Module: Introduction

Page: W0. Introduction

W0.1

Introduction

Please give a general description and introduction to your organization.

Yum! Brands, Inc., based in Louisville, Kentucky, has nearly 43,000 restaurants in more than 130 countries and territories. Yum! Brands is ranked #228 on the Fortune 500 List with revenues of over $13 billion in 2015 and is one of the Aon Hewitt Top Companies for Leaders in North America. The Company's restaurant brands – KFC, Pizza Hut and Taco Bell – are the global leaders of the chicken, pizza and Mexican-style food categories. Worldwide, the Yum! Brands system opens over six new restaurants per day on average, making it a leader in global retail development.

W0.2

Reporting year

Please state the start and end date of the year for which you are reporting data.

Period for which data is reported
Thu 01 Jan 2015 - Thu 31 Dec 2015

W0.3

Reporting boundary

Please indicate the category that describes the reporting boundary for companies, entities, or groups for which water-related impacts are reported.

Companies, entities or groups over which operational control is exercised

W0.4

Exclusions

Are there any geographies, facilities or types of water inputs/outputs within this boundary which are not included in your disclosure?

Yes

W0.4a

Exclusions

Please report the exclusions in the following table

Exclusion	Please explain why you have made the exclusion
All restaurant support centers located in the U.S.	These sites are excluded because they are a small fraction of total water use and are not located in high risk areas, according to WRI Aqueduct.
All restaurants and restaurant support centers located outside of the US.	We are in the early stages of monitoring global water usage and prefer to improve our ability to collect reliable information in the U.S. before expanding our methods to include international locations.

Further Information

Module: Current State

Page: W1. Context

W1.1

Please rate the importance (current and future) of water quality and water quantity to the success of your organization

Water quality and quantity	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	Direct use of sufficient amounts of good quality freshwater is important to our operations because our restaurants use it for many important functions, including production of our food, beverages and ice, and to run equipment such as dishwashers. Indirect use of sufficient amounts of good quality freshwater is important to our value chain because it's used to help produce many of our primary products, whether developing beverages, preparing meat or helping food grow.
Sufficient amounts of recycled, brackish and/or produced water available for use	Not very important	Not very important	Direct use of sufficient amounts of recycled, brackish and/or produced water is not very important to our operations because of its limited use throughout our business. Indirect use of sufficient amounts of recycled, brackish and/or produced water is not very important to our value chain because of its limited use throughout our supply chain.

W1.2

For your total operations, please detail which of the following water aspects are regularly measured and monitored and provide an explanation as to why or why not

Water aspect	% of sites/facilities/operations	Please explain
Water withdrawals- total volumes	1-25	Current water withdrawal volumes for U.S. equity stores are recorded from municipal water utility bills. Restaurant support centers in the U.S. are excluded from measurement because they are a small fraction of total water use and do not bear high exposure to water risk, as represented by their scores

Water aspect	% of sites/facilities/operations	Please explain
		in WRI Aqueduct. We exclude all restaurants and restaurant support centers outside the U.S. because we prefer to improve our ability to collect reliable information in the U.S. before expanding our methods to include international locations, as well.
Water withdrawals- volume by sources	1-25	Current water withdrawal volumes for U.S. equity stores are recorded from municipal water utility bills, so reported figures refer to municipal supply sources only. Restaurant support centers in the U.S. are excluded from measurement because they are a small fraction of total water use and do not bear high exposure to water risk, as represented by their scores in WRI Aqueduct. We exclude all restaurants and restaurant support centers outside the U.S. because we prefer to improve our ability to collect reliable information in the U.S. before expanding our methods to include international locations, as well.
Water discharges- total volumes	1-25	Yum!'s water discharge volumes for U.S. KFC and Taco Bell equity stores are equal to a store's withdrawal, minus approximately 15 percent consumption. U.S. Pizza Hut equity stores have negligible consumption volumes, so its discharge volume is generally equal to its withdrawal. Restaurant support centers in the U.S. are excluded from measurement because they are a small fraction of total water use and do not bear high exposure to water risk, as represented by their scores in WRI Aqueduct. We exclude all restaurants and restaurant support centers outside the U.S. because we prefer to improve our ability to collect reliable information in the U.S. before expanding our methods to include international locations, as well.
Water discharges- volume by destination	1-25	Yum!'s water discharge volumes for U.S. equity stores refer to municipal supply sources and groundwater only. They are monitored through municipal water utility bills and sub-metering, respectively. Restaurant support centers in the U.S. are excluded from measurement because they are a small fraction of total water use and do not bear high exposure to water risk, as represented by their scores in WRI Aqueduct. We exclude all restaurants and restaurant support centers outside the U.S. because we prefer to improve our ability to collect reliable information in the U.S. before expanding our methods to include international locations, as well.
Water discharges- volume by treatment method	Less than 1%	We do not regularly measure and monitor water discharge volumes by treatment method because discharges are returned to municipal facilities for treatment at their discretion.
Water discharge quality data- quality by standard effluent parameters	Less than 1%	We do not regularly measure and monitor water discharge quality because restaurants are designed to produce discharges of an acceptable quality for treatment by municipal facilities.
Water consumption- total volume	1-25	Water consumption at U.S. KFC and Taco Bell equity stores is equal to 15 percent of their water withdrawals, based upon sub-metering measurements. U.S. Pizza Hut equity stores' consumption is regarded as negligible since they do not regularly sell soft drinks in-store. Restaurant support centers in the U.S. are excluded from measurement because they are a small fraction of total water use and do not bear high exposure to water risk, as represented by their scores in WRI Aqueduct. We exclude all restaurants and restaurant support centers outside the U.S. because we prefer to improve our ability to

Water aspect	% of sites/facilities/operations	Please explain
		collect reliable information in the U.S. before expanding our methods to include international locations, as well.
Facilities providing fully-functioning WASH services for all workers	76-100	All Yum! Restaurants under operational control are required to provide fully-functioning WASH services for all workers, including clean water for drinking, cooking and cleaning purposes, adequate facilities for excreta purposes, solid waste management and drainage, and hygiene information and education, as suggested by Oxfam. These services are built into restaurant design and monitored by our Quality Assurance team in the field.

W1.2a

Water withdrawals: for the reporting year, please provide total water withdrawal data by source, across your operations

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	All Yum! water withdrawals are taken from municipal supply.
Brackish surface water/seawater	0	Not applicable	All Yum! water withdrawals are taken from municipal supply.
Rainwater	0	Not applicable	All Yum! water withdrawals are taken from municipal supply.
Groundwater - renewable	0	Not applicable	All Yum! water withdrawals are taken from municipal supply.
Groundwater - non-renewable	0	Not applicable	All Yum! water withdrawals are taken from municipal supply.
Produced/process water	0	Not applicable	All Yum! water withdrawals are taken from municipal supply.
Municipal supply	3169	About the same	In our 2015 CDP Water submission, we classified withdrawal as consumption as we increased our internal understanding of water stewardship and reporting. This year’s

Source	Quantity (megaliters/year)	How does total water withdrawals for this source compare to the last reporting year?	Comment
			3,169 ML withdrawal figure is approximately equal to our 3,174 ML withdrawal figure – which was classified as consumption – last year.
Wastewater from another organization	0	Not applicable	All Yum! water withdrawals are taken from municipal supply.
Total	3169	About the same	This year's total water withdrawal is about the same as last year's. It is exactly 0.15 percent lower.

W1.2b

Water discharges: for the reporting year, please provide total water discharge data by destination, across your operations

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Fresh surface water	0	Not applicable	All discharge is returned to groundwater and municipal facilities.
Brackish surface water/seawater	0	Not applicable	All discharge is returned to groundwater and municipal facilities.
Groundwater	954	This is our first year of measurement	All irrigation is discharged to groundwater. Irrigation is calculated to be approximately 35 percent of total withdrawals at all KFC and Taco Bell stores.
Municipal/industrial wastewater treatment plant	1806	This is our first year of measurement	All discharge not related to irrigation is returned to municipal facilities. It is calculated as withdrawal minus consumption minus irrigation. Irrigation is calculated to be approximately 35 percent of total withdrawals at all KFC and Taco Bell stores.
Wastewater for another organization	0	Not applicable	All discharge is returned to groundwater and municipal facilities.

Destination	Quantity (megaliters/year)	How does total water discharged to this destination compare to the last reporting year?	Comment
Total	2760	This is our first year of measurement	This figure is the sum of discharge volumes to groundwater and municipal treatment plant listed above.

W1.2c

Water consumption: for the reporting year, please provide total water consumption data, across your operations

Consumption (megaliters/year)	How does this consumption figure compare to the last reporting year?	Comment
409	This is our first year of measurement	In our 2015 CDP Water submission, we classified water withdrawal as water consumption as we increased our internal understanding of water stewardship and reporting. We now know that water consumption represents approximately 15 percent of total water withdrawals for KFC and Taco Bell, with minimal amounts of water consumption at Pizza Hut stores.

W1.3

Do you request your suppliers to report on their water use, risks and/or management?

No

W1.3a

Please provide the proportion of suppliers you request to report on their water use, risks and/or management and the proportion of your procurement spend this represents

Proportion of suppliers %	Total procurement spend %	Rationale for this coverage

W1.3b

Please choose the option that best explains why you do not request your suppliers to report on their water use, risks and/or management

Primary reason	Please explain
Important but not an immediate business priority	Yum! recognizes the importance of evaluating water use, risks, and management in our agricultural supply chain, but believes it is more important to obtain a full understanding of these items in our direct operations first. We have developed an environmental audit tool for suppliers and are in the process of implementing it and tracking its results.

W1.4

Has your organization experienced any detrimental impacts related to water in the reporting year?

Yes

W1.4a

Please describe the detrimental impacts experienced by your organization related to water in the reporting year

Country	River basin	Impact indicator	Impact	Description of impact	Length of impact	Overall financial impact	Response strategy	Description of response strategy
United States of America	Other:	Other: Poor Consumer Views	Brand damage	“Water use” and “water pollution” were perceived as weak performance areas by consumers and opinion elites in Taco Bell’s 2015 materiality assessment.	Ongoing	The financial implications of a damaged reputation could negatively impact our market share, stock price and brand equity.	Promote best practice and awareness	Yum! will strive to improve our water awareness, management, and disclosure to transform “water use” and “water pollution” from weaknesses to strengths in future materiality assessments.

W1.4b

Please choose the option below that best explains why you do not know if your organization experienced any detrimental impacts related to water in the reporting year and any plans you have to investigate this in the future

Primary reason	Future plans

Further Information

Module: Risk Assessment

Page: W2. Procedures and Requirements

W2.1

Does your organization undertake a water-related risk assessment?

Water risks are assessed

W2.2

Please select the options that best describe your procedures with regard to assessing water risks

Risk assessment procedure	Coverage	Scale	Please explain
Water risk assessment undertaken independently of other risk assessments	Direct operations	All facilities	In 2015, Yum! researched industry-wide water risks and best practices and surveyed internal departments' awareness of water risks as we strengthened our existing water stewardship practices. We also hired a CDP-accredited water consultant to complete a global risk assessment for over 10,000 stores using WRI's Aqueduct tool. The assessment considers stores' water risk by location, brand, and withdrawal volume.

W2.3

Please state how frequently you undertake water risk assessments, what geographical scale and how far into the future you consider risks for each assessment

Frequency	Geographic scale	How far into the future are risks considered?	Comment
Annually	Country	>6 years	In 2015, Yum! opened 2,365 new restaurants, many in international markets, where emerging markets accounted for 80 percent of new development. To ensure our assessment adequately captures the

Frequency	Geographic scale	How far into the future are risks considered?	Comment
			company’s exposure to risk as it grows, we add new stores to our assessment each year and incorporate Projected 2030 Water Stress into their Overall Water Risk scores.

W2.4

Have you evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy?

Yes, evaluated over the next 10 years

W2.4a

Please explain how your organization evaluated the effects of water risks on the success (viability, constraints) of your organization's growth strategy?

Our organization’s growth strategy is to build and franchise global, iconic restaurant brands that people trust and champion. To evaluate the effects of water risks on its success, we monitor consumer attitudes towards sustainability topics, like water, through materiality assessments and our social media listening center (“The Hive”). We also monitor water’s cost and quantity within our direct operations. Utility bills confirm that water remains a very small portion of a restaurant’s total operating costs, now and in the foreseeable future. Our WRI Aqueduct risk assessment incorporates water quality, water quantity, and projected 2030 water stress into Overall Water Risk scores to inform the company about which equity markets are exposed to water risks that could affect new store development and impact current stores’ ability to operate successfully.

W2.4b

What is the main reason for not having evaluated how water risks could affect the success (viability, constraints) of your organization's growth strategy, and are there any plans in place to do so in the future?

Main reason	Current plans	Timeframe until evaluation	Comment

W2.5

Please state the methods used to assess water risks

Method	Please explain how these methods are used in your risk assessment
Internal company knowledge WRI Aqueduct	The coordinates of all equity stores worldwide are inserted into the WRI Aqueduct tool for consideration and assigned a water risk score based on baseline water stress (45%), overall water risk (45%), and projected 2030 water stress (10%). These factors are weighted to follow WRI Aqueduct's assessment of the Food & Beverage industry, specifically. Based on their scores, stores' direct operations are classified as low risk (<2.7499), moderate risk (2.75 – 3.7499), or high risk (>3.75) and grouped for analysis based on their country, city, and brand. The assessment also compares groups' average risk score with their total estimated water use to find their combined risk exposure, which helps Yum! prioritize which locations' new and existing stores to address first. The Yum! Brands' Sustainability team works closely with our Public Affairs, Legal, and Financial teams to identify physical, regulatory and reputational climate-related risks to our business and company-owned operations. The team works with our divisions and business units to mitigate them. The process for assessing risks at the Company level includes reviewing potential issues and factors such as changing government regulations, pending legislation and other opportunities for risk or cost aversion and by sourcing information from resources from key stakeholders including customers, governmental organizations, NGOs, media, peers and trade associations. Once an assessment is complete and we understand how it may impact our operations, we form working groups to determine the magnitude of the situation and timelines for impact. The Company assesses various alternatives and then determines an appropriate next step and action plan. At the Company level we assess risks that could significantly affect our business. For example, we assess the impact of shortages or interruptions in the supply of food items and other supplies to our restaurants which could adversely affect the availability, quality and cost of items we buy and the operations of our restaurants. Such shortages or disruptions could be caused by inclement weather and natural disasters like floods, droughts and hurricanes, among other factors. At the asset level, risks are assessed which could have an impact on a region, country, or specific restaurants. Legislation can impact a specific restaurant in a given city, county or municipality, or a much larger scale of units. Financial impact could be minimal per restaurant per year or it could be significant based on the requirements. Our Sustainability, Legal, Public Affairs and Government Relations teams works closely with our impacted operators to assess risks and comply with new and/or changing legislation to determine opportunities related to efficiencies in equipment, utility usage and procurement at our company operated operations.

W2.6

Which of the following contextual issues are always factored into your organization's water risk assessments?

Issues	Choose option	Please explain
Current water availability and quality parameters at a local level	Relevant, included	Water availability and quality is essential for stores' operation, food production, and irrigation. It is therefore monitored by the Sustainability team at a global level using the WRI Aqueduct tool and the Quality Assurance team at the local level.
Current water regulatory frameworks and tariffs at a local level	Not evaluated	U.S. cities are increasingly adopting new water regulatory frameworks and tariffs at a local level, i.e. irrigation regulations in California. While our brand teams monitor and comply with new local regulations to avoid violations and track fines, we have not formally evaluated this issue within our water risk assessment.
Current stakeholder conflicts concerning water resources at a local level	Relevant, included	In our WRI Aqueduct risk assessment, a higher Baseline Water Stress score indicates more competition amongst users for water at a particular location. We examine stores with high Baseline Water Stress scores to ensure they are not using a disproportionate amount of water to the community in order to maintain positive relationships with stakeholders..
Current implications of water on your key commodities/raw materials	Not evaluated	Yum! acknowledges that the agricultural sector, which includes our supply chain, uses 70 percent of the world's freshwater resources globally. While we plan to assess the current implications of water on our key commodities and raw materials in the future, we do not evaluate it in a systematic way now.
Current status of ecosystems and habitats at a local level	Relevant, included	Yum!'s WRI Aqueduct assessment includes the "threatened amphibians" indicator, which measures the percentage of freshwater amphibian species that are classified by IUCN as threatened in an area. Higher values indicate more fragile freshwater ecosystems that may be subject to water withdrawal and discharge regulations.
Current river basin management plans	Not evaluated	We do not currently include river basin management plans in our water risk assessments.
Current access to fully-functioning WASH services for all employees	Relevant, included	Yum! restaurants require clean water for drinking, cooking and cleaning purposes, adequate facilities for excreta purposes, solid waste management and drainage, and general hygiene purposes. We consider WASH services a basic right for all Yum! employees and ensure that WASH facilities are included in all current and new development properties in collaboration with the brands' Quality Assurance teams.
Estimates of future changes in water availability at a local level	Relevant, included	Yum!'s WRI Aqueduct assessment includes a Projected 2030 Water Stress indicator in each stores' score that shows how development and/or climate change are expected to affect water stress, the ratio of water use to supply.
Estimates of future potential regulatory changes at a local level	Not evaluated	Yum!'s Sustainability team currently educates our Government Relations team about various sustainability issues, including water, and collaborates with them to understand the dynamic regulatory landscape around water and its impact on our company's operations. However, we do not formally evaluate this issue within our water risk assessment now.

Issues	Choose option	Please explain
Estimates of future potential stakeholder conflicts at a local level	Relevant, included	Future potential stakeholder conflicts at a local level are included in Yum!'s WRI Aqueduct assessment through an examination of the Projected 2030 Water Stress indicator at a local level.
Estimates of future implications of water on your key commodities/raw materials	Not evaluated	Yum! acknowledges that the agricultural sector, which includes our supply chain, uses 70 percent of the world's freshwater resources globally. While we plan to assess the current implications of water on our key commodities and raw materials in the future, we do not evaluate it in a systematic way now.
Estimates of future potential changes in the status of ecosystems and habitats at a local level	Not evaluated	We do not currently evaluate the future potential changes in the status of ecosystems and habitats at a local level.
Scenario analysis of availability of sufficient quantity and quality of water relevant for your operations at a local level	Not evaluated	We do not currently perform a scenario analysis of availability of sufficient quantity and quality of water relevant for our operations at a local level. However, Yum! does examine the operations and best practices of stores currently operating in water stressed areas to improve our understanding of water scarcity's implications on operations at a local level.
Scenario analysis of regulatory and/or tariff changes at a local level	Not evaluated	We do not currently perform a scenario analysis of regulatory and or tariff changes at a local level.
Scenario analysis of stakeholder conflicts concerning water resources at a local level	Not evaluated	We do not currently perform a scenario analysis of stakeholder conflicts concerning water resources at a local level because Yum! proactively ensures that our stores do not use a disproportionate amount of water to the community in cities where stakeholder conflicts concerning water resources is present.
Scenario analysis of implications of water on your key commodities/raw materials	Not evaluated	We do not currently perform a scenario analysis of implications of water on our key commodities and raw materials because we do not yet have the internal knowledge and resources. However, because we acknowledge water risks may impact key commodities, we hedge commodity prices, diversify suppliers, and buy in bulk to ensure stable commodity price, quality, and quantity in our supply chain.
Scenario analysis of potential changes in the status of ecosystems and habitats at a local level	Not evaluated	We do not currently perform a scenario analysis of potential changes in the status of ecosystems and habitats at a local level.
Other		

W2.7

Which of the following stakeholders are always factored into your organization's water risk assessments?

Stakeholder	Choose option	Please explain
Customers	Relevant, included	Customers incorporate considerations about a company's sustainability and restaurants' cleanliness into their purchasing decisions. We therefore consider customers' perception about our stores' water use and pollution in our brands' materiality assessments as they are performed.
Employees	Relevant, included	Yum! believes all employees should have access to WASH services for their personal and professional health and wellbeing. We therefore work with our Quality Assurance teams to ensure that all restaurants have WASH facilities.
Investors	Relevant, included	Many sustainable, responsible, and impact (SRI) investors incorporate companies' preparedness and exposure to water risk into their investment theses. Yum! therefore monitors investors' water-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.
Local communities	Relevant, included	Local communities require water as an essential resource for daily living purposes. Yum! monitors the ratio of available water supply to local use to identify areas where local communities may bear more water-related concerns.
NGOs	Relevant, included	Several environmental NGOs evaluate Yum!'s sustainability performance and engage us on issues like water. Yum! listens to NGOs' water concerns in personal dialogues, industry conferences, and the media as they arise.
Other water users at a local level	Not evaluated	Yum! does not proactively evaluate other water users at a local level in our water risk assessments, unless they have expressed interest in engaging.
Regulators	Relevant, included	Yum!'s Government Affairs team monitors emerging environmental regulations and engages regulators on these issues when they are relevant to the success of our business operations.
River basin management authorities	Not evaluated	Yum! does not proactively evaluate river basin management authorities in our current water risk assessments, unless they have expressed interest in engaging
Statutory special interest groups at a local level	Not evaluated	Yum! does not proactively evaluate statutory special interest groups at a local level in our current water risk assessments, unless they have expressed interest in engaging.
Suppliers	Not evaluated	Yum! currently receives frequent updates about suppliers' sustainability efforts in our agricultural value chain; however, we do not currently engage suppliers and track their sustainability initiatives in a systematic way. We intend to do this once we have achieved a better understanding, management, and disclosure of water-related issues in our direct operations.
Water utilities/suppliers at a local level	Relevant, included	Water utilities/suppliers at a local level are instrumental to Yum!'s understanding of water use in our direct operations since water withdrawal and consumption are collected from local utility bills. Yum! therefore engages with water utilities/suppliers at a local level on an as-needed basis, for example, when a water utility does not include adequate water usage information on its monthly bills or reports water usage in an unusual or inconsistent manner.
Other		

Please choose the option that best explains why your organisation does not undertake a water-related risk assessment

Primary reason	Please explain

Further Information

Module: Implications

Page: W3. Water Risks

W3.1

Is your organization exposed to water risks, either current and/or future, that could generate a substantive change in your business, operations, revenue or expenditure?

Yes, direct operations and supply chain

W3.2

Please provide details as to how your organization defines substantive change in your business, operations, revenue or expenditure from water risk

Risks, including water risks, are prioritized based on a number of factors that impact our organization and could create substantive change, including but not limited to regulatory, operational and reputational. More specifically, we look at the likelihood, size, and scope of the factors and the number of business units/divisions impacted. In addition, we consider the length of the factors' impact and assess whether the impact is a one-time occurrence or recurring in nature. We then make a determination whether or not it is more effective in both the short and long-term to modify, adjust or alter our business strategy given the risks. Water risk is incorporated into the Company's broader risk management process. Water issues and initiatives are driven in partnership between the Sustainability, Public Affairs, Legal, and Financial teams, and other key functions as relevant. These teams work together to identify substantive risks to our business and company-owned operations that could potentially occur and work with our divisions and business units to mitigate the risks. Our most basic quantitative metric that indicates whether

a store is exposed to water risks that could generate substantive change in our operations – i.e. impact a store's ability to operate and generate revenue – is currently a Composite Risk Score of 3.75 or higher in our WRI Aqueduct assessment.

W3.2a

Please provide the number of facilities* per river basin exposed to water risks that could generate a substantive change in your business, operations, revenue or expenditure and the proportion this represents of total operations company-wide

Country	River basin	Number of facilities exposed to water risk	Proportion of total operations (%)	Comment
United States of America	Mississippi River	1	Less than 1%	4.06 Average WRI Risk Score
United States of America	Bravo	1	1-5	3.92 Average WRI Risk Score
United States of America	St. Lawrence	1	Less than 1%	3.95 Average WRI Risk Score
United States of America	Sacramento River - San Joaquin River	1	Less than 1%	4.01 Average WRI Risk Score

W3.2b

Please provide the proportion of financial value that could be affected at river basin level associated with the facilities listed in W3.2a

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
United States of America	Mississippi River	% global revenue	Less than 1%	High risk stores in this basin represent 0.8 percent of global revenues from equity stores
United States of America	Bravo	% global revenue	Less than 1%	High risk stores in this basin represent 0.2 percent of global revenues from equity stores

Country	River basin	Financial reporting metric	Proportion of chosen metric that could be affected within the river basin	Comment
United States of America	St. Lawrence	% global revenue	Less than 1%	High risk stores in this basin represent 0.5 percent of global revenues from equity stores
United States of America	Sacramento River - San Joaquin River	% global revenue	Less than 1%	High risk stores in this basin represent 0.4 percent of global revenues from equity stores

W3.2c

Please list the inherent water risks that could generate a substantive change in your business, operations, revenue or expenditure, the potential impact to your direct operations and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
United States of America	Other: All	Physical-Drought	Higher operating costs	Drought for any extended period of time could force stores to close or, for example, ship water from other locations, increasing the costs of operations. Drought could also cause	Unknown	Unknown	Unknown	Engagement with suppliers Increased investment in new technology Supplier diversification	In 2015, Taco Bell spent $53,000 to upgrade 37 irrigation systems in 37 new restaurants. Stores continue to make similar investments in water efficiency capabilities,	Water efficiency investments are considered on an ongoing basis during the development of all new restaurants according to Yum!’s proprietary Blueline green building

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				shortages or interruptions in the availability and delivery of restaurants' food supply.					when appropriate. These costs tend to be small in the context of overall operations. Supplier engagement and diversification bear no extraordinary costs since they are a routine part of operations.	standards. Supplier engagement and diversification are improved on an ongoing basis, as well.
United States of America	Other: All	Physical-Increased water stress	Loss of license to operate	Areas of high water stress could limit our ability to open new restaurants and avoid community stakeholder conflicts over water.	Unknown	Unknown	Unknown	Engagement with community Establish site-specific targets Promote best practice and awareness	In 2015, we invested several thousand dollars in hiring a CDP-accredited water consultant to perform a WRI Risk Assessment we then used to establish site-specific awareness that will help us	We plan to engage stores and communities in high risk areas this year to further understand their specific water risks and usage

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
									prioritize which communities to engage. This was a small cost in the context of Yum!'s overall operations.	
United States of America	Other: All	Regulatory-Statutory water withdrawal limits/changes to water allocation	Fines/ penalties	Statutory limits to water withdrawal could result in expenditures to install water efficiency fixtures or fines for restaurants that do not comply.	Unknown	Unknown	Unknown	Alignment of public policy positions with water stewardship goals Greater due diligence	No cost	We will work with our Government Relations and Brand teams to increase our knowledge of local statutory water developments and track relevant fines as they occur.
United States of America	Other: All	Reputational-Changes in consumer behavior	Brand damage	Our success depends in large part upon our ability to maintain and enhance the value of our brands and our customers' connection to our brands. Brand value is based in part on consumer	Unknown	Unknown	Unknown	Engagement with customers	No cost	We are committed to increasing our performance, transparency, and communications around our water stewardship efforts.

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
				perceptions on a variety of subjective qualities including, but not limited to, brand and product sustainability. Incidents that affect consumer perceptions could cause a decline in consumer confidence and decrease the value of our brands, as well as consumer demand for our products, which would likely result in lower revenues and profits.						

W3.2d

Please list the inherent water risks that could generate a substantive change in your business operations, revenue or expenditure, the potential impact to your supply chain and the strategies to mitigate them

Country	River basin	Risk driver	Potential impact	Description of impact	Timeframe	Likelihood	Magnitude of potential financial impact	Response strategy	Costs of response strategy	Details of strategy and costs
United States of America	Other: All	Physical-Drought	Supply chain disruption	Shortages or interruptions in the availability and delivery of food items to our restaurants could increase costs or reduce revenues. Supply shortages or disruptions could be caused by inclement weather and natural disasters, such as floods, droughts, and hurricanes, among other factors.	Unknown	Unknown	Unknown	Engagement with suppliers Supplier diversification	Supplier engagement bears no extraordinary costs since it is a routine part of operations. However, supplier diversification could increase transport costs if we determine we need to purchase commodities from suppliers farther away from the point of use.	Yum! already engages with suppliers and diversifies its supply chain on an ongoing basis. The response will therefore include incorporating a greater emphasis on environmental concerns into these routine activities moving forward.

W3.2e

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your direct operations that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain

W3.2f

Please choose the option that best explains why you do not consider your organization to be exposed to water risks in your supply chain that could generate a substantive change in your business, operations, revenue or expenditure

Primary reason	Please explain

W3.2g

Please choose the option that best explains why you do not know if your organization is exposed to water risks that could generate a substantive change in your business operations, revenue or expenditure and discuss any future plans you have to assess this

Primary reason	Future plans

Further Information

Page: W4. Water Opportunities

W4.1

Does water present strategic, operational or market opportunities that substantively benefit/have the potential to benefit your organization?

Yes

W4.1a

Please describe the opportunities water presents to your organization and your strategies to realize them

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
Company-wide	Cost savings	Under Blueline – Yum!'s proprietary green building standards – stores realize an average cost savings of $500 per year related to water. The Sustainability team currently works with the brands' development teams in each market to implement the standards and verify them through an easy-to-use online tool. This drives progress toward our goal to have 100% of new company-owned restaurants designed and built to Blueline standards by 2016.	Current-up to 1 year	At the conclusion of 2015, markets representing 85 percent of our new company-owned restaurant construction had integrated Blueline approaches and technologies into their development processes and specifications to deliver LEED certifiable buildings. We expect this cost savings opportunity to grow as Yum! plans to open at least 1,450 net new units in 2016 according to its initial guidance for investors.
Company-wide	Improved water efficiency	Yum! stores are able to improve their water efficiency by updating water fixtures in their kitchen, drink station, bathroom, and irrigation systems. To make sure these fixtures are utilized and updated, when appropriate, we occasionally sub-meter buildings' water usage to realize opportunities and incorporate water efficiency into Yum!'s green building standards. Since 2005, our water efficiency projects have saved over 800 million gallons of water across the globe.	Current-up to 1 year	As mentioned above, stores built to Yum!'s Blueline green building standards realize an average cost savings of $500 per year related to water.
Company-wide	Improved community relations	There is opportunity for us to build positive community relations by being a good environmental steward, which includes our focus on water conservation. That's why we continually evaluate the impact water has on our business	Current-up to 1 year	Dedicated resources, including our Chief Sustainability Officer and Global Sustainability team, and our brand and division teams, work together to build brands people trust and champion – this is no different when it comes to water conservation. Our cross functional

Country or region	Opportunity	Strategy to realize opportunity	Estimated timeframe	Please explain
		and the communities we serve through tools like WRI Aqueduct and materiality assessments.		teams help ensure that we are always working to introduce new technology and initiatives to make restaurants in our local communities better stewards of the natural resources we use to run our stores. For example, our KFC Australia market is very focused on water conservation and introduced water-saving measures including water efficient landscaping, high efficiency water faucets and restroom fixtures, and above ground water tanks. Globally, Australia, China, India, South Africa, Turkey, and USA all have at least one equity store classified as a high risk site that could benefit from improved water stewardship.
Company-wide	Increased shareholder value	SRI investors consider water risks and opportunities in their evaluation of our public securities through their consideration of ESG research from MSCI, Sustainalytics, Bloomberg, CDP, Ceres, and other sources. We therefore pursue water efficiency efforts that generate a positive return on investment and disclose them as part of our targeted communications with SRI investors through the mediums mentioned above.	1-3 years	Many SRI investors are signatories to the United Nations Principles for Responsible Investment, which represents approximately $60 trillion in assets under management. Many of Yum!'s top shareholders belong to this initiative.

W4.1b

Please choose the option that best explains why water does not present your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain

W4.1c

Please choose the option that best explains why you do not know if water presents your organization with any opportunities that have the potential to provide substantive benefit

Primary reason	Please explain

Further Information

Module: Accounting

Page: W5. Facility Level Water Accounting (I)

W5.1

Water withdrawals: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Country	River basin	Facility name	Total water withdrawals (megaliters/year) at this facility	How does the total water withdrawals at this facility compare to the last reporting year?	Please explain
Facility 1	United States of America	Mississippi River	KFC, Taco Bell, Pizza Hut	111	This is our first year of measurement	First year reporting
Facility 2	United States of America	Bravo	Taco Bell	48	This is our first year of measurement	First year reporting
Facility 3	United States of America	St. Lawrence	Taco Bell, Pizza Hut	118	This is our first year of measurement	First year reporting
Facility 4	United States of America	Sacramento River - San Joaquin River	Taco Bell	98	This is our first year of measurement	First year reporting

Further Information

Page: W5. Facility Level Water Accounting (II)

W5.1a

Water withdrawals: for the reporting year, please provide withdrawal data, in megaliters per year, for the water sources used for all facilities reported in W5.1

Facility reference number	Fresh surface water	Brackish surface water/seawater	Rainwater	Groundwater (renewable)	Groundwater (non-renewable)	Produced/process water	Municipal water	Wastewater from another organization	Comment
Facility 1	0	0	0	0	0	0	111	0	Yum!'s water withdrawals are taken from municipal supply sources only.
Facility 2	0	0	0	0	0	0	48	0	Yum!'s water withdrawals are taken from municipal supply sources only.
Facility 3	0	0	0	0	0	0	118	0	Yum!'s water withdrawals are taken from municipal supply sources only.
Facility 4	0	0	0	0	0	0	98	0	Yum!'s water withdrawals are taken from municipal supply sources only.

W5.2

Water discharge: for the reporting year, please complete the table below with water accounting data for all facilities included in your answer to W3.2a

Facility reference number	Total water discharged (megaliters/year) at this facility	How does the total water discharged at this facility compare to the last reporting year?	Please explain
Facility 1	100	This is our first year of measurement	First year reporting
Facility 2	41	This is our first year of measurement	First year reporting
Facility 3	101	This is our first year of measurement	First year reporting
Facility 4	83	This is our first year of measurement	First year reporting

W5.2a

Water discharge: for the reporting year, please provide water discharge data, in megaliters per year, by destination for all facilities reported in W5.2

Facility reference number	Fresh surface water	Municipal/industrial wastewater treatment plant	Seawater	Groundwater	Wastewater for another organization	Comment
Facility 1	0	77	0	23	0	Figures based upon the mix of high risk KFC, Taco Bell, and Pizza Hut stores per basin.
Facility 2	0	24	0	17	0	Figures based upon the mix of high risk KFC, Taco Bell, and Pizza Hut stores per basin.
Facility 3	0	60	0	41	0	Figures based upon the mix of high risk KFC, Taco Bell, and Pizza Hut stores per basin.
Facility 4	0	49	0	34	0	Figures based upon the mix of high risk KFC, Taco Bell, and Pizza Hut stores per basin.

W5.3

Water consumption: for the reporting year, please provide water consumption data for all facilities reported in W3.2a

Facility reference number	Consumption (megaliters/year)	How does this compare to the last reporting year?	Please explain
Facility 1	10	This is our first year of measurement	First year reporting
Facility 2	7	This is our first year of measurement	First year reporting
Facility 3	17	This is our first year of measurement	First year reporting
Facility 4	15	This is our first year of measurement	First year reporting

W5.4

For all facilities reported in W3.2a what proportion of their water accounting data has been externally verified?

Water aspect	% verification	What standard and methodology was used?
Water withdrawals- total volumes	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third-party verification at this time.
Water withdrawals- volume by sources	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third-party verification at this time.
Water discharges- total volumes	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third-party verification at this time.
Water discharges- volume by destination	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third-party verification at this time.

Water aspect	% verification	What standard and methodology was used?
Water discharges- volume by treatment method	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third-party verification at this time.
Water discharge quality data- quality by standard effluent parameters	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third-party verification at this time.
Water consumption- total volume	Not verified	Due to the limited scope of our reporting boundary, we chose to not invest in third-party verification at this time.

Further Information

Module: Response

Page: W6. Governance and Strategy

W6.1

Who has the highest level of direct responsibility for water within your organization and how frequently are they briefed?

Highest level of direct responsibility for water issues	Frequency of briefings on water issues	Comment
Board of individuals/Sub-set of the Board or other committee appointed by the Board	Scheduled-annual	The position with the highest level of direct responsibility for water within the company is our Chief Sustainability Officer. The Board of Directors has ultimate responsibility for managing company risk. The Audit Committee of the Board of Directors has oversight to the extent a water issue presents a risk to the company. The Audit Committee is updated annually on the company's environmental commitments and progress, including with respect to water issues.

W6.2

Is water management integrated into your business strategy?

Yes

W6.2a

Please choose the option(s) below that best explain how water has positively influenced your business strategy

Influence of water on business strategy	Please explain
Establishment of sustainability goals	Our sustainability goals have helped us decrease restaurants' operational costs and build brands that consumers trust and champion. As outlined in our 2015 CSR Report, we established a baseline for water consumption and have subsequently set a goal to reduce water consumption in company-owned restaurants by 10% by the end of 2015, compared to a 2005 baseline. We have currently achieved 45 percent of this 10% reduction.
Introduction of water management KPIs	Water management KPIs help us understand water's influence on stores' operating costs and our ability to operate new and existing stores in water stressed locations. We have implemented several projects under our proprietary Blueline green building standard to reduce water consumption, including high efficiency building fixtures, irrigation systems and equipment. Over the past 10 years, these projects have saved over 800 million gallons of water across the globe. This is enough water to supply the entire Commonwealth of Massachusetts for one day in the year that we started on our journey to save water in 2005.
Investment in staff/training	Engaging employees on water stewardship topics through conference calls, meetings and webcasts increases brand pride and improves Yum!'s corporate culture.
Publicly demonstrated our commitment to water	Our public commitment to water stewardship helps us build iconic brands that people trust and champion. In 2015, we publicly communicated our commitment to reducing water consumption through our online CSR report.
Greater supplier engagement	Current water issues encourage us to increase our supplier engagement and diversification to ensure that water does not significantly affect the price, quality, and quantity of key agricultural supplier. We successfully added the capability to all of our markets globally to audit their suppliers, which includes water efficiency.

W6.2b

Please choose the option(s) below that best explains how water has negatively influenced your business strategy

Influence of water on business strategy	Please explain
No measurable influence	Water has not had a measurable negative impact on our business strategy because it continues to remain a small portion of total operating costs and has not impacted our ability to open and operate a significant number of stores worldwide. We believe the strategies we have in place to further understand and reduce our water use will prevent water from negatively influencing our business strategy in the future, as well.

W6.2c

Please choose the option that best explains why your organization does not integrate water management into its business strategy and discuss any future plans to do so

Primary reason	Please explain

W6.3

Does your organization have a water policy that sets out clear goals and guidelines for action?

Yes

W6.3a

Please select the content that best describes your water policy (tick all that apply)

Content	Please explain why this content is included
Publicly available Select facilities only Performance standards for direct operations Incorporated within group environmental, sustainabiilty or EHS policy	Our environmental sustainability strategy and policy is publicly available in our 2015 CSR Report and includes direct reference to our water stewardship goal to reduce water consumption (withdrawal) in company-owned restaurants by 10% by the end of 2015. We have set this goal to help us track performance in our use of this limited natural resource, and plan to re-visit the goal and its governing policy in 2016.

W6.4

How does your organization's water-related capital expenditure (CAPEX) and operating expenditure (OPEX) during the most recent reporting year compare to the previous reporting year?

Water CAPEX (+/- % change)	Water OPEX (+/- % change)	Motivation for these changes
-96	+1	In 2015, Yum! spent $53,000 on irrigation system efficiency fixtures compared to $1.2 million the year before since the majority of stores had already been fitted with water-saving technologies. Since our US equity store count decreased by approximately 50 stores and our absolute water withdrawal decreased slightly, increased operational expenditures should be attributed to increased water costs.

Further Information

Page: W7. Compliance

W7.1

Was your organization subject to any penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations in the reporting year?

No

W7.1a

Please describe the penalties, fines and/or enforcement orders for breaches of abstraction licenses, discharge consents or other water and wastewater related regulations and your plans for resolving them

Facility name	Incident	Incident description	Frequency of occurrence in reporting year	Financial impact	Currency	Incident resolution

W7.1b

What proportion of your total facilities/operations are associated with the incidents listed in W7.1a

W7.1c

Please indicate the total financial impacts of all incidents reported in W7.1a as a proportion of total operating expenditure (OPEX) for the reporting year. Please also provide a comparison of this proportion compared to the previous reporting year

Impact as % of OPEX	Comparison to last year

Further Information

Page: W8. Targets and Initiatives

W8.1

Do you have any company wide targets (quantitative) or goals (qualitative) related to water?

Yes, targets only

W8.1a

Please complete the following table with information on company wide quantitative targets (ongoing or reached completion during the reporting period) and an indication of progress made

Category of target	Motivation	Description of target	Quantitative unit of measurement	Base-line year	Target year	Proportion of target achieved, % value
Reduction in consumptive volumes	Water stewardship	Reduce water consumption in company-owned restaurants 10% by the end of 2015	% reduction of water sourced from municipal supply	2005	2015	45%

W8.1b

Please describe any company wide qualitative goals (ongoing or reached completion during the reporting period) and your progress in achieving these

Goal	Motivation	Description of goal	Progress

W8.1c

Please explain why you do not have any water-related targets or goals and discuss any plans to develop these in the future

Further Information

Module: Linkages/Tradeoff

Page: W9. Managing trade-offs between water and other environmental issues

W9.1

Has your organization identified any linkages or trade-offs between water and other environmental issues in its value chain?

Yes

W9.1a

Please describe the linkages or trade-offs and the related management policy or action

Environmental issues	Linkage or trade-off	Policy or action
Scarcity of potable water	Trade-off	Yum! recognizes there is tremendous pressure on availability of potable water globally. However, the price of water does not reflect this reality. Despite this dissonance, as well as long payback periods, Yum! continues to pursue investments in water efficiency efforts to meet our water stewardship goal.

Further Information

Module: Sign Off

Page: Sign Off

W10.1

Please provide the following information for the person that has signed off (approved) your CDP water response

Name	Job title	Corresponding job category
David Gibbs	Yum! Brands CFO	Chief Financial Officer (CFO)

W10.2

Please select if your organization would like CDP to transfer your publicly disclosed response strategy from questions W1.4a, W3.2c and W3.2d to the CEO Water Mandate Water Action Hub.

No

Further Information

CDP