

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Yum! Brands, Inc., based in Louisville, Kentucky, has over 50,000 restaurants in more than 150 countries and territories primarily operating the Company's brands – KFC, Pizza Hut, and Taco Bell – global leaders of the chicken, pizza, and Mexican-style food categories. Starting at end of the first quarter of 2020 the Company's family of brands includes The Habit Burger Grill, a fast-casual restaurant concept specializing in made-to-order chargrilled burgers, sandwiches and more. In 2019, Yum! Brands was named to the Dow Jones Sustainability North America Index and ranked among the top 100 Best Corporate Citizens by Corporate Responsibility Magazine.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	January 1 2019	December 31 2019

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

USD

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on. For each forest risk commodity selected, identify the stages of the supply chain which best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Disclosing	Retailing	<Not Applicable>
Palm oil	Disclosing	Retailing	<Not Applicable>
Cattle products	Disclosing	Retailing	<Not Applicable>
Soy	Not disclosing	Retailing	We have elected to focus on timber, palm oil, and cattle during this reporting cycle as we have set and are working toward meeting goals in these areas. We acknowledge that all commodities which impact deforestation are important and are evaluating reporting in additional areas in the future. Soy is used in our products as an oil, secondary ingredient, and as animal feed for our animal proteins. Most of soy is used as an embedded, secondary ingredient for which we don't have direct insight or control. We are working to better understand this supply chain so we can provide more transparency and help identify risk over time, with an initial focus on the direct sourcing of poultry purchasing. We recognize that the soy supply chain is very complex and the process for accessing data and accurately reporting will require a phased approach. Our ongoing work with WWF and the Accountability Framework for an ethical supply chain will be critical to guiding our path forward, which will include setting commitments, taking action and demonstrating progress in regard to our deforestation free commitment, traceability and monitoring and verification. This includes a landscape analysis and strategic plan to better understand how to reduce deforestation risks.
Other - Rubber	This commodity is not produced, sourced or used by our organization	<Not Applicable>	<Not Applicable>
Other - Cocoa	Not disclosing	Retailing	We have elected to focus on timber, palm oil, and cattle during this reporting cycle as we have set and are working toward meeting goals in these areas. We acknowledge that all commodities which impact deforestation are important and are evaluating reporting in additional areas in the future. The quantity of cocoa procured is very low and not a material component of our business.
Other - Coffee	Not disclosing	Retailing	We have elected to focus on timber, palm oil, and cattle during this reporting cycle as we have set and are working toward meeting goals in these areas. We acknowledge that all commodities which impact deforestation are important and are evaluating reporting in additional areas in the future.

F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Direct operations	Facility	Corporate offices and back-of-house restaurant operations	Potential for forests-related risk but not evaluated	The timber data reported reflects our current sustainable fiber sourcing policy and goal which applies to paper-based food and beverage packaging used in our restaurants and not to our corporate offices, also known as Restaurant Support Centers (RSCs) or to packaging used to ship products to us (e.g. to transport food packaging to the restaurants). Similarly, any palm oil used as an imbedded ingredient in food served or other products used in our corporate offices is not part of our policy and is excluded from this analysis.
Supply chain	Specific product line(s)	Palm oil used as a secondary ingredient	Potential for forests-related risk but not evaluated	The palm oil data reported reflects our current sustainable palm oil policy and goal which applies to palm oil used as cooking oil because the majority of our palm oil is used as cooking oil. Certain brands in certain markets such as Taco Bell US have applied the policy to all palm oil used – including that which is used as secondary ingredients, but that is not included in this disclosure.

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Timber products

Activity

Retailing/onward sale of commodity or product containing commodity
 Other, please specify (Buying manufactured product)

Form of commodity

Paper
 Primary packaging

Source

Contracted suppliers (manufacturers)

Country/Area of origin

Argentina
Australia
Belgium
Brazil
Canada
Chile
China
Colombia
Costa Rica
Cyprus
Czechia
Egypt
Finland
France
Germany
Hungary
India
Indonesia
Italy
Japan
Kazakhstan
Lebanon
Malaysia
Mexico
Netherlands
Pakistan
Peru
Philippines
Poland
Puerto Rico
Republic of Korea
Romania
Russian Federation
Saudi Arabia
Serbia
Slovakia
South Africa
Spain
Sweden
Taiwan, Greater China
Thailand
Trinidad and Tobago
Turkey
Ukraine
United Arab Emirates
United Kingdom of Great Britain and Northern Ireland
United States of America
Viet Nam

% of procurement spend

6-10%

Comment

Based on our position in the supply chain as a quick-service restaurant company, we procure paper-based packaging manufactured for our food products and in our own printed marketing materials. Paper-based packaging is then used to serve, transport, protect and market our food products. Our provided procurement spend has been estimated from submitted global survey responses and is used to approximate our total spend.

Palm oil

Activity

Retailing/onward sale of commodity or product containing commodity
Other, please specify (Buying manufactured product)

Form of commodity

Refined palm oil

Source

Contracted suppliers (manufacturers)

Country/Area of origin

China
Dominican Republic
Ecuador
India
Indonesia
Malaysia
Peru
Thailand

% of procurement spend

1-5%

Comment

Based on our position in the supply chain as a quick-service restaurant company, we procure manufactured palm oil for use as cooking oil to prepare products such as fried chicken. Many markets use alternative cooking oils. Our procurement spend on palm oil has been estimated from submitted global survey responses. Countries of origin for palm oil are based on information received through the global supplier survey. As such, there may be markets that receive supplies from additional countries.

Cattle products

Activity

Retailing/onward sale of commodity or product containing commodity
Other, please specify (Buying manufactured product)

Form of commodity

Beef

Source

Contracted suppliers (processors)

Country/Area of origin

Brazil
Canada
Costa Rica
El Salvador
Guatemala
Ireland
Malaysia
Taiwan, Greater China
Tunisia
United Kingdom of Great Britain and Northern Ireland
United States of America

% of procurement spend

6-10%

Comment

Our beef use is largely by our Taco Bell brand. Over 90% percent of the restaurants are located within the United States and the vast majority of the brand's beef sourcing is from the United States. Over 99% of our beef comes from origins of lower deforestation risk. Countries of origin for beef are based on information received through the global supplier survey. As such, there may be markets that receive supplies from additional countries. This is the first year of reporting and we will continue to improve data collection in the future.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Timber products	<1%	Timber is used as a raw material for our paper-based packaging, which is primarily a vehicle to serve, transport, protect, and market our food products. As such, revenue is not dependent on this commodity as alternative commodities could likely be sourced to supplement and/or replace paper-based packaging, if needed. We don't calculate revenues generated from our paper-based food packaging as it is not sold independently of our food products. Secondly, our policy and goal for paper-based packaging supports both the sustainable forest management of the raw material and the amount of recycled content going into the manufactured product; the two factors are weighted equally and not evaluated separately (e.g. one's impact on revenue compared to the other's). Therefore, we do not know the percent of revenue dependent on timber alone and have selected less than 1%.
Palm oil	<1%	Palm oil is used primarily for cooking oil as well as an ingredient for some food products in some markets. As such, revenue is not dependent on this commodity as alternative commodities could likely be sourced to supplement and/or replace its use, if needed. We don't calculate revenues generated from palm oil alone because it is not sold as an independent final food product. As a result, we have selected less than 1%.
Cattle products	6-10%	We do not calculate revenues generated by beef alone. Beef is used as a food ingredient. It is used primarily by Taco Bell which comprises about 15% of our total restaurant count. Based percentage of procurement for food and packaging for beef in the United States we have extrapolated an estimate of system sales that could be considered to be linked to beef.
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Timber products	Consumption data available, disclosing
Palm oil	Consumption data available, disclosing
Cattle products	Consumption data available, disclosing
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F1.5a

(F1.5a) Disclose your production and/or consumption data.

Forest risk commodity

Timber products

Data type

Consumption data

Volume

557325

Metric

Metric tons

Data coverage

Partial commodity production/consumption

Please explain

We issued a global survey for our entire business, through our brands, requesting that all suppliers report on packaging products containing timber (via fiber used in paper packaging) used in our restaurants 2019. Data from our business units included responses from franchisees and suppliers. We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. This methodology provides the means to ensure full representation. The resulting total volume collected from the global survey was cross-checked on an average volume per restaurant basis within our markets. This comparison confirmed that the total reported consumption was reasonable and within the bounds of expectations. Therefore, we are disclosing an estimate of our full consumption data using our partial actual data received in response to our survey.

Forest risk commodity

Palm oil

Data type

Consumption data

Volume

179899

Metric

Metric tons

Data coverage

Partial commodity production/consumption

Please explain

We issued a global survey for our entire business, through our brands, requesting that all suppliers report on palm oil used for cooking purposes in our restaurants in 2019. Data from our business units include responses from franchisees and suppliers. We were pleased to receive responses representing an estimated 99% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. This methodology provides the means to ensure full representation. Therefore, we are disclosing an estimate of our full consumption data using our partial actual data received in response to our survey.

Forest risk commodity

Cattle products

Data type

Consumption data

Volume

190560

Metric

Metric tons

Data coverage

Partial commodity production/consumption

Please explain

We issued a global survey for our entire business, through our brands requesting that all suppliers report beef used for in our restaurants in 2019. Over 93% of our beef is used by Taco Bell. KFC does not use a material amount of beef. For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. This methodology provides the means to ensure full representation. Therefore, we are disclosing an estimate of our full consumption data using our partial actual data received in response to our survey.

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Timber products

Country/Area of origin

Argentina

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Buenos Aires)

% of total production/consumption volume

0.02

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from Argentina is estimated to represent 0.02% of our total timber volume and is sourced from the Buenos Aires region.

Forest risk commodity

Timber products

Country/Area of origin

Australia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (South Australia, Queensland, Victoria, Western Australia, New South Wales)

% of total production/consumption volume

3.13

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from Australia is estimated to represent 3.13% of our total timber volume and is sourced from the South Australia, Queensland, Victoria, Western Australia, New South Wales regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Timber products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Paraná, São Paulo)

% of total production/consumption volume

10.62

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from Brazil is estimated to represent 10.62% of our total timber volume and is sourced from the Paraná and São Paulo regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Timber products

Country/Area of origin

Colombia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Valle del Cauca)

% of total production/consumption volume

0.67

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from Colombia is estimated to represent 0.67% of our total timber volume and is sourced from the Valle del Cauca region.

Forest risk commodity

Timber products

Country/Area of origin

India

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Telangana, Gujrat, Utarakhand, Maharashtra)

% of total production/consumption volume

2.23

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were

pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from India is estimated to represent 2.23% of our total timber volume and is sourced from the Telangana, Gujrat, Utarakhand, and Maharashtra regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Timber products

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (East Java, Kediri)

% of total production/consumption volume

0.56

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from Indonesia is estimated to represent 0.56% of our total timber volume and is sourced from the East Java and Kediri regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Timber products

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Penang)

% of total production/consumption volume

1.9

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from Malaysia is estimated to represent 1.90% of our total timber volume and is sourced from the Penang region.

Forest risk commodity

Timber products

Country/Area of origin

Mexico

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Querétaro, Estado de Mexico)

% of total production/consumption volume

1.66

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from Mexico is estimated to represent 1.66% of our total timber volume and is sourced from the Querétaro and Estado de Mexico regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Timber products

Country/Area of origin

Peru

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Lima)

% of total production/consumption volume

0.35

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from

reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from Peru is estimated to represent 0.35% of our total timber volume and is sourced from the Lima region.

Forest risk commodity

Timber products

Country/Area of origin

Philippines

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Manila)

% of total production/consumption volume

0.54

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from Philippines is estimated to represent 0.54% of our total timber volume and is sourced from the Manila region.

Forest risk commodity

Timber products

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Samut Prakan, Thep Maha Nakhon)

% of total production/consumption volume

0.65

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from Thailand is estimated to represent 0.65% of our total timber volume and is sourced from the Samut Prakan and Thep Maha Nakhon regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Timber products

Country/Area of origin

Viet Nam

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Bac Giang, Hau Giang)

% of total production/consumption volume

0.04

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from Vietnam is estimated to represent 0.04% of our total timber volume and is sourced from the Bac Giang and Hau Giang regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Timber products

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

9.95

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. This methodology provides the means to ensure full representation. Proxy data does not provide an accurate confirmation of country of origin compared to actual survey responses, so we have selected "Unknown" for the purposes of this disclosure.

Forest risk commodity

Timber products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

67.68

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on packaging products containing timber (via fiber used in paper-based packaging). In our 2019 survey, we requested all global timber suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of timber production facilities. Based on the results of the 2019 survey, timber sourced from countries of low deforestation risk represents 67.68% of our total timber volume. These countries include Belgium, Canada, Chile, China, Costa Rica, Cyprus, Czechia, Egypt, Finland, France, Germany, Italy, Japan, Kazakhstan, Lebanon, Netherlands, Pakistan, Poland, Puerto Rico, Romania, Russian Federation, Saudi Arabia, Serbia, South Africa, South Korea, Spain, Sweden, Taiwan, Trinidad and Tobago, Turkey, Ukraine, United Arab Emirates, United Kingdom, and United States of America. Pursuant to CDP Guidance, our volumes from these countries have been disclosed together within this row.

Forest risk commodity

Palm oil

Country/Area of origin

Ecuador

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Esmeraldas, Sucumbios)

% of total production/consumption volume

1.05

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on palm oil used for cooking purposes in our restaurants. In our 2019 survey, we requested all global palm oil suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to receive responses representing an estimated 99% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of the palm oil mill and/or refiner. Based on the results of the 2019 survey, palm oil sourced from Ecuador is estimated to represent 1.05% of our total palm oil volume and is sourced from the Esmeraldas and Sucumbios regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Palm oil

Country/Area of origin

India

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Maharashtra, West Bengal, Andhra Pradesh, Gujarat)

% of total production/consumption volume

3.06

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on palm oil used for cooking purposes in our restaurants. In our 2019 survey, we requested all global palm oil suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to receive responses representing an estimated 99% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of the palm oil mill and/or refiner. Based on the results of the 2019 survey, palm oil sourced from the India is estimated to represent 3.06% of our total palm oil volume and is sourced from the Maharashtra, West Bengal, Andhra Pradesh, and Gujarat regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Sumatra, Bengkulu, Kalimantan, Banten, Bangka, Belitung)

% of total production/consumption volume

48.22

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on palm oil used for cooking purposes in our restaurants. In our 2019 survey, we requested all global palm oil suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to receive responses representing an estimated 99% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of the palm oil mill and/or refiner. Based on the results of the 2019 survey, palm oil sourced from Indonesia is estimated to represent 48.22% of our total palm oil volume and is sourced from the Sumatra, Bengkulu, Kalimantan, Banten, Bangka, and Belitung regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Johor, Kedah, Kelantan, Melaka, Negeri Sembilan, Pahang, Perak, Sabah, Selangor, Terengganu)

% of total production/consumption volume

33.52

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on palm oil used for cooking purposes in our restaurants. In our 2019 survey, we requested all global palm oil suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to receive responses representing an estimated 99% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of the palm oil mill and/or refiner. Based on the results of the 2019 survey, palm oil sourced from Malaysia is estimated to represent 33.52% of our total palm oil volume and is sourced from the Johor, Kedah, Kelantan, Melaka, Negeri Sembilan, Pahang, Perak, Sabah, Selangor, and Terengganu regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Palm oil

Country/Area of origin

Peru

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Ucayali)

% of total production/consumption volume

0.01

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on palm oil used for cooking purposes in our restaurants. In our 2019 survey, we requested all global palm oil suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to receive responses representing an estimated 99% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of the palm oil mill and/or refiner. Based on the results of the 2019 survey, palm oil sourced from Peru is estimated to represent 0.01% of our total palm oil volume and is sourced from the Ucayali region.

Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Chumporn, Kanchanaburi, Krabi, Nakhonsrithammarat, Narathiwat, Pathumthani, Prachuap Khiri Khan, Ranong, Surat Thani, Suratthani, Trang, Trat)

% of total production/consumption volume

3.71

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on palm oil used for cooking purposes in our restaurants. In our 2019 survey, we requested all global palm oil suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to receive responses representing an estimated 99% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. Reporting gaps associated with countries of origin have been estimated based on reported location of the palm oil mill and/or refiner. Based on the results of the 2019 survey, palm oil sourced from Thailand is estimated to represent 3.71% of our total palm oil volume and is sourced from the Chumporn, Kanchanaburi, Krabi, Nakhonsrithammarat, Narathiwat, Pathumthani, Prachuap Khiri Khan, Ranong, Surat Thani, Suratthani, Trang, and Trat regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time.

Forest risk commodity

Palm oil

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

4.63

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on palm oil used for cooking purposes in our restaurants. In our 2019 survey, we requested all global palm oil suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to receive responses representing an estimated 99% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. This methodology provides the means to ensure full representation. Proxy data does not provide an accurate confirmation of country of origin compared to actual survey responses, so we have selected "Unknown" for the purposes of this disclosure.

Forest risk commodity

Palm oil

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

5.8

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on palm oil used for cooking purposes in our restaurants. In our 2019 survey, we requested all global palm oil suppliers to report the states, provinces, and regions within the country of origin (if known). We were pleased to receive responses representing an estimated 99% of our global store count of over 50,000 restaurants. For restaurants that were not represented by the survey results, we have either added an estimate based on submitted data from the previous reporting period or added an estimate of consumption based on a per restaurant average from reporting restaurants. Based on the results of the 2019 survey, palm oil sourced from countries of low deforestation risk represents 5.80% of our total palm oil volume. These countries include China and the Dominican Republic. Pursuant to CDP Guidance, our volumes from these countries have been disclosed together within this row.

Forest risk commodity

Cattle products

Country/Area of origin

Brazil

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Minas Gerais, Goiás, Mato Grosso, Mato Grosso do Sul)

% of total production/consumption volume

0.49

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on beef used in our restaurants. In our 2019 survey, we requested all global beef suppliers to report the states, provinces, and regions within the country of origin (if known). We received responses representing an estimated 70% of our Pizza Hut and Taco Bell restaurants (KFC does not use a material amount of beef). For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. Based on the results of our 2019 analysis, beef sourced from Brazil is estimated to represent 0.49% of our total beef volume and is sourced from the Minas Gerais, Goiás, Mato Grosso, and Mato Grosso do Sul regions. Detailed location information regarding the proportion sourced from each jurisdiction is not available at this time. Please note that this is our first year of reporting this commodity and we look forward to continued improvement in data collection in the future.

Forest risk commodity

Cattle products

Country/Area of origin

Guatemala

State or equivalent jurisdiction

Don't know

% of total production/consumption volume

0.23

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on beef used in our restaurants. In our 2019 survey, we requested all global beef suppliers to report the states, provinces, and regions within the country of origin (if known). We received responses representing an estimated 70% of our Pizza Hut and Taco Bell restaurants (KFC does not use a material amount of beef). For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. Based on the results of our 2019 analysis, beef sourced from Guatemala is estimated to represent 0.23% of our total beef volume. Detailed location information regarding the states / provinces of origin is not available at this time. Please note that this is our first year of reporting this commodity and we look forward to continued improvement in data collection in the future.

Forest risk commodity

Cattle products

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction (Bandar Baru Bangi)

% of total production/consumption volume

0.14

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on beef used in our restaurants. In our 2019 survey, we requested all global beef suppliers to report the states, provinces, and regions within the country of origin (if known). We received responses representing an estimated 70% of our Pizza Hut and Taco Bell restaurants (KFC does not use a material amount of beef). For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. Based on the results of our 2019 analysis, beef sourced from Malaysia is estimated to represent 0.14% of our total beef volume and is sourced from the Bandar Baru Bangi region. Please note that this is our first year of reporting this commodity and we look forward to continued improvement in data collection in the future.

Forest risk commodity

Cattle products

Country/Area of origin

Unknown origin

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

6.82

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on beef used in our restaurants. In our 2019 survey, we requested all global beef suppliers to report the states, provinces, and regions within the country of origin (if known). We received responses representing an estimated 70% of our Pizza Hut and Taco Bell restaurants (KFC does not use a material amount of beef). For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. This methodology provides the means to ensure full representation. Proxy data does not provide an accurate confirmation of country of origin compared to actual survey responses, so we have selected "Unknown" for the purposes of this disclosure.

Forest risk commodity

Cattle products

Country/Area of origin

Any other countries/areas

State or equivalent jurisdiction

<Not Applicable>

% of total production/consumption volume

92.32

Please explain

We issued a global survey for our entire business, through our brands, requesting that all countries report on report on beef used in our restaurants. In our 2019 survey, we requested all global beef suppliers to report the states, provinces, and regions within the country of origin (if known). We received responses representing an estimated 70% of our Pizza Hut and Taco Bell restaurants (KFC does not use a material amount of beef). For restaurants that were not represented by the survey results, we added an estimate of consumption based on a per restaurant average from reporting restaurants. This methodology provides the means to ensure full representation. Based on the results of the 2019 survey, beef sourced from countries of low deforestation risk represents 92.32% of our total beef volume. These countries include Canada, Costa Rica, El Salvador, Ireland, Taiwan, Tunisia, United Kingdom and United States of America. Pursuant to CDP Guidance, our volumes from these countries have been disclosed together within this row.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Timber products

Impact driver type

Reputational and markets

Primary impact driver

Increased cost of certified sustainable material

Primary impact

Increased operating costs

Description of impact

Sustainably certified products, such as palm oil and fiber-based products can result in increased costs. We mitigate these costs, as much as possible, through supply chain procurement as well as strategic specifications. In some market, in particular to certified fiber-based packaging, increased costs have been an impediment to supplying fully certified products. Due to the large, decentralized nature of our organization and our ability to source from multiple regions, the scale of this impact is not likely to rise to the level of "substantive."

Primary response

Engagement with suppliers

Total financial impact

Description of response

Sustainably certified products fiber-based products can result in increased initial costs. We mitigate these costs, as much as possible, through supply chain procurement as well as strategic specifications. In some market, in particular to certified fiber-based packaging, increased costs have been an impediment to supplying fully certified products. We are unable to provide the financial impact. However, we have experienced an increase in cost for certified sustainable materials including palm oil and fiber-based products. This varies according to market and according to the material.

Forest risk commodity

Palm oil

Impact driver type

Reputational and markets

Primary impact driver

Increased cost of certified sustainable material

Primary impact

Increased operating costs

Description of impact

Sustainably certified products, such as palm oil and fiber-based products can result in increased costs. We mitigate these costs, as much as possible, through supply chain procurement as well as strategic specifications. In some market, in particular to certified fiber-based packaging, increased costs have been an impediment to supplying fully certified products. Due to the large, decentralized nature of our organization and our ability to source from multiple regions, the scale of this impact is not likely to rise to the level of "substantive."

Primary response

Engagement with suppliers

Total financial impact

1803500

Description of response

Sustainably certified products such as palm oil can result in increased initial costs. We mitigate these costs, as much as possible, through supply chain procurement as well as strategic specifications. In some market, in particular to certified fiber-based packaging, increased costs have been an impediment to supplying fully certified products. We have provided the estimated increase in cost based on 2019 reported volume data and average pricing. It a global number covering all restaurants.

Forest risk commodity

Cattle products

Impact driver type

Reputational and markets

Primary impact driver

Increased stakeholder concern or negative stakeholder feedback

Primary impact

Increased operating costs

Description of impact

Many of our investors are aware of the environmental risks of deforestation and have expressed concern. We have received shareholder proposals and have directly engaged with them on the topic. We continue to investigate vegetarian options and meat alternatives as our menu constantly evolves to meet the preferences of our customers. We acknowledge the growing concern for sustainable beef and are involved in organizations such as the Roundtable for Sustainable Beef to promote the sustainability of this commodity. As such, we do not currently anticipate the scale of this impact to rise to the level of "substantive."

Primary response

Participation in sector-wide and/or multi-stakeholder agreements

Total financial impact

Description of response

Yum! endorsed the New Declaration on Forests (NYDF) and believe it is an important step toward us meeting the private sector goal of elimination deforestation from the production of agricultural commodities and halving the rate of loss of natural forests globally by 2020 and striving to end natural forest loss by 2030. We are continuing to expand reporting in this space, through a focus on CDP. This year we have added Cattle to our disclosures and Soy is on the roadmap for future. Yum! has worked with WWF to conduct a global supply chain risk assessment across our food and agricultural commodities and well as working with them specially on a Brazil landscape assessment that will inform our future sourcing strategy and reporting. At this time we are unable to provide the financial impact.

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Timber products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Other, please specify (WWF's Global 200 priority ecoregions, Ramsar Sites, World Database on Protected Areas, and Alliance for Zero Extinction (AZE) sites)

Please explain

All corporate risks, including any deforestation risks associated with timber, are evaluated in our enterprise risk management framework. It is led by our Risk Committee and addresses a wide range of topics including environmental and social factors. Risk analysis is presented at the quarterly Board Audit Committee meeting. Additionally, as part of our supply chain management process, we survey our business units around the world regarding their progress against our sustainable fiber sourcing goal annually. This frequency is based on the data needs to help us manage our efforts as well as our public reporting cycle. This helps us identify potential deforestation risk relating to meeting our goal of 100% sustainable sourcing by the end of 2020. In addition, in 2018 we completed a long-term Supply Chain Sustainability Risk Assessment with WWF to identify and prioritize the environmental and social risks attributed to key commodities, including forest risks commodities. We continued work in 2019 with WWF by conducting a landscape analysis for Brazil Tools, methods, and data sources referenced for biodiversity and forest risk include: WWF's Global 200 priority ecoregions, Ramsar Sites, World Database on Protected Areas, and Alliance for Zero Extinction (AZE) sites.

Palm oil

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Other, please specify (WWF's Global 200 priority ecoregions, Ramsar Sites, World Database on Protected Areas, and Alliance for Zero Extinction (AZE) sites)

Please explain

All corporate risks, including any deforestation risks associated with palm oil, are evaluated in our enterprise risk management framework. It is led by our Risk Committee and addresses a wide range of topics including environmental and social factors. Risk analysis is presented at the quarterly Board Audit Committee meeting. Additionally, as part of our supply chain management process, we survey our business units around the world regarding their progress against our sustainable fiber sourcing goal annually. This frequency is based on the data needs to help us manage our efforts as well as our public reporting cycle. This helps us identify potential deforestation risk remaining relating to meeting our commitment to source 100% sustainable palm oil for cooking. We met this goal for the first time in 2019. In addition, in 2018 we completed a long-term Supply Chain Sustainability Risk Assessment with WWF to identify and prioritize the environmental and social risks attributed to key commodities, including forest risks commodities. Tools, methods, and data sources referenced for biodiversity and forest risk include: WWF's Global 200 priority ecoregions, Ramsar Sites, World Database on Protected Areas, and Alliance for Zero Extinction (AZE) sites.

Cattle products

Value chain stage

Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

Annually

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods

External consultants

Please explain

All corporate risks, including any deforestation risks associated with cattle, are evaluated in our enterprise risk management framework. It is led by our Enterprise Risk Committee and addresses a wide range of topics including environmental and social factors. Risk analysis is presented at the quarterly Board Audit Committee meeting. Additionally, as part of our supply chain management process, we survey our business units around the world regarding their progress against our sustainable fiber sourcing goal annually. This frequency is based on the data needs to help us manage our efforts as well as our public reporting cycle. This helps us identify potential deforestation risk remaining relating to meeting our commitments under the New York Declaration of Forests. In addition, in 2018 we completed a long-term Supply Chain Sustainability Risk Assessment with WWF to identify and prioritize the environmental and social risks attributed to key commodities, including forest risks commodities. Tools, methods, and data sources referenced for biodiversity and forest risk include: WWF's Global 200 priority ecoregions, Ramsar Sites, World Database on Protected Areas, and Alliance for Zero Extinction (AZE) sites.

F2.1b

(F2.1b) Which of the following issues are considered in your organization's forests-related risk assessment(s)?

Availability of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

As part of our supply chain management processes, we evaluate current and projected changes in commodity availability and quality, including palm oil, fiber (timber) used in our paper-based packaging and beef. We assess risk related to availability and quality of these commodities according to their supplier classification, which is based on multiple factors, including food safety risk, brand criticality (e.g. required for a core product), and financial impact (e.g. percentage of total spend and/or volume needed). Information related to the availability of forest risk commodities is used within sustainability governance structures and processes to inform decision-making. For example, due to the global risk of deforestation our sustainability, risk, and leadership teams decided to strengthen our commitment to protect forests by endorsing the New York Declaration on Forests. We include such issues on an as-needed basis with our Risk Committee and groups in the governance structure. The Risk Committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. It looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors.

Quality of forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

As part of our supply chain management processes, we evaluate current and projected changes in commodity availability and quality, including palm oil, fiber (timber) used in our paper-based packaging and beef. We assess risk related to availability and quality of these commodities according to their supplier classification, which is based on multiple factors, including food safety risk, brand criticality (e.g. required for a core product), and financial impact (e.g. percentage of total spend and/or volume needed). Information related to the quality of forest risk commodities is used within sustainability governance structures and processes to inform decision-making. For example, due to the global risk of deforestation our sustainability, risk, and leadership teams decided to strengthen our commitment to protect forests by endorsing the New York Declaration on Forests. We include such issues on an as-needed basis with our Risk Committee and groups in the governance structure. The Risk Committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. It looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors.

Impact of activity on the status of ecosystems and habitats

Relevance & inclusion

Relevant, always included

Please explain

We rely on third-party certification to achieve our sustainable sourcing goals and policies. The RSPO certification for palm oil and FSC, SFI, and PEFC certifications for timber allow us to evaluate current impacts of the palm oil and timber (fiber for paper-based packaging) we source on ecosystems and habitats. Because we're still working towards our goals and only portions of our system utilize third-party certification, impact on ecosystems and habitats is only covered for those suppliers, facilities, or product lines with certification. This was included in 2018 Supply Chain Sustainability Risk Assessment completed with WWF which addresses the potential impacts of our palm oil and timber sourcing on ecosystems and habitats. We are continuing to evaluate impact of our purchasing in Brazil with WWF. Information related to the impact on ecosystems and habitats is used within sustainability governance structures and processes to inform decision-making. For example, due to the global risk of deforestation our sustainability, risk, and leadership teams decided to strengthen our commitment to protect forests by endorsing the New York Declaration on Forests. We include such issues on an as-needed basis with our Risk Committee and groups in the governance structure. The Risk Committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. It looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors.

Regulation

Relevance & inclusion

Relevant, always included

Please explain

As a publicly-traded, multinational corporation, we continually assess changes to local regulations associated with our activities in local markets, including with regard to our sourcing of palm oil and timber. For example, the European Parliament passed a resolution in April 2017 aiming to limit the import of palm oil that has caused deforestation and new sustainability criteria for palm oil entering the European market, potentially leading to binding legislation in Europe. After closely monitoring developments in this area, it was downgraded as a risk factor as the regulation only applies to palm oil used as biofuel. Information related to regulations is used within sustainability governance structures and processes to inform decision-making. For example, due to the global risk of deforestation our sustainability, risk, and leadership teams decided to strengthen our commitment to protect forests by endorsing the New York Declaration on Forests. We include such issues on an as-needed basis with our Risk Committee and groups in the governance structure. The Risk Committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. It looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors.

Climate change

Relevance & inclusion

Relevant, always included

Please explain

Our current sustainable sourcing of palm oil and timber is intended to reduce deforestation risk and therefore mitigate our greenhouse gas emissions and impact on climate change. This was included in our 2018 Supply Chain Sustainability Risk Assessment completed with WWF which addresses the potential impacts of our palm oil and timber sourcing on ecosystems and habitats. We are continuing to evaluate impact of our purchasing in Brazil with WWF. In 2018 we began to include emissions from the procurement of fiber-based products and palm oil production in our Scope 3 estimates. We continued to refine our estimate of emissions in 2019. Information related to climate change is used within sustainability governance structures and processes to inform decision-making. For example, due to the global risk of deforestation our sustainability, risk, and leadership teams decided to strengthen our commitment to protect forests by endorsing the New York Declaration on Forests. We include such issues on an as-needed basis with our Risk Committee and groups in the governance structure. The Risk Committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. It looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors.

Impact on water security

Relevance & inclusion

Relevant, always included

Please explain

The impact of our forest related activities on watersheds is included in our planning. Our ongoing commitment to source 100% of our palm oil used for cooking from responsible and sustainable sources and to purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020 can have a direct impact on forest health, watersheds, and water security through helping to stabilize soils, reduce erosion, regulate water flow, and purify water sources. Information related to the impact on water security is used within sustainability governance structures and processes to inform decision-making. For example, due to the global risk of deforestation our sustainability, risk, and leadership teams decided to strengthen our commitment to protect forests by endorsing the New York Declaration on Forests. We include such issues on an as-needed basis with our Risk Committee and groups in the governance structure. The Risk Committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. It looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors.

Tariffs or price increases

Relevance & inclusion

Relevant, always included

Please explain

Financial impact – including tariffs or price increases – is one of the key guidelines we use to assess supply risk. We subscribe to commodity services that provide regular updates on changes in production and pricing in different regions around the world. We also conduct our own internal monitoring of international trade policy and engage in advocacy and partnerships around trade issues of mutual concern. Information related to tariffs or price increases is used within sustainability governance structures and processes to inform decision-making. For example, due to the global risk of deforestation our sustainability, risk, and leadership teams decided to strengthen our commitment to protect forests by endorsing the New York Declaration on Forests. We include such issues on an as-needed basis with our Risk Committee and groups in the governance structure. The Risk Committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. It looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors.

Loss of markets

Relevance & inclusion

Not relevant, explanation provided

Please explain

In general, we assess the feasibility of starting and maintaining operations in a new market, but not potential loss of market due to deforestation. Loss of market due to deforestation has not been a significant risk in the past, nor is it anticipated to be in the future, compared to other potential risks to loss of market.

Brand damage related to forest risk commodities

Relevance & inclusion

Relevant, always included

Please explain

Because of the sensitivity around forest risk commodities, we continually assess brand damage related to these commodities and leverage our progress surveys to determine the level of potential risk measured against certain external factors we track such as complaints or campaigns against major suppliers or regions of forest risk commodities. Potential risk of brand damage is also evaluated as part of our Global Supply Chain Management Protocol, which assesses the importance of the commodity to the brand (e.g. used in a core product, lack of ingredient will result in loss of sales). Information related to brand damage is used within sustainability governance structures and processes to inform decision-making. For example, due to the global risk of deforestation our sustainability, risk, and leadership teams decided to strengthen our commitment to protect forests by endorsing the New York Declaration on Forests. We include such issues on an as-needed basis with our Risk Committee and groups in the governance structure. The Risk Committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. It looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors.

Corruption

Relevance & inclusion

Relevant, always included

Please explain

Our Supplier Code of Conduct requires that all applicable local laws and regulations are adhered to, including anti-corruption protections. We continually audit and monitor for compliance with these criteria as part of standard procedures. Information related to corruption is used within sustainability governance structures and processes to inform decision-making. For example, due to the global risk of deforestation our sustainability, risk, and leadership teams decided to strengthen our commitment to protect forests by endorsing the New York Declaration on Forests. We include such issues on an as-needed basis with our Risk Committee and groups in the governance structure. The Risk Committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. It looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors.

Social impacts

Relevance & inclusion

Relevant, always included

Please explain

Our current sustainable sourcing and third-party certification of palm oil and timber is intended to mitigate potential social impacts. For example, our Palm Oil Sourcing Policy is consistent with the RSPO Principle of Free, Prior, and Informed Consent to prevent and resolve social and/or land conflicts. In addition to our existing sustainable sourcing strategy, we are currently conducting a Supply Chain Sustainability Risk Assessment which addresses the potential social impacts of our palm oil and timber sourcing. Information related to social impacts is used within sustainability governance structures and processes to inform decision-making. For example, due to the global risk of deforestation our sustainability, risk, and leadership teams decided to strengthen our commitment to protect forests by endorsing the New York Declaration on Forests. We include such issues on an as-needed basis with our Risk Committee and groups in the governance structure. The Risk Committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. It looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors.

Other, please specify

Relevance & inclusion

Not considered

Please explain

We do not consider any additional issues at this time.

F2.1c

(F2.1c) Which of the following stakeholders are considered in your organization's forests-related risk assessments?

Customers

Relevance & inclusion

Relevant, always included

Please explain

As a company comprised of customer-facing brands, customers are one of our most important stakeholder groups and we are constantly monitoring and measuring insights to meet their expectations. While we don't frequently receive feedback from customers regarding palm oil, timber and beef sourcing we respond to the occasional inquiry, publicly disclose our sourcing commitments, and track changing customer awareness and expectations. For example, we utilize Collider Lab and the Social Hive to conduct media and research studies to analyze trends as a method of engagement. In addition to direct feedback we do understand broader trends that show the customers want corporations to be aware of our impact on forests and to act a steward of our shared environment.

Employees

Relevance & inclusion

Relevant, always included

Please explain

Because the supply chain management function is responsible for global sourcing, they also provide key input on forests-related risk assessments such as priority commodities, countries of origin, and other potential supply risks. In addition, we included corporate employee perspectives on forests-related issues as a method of engagement in our 2017 corporate materiality assessment. Employees want to know that we are acting responsibly and doing our part to reduce our impact on the environment, including forests.

Investors

Relevance & inclusion

Relevant, always included

Please explain

Many sustainable, responsible and impact (SRI) investors incorporate companies' preparedness and exposure to forests risks into their investment theses and therefore include this stakeholder. There are several methods of engagement. In 2019, we received a shareholder proposal related to deforestation in our supply chain and engaged in a dialogue with the proponents. Yum! Brands also monitors investors' forests-related concerns by attending relevant panels at conferences hosted by investor forums like Ceres and USSIF. We also track our scores on investor publications that monitor our environmental performance, like MSCI IVA and Sustainalytics reports, to ensure investors have the correct and most up-to-date information about our sustainability performance. In addition, we included investor perspectives regarding forests-related issues in our 2017 corporate materiality assessment.

Local communities

Relevance & inclusion

Relevant, always included

Please explain

Given the importance of forest issues to many local communities, sustainable sourcing and third-party certification of palm oil and timber that we use is intended to mitigate potential social impacts including local communities. For example, the RSPO Principle of Free, Prior, and Informed Consent that works to prevent and resolve social and/or land conflicts within local communities. In addition to our existing sustainable sourcing strategy, we are conducted a Supply Chain Sustainability Risk Assessment which addresses the potential social impacts of our palm oil and timber sourcing. In Brazil we have been conducting a landscape analysis to better understand the impact of our activities. We understand the role we play in local communities in our supply chain.

NGOs

Relevance & inclusion

Relevant, always included

Please explain

Several prominent NGOs evaluate Yum! Brands' sustainability performance and engage with us on forests-related issues and therefore include this stakeholder group. We engaged with an NGO during our 2018 Supply Chain Sustainability Risk Assessment to leverage their expertise and embed their recommendations. We also participate in several multi-stakeholder roundtables such as RSPO and USRSB where NGOs are engaged. Yum! Brands listens to NGOs' forests-related concerns in personal dialogues, industry conferences, and the media as they arise. In addition, we included NGO perspectives of forests-related issues in our 2017 corporate materiality assessment. NGOs have also been a vital part of discussions related to shareholder proposals in 2019. These discussions are part of our engagement method.

Other forest risk commodity users/producers at a local level

Relevance & inclusion

Relevant, always included

Please explain

Our brands will engage with other forest risk commodity users/producers if they express an interest, if there are opportunities to collaborate on shared issues or risks, and/or if required by local regulations. This can take the form of direct discussions with the suppliers in partnership with franchisees to address issues. An example was a recent engagement with a supplier not meeting our palm oil procurement practices in Southeast Asia.

Regulators

Relevance & inclusion

Relevant, always included

Please explain

The Yum! Brands Government Affairs team monitors emerging forests-related regulations and engages regulators on these issues when they are relevant to the success of our business operations and supply chain.

Suppliers

Relevance & inclusion

Relevant, always included

Please explain

Suppliers are an important partner in our business, and we consider their perspectives in our forest related studies. An important method of engagement is our annual sustainability survey where we work to gather data in support of key performance indicators. Our annual supplier surveys request information regarding the status of certification schemes, traceability, and any gaps or challenges in transitioning supply so that we can engage with suppliers regarding these risks. Any forests-related issues that cause or have the potential to cause supply chain impacts would be evaluated by our supply chain team. In 2018 a palm oil supplier, Indofood, was removed from our supply chain as part of our commitment to only working with suppliers who meet our sourcing principles. Suppliers are required to meet our product specifications and sourcing policies including environmental protection.

Other stakeholders, please specify

Relevance & inclusion

Not considered

Please explain

We do not consider any additional stakeholders at this time.

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

The Audit Committee discusses risk management during regular committee meetings and receives risk review reports covering significant areas of risk from senior managers responsible for these functional areas, as well as reports from the General Counsel, Internal Audit. The Audit Committee then provides a summary to the full board. The duties of the Vice President of Global Government Affairs and Sustainability (Chief Sustainability Officer) include the representation of sustainability issues, including forest related issues, on the Yum! risk committee. This senior level committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. This committee, which looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors. More specifically, the size and scope of the potential impact are considered as are the possible duration, and whether the impact is likely to be a one-time occurrence or recurring in nature. We then consider the effect of the risk on business strategy given the risks and opportunities in both the short and long term. Therefore, forest related risks, which are embodied at the restaurant and supply chain level, are incorporated into the Company's broader risk management process.

For the current reporting cycle, CDP has requested information regarding risks that are substantive at the corporate level and not those at the facility or business unit level. As a global, decentralized, and franchise-focused organization with a diverse supply chain, many risks (such as forests) can be important yet not rise to the provided benchmark of being financially or strategically important at a material, substantive level to the corporation. There is no single definition of what would rise to this level but for a corporation such as Yum!, a system impact (including our direct operations, supply chain, or both) of approximately 5% of net income for the annual reporting period could be considered substantive at the corporate level. While we do not believe that individual instances of forests-related risk would constitute a substantive risk to the corporation on their own due to the total size and decentralized nature of our organization as well as our ability to source from different regions of the globe if it became necessary, the potential cumulative impact of forests-related risks could become substantive over the long term.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Timber products

Type of risk

Physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Declining ecosystem services

Primary potential impact

Supply chain disruption

Company-specific description

Shortages or interruptions in the availability and delivery of food and other supplies: The packaging by our Concepts and their franchisees are sourced from a wide variety of domestic and international suppliers. We, along with our Concepts' franchisees, are also dependent upon third parties to make frequent deliveries of supplies that meet our specifications at competitive prices. Shortages or interruptions to our Concepts' restaurants could adversely affect the availability, quality and cost of items we use and the operations of our restaurants. Such shortages or disruptions could be caused by inclement weather, natural disasters, other a variety of other issues. Climate change influences several physical risk drivers that negatively impact timber production, including extreme weather events such as tropical cyclones and changes in precipitation and temperature, forest fires, loss of ecosystem services, reduced crop yields, and thus, availability of certified sustainable material, which is already limited. Inherent social risks such as land tenure changes and disputes, community opposition, and litigation/grievances also present risks, but have a greater potential to be mitigated than physical risk. Our supply chain group monitors potential shortages and/or interruptions so that alternative supply sources can be obtained if needed. An advantage of our global supply chain is the ability to adapt to localized shortages and/or interruptions.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

A shortage or interruption in the availability of supplies could increase costs and limit the availability of products critical to restaurant operations, which in turn could lead to restaurant closures and/or a decrease in sales. In addition, failure by a key supplier or distributor for our Concepts and/or our Concepts' franchisees to meet its service requirements could lead to a disruption of service or supply until a new supplier or distributor is engaged, and any disruption could have an adverse effect on our business.

Impact of any event would be determined by geographical extent and severity of the drought. Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. Our ability to source from a diversified supplier base helps to minimize potential impacts.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

In 2014 we established our sustainable paper-based packaging goal to purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020. As of 2019, we transitioned 76% of our supply and believe that this has been an effective response in helping us to mitigate supply chain disruptions attributed to declining ecosystem services. By making progress against this goal, we are improving our resilience to ecosystem vulnerability with the potential to impact our packaging supply. We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters. Our approach to addressing this risk has been effective. Our supply chain is diverse and robust. We continue to work with our system to meet our sustainable fiber-based packaging goal.

Cost of response

Explanation of cost of response

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

Forest risk commodity

Timber products

Type of risk

Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Regulatory uncertainty

Primary potential impact

Increased production costs

Company-specific description

Our concepts and their franchisees are subject to numerous laws and regulations around the world. These laws change regularly and are increasingly complex. These include many areas of sustainability including but not limited to environmental laws and regulations, health, sanitation, food, and workplace safety. These regulations are applicable, for timber, especially international and national trade agreements and legislation, moratoria, import tariffs, reporting obligations, and product regulations and standards. Publicity relating to any such noncompliance could also harm our reputation and adversely affect our revenues.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

Compliance with new or existing laws and regulations could impact our or our Concepts' franchisees' operations. The compliance costs associated with these laws and regulations could result in higher forest products costs. Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. This could either directly impact restaurants or be embedded in the supply chain.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

In 2014 we established our sustainable paper-based packaging goal to purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020. As of 2016, we transitioned 76% of our supply and believe that this has been an effective response in helping us mitigate increased production costs attributed to regulatory uncertainty. By making progress against this goal, we are improving our resilience to ecosystem vulnerability with the potential to impact our packaging supply. We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters. Our approach to addressing this risk has been effective. Our supply chain is diverse and robust. We continue to work with our system to meet our sustainable fiber-based packaging goal.

Cost of response

Explanation of cost of response

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

especially our employees responsible for procurement, to adopt and implement our strategy to mitigate risk.

Forest risk commodity

Timber products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased cost of certified sustainable material

Primary potential impact

Increased production costs

Company-specific description

Because of the sensitive and controversial nature of forest-based commodities, we are exposed to inherent reputational risks such as negative media coverage, consumer market campaigns, community opposition, and land tenure changes and disputes. Our success depends in large part upon our ability and our Concepts' franchisees' ability to maintain and enhance the value of our brands and our customers' loyalty to our brands. Brand value is based in part on consumer perceptions on a variety of subjective qualities. Business incidents, whether isolated or recurring, and whether originating from us, franchisees, competitors, suppliers or distributors, can significantly reduce brand value and consumer trust, particularly if the incidents receive considerable publicity or result in litigation. For example, our Concepts' brands could be damaged by claims or perceptions about the quality or safety of our products or the quality or reputation of our suppliers, distributors or franchisees, regardless of whether such claims or perceptions are true. Similarly, entities in our supply chain may engage in conduct, human rights abuses or environmental wrongdoing, and any such conduct could damage our or our Concepts' brands' reputations. The risk for this driver occurs in both Direct Operations and in the Supply Chain as reputation is important for all components of our value chain. As such it is important to all of stakeholders including customers and investors.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. The financial implications of a damaged reputation could negatively impact our market share, stock price and brand equity. For example, same-store sales for China declined 18% in the fourth quarter of 2014 following a supply chain issue in July of that year which adversely impacted our reputation with our customers.

Primary response to risk

Engagement with suppliers

Description of response

We have resources including our Vice President of Global Government Affairs and Sustainability (Chief Sustainability Officer), Chief Communications Officer, and General Counsel to actively monitor and engage in this area. Brand teams are focused on building three iconic brands people trust and champion. To deliver this commitment to our consumers, our teams focus on developing great-tasting product options at affordable prices built on our rigorous quality and safety standards. We proactively publicly communicate the Company position on being good corporate stewards. Our Citizenship and Sustainability Report and other public disclosures such as CDP. For example, when launching we have held multiple Twitter Chats through a third-party media company called Triple Pundit to share our progress against key environmental goals to engaged stakeholders to demonstrate our commitment to transparency and maintaining a positive brand position. In addition, we regularly engage with stakeholders, including suppliers, to support our Enterprise-wide goal of sustainable sourcing of fiber for paper-based packaging and to better understand potential changes in supply and new product innovations. By continuing our supplier engagement and monitoring the progress against our sustainable sourcing goals, we are improving our resilience to reputational risks with the potential to impact our packaging supply.

Cost of response

Explanation of cost of response

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

Forest risk commodity

Palm oil

Type of risk

Physical

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Declining ecosystem services

Primary potential impact

Supply chain disruption

Company-specific description

Shortages or interruptions in the availability and delivery of food and other supplies: The palm oil used by our Concepts and their franchisees is sourced from a wide variety of domestic and international suppliers. We, along with our Concepts' franchisees, are also dependent upon third parties to make frequent deliveries of supplies that meet our specifications at competitive prices. Shortages or interruptions to our Concepts' restaurants (caused by inclement weather, natural disasters, or other) could adversely affect the availability, quality and cost of palm oil we use and the operations of our restaurants. Climate change influences several physical risk drivers that could negatively impact production, including extreme weather events such as tropical cyclones and changes in precipitation and temperature, forest fires, loss of ecosystem services, reduced crop yields, and thus, availability of certified sustainable material, which is already limited. Inherent social risks such as land tenure changes and disputes, community opposition, and litigation/grievances also present risks, but have a greater potential to be mitigated than physical risk. Our supply chain group monitors potential shortages and/or interruptions so that alternative supply sources can be obtained if needed. An advantage of our global supply chain is the ability to adapt to localized shortages and/or interruptions. Our approach to addressing this risk has been effective.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

A shortage or interruption in the availability of supplies could increase costs and limit the availability of products critical to restaurant operations, which in turn could lead to restaurant closures and/or a decrease in sales. In addition, failure by a key supplier or distributor for our Concepts and/or our Concepts' franchisees to meet its service requirements could lead to a disruption of service or supply until a new supplier or distributor is engaged, and any disruption could have an adverse effect on our business. Impact of any event would be determined by geographical extent and severity of the drought. Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. Our ability to source from a diversified supplier base helps to minimize potential impacts.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

In 2015 we established our sustainable palm oil sourcing policy and goal of sourcing 100% of our palm oil from responsible and sustainable sources by the end of 2018. As of 2019, we are sourcing our palm oil supply for cooking from sustainable sources (RSPO Certified) and believe that this has been an effective response to mitigate supply chain disruptions attributed to declining ecosystem services. By making progress against this goal, we are improving our resilience to ecosystem vulnerability with the potential to impact our palm oil supply. By making progress against this goal, we are improving our resilience to ecosystem vulnerability with the potential to impact our palm oil supply. We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters.

Cost of response

Explanation of cost of response

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

Forest risk commodity

Palm oil

Type of risk

Regulatory

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Regulatory uncertainty

Primary potential impact

Increased production costs

Company-specific description

Our Concepts and their franchisees are subject to numerous laws and regulations around the world. These laws change regularly and are increasingly complex. These include many areas of sustainability including but not limited to environmental laws and regulations, health, sanitation, food, and workplace safety. These regulations are applicable, for timber, especially international and national trade agreements and legislation, moratoria, import tariffs, reporting obligations, and product regulations and

standards. Publicity relating to any such noncompliance could also harm our reputation and adversely affect our revenues.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

Compliance with new or existing laws and regulations could impact our or our Concepts' franchisees' operations. The compliance costs associated with these laws and regulations could result in higher forest products costs. Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. This could either directly impact restaurants or be embedded in the supply chain.

Primary response to risk

Increased use of sustainably sourced materials

Description of response

In 2015 we established our sustainable palm oil sourcing policy and goal of sourcing 100% of our palm oil from responsible and sustainable sources by the end of 2018. As of 2019, we are sourcing our palm oil supply for cooking from sustainable sources (RSPO Certified) and believe that this has been an effective response to mitigate increased production costs attributed to regulatory uncertainty. By making progress against this goal, we are improving our resilience to ecosystem vulnerability with the potential to impact our palm oil supply. By making progress against this goal, we are improving our resilience to ecosystem vulnerability with the potential to impact our palm oil supply. We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters.

Cost of response

Explanation of cost of response

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

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Increased cost of certified sustainable material

Primary potential impact

Increased production costs

Company-specific description

Because of the sensitive and controversial nature of forest-based commodities, we are exposed to inherent reputational risks such as negative media coverage, consumer market campaigns, community opposition, and land tenure changes and disputes. Our success depends in large part upon our ability and our Concepts' franchisees' ability to maintain and enhance the value of our brands and our customers' loyalty to our brands. Brand value is based in part on consumer perceptions on a variety of subjective qualities. Business incidents, whether isolated or recurring, and whether originating from us, franchisees, competitors, suppliers or distributors, can significantly reduce brand value and consumer trust, particularly if the incidents receive considerable publicity or result in litigation. For example, our Concepts' brands could be damaged by claims or perceptions about the quality or safety of our products or the quality or reputation of our suppliers, distributors or franchisees, regardless of whether such claims or perceptions are true. Similarly, entities in our supply chain may engage in conduct, human rights abuses or environmental wrongdoing, and any such conduct could damage our or our Concepts' brands' reputations. The risk for this driver occurs in both Direct Operations and in the Supply Chain as reputation is important for all components of our value chain. As such it is important to all of stakeholders including customers and investors.

Timeframe

>6 years

Magnitude of potential impact

Medium-low

Likelihood

Unlikely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact. The financial implications of a damaged reputation could negatively impact our market share, stock price and brand equity. For example, same-store sales for China declined 18% in the fourth quarter of 2014 following a supply chain issue in July of that year which adversely impacted our reputation with our customers.

Primary response to risk

Engagement with suppliers

Description of response

We have resources including our Vice President of Global Government Affairs and Sustainability (Chief Sustainability Officer), Chief Communications Officer, General Counsel to actively monitor and engage in this area. Brand teams are focused on building three iconic brands people trust and champion. To deliver this commitment to our consumers, our teams focus on developing great-tasting product options at affordable prices built on our rigorous quality and safety standards. We proactively publicly communicate the Company position on being good corporate stewards. Our Citizenship and Sustainability Report and other public disclosures such as CDP. For example, when launching we have held multiple Twitter Chats through a third-party media company called Triple Pundit to share our progress against key environmental goals to engaged stakeholders to demonstrate our commitment to transparency and maintaining a positive brand position. In addition, we regularly engage with stakeholders, including suppliers, to support our Enterprise-wide goal of sustainable sourcing of fiber for paper-based packaging and to better understand potential changes in supply and new product innovations. By continuing our supplier engagement and monitoring the progress against our sustainable sourcing goals, we are improving our resilience to reputational risks with the potential to impact our packaging supply.

Cost of response

Explanation of cost of response

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

Forest risk commodity

Cattle products

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Shifts in consumer preference

Primary potential impact

Brand damage

Company-specific description

Concerns regarding the sustainability of beef, including its real and/or perceived impact deforestation, could lead to a change in consumer preferences. Taco Bell has a significant number of menu items with beef-based products. A shift away from beef could result in a change in operational approach for the brand.

Timeframe

4-6 years

Magnitude of potential impact

Medium-low

Likelihood

About as likely as not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact (currency)

<Not Applicable>

Potential financial impact figure - minimum (currency)

<Not Applicable>

Potential financial impact figure - maximum (currency)

<Not Applicable>

Explanation of financial

Due to the diverse and broad nature associated with this risk it is not possible to estimate the potential financial impact.

Primary response to risk

More ambitious forest-related commitments

Description of response

Our strategy begins by sourcing beef from origins of lower deforestation risk as much as possible. In 2019, over 99% of our beef volume was sourced from regions of lower deforestation risk. A second aspect of our approach is to offer non-beef menu options. Taco Bell has a robust offering of non-beef menu items, including vegetarian, that provides consumer options. They are making vegetarian options easier to access with "Veggie Mode", a feature that transforms the menu on self-service kiosks in the U.S. to show only vegetation items. Our brands also continue to explore and test meat substitutes. Taco Bell, our leader in beef volume, is also our leader in beef substitutes with menu items such as the "Oatrageous Taco" which is sold in European markets. At this this time we are unable to provide the financial impact. As part of our efforts,

Yum! endorsed the New Declaration on Forests (NYDF) and believe it is an important step toward us meeting the private sector goal of elimination deforestation from the production of agricultural commodities and halving the rate of loss of natural forests globally by 2020 and striving to end natural forest loss by 2030. We are continuing to expand reporting in this space, and this is our first year reporting Cattle to CDP. Yum! has worked with WWF to conduct a global supply chain risk assessment across our food and agricultural commodities and on a Brazil landscape assessment that will inform our future sourcing strategy and reporting.

Cost of response

Explanation of cost of response

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

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Timber products	Yes
Palm oil	Yes
Cattle products	Yes
Soy	<Not Applicable>
Other - Rubber	<Not Applicable>
Other - Cocoa	<Not Applicable>
Other - Coffee	<Not Applicable>

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Timber products

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation
Supply chain

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description & strategy to realize opportunity

In order to realize this opportunity, our strategy is to continue to work toward our published goals to prevent deforestation, including our commitment to source 100% sustainable fiber-based packaging by 2020 as well the commitments made through our endorsement of the New York Declaration on Forests. Our annual Yum! sustainability survey provides data so that the brands as a tool to manage progress toward achieving these goals as well as to provide the opportunity to engage with suppliers on the topic. We will continue to communicate and inform stakeholders on our progress.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Due to the diverse and broad nature associated with this opportunity it is not possible to estimate the potential financial impact. The financial implications of a driving demand for sustainable materials could positively impact our ability to source sustainable material and meet external stakeholder expectations to fulfill our public goal of sourcing 100% sustainable fiber for paper-based packaging by the end of 2020.

Forest risk commodity

Palm oil

Type of opportunity

Markets

Where in your value chain does the opportunity occur?

Direct operation
Supply chain

Primary forests-related opportunity

Increased demand for certified materials

Company-specific description & strategy to realize opportunity

In order to realize this opportunity, we will continue to work toward our published goals to prevent deforestation, including our commitment to continue to source 100% sustainable palm oil for cooking as well the commitments made through our endorsement of the New York Declaration on Forests. Our annual Yum! sustainability survey provides data so that the brands as a tool to manage progress toward achieving these goals as well as to provide the opportunity to engage with suppliers on the topic. We will continue to communicate and inform stakeholders on our progress.

Estimated timeframe for realization

4-6 years

Magnitude of potential impact

Low

Likelihood

Likely

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Due to the diverse and broad nature associated with this opportunity it is not possible to estimate the potential financial impact. Including more sustainably sources materials, has the potential to be looked at favorably by investors, consumers and other stakeholders.

Forest risk commodity

Cattle products

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation
Supply chain

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

We continue the exploration of non-beef-based menu items in response to consumer interest. Taco Bell, our leader in beef volume, is also our leader in vegetarian offerings including the development of products with meat substitutes. An example is our "Outrageous Taco" which is sold in European markets that contains a meat substitute.

Estimated timeframe for realization

>6 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Due to the diverse and broad nature associated with this opportunity it is not possible to estimate the potential financial impact. The financial implications of a driving demand for sustainable meat substitute menu items could develop consumer interest in some markets.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	As the top operational decision-maker and member of the Board of Directors, the CEO has ultimate responsibility for forests-related issues, including goals for certified palm oil, fiber-based products, and cattle. The Audit Committee of the Board of Directors is updated annually on the Company's environmental commitments and progress. Within the management structure, the CEO entrusts the Vice President of Global Government Affairs and Sustainability (CSO) to drive our company forests strategy. This individual is responsible for: - Leveraging sustainability to promote business growth, drive brand equity and minimize business, social and financial risks of Yum! Brands' global business enterprise - Focusing on the scope of the business model for the entire business enterprise globally (Franchisee and Corporate) - Ensuring Yum! Brands operates efficiently and sustainably - Updating of the Audit Committee on an annual basis regarding the Company's environmental commitments and progress.

F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives	Yum! Brands believes that good corporate governance is a critical factor in achieving business success and embraces practices that align with management and shareholder interests. Oversight for environmental, social and governance (ESG) issues ultimately resides with the Yum! Brands Board of Directors, which is briefed through its Audit Committee on an annual basis. The brief typically is performed by our General Counsel and/or our Vice President of Global Government Affairs and Sustainability (Chief Sustainability Officer). The governance and management mechanisms that have been implemented contribute to board oversight on forest issues. We utilize these mechanisms to directly identify, evaluate, manage and track forest issues. Key topics for the reporting year included setting of our updated sustainably strategy and progress against goals including our forests-related targets.

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Sustainability Officer (CSO)	Both assessing and managing forests-related risks and opportunities	Annually	The Vice President of Global Government Affairs and Sustainability (Chief Sustainability Officer) chairs our ESG Council and is responsible for coordinating the execution of the strategy, including forests-related issues such as goals for certified palm oil, fiber-based products, and cattle. This senior leader works with sustainability leads at KFC, Pizza Hut, Taco Bell and Yum! corporate to execute the strategy. Duties include the annual representation of sustainability issues, including forests, on the Yum! risk committee. This senior level committee is responsible for the evaluation and as appropriate, annual reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. The committee prioritizes risks based on factors that impact the business. The CSO typically presents metrics that relay the progress we have made toward our goals. The size and scope of the potential impact are considered as are the possible duration, and whether the impact is likely to be a one-time occurrence or recurring in nature. We then consider the effect of the risk on business strategy given the risks and opportunities in both the short and long term. We maintain an ESG Working Group within Yum! corporate including representation from government relations, legal, finance and communications that engage in ongoing efforts such as our materiality assessment, disclosures to sustainability ratings agencies, and our citizenship report.

F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Chief Sustainability Officer (CSO)	Achievement of commitments and targets	The Vice President of Global Government Affairs and Sustainability (Chief Sustainability Officer) is responsible for leading the execution of the Yum! sustainability strategy, including forests-related issues. Performance of the corporation is factored into incentives. Forests-related goals are delegated to the appropriate business management units/divisions and teams within those business management units/divisions. Performance against these goals impact overall performance scores and compensation adjustments for employees who are accountable for the achievement of our goals. Monetary rewards (such as incentives) are distributed based on company performance and are awarded once we achieve our forests-related commitments and targets. Performance against these commitments and goals is reviewed and calculated on an annual basis and has historically been reported in our annual sustainability report. Employees who are accountable for the achievement of our goals are subject to receive various bonuses and compensation adjustments. These bonuses are calculated as a percentage of our salary and vary according to the level of leadership.
Non-monetary reward	Chief Sustainability Officer (CSO)	Achievement of commitments and targets	Achievements that drive business results, including those that reduce the Company's environmental impacts, are recognized by non-monetary recognition awards. Recognition is an integral part of the Yum! Brands culture and everyone across the Company is encouraged to celebrate the achievements of others. All leaders in the Company, including the Vice President of Global Government Affairs and Sustainability (Chief Sustainability Officer) have unique personal recognition awards. Awards that have been given for progress in achieving sustainability targets include our "Positive Spark" award which has been presented to employees for their contributions toward our sustainability targets. For example, associates in China and France have received the "Positive Spark" award for sustainability initiatives such as LEED restaurant development. We also have given our "Green Apple" award for contributions toward sustainability education within the company. Individuals in the U.K., China, Australia and the United States have received this recognition. Employees who contribute to the success of Yum! Brands are eligible for the "Achieving Breakthrough Results" award. This award involves recognition, non-monetary rewards, and a monetary reward or equity grant for efforts that drive breakthrough results for the Company. It has been awarded to employees who are helping to achieve our sustainability targets through efforts such as our Citizenship Report and CDP responses.

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

Yes (you may attach the report – this is optional)
 2019 Annual Report - Form 10K Yum! Brands.pdf

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Commitment to transparency Recognition of the overall importance of forests and other natural ecosystems Recognition of potential business impact on forests and other natural habitats Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound milestones and targets Description of forests-related performance standards for direct operations Description of forests-related standards for procurement	Yum! Brands, Inc. is committed to our policies to prevent deforestation and forest degradation and have created them with the material content to drive improvement. All policies are public and apply to all stages of our value chain, including our equity restaurants, franchisees, and suppliers. For palm oil, we are committed to continuing meeting our commitment to using 100% certified product for cooking. We give preference to suppliers that are certified by the Roundtable on Sustainable Palm Oil (RSPO), and only source palm oil from suppliers whose operations meet our Palm Oil Policy principles, Yum! Brands Supplier Code of Conduct, and Human and Labor Rights Policy which address HCV, HCS, peatland, legality, certification, and human rights. For Timber, we implemented a Paper-Based Packaging Sourcing Policy which addresses HCV, legality, certification, recycled content, and human rights. We give preference to suppliers with third-party certification, the most rigorous of which is FSC. We also recognize 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 in our Sustainable Sourcing Principles. Our policy is publicly-available on the Citizenship section of our company webpage. We typically review and/or update the policy on a biannual basis. Our endorsement of the New York Declaration on Forests (NYDF) is a milestone. We believe that endorsing the NYDF is an important step forward and we look forward to supporting and helping to meet the global private sector goal of eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020, in addition to at least halving the rate of loss of natural forest globally by 2020 and striving to end natural forest loss by 2030. Our policies inform our supply chain decision-making process. All suppliers are required to follow our policies as outlined in our Supplier Code of Conduct. Timber and palm oil suppliers have been removed from our system as a result of not addressing our policies.

F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

Do you have a commodity specific sustainability policy?	Scope	Content	Please explain

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Timber products	Yes	Company-wide	<p>Commitment to eliminate deforestation</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related performance standards for direct operations</p> <p>Description of forests-related standards for procurement</p> <p>Other, please specify (Reference to international standards and widely-recognized forests-related initiatives)</p>	<p>Yum! Brands, Inc. is committed to implementing our Paper-Based Packaging Sourcing policy to help prevent deforestation and forest degradation. This commitment is supported by our paper-based packaging sourcing principles, Yum! Brands Supplier Code of Conduct, and Human and Labor Rights Policy. Our current goal is to purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020. We give preference to suppliers with third-party certification, the most rigorous of which is FSC. We also recognize 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 in our Sustainable Sourcing Principles. We survey our markets and suppliers on an annual basis to assess progress. This policy is publicly available and applies to all stages of our value chain, including our equity restaurants, franchisees, and suppliers. Our policy is publicly-available on the Citizenship section of our company webpage. We review and/or update the policy on a biannual basis. Our endorsement of the New York Declaration on Forests (NYDF) is a milestone. We believe that endorsing the NYDF is an important step forward and we look forward to supporting and helping to meet the global private sector goal of eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020, in addition to at least halving the rate of loss of natural forest globally by 2020 and striving to end natural forest loss by 2030.</p>

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Palm oil	Yes	Company-wide	Commitment to eliminate deforestation Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Description of forests-related performance standards for direct operations Description of forests-related standards for procurement Other, please specify (Reference to international standards and widely-recognized forests-related initiatives)	Yum! Brands, Inc. is committed to implementing our Palm Oil Sourcing policy to help prevent deforestation and forest degradation. This commitment is supported by Palm Oil Policy principles, Yum! Brands Supplier Code of Conduct, and Human and Labor Rights Policy. We are committed to continuing our goal to source 100% of the product used for cooking from responsible and sustainable sources. We survey our markets and suppliers on an annual basis to assess progress. We give preference to suppliers that are certified by the Roundtable on Sustainable Palm Oil (RSPO), and only source palm oil only from suppliers whose operations meet the principles outlined in our Palm Oil Policy. This policy is publicly available and applies to all stages of our value chain, including our equity restaurants, franchisees, and suppliers. Our policy is publicly-available on the Citizenship section of our company webpage. We review and/or update the policy on a biannual basis. Our endorsement of the New York Declaration on Forests (NYDF) is a milestone. We believe that endorsing the NYDF is an important step forward and we look forward to supporting and helping to meet the global private sector goal of eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020, in addition to at least halving the rate of loss of natural forest globally by 2020 and striving to end natural forest loss by 2030.
Cattle products	Yes	Company-wide	Commitment to eliminate deforestation Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy List of timebound commitments and targets Other, please specify (Reference to international standards and widely-recognized forests-related initiatives)	Yum! Brands, Inc. is committed to implementation our global forest stewardship policy which addresses the Cattle component of forests deforestation and forest degradation. This commitment is supported by the Yum! Brands Supplier Code of Conduct and Human and Labor Rights Policy. We are committed our endorsement of the New York Declaration on Forests and look forward to supporting and helping to meet the global private sector goal of eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020, in addition to at least halving the rate of loss of natural forest globally by 2020 and striving to end natural forest loss by 2030. We survey our markets and suppliers on an annual basis to assess progress. This policy is publicly available and applies to all stages of our value chain, including our equity restaurants, franchisees, and suppliers. Our policy is publicly-available on the Citizenship section of our company webpage. We review and/or update the policy on a biannual basis.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

New York Declaration on Forests

Other, please specify (Roundtable on Sustainable Palm Oil)

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Timber products

Criteria

Zero gross deforestation/ no deforestation
 No new development on peat regardless of depth
 No conversion of High Conservation Value areas
 Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
 No sourcing of illegally produced and/or traded forest risk commodities
 No sourcing of forest risk commodities from unknown/controversial sources
 Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

No cutoff date

Commitment target date

2020

Please explain

Our commodity-specific policies address several deforestation and forest degradation criteria. Our sustainable fiber for paper-based packaging policy addresses HCV, legality, certification, and human rights. Our goal is to purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020. These commitments are rolling in nature and therefore do not have a cutoff date.

Forest risk commodity

Timber products

Criteria

Zero gross deforestation/ no deforestation
 Restoration and compensation to address past deforestation and conversion
 Avoidance of negative impacts on threatened and protected species and habitats
 No conversion of High Conservation Value areas
 No conversion of High Carbon Stock forests
 No sourcing of illegally produced and/or traded forest risk commodities
 No sourcing of forest risk commodities from unknown/controversial sources
 Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

No cutoff date

Commitment target date

2026-2030

Please explain

In addition to our commodity-specific policies, in 2019 we endorsed the New York Declaration of Forests and are working to at least halve the rate of loss of natural forests globally and strive to end natural forests loss by 2030. We support the private-sector goal of eliminating deforestation from the production of agricultural commodities such as paper by no later than 2020.

Forest risk commodity

Palm oil

Criteria

Zero gross deforestation/ no deforestation
 No new development on peat regardless of depth
 No conversion of High Conservation Value areas
 No conversion of High Carbon Stock forests
 Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
 No sourcing of illegally produced and/or traded forest risk commodities
 No sourcing of forest risk commodities from unknown/controversial sources
 Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

No cutoff date

Commitment target date

2019

Please explain

Our commodity-specific policies address several deforestation and forest degradation criteria. Our palm oil policy addresses HCV, HCS, peatland, FPIC legality, certification, and human rights. For example, as a member of RSPO and a buyer of RSPO-certified sustainable palm oil, we abide by the RSPO Principles and Criteria, including the FPIC guiding principles for companies to ensure local community rights are protected. We are committed to continuing to source 100% of the palm oil used for cooking from responsible and sustainable sources. These commitments are rolling in nature and therefore do not have a cutoff date.

Forest risk commodity

Palm oil

Criteria

Zero gross deforestation/ no deforestation
 Restoration and compensation to address past deforestation and conversion
 Avoidance of negative impacts on threatened and protected species and habitats
 No conversion of High Conservation Value areas
 No conversion of High Carbon Stock forests
 No sourcing of illegally produced and/or traded forest risk commodities
 No sourcing of forest risk commodities from unknown/controversial sources
 Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

No cutoff date

Commitment target date

2026-2030

Please explain

In addition to our commodity-specific policies, in 2019 we endorsed the New York Declaration of Forests and are working to at least halve the rate of loss of natural forests globally and strive to end natural forests loss by 2030. We support the private-sector goal of eliminating deforestation from the production of agricultural commodities such as palm oil by no later than 2020.

Forest risk commodity

Cattle products

Criteria

Zero gross deforestation/ no deforestation
 Restoration and compensation to address past deforestation and conversion
 Avoidance of negative impacts on threatened and protected species and habitats
 No conversion of High Conservation Value areas
 No conversion of High Carbon Stock forests
 No sourcing of illegally produced and/or traded forest risk commodities
 No sourcing of forest risk commodities from unknown/controversial sources
 Restricting the sourcing and/or trade of forest risk commodities to credible certified sources

Operational coverage

Supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

No cutoff date

Commitment target date

2026-2030

Please explain

In addition to our commodity-specific policies, in 2019 we endorsed the New York Declaration of Forests and are working to at least halve the rate of loss of natural forests globally and strive to end natural forests loss by 2030. We support the private-sector goal of eliminating deforestation from the production of agricultural commodities such as palm oil by no later than 2020.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	21-30	Our materiality assessment confirmed that sustainable sourcing was one of our top material issues. This materiality assessment was used in the renewal of our global citizenship and sustainability strategy that reflects our corporate mission to build the world's most loved, trusted & fasted growing restaurant brands. Our sustainability strategy, called the Recipe for Good, is one of the two parts of our corporate vision. Together, with the Recipe for Growth it guides our company. Both are critical for the long-term success of our long-term business objectives. Our Recipe for Good unites our employees, franchisees and suppliers on the priorities that matter and will keep us focused on socially responsible growth, managing risks and serving more goodness to our customers, shareholders, communities and the planet. This is reflected in our fundamental long-term sustainability objectives. First, it is to design, build and operate restaurants to be measurably more sustainable using green building standards to drive reductions in energy, GHG emissions, waste and water use and to report progress annually through CDP disclosures. Second is to work to elevate the supply chain to reduce deforestation through objectives including the sourcing 100% of palm oil used for cooking and paper-based packaging from responsible and sustainable sources. Our specific, global palm oil and fiber-based packaging policies apply to all brands, regions, countries and suppliers within our operational control. In addition, compliance with these policies is required through our Global Supplier Code of Conduct. Progress is tracked and reported on an annual basis through our global surveys. One example of the incorporation of these long-term business objectives is our endorsement of the New York Declaration on Forests (NYDF). We believe that endorsing the NYDF is an important step forward and we look forward to helping to meet the global private sector goal of eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020, in addition to at least halving the rate of loss of natural forest globally by 2020 and striving to end natural forest loss by 2030. Yum! Brands currently defines our long-term time horizon as any time period greater than five years. We have selected the threshold that best fits our definition.
Strategy for long-term objectives	Yes, forests-related issues are integrated	21-30	Our materiality assessment confirmed that sustainable sourcing was one of our top material issues. This materiality assessment was used in the renewal of our global citizenship and sustainability strategy that reflects our corporate mission to build the world's most loved, trusted & fasted growing restaurant brands. Our sustainability strategy, called the Recipe for Good, is one of the two parts of our corporate vision. Together, with the Recipe for Growth it guides our company. Both are critical for the long-term success of our long-term business objectives. Our Recipe for Good unites our employees, franchisees and suppliers on the priorities that matter and will keep us focused on socially responsible growth, managing risks and serving more goodness to our customers, shareholders, communities and the planet. This is reflected in our fundamental long-term sustainability objectives. First, it is to design, build and operate restaurants to be measurably more sustainable using green building standards to drive reductions in energy, GHG emissions, waste and water use and to report progress annually through CDP disclosures. Second is to work to elevate the supply chain to reduce deforestation through objectives including the sourcing 100% of palm oil used for cooking and paper-based packaging from responsible and sustainable sources. Our specific, global palm oil and fiber-based packaging policies apply to all brands, regions, countries and suppliers within our operational control. In addition, compliance with these policies is required through our Global Supplier Code of Conduct. Progress is tracked and reported on an annual basis through our global surveys. One example of the incorporation of these long-term business objectives is our endorsement of the New York Declaration on Forests (NYDF). We believe that endorsing the NYDF is an important step forward and we look forward to helping to meet the global private sector goal of eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020, in addition to at least halving the rate of loss of natural forest globally by 2020 and striving to end natural forest loss by 2030. Yum! Brands currently defines our long-term time horizon as any time period greater than five years. We have selected the threshold that best fits our definition.
Financial planning	Yes, forests-related issues are integrated	21-30	Our materiality assessment confirmed that sustainable sourcing was one of our top material issues. This materiality assessment was used in the renewal of our global citizenship and sustainability strategy that reflects our corporate mission to build the world's most loved, trusted & fasted growing restaurant brands. Our sustainability strategy, called the Recipe for Good, is one of the two parts of our corporate vision. Together, with the Recipe for Growth it guides our company. Both are critical for the long-term success of our long-term business objectives. Our Recipe for Good unites our employees, franchisees and suppliers on the priorities that matter and will keep us focused on socially responsible growth, managing risks and serving more goodness to our customers, shareholders, communities and the planet. This is reflected in our fundamental long-term sustainability objectives. First, it is to design, build and operate restaurants to be measurably more sustainable using green building standards to drive reductions in energy, GHG emissions, waste and water use and to report progress annually through CDP disclosures. Second is to work to elevate the supply chain to reduce deforestation through objectives including the sourcing 100% of palm oil used for cooking and paper-based packaging from responsible and sustainable sources. Our specific, global palm oil and fiber-based packaging policies apply to all brands, regions, countries and suppliers within our operational control. In addition, compliance with these policies is required through our Global Supplier Code of Conduct. Progress is tracked and reported on an annual basis through our global surveys. One example of the incorporation of these long-term business objectives is our endorsement of the New York Declaration on Forests (NYDF). We believe that endorsing the NYDF is an important step forward and we look forward to helping to meet the global private sector goal of eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020, in addition to at least halving the rate of loss of natural forest globally by 2020 and striving to end natural forest loss by 2030. Yum! Brands currently defines our long-term time horizon as any time period greater than five years. We have selected the threshold that best fits our definition.

F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Timber products

Type of target

Third-party certification

Description of target

Purchase 100% of our paper-based packaging with fiber from responsibly managed forest and recycled sources by the end of 2020 as demonstrated by third-party certification in accordance with our policy.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

FSC (any type)

PEFC (any type)

SFI Forest Management standard

SFI Chain of Custody

SFI Fiber Sourcing certification

Start year

2014

Target year

2020

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

76

Please explain

Our public goal is to purchase 100% of paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2020. This goal was chosen because Yum! sources a large volume of paper-based packaging and we are committed to using environmentally preferable packaging that reduces our impact on the environment and communities where we operate. Our public policy gives explicit preference to suppliers who provide paper packaging certified by a third-party who meets the most rigorous forest management standards, which is FSC. We also accept PEFC and SFI certifications. Yum! sustainable sourcing policies and principles are intended to mitigate our impact on climate change by reducing deforestation relating to the timber that we source. To track our progress, we survey business units worldwide regarding their accomplishments against our sourcing goals. We have worked with key franchisees to achieve results and have also worked to educate suppliers and when necessary remove them from our supply chain.

Target reference number

Target 2

Forest risk commodity

Palm oil

Type of target

Third-party certification

Description of target

Source 100% of palm oil used for cooking from responsible and sustainable sources by the end of 2019 as demonstrated by third-party certification in accordance with our policy.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

RSPO (any type)

Start year

2015

Target year

2019

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

100

Please explain

Our public commitment is to continue our goal to source 100% of the product used for cooking from responsible and sustainable sources. This goal was chosen because Yum! sources a large volume of palm oil used for cooking and we are committed to using environmentally preferable palm oil that reduces our impact on the environment and communities where we operate. Our public policy gives explicit preference to suppliers certified by RSPO. Yum! sustainable sourcing policies and principles are intended to mitigate our impact on climate change by reducing deforestation relating to the palm oil that we source. To track our progress, we survey business units worldwide regarding their accomplishments against our sourcing goals. We have worked with key franchisees to achieve results and have also worked to educate suppliers and when necessary remove them from our supply chain.

Target reference number

Target 3

Forest risk commodity

Cattle products

Type of target

Engagement with direct suppliers

Description of target

We endorsed the New York Declaration on Forests (NYDF) are working toward the private sector goal of elimination deforestation from the production of agriculture commodities by 2020. Our initial goal is work with suppliers to improve visibility into layers of the supply chain.

Linked commitment

Zero net/gross deforestation

Traceability point

<Not Applicable>

Third-party certification scheme

<Not Applicable>

Start year

2019

Target year

2020

Quantitative metric

<Not Applicable>

Target (number)

<Not Applicable>

Target (%)

100

% of target achieved

99

Please explain

Approximately 93% of the beef used by Yum! brands is by our Taco Bell brand and this is the focus of the target. Though the development and issuing of our sustainability survey we are working to deepen the understanding of the origins of our beef supply. This includes but is not limited to traceability and certification. We know that approximately 99% of our beef comes from origins of lower deforestation risk. This work is foundational and is a first step in our commitment to the New York Declaration on Forests.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions	Description of exclusion
Timber products	Yes	As we are a large, decentralized company with numerous packaging suppliers globally, we have multiple systems that enable traceability of our commodities. Our supply chain management and quality assurance processes include traceability of our product ingredients and suppliers' incoming raw materials. We conduct food safety and quality systems audits to verify suppliers' traceability information. We also give preference to suppliers who have FSC certification (or secondarily, SFI or PEFC), thus providing us with additional, third-party certified traceability. Depending on the specific certification scheme used per market, there are multiple points to which timber used in paper packaging could be deemed traceable in the system, varying from the country down to the forest depending on the scheme used. We issued a global survey for our entire business, through our brands, requesting that all suppliers report on packaging products containing timber (via fiber used in paper packaging). We were pleased to include data representing 91% of our global store count of over 50,000 restaurants. Based on our survey results, the analysis showed that an estimated 35% of our total timber consumption was traceable in 2019 and that the majority of responding suppliers are able to provide traceability at the mill-level. Please note that an estimated 74% of certified virgin timber (excluding recycled sources) is traceable.	Other, please specify (Information not available)	Our results for the percent of total consumption that is traceable reflects the various certification schemes reported by our markets (and the associated points to which they are traceable). The reported results reflect data gaps that are due to factors including geographic area and supplier limitations. We look forward to improving our ability to gather and report on this information in the future.
Palm oil	Yes	As we are a large, decentralized company with numerous palm oil suppliers globally, we have multiple systems that enable traceability of our commodities. Our supply chain management and quality assurance processes include tracking traceability of our product ingredients and suppliers' incoming raw materials. We conduct food safety and quality system audits to verify suppliers' traceability information. While we give preference to RSPO's Mass Balance, Segregated, and Identify Preserved palm oil supply chain certification schemes, the specific scheme used varies by market. There are multiple points to which palm oil is traceable in the system and it varies between plantation, mill and country, depending on the scheme used. We issued a global survey for our entire business, through our brands, requesting that all suppliers report on the traceability of palm oil procured for cooking in our restaurants in 2019. We were pleased to have an estimated representation of 99% of our global store count of over 50,000 restaurants in the survey results. Based on our survey results, the analysis showed that based on our certified volumes, an estimated 94% of our total palm oil consumption could be traceable to the mill-level in 2019.	Other, please specify (Information not available)	Our results for the percent of total consumption that is traceable reflects the various certification schemes reported by our markets (and the associated points to which they are traceable). For the first time we have published a mill list. It can be viewed using this link: https://www.yum.com/wps/wcm/connect/yumbrands/c53bab54-3dc7-4111-9eae-3aca7fc47dc0/Palm+Mill+List_Final.pdf?MOD=AJPERES&CVID=ngx0Z-C . The reported results reflect data gaps resulting from supplier limitations. We look forward to improving our ability to gather and report on this information in the future.
Cattle products	Yes	As we are a large, decentralized company with numerous beef suppliers globally, we have multiple systems that enable traceability of our commodities. Our supply chain management and quality assurance processes include traceability of our product ingredients and suppliers' incoming raw materials. We conduct food safety and quality systems audits to verify suppliers' traceability information. We issued a global survey for Taco Bell and Pizza Hut, through our brands, requesting that all suppliers report on beef products. Based on reported results, we estimate that approximately 99% of our beef comes from origins of lower deforestation risk.	Other, please specify (Information not available)	The reported results reflect data gaps that are due to factors including geographic area and supplier limitations. Please note that this is our first year reporting this commodity and as such, we look forward to improving our ability to gather and report on this information in the future.
Soy	<Not Applicable >	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable >	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable >	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable >	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Timber products	Mill	35
Palm oil	Mill	94
Cattle products	Fattening farm	93

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption.

Forest risk commodity

Timber products

Third-party certification scheme

FSC (any type)

Certification coverage

Consumption volume

% of total production/consumption volume certified

19.42

Form of commodity

Paper

Volume of production/ consumption certified

108240

Metric

Metric tons

Please explain

Our public policy states that we will give preference to suppliers who provide paper-packaging certified by a third-party, which meets the most rigorous forest management standards, which is currently FSC. However, to account for market differences, we also recognize other national certifications endorsed by the PEFC and SFI, provided the fiber avoids the unwanted sources listed in our Sustainable Sourcing Principles. We issued a global survey for our entire business, through our brands, requesting that all suppliers report on fiber used in our paper-based packaging in 2019. The responses we received represent 91% of our global store count of over 50,000 restaurants. An estimated 47% of our paper-based packaging volume supply came from certified sources of virgin fiber based on reported data. An additional estimated 29% of our reported paper-based packaging came from recycled sources. Non-recycled, non-certified paper-based packaging currently is estimated to be 24% of our supply based on reported data. Our public goal is to reach 100% of fiber used in paper packaging from responsible and recycled sources by the end of 2020.

Forest risk commodity

Timber products

Third-party certification scheme

PEFC (any type)

Certification coverage

Consumption volume

% of total production/consumption volume certified

7.38

Form of commodity

Paper

Volume of production/ consumption certified

41146

Metric

Metric tons

Please explain

Our public policy states that we will give preference to suppliers who provide paper-packaging certified by a third-party, which meets the most rigorous forest management standards, which is currently FSC. However, to account for market differences, we also recognize other national certifications endorsed by the PEFC and SFI, provided the fiber avoids the unwanted sources listed in our Sustainable Sourcing Principles. We issued a global survey for our entire business, through our brands, requesting that all suppliers report on fiber used in our paper-based packaging in 2019. The responses we received represent 91% of our global store count of over 50,000 restaurants. An estimated 47% of our paper-based packaging volume supply came from certified sources of virgin fiber based on reported data. An additional estimated 29% of our reported paper-based packaging came from recycled sources. Non-recycled, non-certified paper-based packaging currently is estimated to be 24% of our supply based on reported data. Our public goal is to reach 100% of fiber used in paper packaging from responsible and recycled sources by the end of 2020.

Forest risk commodity

Timber products

Third-party certification scheme

SFI Forest Management standard

Certification coverage

Consumption volume

% of total production/consumption volume certified

0.03

Form of commodity

Paper

Volume of production/ consumption certified

164

Metric

Metric tons

Please explain

Our public policy states that we will give preference to suppliers who provide paper-packaging certified by a third-party, which meets the most rigorous forest management standards, which is currently FSC. However, to account for market differences, we also recognize other national certifications endorsed by the PEFC and SFI, provided the fiber avoids the unwanted sources listed in our Sustainable Sourcing Principles. We issued a global survey for our entire business, through our brands, requesting that all suppliers report on fiber used in our paper-based packaging in 2019. The responses we received represent 91% of our global store count of over 50,000 restaurants. An estimated 47% of our paper-based packaging volume supply came from certified sources of virgin fiber based on reported data. An additional estimated 29% of our reported paper-based packaging came from recycled sources. Non-recycled, non-certified paper-based packaging currently is estimated to be 24% of our supply based on reported data. Our public goal is to reach 100% of fiber used in paper packaging from responsible and recycled sources by the end of 2020.

Forest risk commodity

Timber products

Third-party certification scheme

SFI Chain of Custody

Certification coverage

Consumption volume

% of total production/consumption volume certified

0.11

Form of commodity

Paper

Volume of production/ consumption certified

620

Metric

Metric tons

Please explain

Our public policy states that we will give preference to suppliers who provide paper-packaging certified by a third-party, which meets the most rigorous forest management standards, which is currently FSC. However, to account for market differences, we also recognize other national certifications endorsed by the PEFC and SFI, provided the fiber avoids the unwanted sources listed in our Sustainable Sourcing Principles. We issued a global survey for our entire business, through our brands, requesting that all suppliers report on fiber used in our paper-based packaging in 2019. The responses we received represent 91% of our global store count of over 50,000 restaurants. An estimated 47% of our paper-based packaging volume supply came from certified sources of virgin fiber based on reported data. An additional estimated 29% of our reported paper-based packaging came from recycled sources. Non-recycled, non-certified paper-based packaging currently is estimated to be 24% of our supply based on reported data. Our public goal is to reach 100% of fiber used in paper packaging from responsible and recycled sources by the end of 2020.

Forest risk commodity

Timber products

Third-party certification scheme

SFI Fiber Sourcing certification

Certification coverage

Consumption volume

% of total production/consumption volume certified

13.26

Form of commodity

Paper

Volume of production/ consumption certified

73880

Metric

Metric tons

Please explain

Our public policy states that we will give preference to suppliers who provide paper-packaging certified by a third-party, which meets the most rigorous forest management standards, which is currently FSC. However, to account for market differences, we also recognize other national certifications endorsed by the PEFC and SFI, provided the fiber avoids the unwanted sources listed in our Sustainable Sourcing Principles. We issued a global survey for our entire business, through our brands, requesting that all suppliers report on fiber used in our paper-based packaging in 2019. The responses we received represent 91% of our global store count of over 50,000 restaurants. An estimated 47% of our paper-based packaging volume supply came from certified sources of virgin fiber based on reported data. An additional estimated 29% of our reported paper-based packaging came from recycled sources. Non-recycled, non-certified paper-based packaging currently is estimated to be 24% of our supply based on reported data. Our public goal is to reach 100% of fiber used in paper packaging from responsible and recycled sources by the end of 2020.

Forest risk commodity

Timber products

Third-party certification scheme

Other, please specify (Unknown)

Certification coverage

Consumption volume

% of total production/consumption volume certified

6.85

Form of commodity

Paper

Volume of production/ consumption certified

38151

Metric

Metric tons

Please explain

Our public policy states that we will give preference to suppliers who provide paper-packaging certified by a third-party, which meets the most rigorous forest management standards, which is currently FSC. However, to account for market differences, we also recognize other national certifications endorsed by the PEFC and SFI, provided the fiber avoids the unwanted sources listed in our Sustainable Sourcing Principles. We issued a global survey for our entire business, through our brands, requesting that all suppliers report on fiber used in our paper-based packaging in 2019. The responses we received represent 91% of our global store count of over 50,000 restaurants. An estimated 47% of our paper-based packaging volume supply came from certified sources of virgin fiber based on reported data. An additional estimated 29% of our reported paper-based packaging came from recycled sources. Non-recycled, non-certified paper-based packaging currently is estimated to be 24% of our supply based on reported data. Our public goal is to reach 100% of fiber used in paper packaging from responsible and recycled sources by the end of 2020.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO (any type)

Certification coverage

Consumption volume

% of total production/consumption volume certified

Form of commodity

Refined palm oil

Volume of production/ consumption certified

179899

Metric

Metric tons

Please explain

Our public policy states that we will give preference to palm oil suppliers who are certified by RSPO, as well only source palm oil from suppliers who meet our six principles of our Palm Oil Policy. We issued a global survey for our entire business, through our brands, requesting that all suppliers report on palm oil used for cooking purposes in our restaurants in 2019. The responses we received represent an estimated 99% of our global store count of over 50,000 restaurants. Non-represented restaurants were estimated and included. Based on reported data and our purchase of RSPO Book and Claim certificates, an estimated 100% of the procured palm oil volume came from RSPO-certified sources.

Forest risk commodity

Cattle products

Third-party certification scheme

Other, please specify (Red Tractor)

Certification coverage

Consumption volume

% of total production/consumption volume certified

0.2

Form of commodity

Beef

Volume of production/ consumption certified

377.97

Metric

Metric tons

Please explain

Currently we do not have a global requirement for beef provided to the brands to be third-party certified with the listed sustainability standards. These standards for beef need to be better developed and more widely adopted to enable this evolution. However, we do ask suppliers to provide information on all certifications that they use for their products thereby encouraging them to continue to adopt standards. We are continuing to work with suppliers to refine data gathering.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

	A system to control, monitor or verify compliance	Comment
Timber products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Cattle products	Yes, we have a system in place for our no conversion and/or deforestation commitments	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).**Forest risk commodity**

Timber products

Operational coverage

Direct operations

Supply chain

Description of control systems

Suppliers are required to adhere to all environmental policies established by Yum! as stated in the Yum! Global Supplier Code of Conduct. Our policy for fiber-based packaging includes using third-party certification systems to demonstrate compliance. This is done on an annual basis. Yum! recognizes systems including FSC, PEFC and SFI and requests that suppliers provide the volume of material and specific certification system used. This data is compiled and reviewed to ascertain compliance with the policy, progress on goals and whether corrective measures (up to and including removal from the Yum! supply chain) are warranted. Our goal for suppliers to use certified or recycled materials is set for the end of 2020. In addition to adhering to this certification, we reserve the right to address suppliers not conforming to our policy with evidence of bad behavior.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

71-80%

% of total suppliers in compliance

71-80%

Response to supplier non-compliance

Retain & engage
Suspend & engage
Exclude
No response

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

Suppliers are required to adhere to all environmental policies established by Yum! as stated in the Yum! Global Supplier Code of Conduct. Our policy for fiber-based packaging includes using third-party certification systems to demonstrate compliance. This is done on an annual basis. Yum! recognizes systems including FSC, PEFC and SFI and requests that suppliers provide the volume of material and specific certification system used. This data is compiled and reviewed to ascertain compliance with the policy, progress on goals and if corrective measure, up to and including removal from the Yum! supply chain, are warranted. Our goal for suppliers to use certified or recycled materials is set for the end of 2020. As such we have worked to continually improve the volume of certified and recycled materials within our system since starting on this journey. In addition to adhering to this certification, we reserve the right to address suppliers not conforming to our policy with evidence of bad behavior. We have taken action in the past as APP, APRIL and its subsidiaries have been removed from the Yum! system as approved suppliers. Yum! supply chain leaders are responsible for evaluating the severity of non-compliance, developing corrective action plans and if necessary, removal of suppliers from the system in consultation with other functions and partners.

Forest risk commodity

Palm oil

Operational coverage

Direct operations
Supply chain

Description of control systems

Suppliers are required to adhere to all environmental policies established by Yum! as stated in the Yum! Global Suppliers are required to adhere to all environmental policies established by Yum! as stated in the Yum! Global Supplier Code of Conduct. Our policy for palm oil used for cooking includes using third-party certification systems, primarily and preferable RSPO, to demonstrate compliance. This is done on an annual basis. Yum! requests that suppliers provide the volume of material and specific certification system used. This data is compiled and reviewed to ascertain compliance with the policy, progress on goals and if corrective measure, up to and including removal from the Yum! supply chain, are warranted. Our ongoing commitment is to use certified palm oil. In addition to adhering to this certification, we reserve the right to address suppliers not conforming to our policy with evidence of bad behavior.

Monitoring and verification approach

Third-party verification

% of total volume in compliance

100%

% of total suppliers in compliance

81-90%

Response to supplier non-compliance

Retain & engage
Suspend & engage
Exclude
No response

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

Suppliers are required to adhere to all environmental policies established by Yum! as stated in the Yum! Global Supplier Code of Conduct. Our policy for palm oil used for cooking includes using third-party certification systems, primarily and preferably RSPO, to demonstrate compliance. This is done on an annual basis. Yum! requests that suppliers provide the volume of material and specific certification system used. This data is compiled and reviewed to ascertain compliance with the policy, progress on goals and if corrective measure, up to and including removal from the Yum! supply chain, are warranted. The responses we received represent an estimated 99% of our global store count of over 50,000 restaurants. Non-represented restaurants were estimated and included. Based on reported data and our purchase of RSPO Book and Claim certificates, an estimated 100% of the procured palm oil volume came from RSPO-certified sources. In addition to adhering to this certification, we reserve the right to address suppliers not conforming to our policy with evidence of bad behavior. We have taken action in the past as Indofood has been removed from the Yum! system as an approved supplier. Yum! supply chain leaders are responsible for evaluating the severity of non-compliance, developing corrective action plans and if necessary, removal of suppliers from the system in consultation with other functions and partners.

Forest risk commodity

Cattle Products

Operational coverage

Direct operations
Supply chain

Description of control systems

Suppliers are required to adhere to all environmental policies established by Yum! as stated in the Yum! Global Supplier Code of Conduct. Our policy for cattle does not require a certification system to demonstrate compliance, however, we do recognize and encourage third-party certification systems. Voluntary reporting in beef certification schemes is done on an annual basis. Yum! requests that suppliers provide the volume of material and specific certification system used. This data is compiled and reviewed to ascertain compliance with the policy, progress on goals. Our commitment is to procure beef in accordance with our endorsement of the NYDF. As such we have begun working to better understand the sourcing of beef within our system. We reserve the right to address suppliers not conforming to our policy with evidence of bad behavior. The focus is on suppliers with exposure to areas of higher tropical deforestation risk.

Monitoring and verification approach

Other, please specify (Self-Reporting - Traceability)

% of total volume in compliance

91-99%

% of total suppliers in compliance

81-90%

Response to supplier non-compliance

- Retain & engage
- Suspend & engage
- Exclude
- No response

Procedures to address and resolve non-compliance with suppliers

- Developing time-bound targets and milestones to bring suppliers back into compliance
- Providing information on appropriate actions that can be taken to address non-compliance
- Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
- Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

Suppliers are required to adhere to all environmental policies established by Yum! as stated in the Yum! Global Supplier Code of Conduct. Our policy for cattle does not require a certification system to demonstrate compliance, however, we do recognize and encourage third-party certification systems. A challenge that we face in moving toward setting a requirement is the lack of a robust, well adopted third-party system. Voluntary reporting in beef certification schemes is done on an annual basis. Yum! requests that suppliers provide the volume of material and specific certification system used. Our commitment is to procure beef in accordance with our endorsement of the New York Declaration on Forests. We reserve the right to address suppliers not conforming to our policy with evidence of bad behavior. The focus is on suppliers with exposure to areas of higher tropical deforestation risk. Yum! supply chain leaders are responsible for evaluating the severity of non-compliance, developing corrective action plans and if necessary, removal of suppliers from the system in consultation with other functions and partners. In 2019, an estimated 99% of total beef volume was sourced from countries of low deforestation risk and 84% of our responding suppliers reported low-risk origins. Please note that this is our first year reporting this commodity and as such, we look forward to improving our ability to gather and report on this information in the future.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

	Assess legal compliance with forest regulations	Please explain
Timber products	Yes, from suppliers	<Not Applicable>
Palm oil	Yes, from suppliers	<Not Applicable>
Cattle products	Yes, from suppliers	<Not Applicable>
Soy	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>

F6.6a

(F6.6a) For you disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Timber products

Procedure to ensure legal compliance

As part of our annual sustainability survey, we request all fiber-based product suppliers to state if are in compliance with the Brazilian Forest Code and request the monitoring approach and key performance indicators for any supplier that designates Brazil as a country of origin for their timber commodities. In 2019, approximately 100% of our Timber suppliers that sourced from Brazil reported that they monitor and ensure compliance with the Brazilian Forest Code. Compliance is tracked using Certifications from Forest Stewardship Council (FSC) Brazil and The Programme for the Endorsement of Forest Certification (PEFC); Certificates of Origin; Chain of Custody Certification Reports; and audits of the certification companies. The number of suppliers represents a rounded estimate based on the number of Timber suppliers that responded to the Survey for 2019. Supplier responses to the survey are indications, but not assurance, of legal compliance.

Country/Area of origin

Argentina
Australia
Brazil
Colombia
India
Indonesia
Malaysia
Mexico
Peru
Philippines
Thailand
Viet Nam

Law and/or mandatory standard(s)

Brazilian Forest Code

Comment

Suppliers are subject to the Yum! Supplier Code of Conduct. Suppliers are required to provide products/services that comply with all applicable laws, rules and regulations in the state and/or country in which they operate as well as to adhere to all requirements set out in this Code. Applicable laws and regulations include local, federal and international codes, rules and regulations as well as applicable treaties and industry standards. Furthermore, the Code states that suppliers must ensure compliance with industry environmental, agricultural and animal welfare standards and practices, as applicable. Any reported breaches in the Code of Conduct are reviewed and acted upon in accordance with the policy and any legal requirements. Third party certifications are used as indications, but not assurance, of legal compliance.

Palm oil

Procedure to ensure legal compliance

As part of our annual sustainability survey, we request all palm oil suppliers for cooking oil to state if are in compliance with the Brazilian Forest Code and request the monitoring approach and key performance indicators for any supplier that designates Brazil as a country of origin for their palm oil commodities. In 2019, no palm oil suppliers reported sourcing of palm oil for cooking from Brazil. Supplier responses to the survey are indications, but not assurance, of legal compliance.

Country/Area of origin

Ecuador
India
Indonesia
Malaysia
Peru
Thailand

Law and/or mandatory standard(s)

Brazilian Forest Code

Comment

Suppliers are subject to the Yum! Supplier Code of Conduct. Suppliers are required to provide products/services that comply with all applicable laws, rules and regulations in the state and/or country in which they operate as well as to adhere to all requirements set out in this Code. Applicable laws and regulations include local, federal and international codes, rules and regulations as well as applicable treaties and industry standards. Furthermore, the Code states that suppliers must ensure compliance with industry environmental, agricultural and animal welfare standards and practices, as applicable. Third party certifications are used as indications, but not assurance, of legal compliance.

Cattle products

Procedure to ensure legal compliance

As part of our annual sustainability survey, we request all beef suppliers for cooking oil to state if are in compliance with the Brazilian Forest Code and request the monitoring approach and key performance indicators for any supplier that designates Brazil as a country of origin for their palm oil commodities. In 2019, our first year of requesting this information from suppliers, limited quantities of data were returned in this area and as such we will continue to work with suppliers to better enhance reporting. Supplier responses to the survey are indications, but not assurance, of legal compliance.

Country/Area of origin

Brazil
Guatemala
Malaysia

Law and/or mandatory standard(s)

Brazilian Forest Code

Comment

Suppliers are subject to the Yum! Supplier Code of Conduct. Suppliers are required to provide products/services that comply with all applicable laws, rules and regulations in the state and/or country in which they operate as well as to adhere to all requirements set out in this Code. Applicable laws and regulations include local, federal and international codes, rules and regulations as well as applicable treaties and industry standards. Furthermore, the Code states that suppliers must ensure compliance with industry environmental, agricultural and animal welfare standards and practices, as applicable. Third party certifications are used as indications, but not assurance, of legal compliance.

F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Timber products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Palm oil	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Cattle products	No, not working with smallholders	<Not Applicable>	<Not Applicable>	<Not Applicable>	
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Timber products	Yes, working with direct suppliers	Supply chain mapping	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits	91-99%	In 2019, we attempted to engage with approximately 100% of our direct suppliers, with varying levels of engagement, to improve capacity to supply sustainable raw materials, and procurement teams to understand current progress against our goal of sourcing 100% sustainable fiber by the end of 2020. Our primary engagement approach is our annual survey (supplier questionnaires). We support our suppliers that share our goals around sustainable materials by recognizing their achievements and continuing our partnership. We are proud of the progress we've made and are working with our suppliers to ensure that they are on track to meet our commitment. For example, we're proud that two of our packaging suppliers in North America won an American Forest and Paper Association sustainability award for sustainable forest management. Our Food Safety Quality Assurance Team (FSQA) regularly audits suppliers on key measures on other requirements around product quality, safety and compliance. They use a global management platform to facilitate this work. In 2019 Yum! Global Sustainability began developing a module, integrated with this tool, to facilitate chain mapping increase our capability to engage with suppliers on fiber-based products and to gather data. This will give suppliers the ability to access their submitted data and view trends over time. Suppliers will be able to keep more closely attuned to requirements and progress being made by the overall system.
Palm oil	Yes, working with direct suppliers	Supply chain mapping	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits	91-99%	In 2019, we attempted to engage with nearly 100% of our direct suppliers, with varying levels of engagement to improve capacity to supply sustainable palm oil, and procurement to meet our commitment to source 100% of the product used for cooking from responsible and sustainable sources. Our primary engagement approach is our annual survey (supplier questionnaires). In particular, we focused on suppliers in markets requiring additional time to transition their supply. We engage with the RSPO through our participation on the Jurisdictional Working Group in support of market transformation. Our Food Safety Quality Assurance Team (FSQA) regularly audits suppliers on key measures on other requirements around product quality, safety and compliance. They use a global management platform to facilitate this work. In 2019 Yum! Global Sustainability began developing a module, integrated with this tool, to facilitate chain mapping increase our capability to engage with suppliers on fiber-based products and to gather data. This will give suppliers the ability to access their submitted data and view trends over time. Suppliers will be able to keep more closely attuned to requirements and progress being made by the overall system.
Cattle products	Yes, working with direct suppliers	Supply chain mapping	Supplier questionnaires on environmental and social indicators Developing or distributing supply chain mapping tool Supplier audits	61-70%	In 2019, we attempted to engage with nearly 100% of our direct suppliers, with varying levels of engagement to improve capacity to supply sustainable beef products in support of our commitment to the New York Declaration on Forests. Our primary engagement approach is our annual survey (supplier questionnaires). In particular, we focused on suppliers in markets requiring additional time to transition their supply. Our Food Safety Quality Assurance Team (FSQA) regularly audits suppliers on key measures on other requirements around product quality, safety and compliance. They use a global management platform to facilitate this work. In 2019 Yum! Global Sustainability began developing a module, integrated with this tool, to facilitate chain mapping increase our capability to engage with suppliers on fiber-based products and to gather data. This will give suppliers the ability to access their submitted data and view trends over time. Suppliers will be able to keep more closely attuned to requirements and progress being made by the overall system.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Timber products	Yes, working beyond first tier	Supply chain mapping	Supplier questionnaires on environmental and social indicators	Our sustainable fiber sourcing policy is global and applies to all paper-based food and beverage packaging, therefore, it applies to all suppliers providing these items whether they are first tier suppliers or further back into the supply chain. Some of our global markets have the ability to work beyond the first tier of the supply chain due to the volumes they procure and level of access to and influence with suppliers. Some of our suppliers are vertically integrated which is a helpful enabling factor to working beyond the first tier to manage and mitigate risk. In addition, we engage beyond the first tier through multi-stakeholder dialogues, industry conferences, trade associations, and supply chain collaborations. All suppliers are required to adhere to the Yum! Supplier Code of Conduct which includes compliance with Yum! sustainability policies, positions and goals outlined in our Global Citizenship and Sustainability Report. Their participation in reporting is a demonstration of environmental management and leadership to meet or exceed environmental standards with year-over-year progress towards reducing the relative environmental footprint of their operations.
Palm oil	Yes, working beyond first tier	Supply chain mapping	Supplier questionnaires on environmental and social indicators	Our sustainable palm oil sourcing policy is global and applies to cooking oil, therefore, it applies primarily to our suppliers providing us with cooking oil versus suppliers who are manufacturing products for us containing palm oil and purchasing palm oil further back in the supply chain. Some of our global markets have the ability to work beyond the first tier of the supply chain due to the volumes they procure and level of access to and influence with suppliers. Some of our suppliers are vertically integrated which is a helpful enabling factor to working beyond the first tier to manage and mitigate risk. In addition, we engage beyond the first tier through multi-stakeholder dialogues, industry conferences, trade associations, and supply chain collaborations. As a result of working beyond the first tier, some of our large regions are already sourcing sustainable palm oil in their secondary ingredients, above and beyond the minimum requirements of our policy (which is focused on our primary use, which is cooking oil). All suppliers are required to adhere to the Yum! Supplier Code of Conduct which includes compliance with Yum! sustainability policies, positions and goals outlined in our Global Citizenship and Sustainability Report. Their participation in reporting is a demonstration of environmental management and leadership to meet or exceed environmental standards with year-over-year progress towards reducing the relative environmental footprint of their operations.
Cattle products	Yes, working beyond first tier	Supply chain mapping	Supplier questionnaires on environmental and social indicators	Our forest stewardship policy is global and applies to suppliers providing beef products to the supply chain. Our annual sustainability survey that is provided to direct suppliers contains questions that require cascading to and interaction with suppliers beyond the first tier to complete. Some of our global markets have the ability to work beyond the first tier of the supply chain due to the volumes they procure and level of access to and influence with suppliers. Some of our suppliers are vertically integrated which is a helpful enabling factor to working beyond the first tier to manage and mitigate risk. In addition, we engage beyond the first tier through multi-stakeholder dialogues, industry conferences, trade associations, and supply chain collaborations. All suppliers are required to adhere to the Yum! Supplier Code of Conduct which includes compliance with Yum! sustainability policies, positions and goals outlined in our Global Citizenship and Sustainability Report. Their participation in reporting is a demonstration of environmental management and leadership to meet or exceed environmental standards with year-over-year progress towards reducing the relative environmental footprint of their operations.
Soy	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Rubber	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Cocoa	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Other - Coffee	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>

F6.10

(F6.10) Do you participate in external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Timber products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Initiatives

<Not Applicable>

Jurisdictional approaches

<Not Applicable>

Please explain

Our endorsement of the New York Declaration on Forests (NYDF) is a milestone. We believe that endorsing the NYDF is an important step forward and we look forward to supporting and helping to meet the global private sector goal of eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products no later than 2020, in addition to at least halving the rate of loss of natural forest globally by 2020 and striving to end natural forest loss by 2030. We worked with WWF between 2013 and 2014 to develop our initial public policy and goal, and continued to partner with them in 2017-2018 to complete a supply chain sustainability risk assessment of key commodities, including Timber. Our engagement with our partner WWF continued in 2019 with a focus on the Brazil supply chain. This includes a landscape analysis and strategic plan to better understand how to reduce deforestation risks.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Initiatives

Roundtable on Sustainable Palm Oil (RSPO)
Other, please specify (New York Declaration on Forests)

Jurisdictional approaches

<Not Applicable>

Please explain

Yum! Brands is a member of the RSPO and promotes the use of certified sustainable palm oil by continuing to report progress toward meeting our goal and discussing the importance of sustainable palm oil in combatting deforestation and GHG emissions. We also engage with the RSPO, including through participation in the Jurisdictional Working Group, in support of market transformation.

Forest risk commodity

Cattle products

Do you participate in activities/initiatives?

Yes

Activities

Engaging with non-governmental organizations

Initiatives

<Not Applicable>

Jurisdictional approaches

<Not Applicable>

Please explain

Taco Bell is a member of the U.S. Roundtable for Sustainable Beef (USRSB) and works with a network of experts comprised of representatives from supply chains, academia, environmental, animal welfare organizations and veterinarians to improve the sustainability of U.S. Grown Beef.

F6.11

(F6.11) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.11a

(F6.11a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Forest ecosystem restoration

Primary motivation

Voluntary

Description of project

In 2019, we endorsed the New York Declaration of Forests and are working to at least halve the rate of loss of natural forests globally and strive to end natural forests loss by 2030. Our support of this project includes Goal 5 of the New York Declaration of Forests, which is to restore 150 million hectares of degraded landscapes and forestlands by 2020 and significantly increase the rate of global restoration thereafter, which would restore at least an additional 200 million hectares by 2030. To date, the project has been applied in 22 countries with 45 Million hectares under restoration, including Brazil, El Salvador, Mexico, Rwanda, Sri Lanka, United States, Burundi, Cameroon, Colombia, Costa Rica, Democratic Republic of Congo, Ghana, Guatemala, India, Côte d'Ivoire, Kenya, Malawi, Mozambique, Uganda, Ethiopia, Madagascar, and Togo. For the purposes of this disclosure, we have selected the USA as the project country. Please note that reported details represent the progress of the entire project, which we support.

Start year

2019

Target year

2030

Project area to date (Hectares)

45000000

Project area in the target year (Hectares)

350000000

Country/Area

United States of America

Latitude

Longitude

Monitoring frequency

Annually

Measured outcomes to date

Biodiversity

Other, please specify (Hectares of Restored Forest)

Please explain

Our support of the New York Declaration of Forests includes Goal 5, which is to restore 150 million hectares of degraded landscapes and forestlands by 2020 and significantly increase the rate of global restoration thereafter, which would restore at least an additional 200 million hectares by 2030. To date, the project has been applied in 22 countries with 45 Million hectares under restoration, including Brazil, El Salvador, Mexico, Rwanda, Sri Lanka, United States, Burundi, Cameroon, Colombia, Costa Rica, Democratic Republic of Congo, Ghana, Guatemala, India, Côte d'Ivoire, Kenya, Malawi, Mozambique, Uganda, Ethiopia, Madagascar, and Togo. For the purposes of this disclosure, we have selected the USA as the project country. Please note that reported details represent the progress of the entire project, which we support.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, we are waiting for more mature verification standards/processes

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Timber products

Coverage

Supply chain

Primary barrier/challenge type

Limited availability of certified materials

Comment

Increased availability of certified materials would help to improve cost structures and ensure the sustainability of our supply chain. In our efforts to meet our goal of 100% sustainable fiber-based products a number of our markets have expressed this as their key challenge in achieving the target.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Limited availability of certified materials

Comment

Increased availability of certified materials would help to improve cost structures and ensure the sustainability of our supply chain. Although we have been able to obtain sustainable palm oil, adoption of higher levels of sustainable certification within RSPO would be aided by increased availability and the resulting improved cost structures.

Forest risk commodity

Cattle products

Coverage

Supply chain

Primary barrier/challenge type

Inexistent or immature certification standards

Comment

The development of more mature, well adopted certification standards would help provide a common language and set of expectations with suppliers. This would increase capability to engage and encourage the taking of measure to reduce the industry's environmental footprint. The current set of programs has very low adoption, supplier familiarity and are not at a commercial scale.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Timber products

Coverage

Supply chain

Main measure

Reduced cost of certification/certified products

Comment

Increased availability of certified materials would help to improve cost structures and ensure the sustainability of our supply chain. In our efforts to meet our goal of 100% sustainable fiber-based products a number of our markets have expressed this as their key challenge in achieving the target.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Reduced cost of certification/certified products

Comment

Increased availability of certified materials would help to improve cost structures and ensure the sustainability of our supply chain. Although we have been able to obtain sustainable palm oil, adoption of higher levels of sustainable certification within RSPO would be aided by increased availability and the resulting improved cost structures.

Forest risk commodity

Cattle products

Coverage

Supply chain

Main measure

Development of certification and sustainability standards

Comment

The development of more mature, well adopted certification standards would help provide a common language and set of expectations with suppliers. This would increase capability to engage and encourage the taking of measure to reduce the industry's environmental footprint.

F17 Signoff

F-FI

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

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Executive Officer (CEO)	Chief Executive Officer (CEO)

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms