly commended in the category of Macro Employer of the Year for 2014. 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 is also 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 UK 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.

Yum! Canada was named in April 2014 as one of the 50 Best Workplaces in Canada by GPTW for the second year in a row. 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. They were also awarded as one of the 50 Best Workplaces in Canada for Women for 2014 by GPTW.

"Our team is the secret recipe that makes Yum! Canada such a dynamic, diverse and exciting place to work, and it's an honor 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

A number of other markets have also been recognized for being a great employer. **KFC Russia** was named as one of the top 100 employers in Russia by Headhunter Company Group's 2014 rankings, **KFC Vietnam** was named one of Vietnam's 100 best employers by Anphabe Company and Nielsen Vietnam and additionally, **KFC Australia** was recognized as the Supreme Retailer of the Year 2014 by the National Retail Association.

In China, an online poll by the Xinhuanet News Agency named Yum! China the 2013 Netizen Voted Most Trusted Employer Brand. Yum! was also named to the city of Tianjin's Top 10 Employers list.

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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 roundtables, team meetings, focus groups, conference calls and webcasts for global audiences. In 2014, 28 global webcast sessions were conducted in order to connect global partners and share best practices.

Greg Creed hosts a quarterly "Chat with Greg" webcast for all global associates to share updates about our business, answer questions and listen to feedback and ideas. Greg also communicates frequently to the global system through our internal social network, 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 engaging them in our business is a priority.

In 2014, parts of our business implemented an employee engagement survey at the team member level aimed at giving every team member in our global business a voice. We know that our customer experience will never exceed that of our team member experience. Given this in addition to our commitment to our people, we use these survey results to enhance our team members' experience by bringing our culture to life at the restaurants.

In 2011, our **Russia** market introduced the Customer Maniac Club—a select group of Restaurant General Managers (RGM), 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. In 2014, the group visited our China division.

KFC UK launched KFC Voice in 2014, an employee engagement tool that enables every team member to provide feedback on their KFC experience. The survey is based upon our four engagement pillars, Pride, Grow, Connect and Customer, and enables us to measure team member engagement at an organization and restaurant level. This initiative is a key part of our model to build a great culture by providing each Restaurant General Manager with a feedback report they can create an action plan against with their team. For our first KFC Voice run in June, there was a 65% participation rate. Moving forward, the two main surveys will take place annually.



Pizza Hut US is focused on connecting with employees on their level. Through an innovative training style, team members have the chance to fail in a safe environment and see real-world outcomes of correct and incorrect choices. Team members are active participants in their learning experience, and by collecting hearts and smiles, see how important their contributions are to Pizza Hut. The use of Gamification for training has proved to be a great success so far, with 94% of team members saying they enjoyed the game-like interaction and 97% saying they will remember and apply what they learned. Additionally, Pizza Hut US also provides social media platforms for employees to interact and share posts.

At **Taco Bell U.S.**, employee engagement is a critical part of executing new product launches. In 2014, Taco Bell piloted a new survey methodology called The Pulse, which allows team members to provide feedback regarding culture in the restaurant. Team members can take the survey at the restaurant or at home (where applicable) via their mobile phone, tablet or desktop computer. This program is the brand's first opportunity to connect with and receive feedback directly from team members to truly understand the restaurant from the team member perspective. The insights gained so far will lead to future Human Resources initiatives and it is our goal to create a great place to work and structure incentives and rewards around what is most important to the our restaurant employees. The Pulse pilot surveyed approximately 30,000 team members and is set to launch nationally to all restaurants in June 2015.

In September 2014, Taco Bell launched a blog that brings the company's Brand Soul to team members. This innovative platform asks team members to share how they are adding more flavor to their lives and to express their Live Más moments. Team members share hobbies such as painting and travel and what is important to them outside of work, including family and their education. This blog allows team members to share their individuality and gives Taco Bell the opportunity to connect with team members in a whole new way.

Taco Bell has also utilized social media in an effort to engage and recognize restaurant employees across the country. The use of social media outlets such as Instagram and Facebook to recognize employees allows Taco Bell to bring their recognition culture to life in new ways, engage employees, and share their appreciation with a mass audience. Now, stories shared by customers of employees providing great service are broadcast across these channels to give employees recognition on a greater scale.

Grateful Rallies at Taco Bell have been created to show team members how grateful we are for them and to say thank you for everything they do. In mid-2015, these rallies will take place in all restaurants across the nation in an effort to connect team members to the brand, review our purpose, promise, and principles, and ensure that we feed our employees' lives with Más, so that they can feed others.

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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 our international markets, Blue Springs in MENA, Global Emerging Leaders Program in Australia 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 our International divisions, high-potential associates are paired with a senior leader in the same function but a different market to drive know how and business exposure.

Our India division 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^2 culture a competitive advantage for both our company and our employees.

KFC Australia runs an Area Mentoring Program where a senior leader from the Restaurant Support Center is paired with an Area Coach and area of restaurants. This happens for all 23 Area Coaches and Franchise Business Coaches all over Australia and has been running for over a decade. The Area Mentor attends 'Field Ching Days' where they visit restaurants with the Area Coach or Franchise Business Coach and builds relationships with the team, reinforcing the idea of 'A Restaurant Support Center that lives and breathes operations'. The Area Mentor also supports the Area Coach or Franchise Business Coach with both their own personal growth and business growth.

At **Yum! Canada**, they have created a formal mentoring program where senior managers mentor teammates to encourage and foster their professional growth — and help guide them on their journey to achieve their goals. This program has been extremely helpful for employees in having the guidance in unlocking their potential. In 2014, they began reverse mentoring where junior leaders were paired with senior leaders to educate them on the latest digital trends in social media.

Pizza Hut Europe has an active mentoring program where employees at the Restaurant Support Center have mentoring relationships. Some of the mentees have mentors who are outside the Pizza Hut Europe office, including mentors from KFC Central Europe and Taco Bell U.S.

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.

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DIVERSITY & INCLUSION



Diversity is an organizational priority set by our Executive Chairman, David Novak, and passionately supported by our new CEO, Greg Creed. We believe that the more our company—including all levels of our workforce, franchisees and 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.

Around the globe, we are proud of the actions taken by our teams to turn our "Believe in All People" principle into reality. In our France office, we have 19 different nationalities. The team leverages cultural diversity to drive innovation and cross-cultural leadership development. In our Costa Rican business, our team is actively adding employees with disabilities with the mindset of "Sin Etiquetas" (No Labels). These actions assist us by enabling growth through the use of all available talent. While our Asia and India teams have taken bold actions to ensure our female employees are developed and prepared for promotions via the use of internal and external programs, as well as support from leadership.

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.

RECRUITMENT AND RETENTION

Progress in our diversity initiatives is a business priority and the work of everyone in our system. Each of our brands sponsor and actively engage in leadership initiatives focused on recruiting and developing high-potential diverse talent. These initiatives include, but are not limited to a highly intentional recruitment program with a goal of 30% diverse candidate identification that focuses on:

1. Hiring top, diverse internship and post MBA talent via the Consortium for Graduate Study in Management
2. Building dynamic, and robust partnerships with the National Society of Hispanic MBAs (NSHMBA), National Black MBA Association (NBMBAA), 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 to communicate our job openings to key diversity groups and associations.

> More than 78% of our U.S. Company operations hires in 2014 were either women or minorities. Similarly, over 72% of promotions were either women or minorities.

Our goal is to continue developing and increasing female leadership across the organization with emphasis on the General Manager representation in our international business and executive level talent domestically. In 2014, we continued our efforts to create and execute temporary international assignments for female employees to build know how, capability and bench talent strength. Yum! set a bold international goal of developing 15 females for leadership positions within the International organization and is well on the way to achieving this goal. In 2014, women obtained the roles of President of our Taco Bell International business and Chief Operations Officer of our Thailand Business. Additionally, 37% of senior level leadership positions in 2014 were filled by women.

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 2014, we continued to focus on building learning experiences that increase our multicultural competency, improve our communication skills, build better teams and drive creativity and innovation. Yum! is an active partner in the Conference Board Global Chief Diversity Officers Council, a network of diversity practitioners who meet regularly to discuss global diversity best practices. In Louisville, Yum! helped start a chapter of MBA Women International with one of our executives serving as the chapter's first President.

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

ENGAGEMENT

Here at Yum!, an engaging culture is important to us. We are constantly working to ensure all of our employees have opportunities to engage. One of the ways to engage is through our Employee Resource Groups (ERGs). Our groups offer opportunities to:

- Assist in onboarding new talent
- Support personal and professional development
- Give back through volunteering
- Support talent recruitment
- Impact the business by sharing insights and feedback

We currently have ERGs available in the areas of:

- International Professionals
- LGBT Professionals
- Multicultural Professionals
- Women Professionals
- Young Professionals

Additional ERGs will be created to meet the interests and needs of employees.

We are also proud to say that we are supportive of all communities celebrating diversity. In 2014, we once again earned a "Green" rating on the Corporate Equality Index. This survey is submitted to and validated by the Human Rights Campaign and assesses the organizations benefits and workplace equality for members of the LGBT community.

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FRANCHISEES AND SUPPLIERS

At Yum!, we truly believe that everyone should have an equal opportunity to do business with us. We also know that leveraging unique perspectives and talents allows us to support the emerging needs of our customers and the marketplace. That's why we are focused on attracting, developing and retaining diverse franchisees and suppliers.

FRANCHISEES

To demonstrate our commitment to franchisee diversity, we established a Minority Lending Assistance Program in 2010 focused on aiding qualified prospective 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! has been recognized by the International Franchise Association (IFA) with the Ronald E. Harrison Award for our accomplishments in Diversity and Inclusion. Additionally, in a survey conducted by the National Minority Franchising Initiative, KFC was recognized by USA TODAY as one of the Top 50 Franchises for Minorities for its continued work recruiting diverse franchisees.

SUPPLIERS

We are proud of the progress we have made and continue making in growing our supplier diversity efforts in the U.S. We partner closely with Restaurant Supply Chain Solutions (RSCS) to work towards our goal of increasing spend with diverse businesses. Additionally, we ask current suppliers to join in our efforts by also investing in diverse suppliers.

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.

By partnering together, we create dynamic and rich environments that reflect today's consumers, employees and communities. Learn more about our supplier diversity program.

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SPECIALLY-ABLED RESTAURANTS

One of our How We Win Together[2] 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.

The success of our specially-abled restaurant programs are driven by a 360 degree approach to developing specially-abled team members with a focus on hiring, training, creating an enabling work environment with tailored equipment, engaging the team members and assisting their development for growth and career progression.





YUM! INDIA

Yum! India opened the division's first specially-abled KFC restaurant in 2008 and has since expanded to 21 speech and hearing impaired stores across the country, employing over 300 team members, seven shift managers, and one Assistant Restaurant Manager, who are all speech or hearing impaired. The Yum! India team plans to continue developing these types of restaurants with a goal of opening another five specially-abled KFC restaurants in 2015.

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, and in March 2014 they also received a 2014 Economic Times Retail Award for its focus on employee diversity

KFC THAILAND





KFC Thailand runs a program called We Hear Every Dream, which provides KFC careers for the hearing-impaired. The first specially-abled KFC restaurant in this country was opened in 2012. 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. Today, Thailand has three restaurants operated by specially-abled associates.

KFC PAKISTAN

KFC Pakistan's specially-abled restaurant program is called, 'Mitao Bhook' meaning 'Beyond Selling Chicken.' In 2014, KFC Pakistan celebrated the opening of its 8th specially-abled restaurant and the 8th year of its program in operation.

KFC Pakistan have twice been recognized and awarded by The International Business Award – The Stevies for their work in this area.

AMERICANA FRANCHISE GROUP

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 locations has led to a total of three restaurants across the region.

KFC SPAIN

Spanish law requires that 2.5% of any large corporation's workforce must be specially-abled. KFC Spain has gone above and beyond this requirement and currently 3% of their workforce is specially-abled, with plans to grow this number in the future to 10%.

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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 125 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, inspire growth in each other and foster both business and personal development.

We seek to make learning, training and career development opportunities accessible to as many of our associates as possible wherever we operate. We've made significant progress across our global markets and we are pleased to share some of our results

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YUM! UNIVERSITY



Yum! University is the Company's center for worldwide learning and development, offering courses and programs that are delivered in various formats and designed to teach skills and behaviors that build the capability of above-restaurant leaders. 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 divisions.

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

- Culture Excellence
- Leadership Excellence
- Educational and Functional Excellence

As a center of excellence for learning content and design, Yum! University partners with division training teams to offer programs and courses in markets around the world, such as Russia, India, the United Kingdom and Singapore.

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CULTURE EXCELLENCE

We foster a recognition-driven, global culture that focuses on going for breakthrough. Our goal is to attract, develop and retain our associates because of the investment we make in them. A key means to supporting our culture is Yum! University, which helps ensure everyone lives the How We Win Together2 principles and maintains a mindset to achieve breakthrough results every day in every piece of Yum!.

ACHIEVING BREAKTHROUGH RESULTS





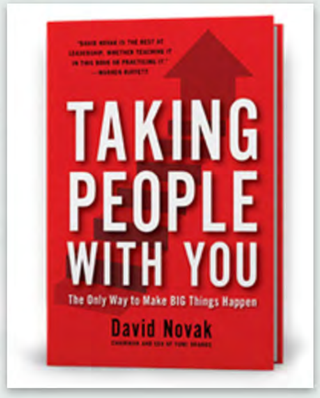
Achieving Breakthrough Results (ABR)is a core development course that provides associates, primarily new hires, with tools and concepts aimed at high performance which we call “Going for Breakthrough.” The tools are categorized into Intentionality, Thinking and Action and incorporate personal stories from our senior leaders.

This course is designed to enable learners to:

- Build high intentionality to create focus and drive breakthrough results
- Use breakthrough thinking tools to achieve step-change
- Take bold action to achieve breakthrough results

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

TAKING PEOPLE WITH YOU TRAINING PROGRAM



The organization continues to benefit from David Novak’s *Taking People With You* (TPWY) training, which was delivered by Yum! University as eLearning modules in 2012. The modules made it possible to deliver TPWY leadership training to every Restaurant General Manager (RGM) in the system for the first time ever. RGMs around the world have seen demonstrable personal and professional growth through TPWY. Restaurants have seen better customer ratings, higher operational efficiency, and an increase in associate morale based on a culture driven by recognition and authenticity.

The powerful leadership principles are not only foundational at Yum!, but also being shared with communities throughout the world. The training has been recognized with awards from Chief Learning Officer (CLO) Magazine and Brandon Hall Group.

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LEADERSHIP EXCELLENCE



Our philosophy at Yum! is that the Restaurant General Manager (RGM) is our No. 1 leader, and each division puts considerable effort into developing RGMs who are not only experts in how we operate our restaurants, but also people leaders who can create an environment where our restaurant teams reach their best performance and deliver breakthrough results. Our divisions implement training programs designed to provide a progression path for all employees—from Shift Supervisors and RGMs to Restaurant Support Center (RSC) staff—that includes both hard and soft skills development.

RGM #1 IN ACTION

YUM! UNIVERSITY AROUND THE WORLD

The Yum! University team adopted the challenge of how to cascade David Novak's *Taking People With You* program globally to more than 41,000 RGMs and above store leaders. A strategy was created to encompass the global market by translating the 14 modules of the program into 11 languages and making each module dynamic, interactive, and related to each RGM. The concepts from each chapter of the book were developed into 20 to 30-minute e-Learning modules that the learner completes to expand their understanding of the specific chapter and how they can take action using the concepts in their part of the organization. Deborah, an RGM of KFC in Africa, was named RGM of the Year after she implemented the principles in *Taking People With You*.



> "As I took my journey on the [Taking People With You] module, I was astounded as to how it had helped me to strengthen my goals and enhance my leadership skills," Deborah said. "We have also literally taken people with us. We have developed two [restaurant associates] into supervisor positions, who are performing exceptionally, and a supervisor into an [area manager] position."

YUM! CHINA



Yum! China is the largest restaurant company in China and a significant part of Yum!'s overall growth strategy. Yum! China opens more than 700 restaurants annually. To keep up with that intense demand, Yum! China must recruit 8,000 management trainees each year in China's highly competitive talent market. Yum! China instituted Whampoa Academy, which offers clear and rapid career growth for recruits who are highly qualified with impressive educational backgrounds, but lack work experience and restaurant experience. Whampoa Academy trains these associates to be Restaurant General Managers within a short period of time: 3-3.5 years on average.

Whampoa Academy's Value Proposition:

- Groom managerial talent within 4 years
- Structured fostering program
- Develop through a clear career path
- Nourished by a supportive culture

By the end of 2014, more than 25,000 operations team members were in Whampoa Academy and had received nearly 506,912 hours of learning.

In 2014, Yum! China was selected to receive an Association in Talent Development (ATD) Excellence in Practice Award in the Organizational Learning and Development category. The award recognizes exemplary practices in workplace learning and talent development. This year, there were more than 125 entries in ten categories.

TACO BELL U.S.



Taco Bell finds great value in investing in developing not only the technical skills of restaurant employees, but leadership skills as well. Through this, programs are being created and tested to teach and enhance the leadership skills of Shift Leads, Restaurant General Managers (RGM) and Area Coaches.

The first program, "theMark" is designed for RGMs, and it has been developed as a journey of personal development and professional transformation. This program is advanced learning that is intended to take an RGM and their restaurant to the next level of performance. Held in Irvine, CA, at the Taco Bell Restaurant Support Center, theMark experience provides a facilitated process to investigate RGMs' growth and vision as leaders, and help them develop a culture in their restaurant that has their personal stamp…their "mark"!

In 2014, six sessions were held and, since its inception, approximately 800 RGMs have completed the program. An additional six sessions are scheduled for 2015. Taco Bell has measured that RGM turnover is significantly lower, under 9%, in restaurants where the RGM has attended theMark, compared to the national average of 35%. RGMs who have gone through theMark have made positive changes in their restaurants including developing plans to reach their goals, recognizing and celebrating team members, and giving back to their local communities.

For Area Coaches, a program called The Quest, a transformative leadership development experience, had its first pilot in October 2014. This first pilot had 32 participants and a beta pilot along with three additional sessions are scheduled in 2015. One participant of the pilot said this of The Quest, "for the Area Coaches that do not have a lot of formal leadership training, this class is a must…and for those Area Coaches with lots of leadership training this class will really help you bring it all together and focus on your Quest to be being the best leader you can be."

Additional leadership development programs are currently in their infancy and will be tested and enhanced in 2015. These include Shift Class for Shift Leads and Heartstyles for RGMs.

KFC U.S.

The RGM Keystone class was implemented in 2013 by KFC U.S. and continued throughout 2014 in support of RGM #1. It provides focused learning on leadership skills, covering topics such as mindset, trust, time management, change management, conflict, coaching and recognition. During the four-day class, held at the KFC Restaurant Support Center in Louisville, KY, the RGMs have the opportunity to hear from some of KFC's executive leadership team. The RGMs in the Keystone class also tour the Food Innovation Team kitchens, where they learn how products are developed, give feedback on current products, and offer ideas for new products.

PIZZA HUT KOREA

Pizza Hut Korea is focused on building people capability at the store level. In 2014, the Rapid Development Program (RDP) was launched. The six-month training program develops capabilities for high potential Assistance General Managers who are on track to become Restaurant General Manger candidates. Additionally, Pizza Hut Korea produces a team member magazine focused on bringing the larger Yum! culture to life in the restaurants.

KFC UK

'Restaurant General Manager Leadership Excellence' is a leadership development program designed specifically for Restaurant Managers. It gives them the tools, practice and confidence to have personal and business impact as a leader at KFC. It enables them to build know how, reflect on and practice leadership skills in order that they drive leadership in their restaurants, retain and develop talent and bring our culture to life in their restaurant. The workshops use the How We Lead competencies as a framework. The first cohort started in October 2014 and consists of 25 franchise and equity Restaurant Managers.

ABOVE-RESTAURANT LEADERSHIP DEVELOPMENT

Leadership for above restaurant leaders at our Restaurant Support Centers is a focus as well.

GLOBAL LEADERSHIP PROGRAMS

Yum! University launched How We Lead in 2014, adding to the two leadership development programs implemented in 2013, driving people capability and investing in future leaders. The How We Lead, Emerging Talent and Leadership Accel programs are part of a broader leadership framework with clearly defined training paths across all divisions for the above-restaurant population.

The leadership development programs span divisions and functions, and are heading into 2015 with great momentum:

- Emerging Talent for Human Resources
- Leadership Accel Thailand
- Leadership Accel UK & Europe
- Leadership Accel North America
- How We Lead Taco Bell
- How We Lead UK (two groups)

These offerings have afforded more than 250 leaders across Yum! with the opportunity to advance their professional development while strengthening the leadership pipeline to support our organization's projected business growth.

PROMOTING GLOBAL MOBILITY

Pizza Hut US is focused on developing employees around the world, with over 20 global people moves in 2014. Yum! and Pizza Hut strive to create a world class, integrated, easily understood global mobility program to move and develop talent that:

- Enables and supports long-term business success
- Helps get the right person in the right job in the right way
- Provides an experience that reinforces our culture

When you embark on an international assignment with Pizza Hut and Yum!, you are embarking on an adventure, which will provide you with:

- A unique personal, professional and cultural experience;
- Career growth and development; and
- Further understanding of our global business and its breadth.

PIZZA HUT UK

Pizza Hut UK associates have the opportunity to development their skills in leadership, trade, personal growth, ideation and cultural understanding as a part of Yum! University. Courses include the London Business Forum, insightful events that cover a range of business issues presented by internationally renowned speaker, Induction, a course led by the Leadership Team that takes new starters through the business goals introducing them to each functional team and the functions role in driving our company strategy, and Leadership Impact, a course designed to strengthen your thinking and behavioral style in order to promote leadership effectiveness. The program uses Human Synergistic 'Life Styles Inventory' (LSI).

PIZZA HUT ASIA

In Singapore, Pizza Hut Asia launched the Yum! Asia Internship Experience in partnership with four local universities. The program is designed to be both a brand builder for Yum! careers and a talent pipeline for future recruitment needs, giving young talent both the opportunity to develop their careers and become Pizza Hut brand ambassadors. Four students from the 2014 pilot semester joined the Pizza Hut team.

OUR TEAM
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BUILDING PEOPLE CAPABILITY
YUM! UNIVERSITY
CULTURE EXCELLENCE
LEADERSHIP EXCELLENCE
EDUCATIONAL AND FUNCTIONAL EXCELLENCE
INVESTING IN TECHNOLOGY
ASSOCIATE WELLBEING

EDUCATIONAL AND FUNCTIONAL EXCELLENCE

Across Yum!, we support our people in continuing their education from our Restaurant General Managers (RGMs) and team members to our Restaurant Support Center associates. We make available a range of development and training opportunities through partnerships and accreditations that offer university education. These investments are aimed at improving the quality of life for Yum! employees, particularly RGMs, and providing added value to working in one of our restaurants.

The **KFC-UK & Ireland** 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) and Area Coaches (ACs), 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 in 2014 the second cohort of 17 RGMs and ACs began the program in April. These students received half of their university fees paid for by KFC as well as paid time off for lectures, travel and accommodation expenses. Sixty RGMs and ACs will participate in the program over the next five years. The business also runs a successful award winning Apprenticeship Program offering Level Two and Three Apprenticeships in Hospitality to Restaurant Employees. In 2014, there were 580 Apprentices year to date across Levels 2 & 3 and since the start of the program have had 400 successful graduates.

Yum! Russia has adopted Plekhanov University's economy training as part of its standard RGM training. On their way to receiving a Plekhanov University diploma, trainees (from shift manager to RGM) take a combination of Yum! University Russia training and Plekhanov courses. Their bold goal is for 100 percent of RGMs in their market to be certified by the Yum!-Plekhanov restaurant management program by 2015.

In KFC Australia, we've been recognized as a Registered Training Provider by the Australian government for more than a decade. Similar to our Apprenticeship Program in the United Kingdom, , this program provides employees with valuable life skills training while at the same time providing training to do their jobs in our restaurants. On completion of the course, employees receive a Nationally Recognized Qualification.

They also offer to their Restaurant Support Centre employees and Restaurant Managers an exclusive Master of Retail Management, a Master of Business Administration (MBA) program developed specifically for them in partnership with the University of Wollongong's Sydney Business School. Students benefit from a 20% fee discount due to the partnership and can also apply for KFC Education Assistance which includes a combination of monetary support and paid time off for lectures and exams. Ten graduate employees have completed the program so far.

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.

Taco Bell U.S. offers a number of programs to help employees achieve their education goals both at the high school and college level. The graduate high school program is a partnership with Career Online High School, which allows employees to take online courses to earn their high school diploma. Through this program, employees can apply any previous credits earned while in high school and can complete the entire program online. The program costs $1,295 and Taco Bell grants up to 100 scholarships in this amount to employees each year.

For employees seeking to earn a college degree, Taco Bell has partnered with Yum! University and Excelsior College, an accredited nonprofit institution. The partnership with Excelsior College provides Taco Bell employees and their immediate family the opportunity to earn a college degree through Excelsior College at a 40 percent discount on books and tuition. Further, employees can earn up to 48 of their required credits by completing restaurant on-the-job training. Currently, just over 200 students have taken advantage of the graduate college program with 71 enrolled in courses, 90 registered for the program, and 50 in the registration process.

In an effort to make education opportunities accessible to employees, Taco Bell is piloting a General Educational Development (GED) program in early 2015. This program will provide online test preparation for the GED or equivalent High School Equivalency Test (HSET). After the preparation is completed, students will receive a voucher to cover the cost of taking the GED or HSET.

Additionally, Taco Bell U.S. awards approximately $120,000 annually in scholarship funds through the Glen Bell Scholarship, named for the brand's founder. Each year, Taco Bell grants between 65 and 70 of the $1,000 and $2,000 scholarships to hourly employees enrolled in 2-year or 4-year degree programs respectively.

The **Kentucky Fried Chicken Foundation** is helping team members turn their educational dreams into reality with its new REACH HIGH™ – High School Equivalency Program. The Foundation, an independent non-profit organization, is covering preparation and exam costs for hourly team members at participating KFC US restaurants, as well as personally guiding them through the entire process. With the 2014 revamp of the GED® – which has been the traditional way to assess if an adult has the knowledge necessary to take the next critical steps in his or her educational career – and the introduction of the HiSet® and TASC™ exams in place of the GED in some states, the KFC Foundation saw an opportunity to assist restaurant Team Members across the country who are ready to accomplish their educational and career goals. By not only covering 100 percent of costs, but also providing personal guidance and encouragement, the Foundation is committed to helping recipients reach the next level. REACH HIGH™ is offered year-round to all team members and shift supervisors who haven't graduated from high school and meet select minimum employment criteria. The KFC Foundation is truly excited about supporting associates who are ready to reach the next level!

In the U.S., Yum! provides eligible salaried associates with tuition reimbursement, up to a maximum of $5,250 in a calendar year, for qualified undergraduate and graduate courses taken toward a job-related degree program at any accredited college or university. We also award over $500,000 in scholarships annually through our Andy Pearson Scholarship Program, established in memory of our founding Chairman. In 2014, we awarded 230 scholarship for $537,500. Since implementing the scholarship program in 2003, we have awarded almost 2,500 scholarships worth $5,604,500 to associates and their legal dependents.

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INVESTING IN TECHNOLOGY TO BUILD PEOPLE CAPABILITY

YUMNET AND YAMMER



In 2014, Yum! introduced a global platform for communications and collaboration called YumNet. Currently, YumNet is only available to above-restaurant employees in all divisions, but expansion to field and restaurant employees is being explored. YumNet and Yammer, YumNet's internal social networking tool, allow people to connect, share content and collaborate globally in ways they couldn't before. In its first six months, Yammer had more than 50 percent adoption, which exceeded industry standards.

YUM! EARNS TOP INDUSTRY HONOR FOR LEARNING TECHNOLOGY

We were recently recognized for leading the way in learning innovation, earning the 2014 Excellence in Practice Award from CorpU for Learning Technologies. Our Yum! University Learning Technology Team leads breakthrough innovation in its global work with technologies such as Learning Zone, Centra Saba Meeting and mobile platforms. Learning Zone reaches more than 708,000 associates worldwide and had a record in May 2014 with nearly 1.4 million course completions. In total, more than 35 million courses have been completed in Learning Zone over the past three years.The CorpU Awards honor corporate, non-profit and governmental learning organizations that improve business and employee performance. Past winners of the CorpU Learning Technologies award include Microsoft, Paypal, HP and Boeing.

Our learning and development strategy hinges on our ability to implement a global learning technologies platform. Developing and leveraging a global technology platform has improved efficiency and reach for the learning function and transformed the way people learn. This one-system approach has improved consistency, reduced paper and waste, ensures training is timely and allows managers to track and measure training in a more reliable, less time-consuming way.

Restaurants that have implemented the global learning technology have demonstrated lower turnover and higher customer satisfaction. This is a huge impact for our business that has helped drive success throughout the organization.

HIGH-TECH LENS INNOVATING KFC RESTAURANT TRAINING

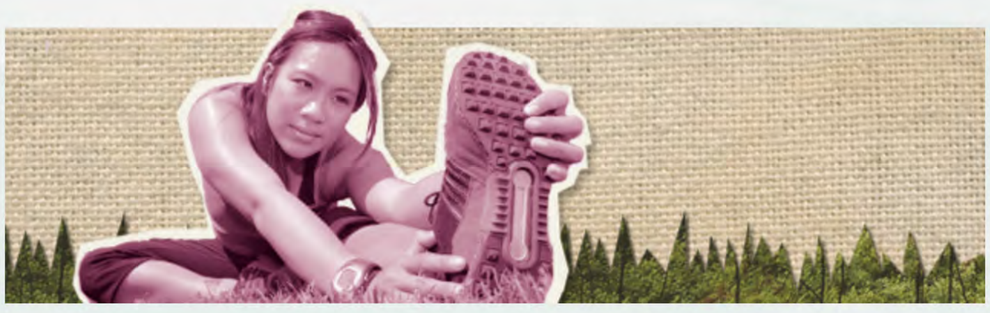


A great example of technology being used for our restaurants was recently explored when KFC U.S. had a vision to condense an 80-page instruction manual into an interactive video that would play on a screen the size of a fingerprint. And they did just that by developing a Google Glass platform to explore how team members train and respond to the fast-changing restaurant environment. It's still too early to tell how adoption of Google Glass might be integrated within KFC restaurants, but it's certainly serving as a learning tool and showcasing how to elevate training through technology.

Following in KFC's footstep, Taco Bell U.S. partnered with the technology company Interapt and Google to develop a pilot program for the use of Google Glass in the restaurant in 2014. The pilot begins in January 2015 with ten restaurants. Each one will be provided Google Glass in place of the usual training materials for new food initiatives. Software will be loaded on Glass that will teach and test team members how to build new menu items right on the line, bringing on-the-job training to a new level.

Further, Taco Bell is currently testing using tablets for Area Coaches to complete their Success Routines on a digital platform. The Area Coaches in the test have been provided a tablet and training on how complete their routines on the tablets during their restaurant visits. This programs aims to not only make the lives of Area Coaches easier, but also find effective uses of current technology in the restaurants.

OUR TEAM
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EMPLOYER BRAND OF CHOICE
BUILDING PEOPLE CAPABILITY
ASSOCIATE WELLBEING



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.

Yum! believes that for associates to achieve breakthrough results where they work, live and play, they need maximum Energy. Our Energy programs focus on building holistic wellbeing through four key pillars:

- Exercise
- Rest
- Perspective
- Nutrition

The organization supports business units around the world in achieving these objectives by providing best practice toolkits to implement programs in local markets, as well as opportunities to engage in global programming. One such opportunity in 2014 was the Global Corporate Challenge. See below for the results achieved by the participating teams across the globe!



Energy programs offered vary widely by each country but there are commonalities. Common Energy offerings include:

- Health assessments and screenings
- Walking and weight loss challenges
- Organized team sports and community activities/walks
- Fitness Classes
- Healthy snacks and water

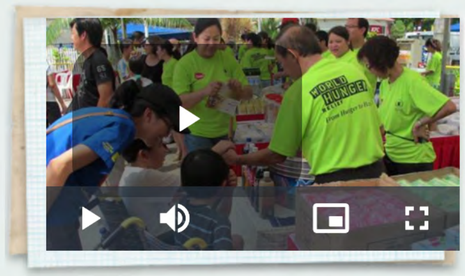
See the map below for a highlight of Energy programs offered across the world

Illustrative sample of wholesome foods

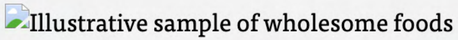
A few key 2014 highlights include:

- **Taco Bell U.S**. expanded their Energy program to include Virgin Health Miles in 2014 for their associates working in the restaurant support center as well as their Restaurant General Managers. This program combines the best of social, gamification, rewards, wearable fitness devices and mobile apps to help employees make healthy, long-lasting behavior changes across all aspects of their lives. The result? A better total quality of life for our employees; more energy at home and at work! The first year had 35% participation and participants reported:
  - 62% increased activity levels
  - 74% changed behavior due to program
  - 38% feel more productive
- **Russia** had a large success with the Global Corporate Challenge and they also had a great time increasing Energy for everyone through football teams, yoga lessons, health assessments, relaxation room at headquarters, and fun on site exercises in the restaurants.
- The **Netherlands KFC** team won first place in the Zandvoort Circuit run, a Cityrun and football (soccer) competition. In addition to sports, they also offer a company doctor to help employees get healthy and back to work!
- **In the UK**, restaurant employees and managers participate in motivation sessions, health screenings and coaching around wellness and lifestyle through the Wellbeing Programme - MyWellbeing Participants reported that they made better choices to take care of themselves, felt better about life and felt better about working for our company. Quarterly wellbeing challenges are in effect for Restaurant General Managers to help increase productivity for them and their team members. Employees are also able to access day-to-day guidance from an online wellbeing tool, which incorporates a questionnaire that assesses various aspects of their wellbeing including sleep, stress, nutrition and exercise to help them understand their current state and give advice on practical changes that they can make to improve their health and wellbeing going forward.
- **KFC Australia** launched their Wellness Initiative, Energy to Win, to help employees learn more about healthy living. Through a series of online training models, the initiative helps employees improve their work life balance, providing wellness assessments and tips on healthy eating.
- As part of the initiative, employees are also offered free access to healthcare providers who screen for cardiovascular issues and diabetes. It is currently made available to Restaurant Support Centre Employees and Restaurant General Managers at approximately 150 company-owned stores around Australia and they are exploring the option to expand the program to Assistant Store Managers and Franchisees.
- In 2014 **KFC Canada** also launched their version of Energy to Win. Their wellness strategy is framed around Nourishment, Movement and Balance. In 2014 they started off with the Global Corporate Challenge where 7 teams and 49 people participated in a walking challenge – approximately half the RSC. As part of Energy to Win they also have regular on site massages, Health and Wellness Clinics, including an Annual Health and Wellness Fair, and information sessions on how to cope with stress. They also provide reimbursement of gym membership fees, fitness classes, sports programs and weight loss programs under this program.
- **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 create accountability and deliver consistent results. In 2012, EFL was expanded to all U.S. brand corporate headquarters and in 2013 and 2014, EFL began being tested in international markets.

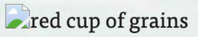
WORLD HUNGER RELIEF
VOLUNTEERISM
COMMUNITY ENGAGEMENT
HARVEST



A COMPANY WITH A HUGE HEART



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

COMMUNITY ENGAGEMENT

HARVEST

WORLD HUNGER RELIEF
RESULTS
RECOGNITION
WHR AROUND THE WORLD
VOLUNTEERISM
COMMUNITY ENGAGEMENT
HARVEST

"We are grateful for Yum! Brands' on-going commitment to working with us to achieve a world with zero hunger. World Hunger Relief campaign funds will help WFP provide nutritious food to the world's most hungry people. We greatly appreciate this support."

Ertharin Cousin
Executive Director
United Nations World Food Programme





WORLD HUNGER RELIEF

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



As we approached our 10th anniversary as a Company 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, which contributes on average 10 million pounds of food annually to more than 3,000 nonprofit organizations across the country and now with 805 million 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 over 41,000 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.

> Christina Aguilera received the first ever Muhammad Ali Humanitarian of the Year Award for her work to end global hunger in her role as global spokesperson for Yum! Brands World Hunger Relief and as an "Ambassador Against Hunger" for the United Nations World Food Programme.

WORLD HUNGER RELIEF
RESULTS
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WORLD HUNGER RELIEF RESULTS



For the past eight years the World Hunger Relief campaign has leveraged the power of more than 41,000 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:

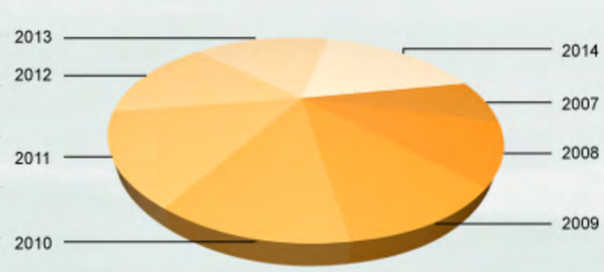
AWARENESS

More than four billion worldwide impressions were made in 2014. Approximate value of nearly $60 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
2014:	$40 million	160 million
2013:	$37 million	148 million
2012:	$33 million	132 million
2011:	$30 million	120 million
2010:	$24.5 million	98 million
2009:	$22.5 million	90 million
2008:	$20 million	80 million
2007:	$16 million	64 million



> *TOTAL RAISED SINCE 2007:* $600 MILLION/NEARLY 2.4 BILLION MEALS/45 COUNTRIES BENEFITING FROM WHR

In eight years of WHR, the impact of the program has been astounding, providing nearly 2.4 billion meals to WFP operations and other hunger relief agencies 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

"We are grateful for Yum! Brands' on-going commitment to working with us to achieve a world with zero hunger. World Hunger Relief campaign funds will help WFP provide nutritious food to the world's most hungry people. We greatly appreciate this support."

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WORLD HUNGER RELIEF RECOGNITION

2014:

- WHR is Named Finalist for Global Campaign of the Year and Cause-Related Campaign of the Year in PR Week.
- WHR Wins Global SABRE award – the Global SABRE Awards are presented to the 50 Best PR Campaigns in the World.
- Bulldog CSR Awards recognizes WHR for excellence in communication, corporate social responsibility, reputation and sustainability programs.
- Publicity Club of Chicago Golden Trumpet Awards Names WHR as Finalist in the International Communications – highest recognition in the public relations industry and given to the best corporate and nonprofit agencies for the work they produce.
- WHR recognized with Global SABRE 50 Best PR Campaign Award, which means that out of more than 5,000 entries, WHR was in the top 1%.

2013:

- WHR was also recognized with FOUR awards from Bulldog CSR — Best Corporate/Non-profit Partnership, Best Charitable Giving Campaign, Best CSR Campaign for Organizations Over $5 Billion in Revenue and Best Media Relations Campaign.
- WHR Named Finalist for Cause Marketing Halo Award – Yum! Brands and The World Food Programme are one of four to advance in the best message-focused campaign category, recognizing businesses that use its resources to share a cause's message
- Honorable Mention for World Hunger Relief in the PSA category – PR News' Platinum PR Awards salute the year's most outstanding communications initiatives and programs in the highly competitive and dynamic PR arena
- Honorable Mention for World Hunger Relief in the Public Affairs category – PR News' Platinum PR Awards salute the year's most outstanding communications initiatives and programs in the highly competitive and dynamic PR arena
- IABC Gold Quill Awards– The IABC Gold Quill awards are an international symbol of excellence in strategic communication that recognizes smart thinking, flawless execution and proven results. World Hunger Relief received a Merit award in the Corporate Social Responsibility category

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
- RESULTS
- RECOGNITION
- WHR AROUND THE WORLD

VOLUNTEERISM

COMMUNITY ENGAGEMENT

HARVEST

"We are grateful for Yum! Brands' on-going commitment to working with us to achieve a world with zero hunger. World Hunger Relief campaign funds will help WFP provide nutritious food to the world's most hungry people. We greatly appreciate this support."

Ertharin Cousin
Executive Director
United Nations World Food Programme



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 take it and make it their own—from uniquely branded campaigns like Pizza Hut's Deliver Hope or KFC South Africa's Add Hope to days of giving, team member car washes and other employee led activities to raise awareness and funds to help end hunger.

WORLD FOOD DAY – FILL THE RED CUP

On World Food Day, Oct. 16, 2014, KFC, Pizza Hut, Taco Bell and Yum! associates around the world rallied together to fill the red cup for World Hunger Relief, raising US $100,000 in just 24 hours. From donating $5 to feed 20 children, hosting raffles, silent auctions and much more, the donations collected provided 400,000 meals to hungry children in partnership with the World Food Programme.

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

AUSTRALIA – LET'S END HUNGER

Australia's KFC and Pizza Hut restaurants have raised more than US $5.4 million for the World Food Programme. In 2014, they achieved breakthrough results, raising more than US $700,000. The restaurants held a variety of fundraising activities, from a cricket event to talent shows, car washes, bake sales and in-store competitions. Through in-restaurant promotions as well as Facebook and other digital efforts, the World Hunger Relief campaign continues to be a success year after year.

In January 2015, six team members from the highest performing restaurants will visit the communities in Laos to experience how World Hunger Relief funds are helping to provide meals. Check out the video below to see how KFC and Pizza Hut Australia are saving lives.

PIZZA HUT GLOBAL – DELIVER HOPE

Deliver Hope is Pizza Hut's call to action to encourage our consumers and Pizza Hut associates worldwide to help others through the company's three philanthropic pillars: children's literacy, World Hunger Relief and involvement in local community.

During the 2014 World Hunger Relief campaign, Pizza Hut customers Delivered Hope by making donations to the World Food Programme while dining in restaurants and when ordering online through the Deliver Hope digital campaign. Additionally, our Pizza Hut restaurant teams, franchisees and corporate employees around the world organized events at the local level to fundraise by hosting live auctions, cricket games, car washes and group walk/runs. In Canada, Pizza Hut took their teams to the frontlines in Ecuador to help the World Food Programme put the donations into action.

KFC SOUTH AFRICA – ADD HOPE



As part of its Add Hope efforts, KFC South Africa facilitated its "31 Days of Hope" campaign, which just during the month of October 2014 raised US $340,000 for hunger relief. The campaign created a series of videos featuring children who receive WFP meals. Each video includes a child explaining what he or she hopes to achieve in life, a heart-warming way to emphasize the importance of nutritious meals for growth, development and success.

An Add Hope community partner, said the program is essential to his organization's work. "The funding we get for our feeding program from Add Hope makes it possible for us to give thousands of children a better start in life by ensuring they have food in their tummies, so we can focus on other needs such as education, health and infrastructure development. Add Hope provides us with around 30 percent of our funding, and this gives us a way to help the children achieve their dreams.".

Add Hope's 2014 campaign raised US $4.8 million, which enabled KFC to help feed 70,000 South African children each day.

GERMANY – EAT TOGETHER, SHARE TOGETHER



Under the motto "Eat Together, Share Together", KFC Germany donated 10 cents to the World Hunger Relief campaign for every order taken in participating KFC restaurants during October 2014. Guests could give donations at the tills of all KFC restaurants and online donations could also be made on the KFC campaign website. The donations collected are shared between the two charitable organizations supported by the campaign: the World Food Programme and the Bundesverband Deutsche Tafel e.V., the German volunteer food bank federation, as national partner.

In its second year of World Hunger Relief, KFC Germany collected more than US $118,000, which is equivalent to providing 472,000 meals to hungry children around the world.

FRANCE – SHARING A HUGE HEART

For the third consecutive year, KFC France is showing that they are a company with a Grand Coeur-or Huge Heart-through a partnership with France's best-loved charity, Les Restaurants du Coeur. KFC France, through the KFC Foundation created in 2012, partnered with the charitable organization to launch a campaign to feed needy families.

In 2014, KFC France raised US $342,000 for the charity during its three week campaign. KFC also launched a volunteer program for its Restaurant Support Center employees; every week two employees donated a half day at a food distribution center to help distribute food products. Additionally and for the third consecutive year, 50 KFC associate and franchise volunteers participated in a nationwide food drive held in supermarkets to collect canned goods and hygiene products. Moreover, KFC France's Volunteer for Hope effort, Product Excellence and Human Resource teams from the brand's Restaurant Support Center will offer their professional expertise in the areas of purchasing and e-learning tool development for Les Restaurants du Coeur staff and volunteers.

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 his legacy by raising money to feed the hungry through its annual in-restaurant Recipe for Hope fundraising campaign for the World Food Programme. Restaurants across the nation participate with the goal to each raise $1,000 per restaurant. Many teams also share their achievements with guests by proudly showcasing Recipe for Hope donation cards representing the number of donations collected.

In 2014, KFC also teamed up with Feeding America, the nation's largest domestic hunger-relief organization, for its #FillUpForGood campaign. Fans were asked to post a picture or video of a KFC $5 Fill Up meal on social media with the hashtag #FillUpForGood, and KFC promised to donate five meals for each post. In the end, one million meals were donated to local communities through Feeding America!

LATIN AMERICA & CARRIBEAN

Franchisee, Comidas Especializadas teamed with Pizza Hut and KFC to fight and prevent child malnutrition in the poorest and most vulnerable municipalities of the country. Through the support of the World Food Programme, they were able to reach the community of Consolaca where they donated food to the community. For three consecutive years, they have raised more than US $70,000 and have helped reduce rates of malnutrition in children under five years old. Additionally, they have encouraged the community of Consolaca to engage in nutrition education and activities to aid in taking better care of their children.

The LA&C team also participated in a Hunger to Hope Day that involved walking 2,500 miles in recognition of ending world hunger. They also sorted 20,639 pounds for a total of 17,199 meals and 450 backpacks for their local community.

ASIA – STEP OUT, STOMP HUNGER

KFC Malaysia kicked off their campaign in July 2014, raising more than US $500,000, which is the highest franchisee collection from KFC and Pizza Hut. In September, 60 KFC and Pizza Hut associates spent an afternoon re-packing rice and donated sundries into small cartons for distribution to the needy by the Singapore Food Bank charity. Additionally, the annual World Hunger Relief Carnival brought together associates and their families, suppliers and franchisees to raise funds for the World Food Programme (WFP) and other hunger relief agencies.

As part of their World Hunger Relief efforts, franchisees attended a field visit to Cambodia organized by WFP with ground participation from KFC Cambodia. The team saw first-hand how the funds raised help benefit primary school students under the WFP School Meals program. They also visited the homes of the beneficiaries of WFP Scholarships aimed at keeping children in school and enabling continuous education, and witnessed the "Food for Assets" program where people received food in return for labor such as making roads.

YUM! CHINA

Yum! China celebrated a successful 2014 World Hunger Relief campaign, raising nearly US $3 million through its KFC, Pizza Hut, Pizza Hut Home Service and East Dawning restaurant efforts, community events and online donations.

The division made its campaign interactive and fun, hosting large scale events in 17 market cities to involve the community in ending hunger. Fundraising efforts included engaging with fans on donation channels including Tencent, Sina Weibo and WeChat, raising awareness through social media channels WeChat and Weibo and sending virtual thank you cards to customers who donated in-restaurant, which could be shared on their social media profiles.

The campaign was awarded the "Best CSR Case" title from publication Southern Weekly and generated 1,230 press placements. Yum! China also hosted an international sporting event with children who also benefit from the division's hunger relief fundraising.

NETHERLANDS – BE A STOP HUNGER HERO



In 2014, KFC Netherlands initiated their World Hunger Relief campaign, named 'KFC Stop Hunger Heroes'. The campaign was based on the idea 'A meal for a meal'. KFC Netherlands encouraged associates and guests to donate during the month of November. The campaign asked for a donation of 20 eurocents to help stop hunger. A donation of 20 eurocents is equivalent to a meal for someone in need.

KFC also designed a cool 'Stop Hunger Hero' standee so donors could eternalize themselves as a real Stop Hunger Hero. For every Stop Hunger Hero picture posted on social media, KFC Netherlands donated one school meal. KFC associates also participated in the Amsterdam Marathon and ran 8 km (5 miles) to collect funds for WFP. KFC Netherlands raised US $45,000, which is equal to providing 180,000 school meals for WFP beneficiaries.

YUM! INDIA – HUNGER TO HOPE KITCHEN



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 employees. In support of World Hunger Relief 2014, Yum! India and Bollywood actor/celebrity Sharman Joshi joined forces to fight hunger at a "Hunger to Hope Kitchen" event held in a New Delhi KFC restaurant. Proceeds from the restaurant's sales for the day were donated to World Hunger Relief agencies.

Joshi also joined Yum! associates at the Smile Foundation, a well-known non-governmental organization, where they enjoyed a youth dance performance. The Smile Foundation runs a nutrition program that benefits more than 300,000 underprivileged children on the subcontinent. Customers across India are very supportive of the cause and have help to raise funds for the World Food Programme and other feeding programs across India to provide nutritious meals to school children.

UNITED KINGDOM – THE NUTS CHALLENGE

In recognition of World Hunger Relief 2014, KFC team members across the United Kingdom engaged in fundraising efforts to support the World Food Programme, including the 'Nuts Challenge' which is a 7km (4.3 miles) army style assault course. They also participated in 'The Nightrider' a 100km cycle around London and their very own Kentucky Cup football tournament. In 2014, they raised over US $1.8M to feed hungry children around the world.

In addition to supporting the World Food Programme, UK Pizza Hut Delivery raised more than US $200,000 in support of Children In Need, a group of nonprofit charities that provide children and young people who are disadvantaged with healthy living and learning opportunities. As part of their volunteerism efforts, Pizza Hut UK supported the Bethwin Adventure Playground by transforming the space through painting and replanting the garden and play area.

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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, 1.5 million of our associates, franchisees and their families have volunteered millions of hours to aid hunger relief efforts in communities worldwide.

With associates around the world, we know that our teams have the ability to make an impact on key social issues in their local communities. We want to recognize and reward their efforts to support qualified nonprofit charitable organizations. Through our global Volunteer for Hope program, associates are able to make a lasting impact in the lives of their partner charities–and in their local communities.



In 2014, Yum! rewarded our team members and franchisees for their efforts by awarding 140 grants worth US $220,000 to the partnering charity organizations for teams who inspired us with their acts of volunteerism. We are also proud that the number of employee and franchisee volunteer hours tracked through our global volunteerism program doubled from 2013 to 2014 with more than 30,000 hours tracked this year.

CLICK HERE TO SEE OUR 2014 HUGE HEART CHAMPIONS

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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 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.

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YUM! BRANDS FOUNDATION

As a global restaurant company, our goal is to feed the world—especially those who are at risk of going to bed hungry. With more than 41,000 restaurants in 125 countries and territories, the world is our community. We are committed to giving back to all of the communities where our employees live and work.

The Yum! Brands Foundation supports charitable organizations in the communities we serve. While our primary focus is investing in organizations that are working to solve hunger, we also support other organizations that are important to our associates and our franchise partners. In 2014 the Yum! Brands Foundation invested nearly $7 million in charities with missions focused on hunger, youth, social services, the arts and diversity.

In the U.S., the Yum! Brands Foundation promotes employee giving to nonprofit organizations through annual workplace giving campaigns and our matching gifts program. Associate and board member contributions to qualifying organizations are matched dollar-for-dollar, up to $10,000 annually. Additionally, the Foundation encourages associates to serve on boards of nonprofit agencies in their communities by providing financial support to those organizations.

The Yum! Brands Foundation also provides up to $1 million annually to support, Dare to Care Food Bank, our local food bank partner. Additionally, the Yum! Brands Foundation supports various local nonprofits working to serve those in need in our hometown.

CHARITABLE CONTRIBUTIONS

The Yum! Brands Foundation focuses primarily on the eradication of hunger and hunger-related causes. Additionally, we are proud to support our nonprofit partners in the areas of arts and culture, human and social services and other areas that are important to our associates.

DARE TO CARE FOOD BANK

In Louisville, Kentucky, home of Yum! Brands and KFC, one in four children is at risk of going to bed hungry each night. As the world's largest restaurant company, it is our privilege and our responsibility to feed the hungry—around the world and in our hometown.

Together with our Louisville-based associates, we have contributed more than $12 million over 12 years to the Dare to Care Food Bank to end hunger in the Kentucky/Indiana region. Through a network of more than 300 food pantries, shelters and emergency kitchens, Dare to Care provided over 13 million meals to more than 192,000 people in 2013. Partnering with Dare to Care enables Yum! to reach those in our community who most need our support.

We are proud to support Dare to Care's Kids Café after-school program, which provides children 18 and under with a warm nutritious meal in a safe environment. Children also have the opportunity to participate in adult-supervised activities, academic and extracurricular activities including homework clubs.

Yum! Brands' support helps Dare to Care expand its programming including:

- Creating the Backpack Buddy program to distribute nutritious, kid-friendly foods to children from low-income families on weekends when they do not receive free and reduced-price breakfasts and lunches at school.
- Establishing Patrol Against Hunger, a first-of-its-kind program, providing nutritionally balanced meals to housebound seniors through a unique partnership with the Louisville Metro Police Department.
- Expanding the number of Kids Café locations across our community.

"Yum! Brands has been an invaluable partner to the Dare to Care Food Bank providing more than $12 million representing more than 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

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LOCAL PARTNERSHIP PROGRAMS

Our local community impact stretches around the world and we are deeply committed to making positive changes in all the countries in which we operate. Here are some examples of the ways our teams globally are giving back to the communities where they live and work.

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LOCAL PARTNERSHIP PROGRAMS U.S. BRANDS

KFC U.S.

KFC FOUNDATION

The Kentucky Fried Chicken Foundation believes in Colonel Sanders' vision. And they think nothing gets closer to the core of his values like the Foundation's REACH Educational Grant and the REACH HIGH™ – High School Equivalency Programs. These KFC Foundation programs are positively impacting hundreds of lives for many years to come.

Each year, the Foundation provides hundreds of thousands of dollars in scholarships and grants to hundreds of deserving students across the country – over $12.5 million since 2006. Since 2012, $2.6 million of that was awarded to more than 1,400 KFC Team Members via the REACH Educational Grant Program®. The REACH Educational Grant Program helps KFC restaurant hourly Team Members and Shift Supervisors pursue their educational dreams. These $2,000 grants help Team Member recipients attend accredited four-year and two-year educational institutions, as well as trade/vocational schools. From the single parent finally completing a degree started 15 years earlier to those who are the first in their families to attend college, the Foundation is making a difference in the lives of those who are willing to work hard and improve themselves through education.

In 2014, the Foundation launched the new REACH HIGH™ - High School Equivalency Program to help hourly Team Members and Shift Supervisors at participating KFC restaurants earn a high school credential. They do this by not only covering their exam preparation and exam costs, but also by personally guiding them through the process. The Foundation is committed to helping recipients reach for their educational dreams! Assistance is available to Team Members at participating restaurants in 48 states for the GED®, HiSet® and TASC™ exams.

PIZZA HUT U.S.

DELIVER HOPE

Deliver Hope is Pizza Hut's call to action to encourage consumers and Pizza Hut employees worldwide to help others through the company's three philanthropic pillars: children's literacy, World Hunger Relief and involvement in the local community. During the 2014 World Hunger Relief campaign, Pizza Hut customers Delivered Hope by making donations to the World Food Programme while dining in restaurants and when ordering online through the Deliver Hope digital campaign.

BOOK IT!® PROGRAM



The Pizza Hut US BOOK IT! reading incentive program is a key part of Pizza Hut's Deliver Hope movement. To date, more than 14 million students have participated in the BOOK IT! program and in 2014, the program celebrated it's 30th birthday. To celebrate, Book It called for all its alumni from all across the United States to raise their hand and show the positive effect of literacy and emphasize the importance of being able to read.

TACO BELL U.S.

TACO BELL FOUNDATION FOR TEENS



Taco Bell is a brand with a purpose… to feed people's lives with más: más flavor, más heart and más value. We put our heart into everything we do, and we are genuinely committed to helping our guests, our team members, our partners and our communities get a little more out of life. Because we believe 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.

Since 1992, Taco Bell Foundation for Teens, a 501(c)(3) nonprofit, has inspired and enabled teens to graduate high school and achieve más – in our communities, in high schools and at Taco Bell. Through our programs, partnerships and direct financial assistance, we have provided educational and job training support to more than one million teens across the country and awarded more than $42 million in grants and scholarship to more than 1,000 teen-serving organizations in the U.S. With 36 million customers served in almost 6,000 restaurants each week, we see it as a responsibility and an opportunity to raise the issue and help address the need; engage customers, employees and franchisees; and make a lasting difference in the lives of teens. We also recognize that public-private partnerships are essential to solving our nation's most critical problems, which is why we convene like-minded organizations like Get Schooled and the Boys & Girls Clubs of America.

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AUSTRALIA

REACH FOUNDATION AND WHITELION

KFC Australia has a huge heart and believes in giving everyone a fair opportunity. They support youth in local communities and help eradicate hunger around the world. Associates are united in giving back to the communities where they live and work. Through their actions, KFC Australia is making the word a better place.

- Raised more than $5.4 million for the World Food Programme to feed the hungry
- Donated $50,000 to the Tasmanian Bushfire 2013
- Organized appeal by the Australian Red Cross
- Partner with the The Reach Foundation in Victoria that has extended to NSW for 19 years
- Employed approximately 40% of the young people in the Whitelion Employment Program, making it the largest employer in the program over the past 17 years

"KFC's support has been vital in helping to provide at-risk youth with employment opportunities, mentoring and education-based prevention programs. We've worked with KFC for over 13 years, and today, KFC is our largest employer in the Whitelion Employment Program, bringing in over 200 young Australians into the KFC family where they have excelled and positively contributed to their local community. KFC has been opening doors for our young people for many years and we look forward to continuing our partnership in the future."

Mark Watt, CEO Whitelion

BRAZIL

Pizza Hut Brasil, in partnership with NGO Banco de Alimento, participates in community teambuilding activities at orphanage, São Paulo. Volunteerism includes planting herb gardens and building a library for the students to study. A culinary workshop helps the children to learn how to fully leverage the harvest from the gardens, including the stalks, stems and seeds. Additionally, KFC Brasil launched 'Meu Primeiro Emprego', an internally operated program at the Restaurant Support Center for Restaurant Employees and Restaurant Support Center Employees. The program is focused on teaching life skills such as managing finances, salary and benefits education, and corporate world transitioning.

CANADA

KFC Canada has formed partnerships with non-profit organizations within the community to create formal internships as part of their hiring process. These partnerships help new immigrants obtain Canadian work experience as well as offers the Canadian community with a pool of qualified employees.

IBERIA

KFC Iberia partners with local institutions to offer paid work internships to socially excluded immigrant teenagers between the ages of 17-20. The program exposes teens to essential work skills through a three month in-restaurant training program and after completion, they are eligible to apply for permanent employment.

FRANCE

LES RESTAURANTS DU COEUR

For the third consecutive year, KFC France is showing that they are a company with a Grand Coeur or Huge Heart through its partnership with Les Restaurants du Coeur. KFC France, through the KFC Foundation created in 2012, partnered with the charitable organization to launch a campaign to feed needy families.

The campaign includes almost 160 KFC France restaurants who will raise a minimum of 100,000 euros (US $137,429) during the campaign and more than 30 KFC employee and franchise volunteers will take part in a nationwide food drive to collect canned goods and hygiene products. Additionally, as part of KFC France's Volunteer for Hope effort, Product Excellence and Human Resource teams from the brand's Restaurant Support Center will offer their professional expertise in the areas of purchasing and e-learning tool development for Les Restaurants du Coeur staff and volunteers.

GERMANY

In 2014, KFC Germany executed for the second time a nationwide charity fundraising campaign to support the Bundesverband Deutsche Tafel e.V. and the UN World Food Programme. In support of the motto "Tat together – Share together," the campaign collected 110,000 euros (US $116,435) for the mutual battle against hunger in Germany and throughout the world. The campaign was a part of the annual World Hunger Relief campaign.

Across Germany, 50,000 volunteers of the Bundesverband Deutsche Tafel e.V., a German Food Bank Federation, collected expired food otherwise intended for disposal from retail outlets and manufacturers and distributed them to those in need through a network of 934 local "Tafeln" food banks. KFC Germany supports and volunteers for the Tafeln" to ensure that, in the future, aid and relief continue to reach those who need it most. The donations collected flow into various projects, including the provision of equipment and the establishment of infrastructures for their important work, as well as into special projects for children, young people and senior citizens.

MENAPAK

SHARING HUGE HEART 'CARE BAGS'

Pizza Hut MENAPak addresses the needs of the hungry world by taking care of some of the basic needs of the laborers at our doorstep. In July 2014, during Holy month of Ramadan, which is also known as the month of giving, Pizza Hut and Yum! employees dug deep into their wallets and contributed donations that would fund 200 Huge Heart Care Bags. The bags were packed with goodies by associates and volunteers and then delivered by mini-bus to locations where the laborers gathered.

"It was delightful to see the expressions of joy on the faces of the laborers when they received this Care Bag as an expression of hope," said a volunteer. "It meant a lot to them, but it meant more to us because we returned home satisfied that we brought joy to someone else's life at least for a day."

SOUTH AFRICA

ADD HOPE

In South Africa, more than 12 million people go hungry every single day, with 3.3 million of them being children. KFC Add Hope is a nationwide fundraiser dedicated to feeding hungry children. KFC Add Hope supports 11 national beneficiaries and 79 franchisee programs on the ground ensuring the children that are supported by these organizations have access to nutritious meals every day. Thanks to over 22.1 million from our franchisee community contributions and the generous 22.6 million donated by customers for 2014, we were able to feed 40,000 more children a month in 2014. A hungry nation simply cannot be a growing nation and with the help of our beneficiaries on the ground such as JAM (Joint Aid Management) and SOS Children's Villages & Hope Worldwide, Add Hope feeds 70,000 children a month.



MINI CRICKET

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.



DELIVER HOPE

In South Africa, the harsh reality is that almost two-thirds of students do not have the money to eat regularly, which means they do not get the nutrition they need to make the most of their studies. Pizza Hut South Africa introduced Deliver Hope, a grass-roots campaign where the community can help young people look forward to an even brighter future.

Most recently, Pizza Hut South Africa partnered with MSY Joshua Group, where they will support 14 young people who are willing to grow as leaders and acquire life skills to empower them in further studies or training. At the completion of the program, the students will be equipped with drivers' licenses, basic computer skills, leadership skills and basic career choice exposure. Students that graduate from the program can assist other young people in the Hillbrow, South Africa community for a year.

RUSSIA

BUILDS PEOPLE CAPABILITY

KFC Russia and Commonwealth of Independent States developed "Orphan Teens Social Adaptation Program" due to the lack of social services available to orphaned teens and the subsequent incidence of homelessness among the demographic. The program, which started in December 2013, connects orphans who have aged out of residential settings to social service professionals. Currently, about 20 teens from Orphan Houses in Novosibirsk are participating.





Through sessions and trainings with psychologists, teachers, lawyers and other volunteers, the teens gain the practical skills they need to adapt to life outside their orphanages and thrive as adults. Those interested in KFC careers can train on-site in restaurants with the possibility of continuing full time after completing the program. The program has been recognized by Novosibirsk government officials for proactively addressing these issues.

NETHERLANDS

SUPPORTING EXERCISE THROUGH SPORTS

KFC Netherlands supports and stimulates a healthy lifestyle through partnering with local sports, soccer and rugby clubs. Specifically, KFC sponsors a team from Kooger Football Club from each year by providing KFC branded football gear, such as shirts, shorts, and socks. KFC also co-sponsors a nationally known soccer club, Feyenoord in Rotterdam where they sponsor a pupil's tournament activities. KFC is also a business sponsor at soccer club MVV Maastricht, where KFC branded footballs are shot into the audience by professional soccer players. Other sponsorships include support for Oemoemense Club in Middelburg, which allows the participants to train and play with KFC branded balls.

PIZZA HUT GLOBAL

DELIVER HOPE

At the local level, our Pizza Hut teams Deliver Hope by giving back to their neighbors and community through feeding, literacy and education. Pizza Hut Costa Rica was recognized by their local government for providing and nurturing employment of disabled individuals. Pizza Hut UK teams raised and donated a significant amount to Children in Need, an organization in the UK that strives for every child to grow up in a safe, happy and secure environment and is given the chance to reach their full potential. In Africa, our Pizza Hut teams have focused their energy around the Joshua Group, a programme that supports young people as they grow as leaders and acquire life skills to empower them in further studies or training.

UNITED KINGDOM

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 UK – a powerful and life-changing step 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 transferable skills such as food preparation, customer service, working in a fast-paced environment and being part of a team.



In 2014, 40 young people participated in the program and 10 of them successfully gained permanent employment at KFC UK. KFC UK donates to Barnardo's to help fund future students and grow the work placement program.

YUM! THAILAND

SCHOOL LUNCH PROGRAMS

Yum! Thailand collects funds throughout the year to provide nutritious lunches for healthier 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 to 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.

"Yum! Thailand is an organization that pays attention to the malnutrition of children in remote areas. Since 2011, 25,281,800 baht (US $773, 234) 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 and 10 schools in rural areas. On behalf of the children under the project, we would like to extend our gratitude to Yum! Thailand."

— **Sub-lieutenant Kitti Khaothanit**, Grand Chamberlain, H.R.H. Princess Sirindhorn's Agriculture for School Lunch Project

KFC and Pizza Hut in Thailand also raised funds and volunteered to help Thai residents in several communities affected by natural disasters.

KFC AND PIZZA HUT SEVEN SHOOT

KFC and Pizza Hut in Thailand are also committed to improving Thai society. Yum! Thailand supports Seven Shoot, the greatest 7-player youth football league in Thailand, 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 young people to make use of their spare time productively through sports and exercise. Football is considered a way to strengthen relationships among children, families, schools and communities. Most importantly, Yum! Thailand strives to help make dreams come true. The backbone of this campaign is the restaurant general managers and their team members who support and select children in each community.

In 2014, 3,049 teams participated in this program where the winning team receives an honorary trophy, 100,000 baht (US $3,036) scholarship and a once-in-a-lifetime chance to travel to Manchester, UK to join a 4 day workshop with Manchester City FC.

> For the fourth consecutive year, the American Chamber of Commerce in Thailand (AMCHAM) awarded this team the 2014 AMCHAM Corporate Social Responsibility Excellence Recognition and the Creative Partnership designation for excellence in creativity and innovation.

WORLD HUNGER RELIEF
VOLUNTEERISM
COMMUNITY ENGAGEMENT
YUM! FOUNDATION
LOCAL PARTNERSHIP PROGRAMS
U.S. BRANDS
INTERNATIONAL
CHINA
INDIA
DISASTER RELIEF
HARVEST

LOCAL PARTNERSHIP PROGRAMS YUM! 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 "help" - scholarship funds and opportunities, engaging in self-help via work-study employment opportunities with Yum!, and facilitating social responsibility projects in the name of their own association "First Light Commune." This project has been funded for 10 years and is being executed in phases through 2018. The total investment has reached nearly 12.4 million U.S. dollars (77 million Chinese Yuan). The project will cover 57 universities in 28 cities and helps more than 13,700 students complete four years of college.

YUM! CHINA HUNGER RELIEF PROGRAM

Since 2008, Yum! China has partnered with China Foundation for Poverty Alleviation (CFPA) and the World Food Programme to fight hunger. As part of Yum!'s global World Hunger Relief effort, the program aims to provide nutritious food for needy children in China's most poverty stricken mountainous regions.

By the end of 2014, Yum! China's WHR campaign raised more than US $16 million (over 100 million Chinese Yuan), which has provided 29 million supplemental meals for more than 145,000 children, and has donated 'Love Canteens' equipment to more than 500 schools in impoverished mountain areas. There are a total of 75 million consumers who participated in the donation campaign, making it one of the largest public donation campaigns in China.

China WHR Program won 'The best CSR Award' by Infzm (Infzm is the most influential Chinese credibility and the largest weekly circulation newspaper).

PIZZA HUT GREEN SCOUT CAMP



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

Pizza Hut also launched the "Pizza Hut Green Scout Camp" nationwide in 2010, which encourages the Student Society of Universities to deliver 6 courses of Environmental Protection knowledge in one full year's time to primary school students. The students will become "Pizza Hut Green Scout" if they successfully collect 6 pins after they complete all the six courses. With this program, we aim to bring two generations together to work for a green future.

From 2012, Pizza Hut entrusts NGO to execute "Green Scout" project, which promoted the development of this camp. By 2014, nearly 90,000 primary school students have completed their courses, becoming "Pizza Hut Green Scout". In Nanjing, the "Pizza Hut Green Scout" has become a mandatory course in Xiaozhuang primary school since Sep, 2012. "Pizza Hut Green Scout" is becoming the most influential environmental education project in China.

THREE-ON-THREE TOURNAMENT

In 2004, KFC China launched a national youth three-on-three basketball tournament, the largest corporate-sponsored grassroots sports program in Chinese history. The program started with 48,000 participants representing 640 restaurants from 172 cities. Today this program, in its 11th season, is the world's largest grassroots basketball program with more than 1.4 million participants and 35640 teams in 532 cities. We are thrilled with this growth and look forward to replicating the event internationally.





CHICKY HAPPY CAMPUT JOURNEY

Chicky Sports Game was started in Shanghai in 2003 with the goal to help children develop exercise habits and adopt a healthy lifestyle. At the end of 2014, the Chicky Sports Game has covered 20 cities across China, 3,560 schools have engaged and nearly 1,780,000 children and 20,000 parents have participated.

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LOCAL PARTNERSHIP PROGRAMS YUM! INDIA

WE BELIEVE IN ALL PEOPLE

Yum! India received the 2014 Economic Times Retail Award for its focus on employee diversity, specifically its commitment to hiring team members with hearing and speech impairments. The awards program, sponsored by financial publication The Economic Times and the Retailers Association of India, celebrates excellence in business operations, customer service, merchandise mix and corporate social development.

In 2013, Yum! India was recognized by Impact, an advertising and marketing magazine, as one of the "Brands that Lend More than a Hand." The article highlighted India's World Hunger Relief initiative and the specially-abled employment program, noting India's plan to hire 1,000 hearing and speech impaired employees by 2015 for 50 specially-abled KFC restaurants. Additionally, the KFC restaurants partnered with organizations in different cities that help with recruitment and training in the initial phases including training the managers on sign language. The stores have special equipment, which creates a more enabling environment. KFC currently has 20 specially-abled stores where hearing and speech-impaired employees account for more than 67% of the total staff.

> **"At Yum! India 'Growth with a Big Heart' is at the core of everything we do – whether it's our global hunger relief program launched in 2007, World Hunger Relief, or an employment program through which KFC employs the specially-abled (hearing and speech impaired)."**
>
> **Niren Chaudhary, President of Yum! India**

HUNGER TO HOPE KITCHEN

In support of World Hunger Relief 2014, Yum! India and Bollywood actor/celebrity Sharman Joshi joined forces to fight hunger at a "Hunger to Hope Kitchen" event held in a New Delhi KFC restaurant. Proceeds from the restaurant's sales for the day were donated to World Hunger Relief agencies. Additionally, Joshi joined Yum! associates at the Smile Foundation, a well-known non-governmental organization, where they enjoyed a youth dance performance. The Smile Foundation runs a nutrition program that benefits more than 300,000 underprivileged children on the subcontinent.

WORLD HUNGER RELIEF
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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, has assisted with many relief efforts in response to natural disasters. Whether they are providing hot meals, financial assistance 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.

WORLD HUNGER RELIEF >
VOLUNTEERISM
COMMUNITY ENGAGEMENT >
HARVEST



HARVEST
NO WASTE. NO HUNGER.

GOAL: BE A LEADING PREPARED FOOD DONATION PROGRAM BY DONATING PRODUCT FROM OUR RESTAURANTS TO FOOD BANKS AND OTHER CHARITABLE ORGANIZATIONS.

HARVEST

For more than 20 years, Yum! and our brands have demonstrated a commitment to solving hunger in the United States and around the world. Through the Yum! Harvest program, the world's oldest prepared food donation program, KFC, Pizza Hut and Taco Bell restaurants donate on average more than 10 million pounds of food annually to partner agencies nationwide and globally. Since 1992, the Yum! system has contributed more than 170 million pounds of product to more than 3,000 nonprofit organizations—a fair market value of $763.5 million.

The Yum! Harvest program offers a fantastic alternative to discarding surplus food. By donating to food banks and other charitable organizations across the country, we are feeding people instead of landfills. Each year, these charitable organizations serve more than 10 million meals of surplus food to those in need around the world.

We are committed to building on the success of this program and expanding the model to other countries to feed more people around the world.



OUR PARTNER

Food Donation Connection is the industry leader in coordinating prepared food donations, with more than 20 years experience of partnering together on our prepared food program.

"Food Donation Connection and Yum! Brands have been fighting against hunger, hand in hand, for more than 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

COMMUNITY BENEFITS

The program make significant local impact feeding the hungry in our own backyards. Our restaurants establish community partnerships through a one-to-one pairing with local hunger relief agencies. In exchange for picking up the donations and committing to safe food handling practices, local charities receive free, protein-rich foods.

ENVIRONMENTAL SUSTAINABILITY

Our surplus product donations are not only helping individuals in need, but 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. Landfills are a major source of human-related methane in the United States, accounting for more than 20 percent of all methane emissions. 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 300,000,000 pounds of greenhouse gasses from landfills!

HARVEST STORIES

Yum! Brands is committed to building upon our Harvest program successes in the U.S. by taking this program global. We are proud of teams around the globe who have committed to making positive changes in the countries where they operate. Here are just a few examples of the ways our teams around the world are leading the way with surplus food donations.

KFC AUSTRALIA

KFC Australia participates in Foodbank Australia's Food Rescue Program, donating surplus product from our warehouses to people in need. Through their efforts, 85% of suppliers are signed up to donate to Foodbank Australia. To date, this team has donated nearly 67,000 kilograms of food, equating to over 90,000 meals.

"KFC provides us with an array of ingredients from meat to sauces and seasonings, all of which are a great addition to our stock list. The two and a half thousand charities we supply with food around the country appreciate the variety as it enables them to provide tasty and nutritious meals. With KFC's help, we're striving to ensure that no one in Australia goes hungry."

Greg Warren, General Manager Foodbank Australia

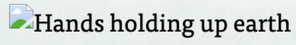
KFC HAWAII

KFC Hawaii forged a partnership with Aloha Harvest in 1998. Over the past 14 years, these restaurants have donated more than 765,210 pounds to feed the hungry in Hawaii. In 2014 alone, Hawaii donated more than 30,490 pounds of food to Aloha Harvest! The team was recently recognized by Aloha Harvest for their generous donations and committed partnership.

OUR GOALS
GREEN BUILDINGS
ENERGY EFFICIENCY
WATER CONSERVATION
SUPPLIER SCORECARD
PAPER-BASED PACKAGING
WASTE RECOVERY & RECYCLING
ENVIRONMENT POLICIES
RECOGNITION & RANKINGS
ENVIRONMENT IN ACTION



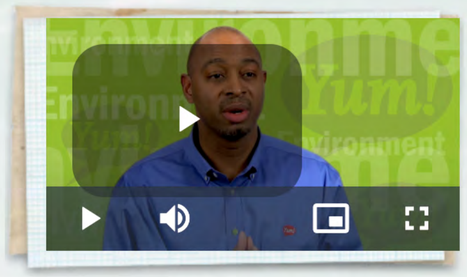
OUR ENVIRONMENT



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 BUILDINGS
ENERGY EFFICIENCY
WATER CONSERVATION
SUPPLIER SCORECARD
PAPER-BASED PACKAGING
WASTE RECOVERY AND RECYCLING



ENVIRONMENTAL SUSTAINABILITY

OUR GOALS
GREEN BUILDINGS
ENERGY EFFICIENCY
WATER CONSERVATION
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OUR ENVIRONMENTAL GOALS

Environmental stewardship is at the heart of how we do business. With more than 41,000 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 work to 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 customers love.

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

We are pleased to share the great progress we've made along our environmental sustainability journey thanks to 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 will continue to work diligently to achieve our enterprise-wide sustainability goals.

1. Design and build all new company-owned restaurants to be LEED certifiable by the end of 2015.
2. Reduce energy consumption in company-owned restaurants by 15% by the end of 2015.
3. Reduce water consumption in company-owned restaurants by 10% by the end of 2015.
4. Implement supplier environmental audits by 2015.
5. Purchase 100% of our paper-based packaging with fiber from responsibly managed forests and recycled sources by 2020.
6. Minimize waste within our stores through increased efforts in oil and corrugate recycling and food donation.

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GREEN BUILDINGS

GOAL: DESIGN AND BUILD ALL NEW COMPANY-OWNED RESTAURANTS TO BE LEED CERTIFIABLE BY THE END OF 2015.

PROGRESS: BELOW 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 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 to all new buildings. We currently have over 4,200 restaurants that include solutions derived from the E³ Initiative

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. During the course of our green building journey, Yum! has designed and built over 20 LEED certified buildings across nine countries. Our certification total is the second highest among restaurateurs in late 2014.

We're more than half way to meeting our goal of requiring 100% LEED certifiable buildings for new company-owned restaurants by the end of 2015. We have developed a streamlined roadmap to LEED for our restaurants called Blueline. It uses restaurant relevant aspects of LEED and provides specific, actionable solutions tested in our foundational green buildings. This roadmap was developed by our Global Sustainability department and development partners from around the world including Australia, China, France, Thailand and the United Kingdom. Projects using the Blueline system are capable of pursuing certification under the LEED rating system.

We are pleased to share our success on the journey to meet our goal for company-owned restaurants but have not forgotten that franchise partners will benefit the most from green building. Leading franchisees have already embraced approaches and we are working to set green building goals with them as we look toward 2020.

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ENERGY EFFICIENCY

GOAL: REDUCE ENERGY CONSUMPTION IN COMPANY-OWNED RESTAURANTS BY 15% BY THE END OF 2015.

PROGRESS:
ON TARGET



Energy consumption is a key part of green building design and is part of our roadmap to sustainable restaurant design via Blueline. We continue to devote substantial effort to finding new and innovative ways to reduce energy usage in new and existing restaurants in order to reduce the impact our restaurants have on the environment. More efficient technologies for lighting, air conditioning, and refrigeration continue to be developed and we carefully evaluate and apply these technologies when they provide the right balance of environmental and economic benefits.

We value our long-term relationships with 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 continue to build our know-how on emerging technologies and to work cooperatively within the restaurant industry to drive more energy efficient practices.

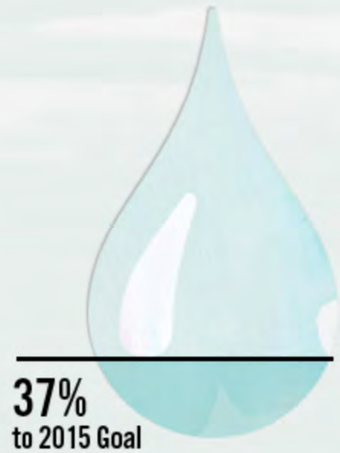
The end of 2014 marked the 9th year of our 10 year goal to reduce energy consumption by 15% in our company-owned restaurants. Our teams had a record year resulting in the accumulated savings from their efforts of over 530 million kilowatt hours. The environmental impact has been significant with an accumulated reduction of almost 1.2 million metric tons of CO_2 since 2009. As a result of the teamwork, we have now surpassed the 14% mark and are moving closer to achieving our 15% goal. We fully expect to surpass the 15% mark in 2015 and will set new targets as we look to 2020.

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WATER CONSERVATION

GOAL: REDUCE WATER CONSUMPTION IN COMPANY-OWNED RESTAURANTS BY 10% BY THE END OF 2015.

PROGRESS:
BELOW TARGET



As we continue to grow and develop restaurants around the world, we recognize our responsibility to do our part by using as little water as we can while serving our customers. We've developed requirements for our ice machines, dishwashers, restroom fixtures and irrigation systems designed to reduce our water use. New innovative technologies continue to be sought out and evaluated so they may be implemented to further reduce our water footprint.

Restaurant teams are working to implement water saving technologies such as low flow faucets and restroom fixtures inside our restaurants as well as to optimize irrigation systems and timers outside our stores. In 2014, the accumulated savings from these, and previous initiatives, resulted in the reduction of over 220 million gallons of water. It's impressive to be able to report that we've saved 577 million gallons of water over the past nine years, but recognizing this is 37% of our target energizes us to keep working to find even more ways to achieve our goal.

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SUPPLIER SCORECARD

GOAL: IMPLEMENT SUPPLIER ENVIRONMENTAL AUDITS BY 2015.

PROGRESS: IMPLEMENTED



Along the journey to reducing our global carbon footprint, we recognized the need for an environmental audit of our suppliers. Our objective was to assess our suppliers in five key areas: energy efficiency, water efficiency, waste/recycling, pollution reduction and environmental management. We successfully added the capability to all of our markets globally to audit their suppliers. The audit drives awareness as well as sustainable behaviors and actions within our supply chain.

Our brands are currently performing the environmental audit in many of our markets. Each year we will continue to introduce the audit into additional markets. We are committed to developing the capability of our suppliers to take action to improve their environmental sustainability. Continued audits will enable us to highlight and recognize supplier performance as they undertake a journey to reduce their footprint on their communities and wider planet.

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PAPER-BASED PACKAGING

GOAL: PURCHASE 100% OF PAPER-BASED PACKAGING WITH FIBER FROM RESPONSIBLY MANAGED FORESTS AND RECYCLED SOURCES BY 2020.

PROGRESS:
IN PROGRESS



Given the large volume of packaging we buy, Yum! is uniquely positioned to provide environmentally preferable packaging to our customers 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. To support our responsible-packaging procurement commitment we depend on our suppliers, manufacturers, converters, distributors and retailers who provide us with paper-packaging. For this reason we have set the following principles that guide our purchasing decisions.

Yum! is committed to making sustainable packaging a priority. In support of this commitment, we have developed a Sustainable Sourcing Policy.

We are working towards measuring our performance against our goal. In 2013 Yum! surveyed our global suppliers and gathered data on all paper-based packaging sourcing to assess our current state. The survey asked questions about recycled and certified fiber content, country of forest fiber origin, fiber species, environmental management systems, and several other parameters.

This survey allowed us to better evaluate our paper-packaging supply base against our responsible paper sourcing policy. Through this process, we gained robust understanding of the forest sources of our paper-packaging. We identified higher risk sources and took action in specific regions to avoid and phase out unwanted sources. We also identified opportunities to accelerate our progress toward more recycled or certified fiber sources.

Transitioning procurement practices is a process that takes time. Our long-term intention is that all wood fiber used in products that we purchase or specify is sourced from well-managed forests that have been certified to credible certification standards and/or are from recycled materials. To ensure that best practice is followed we count on the engagement with our committed suppliers and input from key stakeholders. Last year, we sought input from World Wildlife Fund to our responsible paper-packaging policy and sourcing program strategies and were able to take actions around phasing out or avoiding unwanted fiber sources, progressively increasing credibly certified and recycled content, and establishing robust baselines, internal protocols, measurable regional targets and action plans in sustainable paper-based packaging sourcing.

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WASTE RECOVERY AND RECYCLING

GOAL: MINIMIZE WASTE WITHIN OUR STORES THROUGH INCREASED EFFORTS IN OIL AND CORRUGATE RECYCLING AND FOOD DONATION.

PROGRESS:
ON TARGET



Through our oil recycling, corrugate recycling and our Harvest program, our store waste audits have helped us estimate that a large percentage of our back‑of‑the house waste is currently recycled or donated. For example, we recycle nearly 40 million pounds of cooking oil and repurpose it primarily for biodiesel and animal feed. Yum! is committed to implementing projects to reduce, reuse and recycle our food and packaging waste. This includes food donation, diverting waste from landfills and packaging reclamation programs.

Reducing the amount of waste generated from restaurant operations is a significant environmental challenge. Our waste reduction efforts address both restaurant operations as well as our corporate offices. While each of these areas of operation have 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, Food Waste Reduction Alliance and WRAP to further food waste recovery and recycling efforts. We are in the process of establishing our 2020 goal for waste and recycling, which will provide more measureable and robust targets for our brands globally.

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ENVIRONMENT POLICIES

PALM OIL POLICY

Yum! is still committed to implementing its global nutritional policy that includes removal of palm oil as cooking oil in restaurants by 2017. In extenuating circumstances and by exception, markets that will not meet our nutrition policy timeline will have a plan in place to source 100% sustainable palm oil by the end of 2017.

Our goal is to source 100% of our palm oil from responsible and sustainable sources by the end of 2017. We will also give preference to suppliers that are RSPO certified. In addition, we will source palm oil only from suppliers whose operations meet the following principles:

- *No development on High Conservation Value (HCV) landscape or High Carbon Stock (HCS) forests. While the HCS methodology is being refined by field testing and science review, new plantings should only be established in low carbon stock areas.*
- *No development on peatlands regardless of depth, and use of best management practices for existing plantations on peat.*
- *Compliance with country laws and regulations and our supplier code of conduct.*
- *Prevention and resolution of social and/or land conflicts consistent with the principle of free prior and informed consent.*
- *Traceability to the extraction mill and validation of fresh fruit bunches.*
- *Through the Yum! Global Supplier Code of Conduct and our Human and Labor Rights Policy we are committed to the respect and protection of human rights including not employing underage children or forced laborers and prohibiting physical punishment or abuse.*

We will continue to work with our suppliers globally to update data and report on our progress in fulfilling our palm oil commitment annually in the Yum! CSR Report.

SUSTAINABLE SOURCING POLICY

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

1. *Yum! will not knowingly buy paper-based packaging products that were made with fiber that comes from illegal or the following unwanted sources:*
    a. *Wood harvested from forests that have been converted to plantations or non-forest use*
    b. *Wood from high conservation value forests, unless those forests are credibly certified*
    c. *Wood where the source forest and species are unknown*
    d. *Wood harvested in a manner that violates human rights*
    e. *Wood harvested that violates local or international laws*
2. *We will give preference to suppliers who provide paper-packaging certified by a third-party, which meets the most rigorous forest management standards. Currently the Forest Stewardship Council (FSC) standard is considered the most rigorous forest certification by leading conservation organizations. However, we must manage this aspiration in the context of technical requirements, uneven supply, and other business and regulatory considerations. Therefore we also recognize certifications from other national certifications endorsed by the Programme for the Endorsement of Forestry Certification (PEFC) and the Sustainable Forestry Initiative (SFI), provided the fiber avoids the unwanted sources listed above.*
3. *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 is 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.*
4. *To show compliance with this sourcing policy, suppliers should substantiate their claims that fibers used to produce the paper-packaging were legally harvested and traded and that they do not come from unwanted sources as outlined above.*

OUR GOALS
GREEN BUILDINGS
ENERGY EFFICIENCY
WATER CONSERVATION
SUPPLIER SCORECARD
PAPER-BASED PACKAGING
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ENVIRONMENT IN ACTION

RECOGNITION & RANKINGS

Incorporating sustainability into business is a journey and we acknowledge our responsibility to be environmentally responsible corporate stewards. Telling our story and reporting progress in a transparent way is critical to our path of improvement. We are appreciative of the feedback and recognition that we receive for our efforts.

CARBON DISCLOSURE PROJECT

Since 2010, Yum! has participated in the Carbon Disclosure Project. This international evaluation looks at how well companies are reducing their carbon footprint on their path to improving their long-term impact on the environment. Our participation is a strong symbol of our commitment to transparency and the environment. In 2014 we received a disclosure score of 95 and performance grade of B.

We encourage you to view the full 2014 report by clicking here.

CARBON TRUST CERTIFICATION

In 2011, KFC in the United Kingdom achieved the Carbon Trust Standard for the first time. The Carbon Trust recognizes companies for reducing their greenhouse gas emissions over time. We are in the final stages of completing our recertification which retroactively covers the past three years. An overall carbon footprint reduction during the recertification period is expected.

NEWSWEEK GREEN RANKINGS

Yum! was named to the 2014 Newsweek Green Rankings, which ranks the world's 500 largest companies, globally and in the U.S., on corporate sustainability and environmental impact. We will continue to strive to make meaningful change that we expect to reflect positively in our ranking on both the global and US list where we are listed at 399 and 308 respectively. To view the full rankings, click here

SOCIAL INNOVATION SUMMIT



Roger McClendon, Yum!'s Chief Sustainability Officer, represented Yum! at the Social Innovation Summit in San Francisco. This event takes place twice a year and represents a global convening of Fortune 500 companies, non-profits, the education sector, and others, all focused on social responsibility and innovation that leads to real change in the world around us.

Roger participated in a panel discussion that focused on the future of sustainable brands. Panelists discussed how business can be a force for good in society and shared how sustainability creates positive change. At Yum!, as Roger stated, "Sustainability is vital to our business. In optimizing how we can be more efficient and minimize our environmental impact through innovation, we actually create a powerful business case and example for others to follow."

USGBC LEED IN MOTION



Yum! was honored by USGBC by being included in their recent publication "LEED in Motion: Retail." It provides an overview of global progress in the green building movement using the LEED rating system. Their LEED Spotlight focused on Jonathan Balas, AIA, LEEP-AP, Yum! Senior Manager, Global Sustainability. "Green buildings are a core component in our approach to reduce the environmental footprint for our KFC, Taco Bell and Pizza Hut restaurants", said Jonathan. To review the report, click here.

AUSTRALIA: FINALIST IN BANKSIA AWARDS

This year, for the first time, KFC Australia was named a finalist in the Banksia Sustainability Awards, Large Business Category. As the first Quick Service Restaurant finalist in this category, KFC Australia was recognized for a number of first-to-market sustainability innovations and solutions.

Now in its 26th year, the Banksia Foundation is Australia's preeminent organization recognizing and promoting innovative sustainable development and practice. We're proud to be sitting among other leading companies in relation to our sustainability initiatives and we're committed to driving this forward across the industry.

AUSTRALIA: SUSTAINABLE PACKAGING HIGH PERFORMER RATING

KFC Australia is committed to making sustainable packaging a priority. As a signatory to the Australian Packaging Covenant (APC), we constantly evaluate our packaging design, embedding the Sustainable Packaging Guidelines into our processes and new product development. We have made significant inroads with our APC annual action plans and were given "High Performer" recognition in 2014 for our submission.

UNITED KINGDOM: FIRST SUPPLIER AWARD FOR SUSTAINABILITY



In 2014, KFC UK awarded its first ever supplier award for sustainability. More than 20 submissions were received for this new award recognizing the supplier who made the biggest positive environmental impact.

The winner was JBS/Seara for using originally unusable portions of their poultry as a fuel. They turned a waste stream into a renewable energy source using innovation to meet their aspiration to create a closed cycle in their use of natural resources. Their 2013 trial showed that they can completely eliminate their use of fossil fuels on site and reduce Co^2 emission by 98%. A fantastic achievement. Congratulations to all of our amazing suppliers who are impacting the environment and their communities in a sustainable way.

ENVIRONMENT IN ACTION

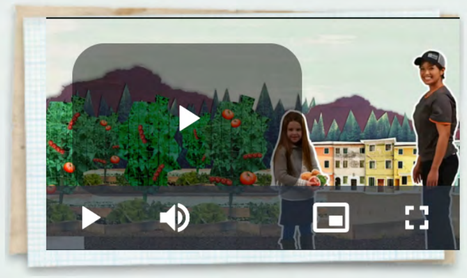
We are proud of our collective sustainability actions taking place all around the world. Learn more about how our brands are being good environmental stewards and the impacts they are having by clicking on a country or icon below.

CLICK AN ICON BELOW AND THE STORY WILL APPEAR BELOW THE MAP.

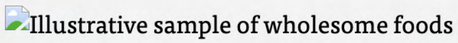


GREEN BUILDINGS
ENERGY EFFICIENCY
WATER CONSERVATION
PAPER-BASED PACKAGING
ENGAGING COMMUNITIES WITH SUSTAINABILITY
WASTE RECOVERY & RECYCLING

LETTER FROM OUR CEO >



OUR STORY



REPORTING LIBRARY

We believe that having clear accountably to our CSR efforts is essential to demonstrating our true commitment to being a good corporate citizen. With this in mind, we will continue to make available our current and past reports to provide stakeholders a means to track our progress over time.

YUM! CSR REPORTS

- 2008
- 2010
- 2012
- 2013
- 2014

PERFORMANCE SUMMARIES

MARKET CSR REPORTS

- KFC Australia
- KFC France
- KFC United Kingdom and Ireland