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APPROACH
We Feed the Future
A recipe is more than just a list of instructions. It’s a way of putting care into key ingredients, so that they become something much more than the sum of their parts. When executed well, a recipe can bring people together across time and distance, unite cultures, form the foundation of lasting memories—and present each element in its best form.

In much the same way, Yum! Brands’ Good Growth strategy, also known as our “Recipe for Good Growth,” is transformative in its potential—and it guides us in every aspect of what we do. This strategy is grounded in the idea that our business will only endure if our brands are inclusive, sustainable and reflective of evolving employee, franchisee and other stakeholder needs. By focusing on our Growth priorities of a people-first culture, bold restaurant development, unmatched operating capability and relevant brands, we achieved industry-leading unit growth in 2022.

As we grow, we’re identifying synergies with our Good priorities of our People, Food and Planet, and doing so with social responsibility, risk management and sustainable stewardship at the forefront. The more we explore, the more we learn that Good and Growth are mutually reinforcing and capable of creating benefits for multiple stakeholders.

For example, our four brands provide incomes and career pathways for more than a million restaurant team members worldwide. Through our social impact work, including the Unlocking Opportunity Initiative, we continue to support individuals to earn an education, gain employment and launch new businesses. It’s hard to overstate the impact this has on local economies and among underrepresented populations. We’re also seeing the potential of Good Growth in how we construct and operate new energy efficient and low-carbon restaurants, and in our supply chain, where we are partnering with suppliers to explore solutions for emissions reduction and packaging innovation.

As 2022 marked our 25th year as a public company, we’re proud to be a resilient, diversified business with distinctive brands that are well-positioned for the future. When we harness the collective power of Good and Growth, there’s no limit to what we can accomplish. We look forward to continuing to share what’s possible with you.

Thanks for your support.

David Gibbs
**Overview**

Yum! Brands is building the world’s most loved, trusted and fastest-growing restaurant brands for today and tomorrow. We’re doing so by following a mindful recipe: one with Good priorities that influence long-term Growth, and Growth drivers that accelerate the Good we can accomplish. This recipe continues to evolve alongside the changing needs of our employees, franchisees and other stakeholders.

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**YUM! BRANDS’ GLOBAL REACH**

**4 ICONIC BRANDS**

- 55,000 RESTAURANTS around the world
- Restaurants in **156 COUNTRIES AND TERRITORIES**
- 98% of restaurants are owned by franchisees
- 1M+ equity and franchise employees
- 25 JOBS CREATED by each new restaurant
- $59B system sales
- 1,500 franchisees

Note: Figures based on 2022 data.
Launched business employee resource groups (BERGs) for women in 10 countries, and in 6 countries for LGBTQ+ employees and allies

Strengthened our ability to unlock opportunity by supporting social impact programs across our four brands

Joined the Consumer Goods Forum, and set a goal to have all suppliers achieve 100% Global Food Safety Initiative (GFSI) Recognized Certification, the most widely accepted food safety benchmark globally

Offered food that today’s consumers crave, including plant-based menu items, balanced options and simple ingredients

Achieved goal of removing antibiotics important to human medicine from chicken used for wings at all of Pizza Hut’s U.S. restaurants

Piloted new sustainable restaurant features around the world, including net-zero designs, zero-waste pilots and new building conservation solutions

Engaged protein suppliers to set emissions-reduction goals and invested in strategic sector engagements

Partnered across brands to introduce more sustainable packaging

Recent Recognition

Named to 2022 Dow Jones Sustainability North America Index

Ranked on Newsweek’s America’s Most Responsible Companies 2023

Listed on 3BL Media’s 100 Best Corporate Citizens of 2022

Named to 2023 Bloomberg Gender-Equality Index

Scored 100 on 2022 Human Rights Campaign Foundation’s Corporate Equality Index

Achieved A- Score on 2022 CDP Water Security, B Score on Climate and Forests
Our Recipe for Good Growth

Many aspects of what we today call Good Growth have long been part of our business. Our global citizenship & sustainability strategy, formerly called our Recipe for Good, has three priority pillars: People, Food and Planet. We elevated this framework in 2020 as a complement to our Recipe for Growth. Together, Yum!’s integrated strategy ensures we’re building the world’s most loved, trusted and fastest-growing restaurant brands, and achieving our purpose of unlocking opportunity. Guided by this strategy, we’ve galvanized our teams to make progress in each of these important areas, accelerating new restaurant development worldwide and building a strong and diversified business.

Increasingly, we recognize that neither Growth nor Good can exist on its own. Today’s businesses are expected to operate sustainably, protect and preserve natural resources and create value for all stakeholders. Our attention to these priorities allows us to remain brands of choice for our customers and maintain our license to operate, ultimately fueling our growth for the future. In turn, business growth gives us the resources to reinvest in sustainable practices and a strong culture.

Yum! Brands’ Good Growth strategy reflects who we are today, demonstrating how both halves of the whole are being embedded into every aspect of how we think and operate. This strategy allows us to mitigate risks inside and outside our business—related to regulations, resource scarcity and cost— as well as to increase relevance among the growing number of customers and employees for whom these issues are a top concern. We’ve set a number of bold goals spanning our three pillars of People, Food and Planet, with a focus on the following areas that are core to our business and therefore present the greatest potential for positive impact:

**Less Carbon**—Reducing greenhouse gas (GHG) emissions from our restaurants and our supply chain. For restaurants, it’s about improving energy efficiency and shifting to renewable or low-carbon power. Within our supply chain, we’re focused on supporting responsible agricultural practices for our core proteins of beef, dairy and poultry.

**Better Packaging**—Reducing our overall waste footprint by finding packaging solutions that are reusable, recyclable or compostable, while also eliminating unnecessary single-use plastics and chemicals of concern.

**More Equality**—Tackling the systemic drivers of inequality to unlock opportunity for our employees, and frontline workers and their communities, all over the world.

You can learn more about our progress on each of these focus areas throughout this report.
Corporate & Sustainability Governance

Good corporate governance is a critical factor in achieving business success, and we embrace practices that align with management and shareholder interests. The Yum! board of directors consists of 10 directors, nine of whom are independent, based on New York Stock Exchange rules for director independence. In 2022, the board was led by an independent, nonexecutive chair. Our board maintains its independence and oversight of management through a strong independent chair or lead director and through the board's composition, committee system and policy of having regular executive sessions of nonemployee directors. The board has three independent committees:

- Audit Committee
- Management Planning & Development Committee
- Nominating & Governance Committee

Only independent directors serve on the Audit, Management Planning & Development and Nominating & Governance Committees in accordance with our Corporate Governance Principles. The board has instituted an annual self-evaluation process, led by the Nominating & Governance Committee, through which directors assess how the board can better contribute to the company. Our Audit, Management Planning & Development and Nominating & Governance Committees conduct similar self-evaluations.

BOARD DIVERSITY

A diverse range of experiences and perspectives among our directors helps our board advise our company regarding our complex, varied global brands. When recruiting new directors, we look for leaders from different backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. For complete selection criteria and policies, please see our corporate governance principles. Currently, three of our 10 directors are women, and three are people of color.

GOOD GROWTH ROLES & RESPONSIBILITIES

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<thead>
<tr>
<th>Who They Are</th>
<th>Yum! Brands Board of Directors</th>
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<tbody>
<tr>
<td>Ultimate oversight for citizenship and sustainability issues</td>
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<tr>
<td>Receives briefings at least once a year from Audit Committee and through business updates. In January 2023, new charters were approved outlining sharpened roles and responsibilities of the board when it comes to this work.</td>
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<th>Who They Are</th>
<th>Global Leadership Team</th>
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<tr>
<td>Regularly engaged with and informed on material topics</td>
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<tr>
<th>Who They Are</th>
<th>ESG Council</th>
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<tr>
<td>Team that helps shape strategy, made up of senior leaders, including:</td>
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<td>chief operating officer &amp; chief people officer</td>
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<td>chief financial officer</td>
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<td>chief corporate affairs officer</td>
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<td>chief sustainability officer</td>
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<td>chief strategy officer</td>
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<td>chief food safety officer</td>
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<tr>
<td>chief equity &amp; inclusion officer</td>
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<tr>
<td>chief legal &amp; franchise officer &amp; corporate secretary</td>
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<td>chief food innovation officer</td>
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<td>chief development officer</td>
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<td>vice president, supply chain</td>
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<th>Who They Are</th>
<th>Brand-Level Leadership</th>
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<td>Chief sustainability officers and/or steering committees within our brands allow each brand to connect with its own markets and franchisees and drive rapid progress</td>
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We continue to integrate sustainability and business decision-making more tightly, in line with our Good Growth strategy. Last year we clarified how our Good priorities factor in executive compensation. In 2023, we began evaluating executive performance against more targeted environmental, social and governance (ESG)-centric goals, which combine talent commitments previously captured in the Unrivaled Culture and Talent goal and certain People, Food and Planet commitments.

Our Good Growth strategy also informs how we support and engage with franchisees. For example, we connect franchisees with suppliers of food, packaging, marketing materials and restaurant equipment—and we provide guidance on how they can operate their restaurants more sustainably. Reduction in franchisee restaurant emissions is a component of Yum!’s science-based emissions-reduction target. Some franchisees have set their own GHG reduction targets, and we continue to work closely with our franchisees to bring them along and share data on this journey.
Regular reporting, in a variety of formats and for a range of stakeholders, is a critical way we share our progress and show transparency around our Good Growth practices. In addition to publishing annual updates in this report, which is completed in accordance with the Global Reporting Initiative (GRI) Universal Standards standards, we respond to the Sustainability Accounting Standards Board (SASB) framework for the Food & Beverage sector and Restaurant industry. Regular materiality assessments help us identify and prioritize our most significant citizenship and sustainability impacts, risks and opportunities.

We also participate in comprehensive, voluntary disclosures such as the Bloomberg Gender-Equality Index; CDP Climate Change, Forests and Water Security; the Dow Jones Sustainability Index; and the Roundtable on Sustainable Palm Oil (RSPO) Annual Communication of Progress. We align our priority areas of work with the United Nations Sustainable Development Goals (UN SDGs).

Yum! also discloses our climate-related risks and opportunities through a Task Force on Climate-related Financial Disclosures (TCFD) report. The results of our TCFD assessment, conducted in 2021, provide an analysis of the physical and regulatory risks that directly impact our restaurants and supply chain across regions and brands. Our TCFD work continues to guide the prioritization of our work in addressing and mitigating risks of climate issues. In addition to our TCFD assessment, Yum! reports on other priority areas, including workforce diversity and operating a responsible supply chain. We continue to monitor other emerging frameworks for reporting on and responding to the risks we face, including the Taskforce on Nature-related Financial Disclosures.

UN SUSTAINABLE DEVELOPMENT GOALS
The UN SDGs are an ambitious, global vision for ending poverty, reducing inequalities and tackling climate change by 2030. As a business that operates in a majority of the world’s countries and touches all types of communities, aligning with the 2030 Agenda makes sense for Yum!. We share many priorities, including tackling climate change and providing access to good jobs and opportunities for economic development. We have identified specific SDGs that align most closely with our three priority pillars of People, Food and Planet. Read more about how we’re making progress toward targeted SDGs in the Appendix.

TRANSPARENCY & VERIFICATION
Attention to Good Growth issues, such as addressing climate change and inequality, must be part of any company’s approach to enterprise risk management (ERM), and Yum! is no exception. This allows us to sharpen our top Good Growth issues from an ERM perspective and prioritize them according to their importance to our business and stakeholders.

High-integrity data is a key element in our ability to make progress against our commitments and continue regular, transparent disclosures. Investments in digital capabilities are helping us further enhance the quality and timeliness of the data we collect. Our data collection tool regularly captures information gathered from teams across our system—including food safety, supply chain and sustainability—providing a comprehensive picture of our business. All data included in this report is accurate according to the information available to us.
We Unlock Opportunity
People Summary

HOW WE'RE DRIVING GOOD GROWTH

This work begins within our business—including our corporate workforce, our supply chain and the company-owned and franchise restaurants that employ over 1 million frontline workers worldwide—and extends into the many communities and other spheres of influence where we operate. We make a difference across the full spectrum of impact, from immediate response to disasters and crises, to corporate and employee grants and donations, to programs that drive systemic change.

For example, when we develop strong teams, we deliver exceptional customer experiences, driving restaurant performance, which builds economic security and empowers the community around us. And when we help ensure people of all backgrounds feel included, with equal opportunity to thrive and pursue their goals, we improve our collective productivity and ability to achieve greater success.

KEY TAKEAWAYS

- We continued to make significant investments in our equity, inclusion and belonging (EIB) function to build capacity and capabilities.
- Yum! is among OneTen Coalition’s highest-performing partners in terms of the number of new hires and promotions at our company-owned restaurants and corporate offices.
- As of the end of 2022, we have committed approximately $50 million to help fund more than 30 social impact programs in 11 countries.
- We continue to create opportunities for people interested in franchising through the Yum! Center for Global Franchise Excellence and Yum! Franchise Accelerator.

MATERIAL ISSUES

- Equity, Inclusion & Belonging
- Employee Health & Safety
- Talent Attraction, Engagement & Retention
- Community & Philanthropy
- Human Rights & Labor Practices

ALIGNED UN SDGs

2 Zero Hunger
Harvest, Yum!’s food donation program, continues to feed people through donations to hunger relief organizations.

4 Quality Education
Education is one of the focus areas of our social impact work, through which we make investments to help system employees and community members grow their skills.

8 Decent Work and Economic Growth
Our franchise restaurants provide jobs for more than 1 million people worldwide, and we’re constantly evaluating opportunities to support our franchisees and determine how to address the development needs and aspirations of system restaurant teams and leaders.

10 Reduced Inequalities
Our social impact programs are designed at a market level to address the localized root causes of inequality.
Unlocking Opportunity for Our Team & in Our Business

ETHICS & HUMAN RIGHTS

At Yum!, we understand our long-term success and growth is predicated on operating a resilient and socially responsible business that creates value for all stakeholders. A key component of this is the high standard of ethical conduct we set for ourselves and our stakeholders, particularly franchisees and suppliers. We reference many leading frameworks in building our policies and procedures, including the UN Guiding Principles (UNGPs) on Business and Human Rights and the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work. Our commitments and expectations around these standards are expressed in our Global Code of Conduct. All employees are required to certify their acceptance of the Code as part of annual compliance training, which also covers anti-discrimination and harassment.

When it comes to interacting with one another, employees are expected to demonstrate mutual respect. Sexual, racial, ethnic, religious or any other type of harassment has no place at Yum!. It is our policy to deal fairly with employees; provide equal opportunity in recruiting, hiring, developing, promoting and compensating without regard to race, religion, color, age, gender, disability, genetic information, military or veteran status, sexual orientation, gender identity and/or expression, citizenship, national origin or other legally protected status; maintain a professional, safe and discrimination-free work environment; and recognize and compensate employees based on their performance.

We encourage employees to raise any ethical or other concerns relating to our operations. Yum! employees have 24/7 access to an independent, third-party-operated ethics hotline and online portal, known as The Speak Up Helpline. Translation services in nine different languages are available. The Audit Committee of our board of directors has additional procedures for handling employee concerns related to accounting and auditing matters. Any person may also use the Yum! corporate citizenship email address listed on Yum.com to raise citizenship and sustainability-related issues.
EMPLOYEES

Culture & Talent

Culture and talent are our competitive advantage. When we hire great people and bring out the best in them through collaboration and recognition, we cultivate strong teams and satisfied customers that enable our business to grow. Yum! Brands’ people-first culture is characterized by our newly refined values and an EIB mindset.

We have invested significantly in our EIB function over the past few years so that we can move further and faster in this space. We now have EIB leaders across our brands. Additionally, leaders at the senior director level and above are also accountable to help us make progress on our aspirations, including increasing representation of women in leadership and people of color in the U.S. Whether in our board rooms or our four brands’ restaurants, we’re making room for all people and voices at our tables.

In addition to internal aspirations, cross-sector partnerships help inspire us to make further progress. Yum! Brands remains committed to the Hispanic Promise, a national pledge to hire, promote, retain and celebrate Hispanics in the workplace, and the CEO Action for Diversity & Inclusion. As a member of the OneTen Coalition, we are partnering with other U.S. businesses to create career mobility and advancement opportunities for 1 million Black/African American individuals over 10 years. In 2022, Yum! was among OneTen’s highest-performing partners in terms of the number of new hires and promotions at our equity-owned restaurants and corporate offices. Also in 2022, we partnered with OneTen and edtech company Multiverse to offer a 12–18-month apprenticeship program that gives restaurant employees the opportunity to learn technology skills needed to pursue full-time roles in our corporate digital and technology function.

DEVELOPING WOMEN IN LEADERSHIP

Women make critical contributions at all levels of our business: as franchisees, restaurant general managers (RGMs), restaurant team members and corporate employees. We want our leaders to reflect this gender diversity, which is why we’ve set an aspirational goal to achieve gender parity in leadership globally by 2030 in alignment with Paradigm for Parity*. We’re moving quickly toward our goal, due to efforts like the Next Generation of Women (NOW) Program, which launched in 2022. KFC launched NOW to accelerate women’s professional development and retention. The program helps advance women to the director level and above through equitable recruiting practices and a structured plan utilizing insights from Heartstyles—one of our leadership development programs, executive coaching and mentorship. NOW has been so successful it is being rolled out to the other brands.

* Paradigm for Parity is a nonprofit organization that partners with companies to advance women in leadership.

43% of Yum’s senior leaders are women
MAKING SPACE FOR ALL
We believe in creating pathways for people from historically underrepresented backgrounds to succeed.

One way we do this is by helping people of color already on our teams feel valued, connected and supported. In 2023, Yum! held its second Refresh Inspire Spark Engage (RISE) event, formerly called the New Legacy Summit. This in-person gathering unites Black and Hispanic employees at the director level and above, along with Yum!’s executive leadership team. This program is designed to help create community and understanding and build future leaders throughout the organization. We also have a program called MidRISE, which is a bridge to RISE, for select underrepresented people of color at mid-level manager roles. MidRISE cohorts begin with two days of professional development and community-building and continue throughout the year with additional skill development and group mentoring opportunities.

Sharing stories is another way we build a culture of inclusion and belonging. At Pizza Hut, the “Slice Of” series is about recognizing and celebrating the diverse life experiences that make our employees unique. The program invites individual employees to share their personal story with teammates and has proven to be a powerful platform for building empathy, connection and a community where people feel valued for who they are.

BERGs are a way for communities of employees and their allies to learn and grow, receive personal and professional development and make an impact in the community. These groups are strategically important to our business, contributing to our recruitment, employee engagement and marketing efforts. In 2022, our women’s and LGBTQ+-focused BERGs launched international chapters, extending their reach beyond our U.S.-based offices. Recent activities organized by our BERGs include:

- An educational series on privilege and microaggressions, hosted by our multicultural BERG
- Conversations on mental health in the wake of recent mass shootings in the U.S., jointly organized by two of our multicultural BERGs and our BERG for parents and caregivers
- Pride parades, civic engagement, presentations to Live Más Scholars and connections to LGBTQ+-aligned organizations by our LGBTQ+ BERGs

PAYING EMPLOYEES EQUitably
We are committed to paying our employees fairly and equitably for their work. In the U.S., where most of our corporate team members live, we annually analyze pay to confirm that pay disparities by gender and ethnicity do not exist when taking into account all job and performance-related pay factors. We are proud to say that our recent analysis showed no statistically significant pay discrepancies by gender or ethnicity.
Training & Education
People at Yum! Brands and our restaurants lead with smart, heart and courage. Being effective and inclusive leaders means always seeking out ways to improve. For many years, the Heartstyles leadership development program, Leading with Heart, has been a cornerstone of our training and development approach. A key component of the program is the Heartstyles Indicator, an assessment and action plan that helps individuals cultivate positive and constructive attitudes, thinking and behaviors to help them in life and at work. The Indicator is available in 26 languages, and we offer Leading with Heart to franchisees and RGMs at all four Yum! brands worldwide.

Since Yum! Brands acquired Heartstyles in 2020, more than 600 Certified Practitioners have been trained, and 30,000 Indicators have been completed across six continents. Recent research at KFC restaurants in multiple geographies revealed that locations that have implemented Heartstyles have lower staff turnover, reduced onboarding costs and greater customer satisfaction, compared to restaurants that have not.

Other important programs include Coach Academy, a global, virtual program for managers on how to be an effective leader and coach; and Leadership Accel, a transformational experience that enables employees to grow as inspirational leaders and strategic thinkers. We assess employees’ satisfaction with the work environment we’ve created with biennial engagement surveys. The survey we conducted in 2021 revealed record-high levels of engagement, well above industry benchmarks.

We continue to roll out Inclusive Leadership, a training program designed to challenge perceptions and demonstrate the holistic benefits that inclusion brings to our operations. The program, developed in partnership with Heartstyles, has been offered to corporate employees, RGMs and franchisees, and we expect to have it rolled out globally by the end of 2025. In addition, we expect every above-restaurant team member to make a personal commitment to EIB and to revisit their goals during regular performance reviews.

All employees also have the opportunity to broaden their mindsets through reverse mentoring arrangements. These intentional relationships between employees at different levels and from different backgrounds have been known to create deep connections between mentors and mentees. The program is designed to last for six months, but many mentor/mentee pairs continue to meet long after the formal program ends. KFC now offers this program globally.

Our brands also support employees in developing their skills outside of work. For example, in the U.S., KFC is putting college degrees in reach for its restaurant employees. Team members who apply and enroll can now earn degrees at Western Governors University (WGU) with tuition 100% covered. They can choose from more than 60 different bachelor’s and master’s degree programs and certification programs across business, information technology, education and healthcare. Eligibility begins from day one on the job. WGU also offers rolling start dates, so prospective students can enroll at any time and begin online courses as soon as they’re ready.
FRANCHISEES

Yum!’s approximately 1,500 franchisees are an incredibly important part of our business. As of the end of 2022, over 98% of Yum! Brands restaurants were franchise-owned. Our franchisees are highly sophisticated businesses, some of which are publicly traded companies, and exemplify our 3C model of being committed, capable and well-capitalized.

While franchisees control how they recruit and train team members, what benefits to provide and how to compensate their employees, we offer tools to help increase team member engagement and retention. Yum! and our brands are also committed to helping franchisees excel at the practice of franchising itself. We provide industry-leading incentives for new development, assistance with site selection and design, and flexible asset formats to meet a variety of needs.

The Yum! Center for Global Franchise Excellence at the University of Louisville (the Center) provides existing and potential franchisees multiple levels of online education focused on the franchising model across industries. During the 2021–2022 school year, 170 students completed the Yum! Franchise Management Certificate Program.

Through the Yum! Franchise Accelerator, a one-of-a-kind MBA elective opportunity, the Center focuses on recruiting and educating underrepresented people of color and women. In Spring 2022, the Center welcomed MBA students from the University of Louisville and Howard University to its latest cohort. All 10 students received a $10,000 scholarship from Yum! Brands and the opportunity to learn about franchising with Yum!. For those interested in becoming Taco Bell restaurant leaders, the Taco Bell Business School is a six-week program designed to give them a head start. This program recently completed its fourth cohort.

The Center is not the only way for aspiring franchisees to connect with ownership opportunities. In early 2023, the impact-based investment firm Lafayette Square announced plans to lend up to $50 million to new and existing underrepresented Yum! franchisees as part of a new financing program called Franchise Fast Start.

SUPPLIERS

Yum! sources food, packaging materials, restaurant equipment and other goods and services from suppliers around the world. In partnership with our exclusive supply chain management organization in the U.S., Restaurant Supply Chain Solutions, we have built a robust corporate supplier diversity program. We actively seek qualified underrepresented suppliers for all possible product and service needs and encourage our majority-owned suppliers to do the same when they are choosing vendors, subcontractors and distribution services. Since 2015, we have presented an annual Supplier Diversity Award to honor a supplier demonstrating significant leadership in diversity and inclusion. Yum! welcomes certified suppliers of the following designations:

- Minority-Owned Business Enterprise
- Woman-Owned Business Enterprise
- LGBTQ+-Owned Business Enterprise
- Business Enterprise Owned by People with Disabilities
- Veteran-Owned Business Enterprise
- Disabled Veteran-Owned Business Enterprise
- Small Business Administration [8(a), SDB, HUBZone]

SUPPORTING DIVERSE CREATIVE PARTNERS

Diversity matters, not only in our offices and restaurants, but also in our advertising ecosystem—in front of the camera, behind it and in all aspects of content creation and production. Yum! is a member of the Publicis Media Once & For All Coalition, a multiyear, cross-industry collaboration to support ethnically diverse media suppliers, creators and partners, with an initial focus on Black and Hispanic suppliers.

Our U.S. Multicultural Marketing Leadership Council drives cross-brand implementation of our multicultural marketing strategies and partnerships and is committed to significantly increasing our marketing spend with agencies owned by people from underrepresented communities. We aspire to increase our spend with these agencies by 2% year over year.
Supply Chain Responsibility & Human Rights

We view our suppliers as key stakeholders within our wider system. At a minimum, suppliers are required to abide by all applicable laws, codes or regulations and to conform their practices to the published standards for their industry.

Following our Supplier Code of Conduct is mandatory for all suppliers seeking to work with Yum! Brands. It clearly articulates our expectations of compliance with operational standards, ethics and human rights. In addition, we have commitments in areas with elevated risk, including palm oil through our membership to the RSPO and fresh produce as part of the U.S. Fair Food Standards Council.

Our suppliers have always been subject to assessments, audits and inspections to verify compliance with critical aspects of our Supplier Code of Conduct and the terms of their contract. Where corrective action is required, we collaborate with suppliers to address areas of concern and effect real change, but reserve our right of termination. During 2022, we increased the transparency in this area by publishing a Responsible Sourcing infographic that discloses key challenges identified in our supply chain and the steps we took to remediate.

While responding to identified issues is important, we are committed to building a more proactive response to managing ethical risks within our supply chain. Yum! has a global membership with Sedex, one of the world’s leading ethical trade membership organizations that works with businesses to create more responsible and sustainable business practices. Sedex leverages the Ethical Trading Initiative Base Code to assess risk at each supplier site, across four main areas—labor standards, health and safety, business ethics and environment. It uses a combination of industry and country-related risk factors, self-assessments and third-party, ethical audits to determine both potential and actual exposure. Gaining this additional visibility further strengthens our existing supply chain auditing capabilities, adding increased focus on human rights and labor practices, within responsible sourcing more broadly.

Our focus remains on core direct food suppliers in higher-risk markets where we believe we can have the most impact, as informed by our inherent risk assessment. This assessment, across approximately 6,000 supplier sites, indicated potential areas of concern in developing geographies and within the manufacturing and agriculture, forestry and fishing industries, specifically meat packing and processing, palm oil and hand-picked produce.

For supply chains across the world, general awareness of human rights issues, including modern slavery, child labor and the rights of migrant workers, continues to rise. Yum! and our franchisees have the opportunity to make a positive impact on these issues, particularly through collaboration with suppliers. Our brands are working to improve their own due diligence processes and build awareness—with the Australian and U.K. markets leading in the development of dedicated training materials. Using benchmarking feedback and review of the latest guidelines, we have also updated our Global Human Rights & Labor Practices Policy. The updated policy reflects the clarified role of the Board in addressing human rights concerns, documents our understanding of inherent risks within our value chain and includes stronger language around our commitments.

Supplier Engagement Due Diligence Approach

To date, the KFC U.K. & Ireland, KFC Western Europe and KFC South Pacific markets continue to lead the way in their use of Sedex and its related risk management tools. Having undergone a rigorous supplier onboarding process over several years, these markets are now using data to identify responsible sourcing risks and responses as part of standard business operations. We are using insights from these markets to further develop a plan to drive system wide adoption. We are also creating a Responsible Sourcing playbook and a Sedex Implementation playbook. In the interim, we continue to have ongoing dialogue with markets regarding the onboarding process.
Unlocking Opportunity in Communities & Society

As a major employer, community member and corporate citizen, Yum! supports people in many ways. We aim to provide both local and global support across a spectrum of needs, from emergency relief to robust programming to target systemic sources of inequality. Each of our brands has maintained programs designed to address systemic issues, such as hunger and barriers to literacy and higher education, all over the world.

SOCIAL & COMMUNITY IMPACT FRAMEWORK

SOCIAL IMPACT

Yum! recognizes our role in helping to address some of society’s greatest systemic challenges. We have a long history of running highly effective social impact programs in key markets to deliver meaningful change to local communities. Through the Unlocking Opportunity Initiative (UOI), a $100 million commitment over five years that was announced in 2020, we have expanded our social impact reach, enabling more markets to develop localized, impactful programs, and driven other key initiatives at the corporate level. UOI has three focus areas:

- Equity & Inclusion—Deepening our investments in efforts related to EIB across all aspects of our brands and throughout our franchise businesses and beyond
- Education—Expanding access and funding of education and skills training to empower restaurant team members and other frontline workers to build their best lives and also uplift our communities
- Entrepreneurship—Creating pathways to entrepreneurship for restaurant employees wanting to lead a business, franchise or social enterprise, as well as for small businesses and social entrepreneurs looking to make a meaningful difference in their communities

As of 2022, we have committed approximately $50 million of UOI funds, helping to fund more than 30 social impact programs in 11 countries.

Pizza Hut: An Equal Slice for Everyone

Pizza Hut is committed to providing opportunities for all—no matter their background or life circumstances. Over the past year, the brand has activated its social impact work in many parts of the world.

For example, in Delhi, India, Pizza Hut recently opened a fully women-run restaurant. Every restaurant function, from food preparation and customer service to day-to-day management, is carried out by women. Similar initiatives are in place in Bangladesh and in Ethiopia.

Pizza Hut South Africa is also helping create jobs for women through the LeadHERship Initiative. This program matches women ages 18–24 from marginalized communities with 12-month job placements in health services, creative fields, literacy and education roles. Throughout the year, women participate in monthly catchups with program facilitators and have access to mentors and short courses to deepen their learning. At the end of the 12 months, they exit with a curriculum vitae, reference letter and experience that they can leverage into their next career move. In 2022, the program placed more than 100 women—many of whom have already secured full-time jobs.

In the U.S., Pizza Hut has operated the BOOK IT! reading program for students since 1984. The program fosters a lifelong love of reading and has helped increase literacy rates across the country. During the 2021–2022 school year, more than 3.5 million students enrolled in BOOK IT!. The brand continues to offer the BOOK IT! Bundle, a meal deal that donates $1 from every purchase to its nonprofit literacy partner, First Book, to provide access to books and educational resources, raising over $2.4 million during the past year.
KFC: Feeding People’s Potential
KFC’s recent efforts have focused on creating opportunities for restaurant team members, both prospective and existing, to further their careers. The brand’s U.K. business recently pledged that by 2030, one-third of new hires will be young people who have faced barriers to employment. In partnership with the charity UK Youth, KFC will provide training and work experience to help 6,000 young people get job interviews.

In Germany, KFC has partnered with socialbee to create job opportunities for refugee women. With skills and language training, mentoring and other forms of support, the program matches women with stable jobs at KFC restaurants. KFC France has partnered with the École de la 2e chance (Second Chance School), which helps unemployed youth gain job skills.

Taco Bell: Fueling Bold Ambitions
The Taco Bell Foundation has been breaking down barriers to education for 30 years. In 2022, the nonprofit worked with franchise owners to award $10 million in grants to charities focused on youth education in communities where Taco Bell team members live and work. These Community Grants support direct services like college and career exploration, mentorship, financial literacy and more. The Taco Bell Foundation also announced more than $8 million in Live Más Scholarships to over 770 Taco Bell restaurant team members and consumers and held its first in-person summer conference designed to offer 100 Live Más Scholars a dedicated space to network and share their passions with likeminded individuals. To wrap up the year, the Taco Bell Foundation and Taco Bell launched the Ambition Accelerator, a competition for budding social impact entrepreneurs in partnership with Ashoka (see sidebar).

CREATING A LAUNCHPAD FOR AMBITION

“My background is in fashion design and sociology, so I’m always looking at the systemic aspect of things—why things are the way they are,” says Chicago native Sparkle Whitaker. “I wanted to use design as a space to conquer injustices, specifically around criminal justice rehab.”

Whitaker turned her passions into reality by creating the Onyx Incubator, a free, virtual program offering workshops on creativity to youth who have experienced incarceration or qualify for alternatives to detention centers. At just 23 years old herself, Whitaker recently became the first grand prize recipient of Taco Bell Foundation’s inaugural Ambition Accelerator program.

In the program’s first year, applicants shared nearly 300 submissions for enacting community and global-level change, with particular focus on addressing inequities. Of the total pool, 26 teams were selected to attend an immersive experience at Taco Bell’s headquarters. Attending teams sharpened their changemaking skills, learning everything from budgeting breakdowns to social media tips. Each received $1,500 in seed funding for their social venture, while five final teams were invited to a pitch competition for a chance to secure the top award of $25,000.

Whitaker, a previous Live Más Scholar, wowed the judges with her concept for helping young people discover new skills and prepare for life after high school. The $25,000 prize money will help Onyx Incubator expand its course offerings and provide physical materials in community centers so students participating in the classes can learn tangible skills, like fashion design.

“It’s epic to receive this funding,” Whitaker says. “I’m super grateful and cannot wait for the impact this will have.”
The Habit: Crafting a Brighter Future

The Habit Burger Grill recently launched its first social purpose committee to further its own initiatives to unlock opportunity. Its recent community engagement work has focused on bringing people together around food, from making donations to relieve hunger to supporting culinary education.

The Habit also supports kids who aspire to work in restaurants. The brand was the 2022 national sponsor of the ProStart Cup, a restaurant entrepreneurship and culinary competition hosted by the California Restaurant Association (CRA) that awards more than half a million dollars in scholarships. The Habit will sponsor the event again in 2023 and also provided volunteer support to the CRA’s job training program known as Force in Training.

Yum! Brands: Unlocking Opportunity

In addition to the work done at the corporate level, Yum! focuses on tackling systemic drivers of inequality in our headquarters city of Louisville, Kentucky. We partner with Cardinal Bridge Academy (CBA), which increases college enrollment and completion for students from low- to moderate-income families and for first-generation college students, reaching over 200 students per year. After applying to CBA, students can begin earning college credit from the University of Louisville while still in high school. They also receive college admission counseling, scholarship prep and career mentorship and can earn early admission to the University of Louisville College of Business.

Another Yum! partner, the AMPED Russell Tech Business Incubator (RTBI), is working to create generational wealth for Black entrepreneurs. It has provided hundreds of small business owners with business development training, seed capital and technical assistance to help them launch and grow their entrepreneurial ideas. With Yum!’s help, RTBI will address systemic barriers to business ownership. In addition to providing the grant, employees mentor high school students through regular in-person meetings to share expertise and learnings from their educational and professional journey.

COMMUNITY IMPACT

In addition to our long-term efforts to create transformational, systemic change, we are also responding to urgent needs that many communities face. One of these critical issues is hunger, which, as a food company, Yum! is well-positioned to address. Since 1992, Pizza Hut has donated surplus food to food banks and other organizations through the Harvest Program, with KFC starting the program in 1999. In 2022, KFC in the U.K. & Ireland evolved this work through a new partnership with FareShare. KFC surplus, including much-needed proteins like cooked chicken, is packaged into a donation bag and frozen at the end of its holding time, allowing it to be stored for up to 60 days. Donation bags contain information on storage, cooking, ingredients and allergens so that community partners can prepare food safely. Through this program, 1,000 KFC restaurants donated over 144,000 meals to people in need.

The Habit has a long-term partnership with No Kid Hungry. Guests have the option of rounding up their bills to support the nonprofit, raising $270,000 in the fourth quarter of 2022. The Habit also donates to local food banks, particularly in its southern California hometown. In partnership with Community Action Partnership Orange County, the Habit supports pop-up pantries in communities identified as food deserts. The 15 pantries provide food boxes, produce and household items to families with young children. 2022 also marked 20 years of partnership between Yum! and Dare to Care Food Bank, which has resulted in more than 51 million meals made possible for kids, families and seniors in Kentucky and the surrounding area.

Each year, the Yum! Brands Foundation responds to disasters that affect our employees and franchisees in all parts of the world with direct relief as well as matching gift programs to multiply the support these causes receive. During the COVID-19 pandemic, we established a Global Medical Relief Fund that made one-time grants to corporate and franchisee employees in 85 countries affected by coronavirus and a memorial program to cover funeral or medical costs for employees who passed away.

To further engage employees in our community impact work, we match employees’ contributions to nonprofits. Whether a corporate employee donates money or time, we match their gifts. In October 2022, we activated our volunteer credit program, enabling employees to earn a $10 donation credit for each volunteer hour given, available for use toward an eligible charity of their choice. Volunteer credit is a great complement to the existing employee donation-matching program, as it serves to recognize the valuable contribution of time.
FOOD
We Serve Food People Trust
HOW WE’RE DRIVEING GOOD GROWTH
Great food is what keeps consumers coming back for more—and what has made Yum! Brands the largest restaurant company in the world. There is so much we can do to offer food that is not only craveable, but also good in so many other ways.

We take a multifaceted approach to this work. A robust food safety program is the cornerstone of our food strategy, which is why we use real-time data to manage potential risks related to food safety and quality, helping us earn and maintain consumer trust. When it comes to animals that are raised for food, we’re partnering across the industry to make continuous improvement on standards in animal welfare and antibiotic use. Another key area of focus is our menu offerings. We stay abreast of what ingredients consumers want to see on our menus, like plant-based proteins, and we are transparent about the nutritional content of our food. Underpinning the work is advanced technology that helps us gather in-depth insights and stay ahead of consumer trends.

KEY TAKEAWAYS
- We returned to fully in-person engagement with suppliers on food safety in 2022, including audits, market visits, colleges and summits.
- KFC has rolled out its global chicken welfare platform, and published chicken welfare reports for both the U.S. and Western Europe.
- Pizza Hut continues to make progress on plant-based offerings worldwide, with plant-based protein toppings available in 17 countries and vegan cheeses available in select markets including Europe.
- Taco Bell is engaging across the beef supply chain to reduce the use of antibiotics important to human health in its U.S. and Canada beef sourcing.
- The Habit lowered its footprint by the CO₂ equivalent of approximately 13.1 million miles of driving by selling Impossible™ burgers made from plants.

MATERIAL ISSUES
- Food Safety
- Choice & Nutrition
- Food Technology & Genetically Modified Organisms (GMOs)
- Responsible Marketing
- Animal Welfare

ALIGNED UN SDGs
- Harvest, Yum!’s prepared food donation program, continues to feed people through donations to hunger relief organizations.
- Harvest also allows us to address the challenge of food waste by diverting food from landfills and reducing GHG emissions.
Food Safety

Maintaining food safety and quality is foundational to protecting customers and upholding their trust. Food safety is not a competitive advantage, but rather a public health imperative.

Over the course of the pandemic, Yum! was highly effective in assessing both restaurants and suppliers, using technology to gain robust visibility, despite restrictions. In 2022, we returned to fully in-person engagement, including audits, market visits, colleges and summits. The past year was a time of getting back to basics, being hands-on with our teams and simplifying systems and processes to reduce administrative activity, decrease risk and improve quality.

Moving forward, we will continue to make the best use of both virtual and in-person connections. For example, using virtual tools to review documentation in advance allows us to make better use of time spent at supplier sites. This hybrid approach allows us to advance and democratize food safety and quality worldwide.

In 2022, Yum! joined the Consumer Goods Forum, which manages the GFSI. GFSI benchmarks food safety standards and provides governance that supports accredited third-party certification systems around the world. GFSI is the most widely accepted benchmarking program in the world, reducing duplication with a “once certified, accepted everywhere” approach. More than 50% of Yum! approved suppliers have achieved GFSI Recognized Certification to date, and over the next several years, Yum! will:

transition to

100% GFSI Recognized Certification for all suppliers and distributors.

This bold goal will increase our internal team’s ability to focus on risk management and supplier development, rather than the administrative tasks associated with managing an internal audit scheme.

USING TECHNOLOGY TO ADVANCE FOOD SAFETY

From consumer-facing apps to back-of-house systems, innovation is a top priority at Yum!. Today, we are exploring a variety of technologies to help ensure food safety in our restaurants.

Yum! uses a risk-sensing tool that constantly scans for potential risks to food, packaging or people, and notifies us of hazards and their potential impacts to our suppliers or business. Yum!’s global supply chain team uses the tool to track the impact of concerns such as global weather events and labor shortages. The tool relies on predictive analytics and will become even more effective over time.

Transitioning from paper checklists to digitized ones makes restaurant team members’ jobs easier and helps food safety risk managers evaluate and reduce food safety risk more effectively. We use a third-party tool to transform data stored across multiple databases into focused reports, dashboards and charts.

In the U.S., Pizza Hut is piloting the use of new functionality added to its Hutbot tool to allow food safety teams to capture areas for improvement, make recommendations and track follow-up actions to reduce food safety risk.

Sensors can be used to ensure safe cooking and holding temperatures for all of our products. They can also identify inefficiencies and ways for us to reduce energy use.
Balanced Choices

Yum! is proud to serve some of the world’s favorite pizza, chicken and tacos, as well as made-to-order chargrilled burgers. To continue to lead in these categories, we must stay ahead of consumer trends regarding ingredients, flavors and nutritional content and delight consumers with menu innovations they crave. Here are a few ways we continued to provide transparency and offer choice to consumers worldwide:

**Plant-forward menu items**—Plant-based options remain a priority for consumers in many parts of the world. In 2022, 23% of menu items sold at Taco Bell were vegetarian. The brand continues to test new menu items, including a Crispy Melt Taco with a proprietary seasoned plant-based blend. Offerings across our other brands include plant-based toppings at Pizza Hut restaurants in 17 countries, vegan cheeses in a limited number of Pizza Hut markets, including Europe, and Impossible™ burgers at The Habit Burger Grill.

**Beverage options**—In 2022, Taco Bell U.S. met its goal of offering at least 50% of its medium (20 fl oz) fountain beverages at 100 calories or less and 20 grams of sugar or less, with new beverage options including Brisk Dragon Paradise Sparkling Iced Tea and Dole Lemonade Strawberry Squeeze.

**Consumer choice**—We encourage consumers to make meals their own, customizing their orders to suit their dietary preferences. Pizza Hut offers a “create your own” pizza option worldwide. At Taco Bell, consumers can choose to make menu items vegetarian, order “fresco-style” to lower calories and fat or use the brand’s nutrition calculator to evaluate other possible ways to customize.

**Simplicity and labeling**—We continue making progress in our efforts to remove artificial colors, artificial flavors and partially hydrogenated oils from core food ingredients globally by 2025 and are 94%, 88% and 95% of the way there, respectively. In addition, many of our brands and geographies also offer nutrition facts and ingredient and allergen information online. For the U.S., details can be accessed here: KFC, Pizza Hut, Taco Bell, The Habit Burger Grill.

OFFERING CONSUMERS BALANCED CHOICES IN THE U.K.

KFC is helping consumers choose balanced menu items through the power of suggestion. The brand recently teamed up with Bite Back 2030, a U.K.-based nonprofit focused on healthy food systems; Deliveroo, a food delivery app; and the University of Durham on a project to determine how to shift purchasing behaviors toward healthier choices. The team hypothesizes that featuring a menu item in KFC’s hero image on the Deliveroo app will increase sales of that item. During a series of trials, when consumers in a certain area search for KFC on the Deliveroo app, they will see images of recommended lower-calorie menu items such as Southern Sweet Chilli Twister Wrap. The trials will be conducted throughout 2023. Once complete, the team will gather and interpret their findings.
Animal Welfare

We have a responsibility to be a good steward of the animals raised for food throughout our supply chain. Our approach is articulated in our Global Animal Welfare Policy and guided by our Sustainable Animal Protein Principles. Yum! also supports the Five Freedoms for all animals used for food.

OUR FOCUS ON CHICKEN

KFC is the largest of our brands by sales volume. And given KFC’s focus on chicken, the welfare of chickens—both those who lay eggs used in products and broiler chickens used for meat—is the greatest focus of our animal welfare programs. Regarding broiler chicken welfare, we are working to increase transparency in our supply chain, create consistency across our brands and around the world, and improve data collection so we can better communicate progress and challenges to our stakeholders.

In 2022, KFC rolled out a global chicken welfare platform that summarizes its stance on key welfare issues, the principles it follows and how it evaluates suppliers. Also in 2022, KFC U.S. published its first chicken welfare report, and KFC Western Europe (including the U.K. and Ireland) launched its third annual report and continued deep engagement on chicken welfare issues. In its most recent report, the market provided details on both its overall performance and that of its main individual geographies.

KFC Western Europe also implemented a supplier welfare scorecard, with supplier leaders invited to join quarterly review sessions to discuss audit findings and areas for improvement.

KFC Western Europe market was proud to achieve 100% compliance on its annual chicken welfare audits & corrective action plans.

Audits for KFC Western Europe’s supply chain are now conducted by NSF International. These reports and plans are integrated in TrueView to allow for real-time visibility, with data updated monthly and at a more granular level than was previously available.

CAGE-FREE EGGS

Yum! is on track toward our commitment to transition to 100% cage-free eggs for 25,000 restaurants by 2026, including the U.S., Western Europe and other leading markets, across all brands and for all menu items and ingredients; and to transition to 100% cage-free eggs worldwide by 2030. Going forward, Yum! will be creating transition plans, in partnership with our supply chain and key partners, that identify all menu items with egg ingredients and the suppliers associated with each. For our 2030 global markets, we will review sourcing data and research during 2024 and 2025, and plan to begin disclosing progress and a potential path forward after 2026.

Over the past year, highly pathogenic avian influenza (HPAI) has significantly affected egg-laying birds in many places around the world. To date, KFC’s business has not been significantly impacted by this issue. The brand attributes this to its deep bench of suppliers in multiple geographies, as well as to biosecurity expectations of suppliers, which are designed to protect birds from disease. Yum! continues to monitor HPAI outbreaks and responds as necessary to ensure supply continuity and protect our consumers.
**Limiting Antibiotic Use**

Keeping farm animals healthy occasionally requires the use of antibiotics. Yum! shares concerns regarding the rising threat of antimicrobial resistance (AMR) and supports the thoughtful and judicious use of these treatments. We also support One Health, a holistic and multisector long-term effort to combat AMR by the United Nations World Health Organization (WHO), the Food and Agriculture Organization, the World Organisation for Animal Health and other key stakeholders. In addition to our long-standing alignment with globally recognized frameworks, we are encouraged by recent guidance in the U.S. from the Federal Drug Administration (FDA) and the positive impact it will have on overall antibiotics reduction efforts. This guidance includes stopping the availability of over-the-counter (OTC) livestock antibiotics through traditional retail channels and now requiring a prescription from a licensed veterinarian.

In 2022, Pizza Hut reached its goal of removing antibiotics important to human medicine from chicken used for wings in the U.S. This builds on a previous commitment, achieved by KFC, Pizza Hut and Taco Bell, to reduce antibiotics important to human medicine in their U.S. poultry supply chains.

Taco Bell continues to work toward its goal of reducing antibiotics important to human health in its U.S. and Canada beef sourcing by 25% by 2025. In much the same way that we are working to reduce the emissions impact of our animal protein supply chain, we are making progress through sector engagements. Our partners include the U.S. Roundtable for Sustainable Beef and the International Consortium for Antimicrobial Stewardship in Agriculture (ICASA). ICASA is a public-private partnership created by the Foundation for Food & Agriculture Research to advance research on antimicrobial stewardship in animal agriculture. ICASA’s research promotes the judicious use of antibiotics, advances animal health and wellness and increases transparency in food production practices. Through ICASA, Taco Bell is funding research to help develop a system for beef producers to better evaluate and report their antimicrobial usage. Taco Bell’s project is one of nine ICASA grant-funded projects investigating novel and potentially high-impact solutions to promote targeted antibiotic use and advances in animal health and welfare.

Due to the complicated nature of the beef industry, isolating the volume of antibiotics used in any one business’s supply chain is complicated. However, we are encouraged to see a reduction in antimicrobial use in the animal protein industry overall. Over the past five years, there has been a 32% reduction in antibiotic use industrywide.
We Grow Sustainably
HOW WE'RE DRIVING GOOD GROWTH

Good Growth means addressing climate change and resource scarcity for the benefit of the planet, our business, employees, franchisees and local communities that we serve. Taking action to reduce our environmental footprint enhances brand relevance by aligning with growing demands for sustainability among consumers, investors and nongovernmental organizations (NGOs) while also helping to mitigate risk.

We are investing in advanced technologies that will allow us to operate our restaurants more efficiently—saving energy and water and generating less waste while reducing costs. Given the scale of our business and the fact that we are largely franchise-operated, making progress on emissions reduction also means looking deep into our supply chain. Yum! is strengthening our supplier engagement and data management capabilities, giving us the insights we need to drive progress on emissions reduction as well as human rights, food safety and other supply chain issues. In each of our areas of impact, we’re leaning into multistakeholder partnerships, seizing opportunities to both learn from and educate others.

KEY TAKEAWAYS

- We achieved a 57% absolute reduction in corporate restaurant and office emissions (Scope 1 & 2) compared to 2019.
- We achieved a 28% reduction in per-restaurant emissions in franchisee restaurants (Scope 3) compared to 2019.
- We’ve conducted a global renewable energy prioritization study covering key markets and are developing a roadmap for transitioning our restaurants.
- Pizza Hut reached its goal of sourcing 50% of the dairy used to make its pizza cheese in the U.S. from dairy farms enrolled in an environmental stewardship program—two years ahead of schedule.
- Taco Bell announced a partnership with Cargill and the National Fish and Wildlife Foundation (NFWF) to address the environmental impacts of cattle grazing.
- KFC Western Europe engaged with poultry suppliers to map and identify gaps in its soy supply chain and released its findings in a report for KFC U.K. & Ireland, with a plan to publish a report for all of the Western European markets in 2023.
- Our packaging policy, harmonized across all four brands, is helping drive focus on our packaging priorities.

MATERIAL ISSUES

- Climate Impact
- Operational Waste & Recycling
- Packaging
- Sustainable Sourcing
- Water

ALIGNED UN SDGs

At Yum!, our restaurants have taken steps to reduce water use, and we’ve conducted a global water risk assessment to better understand our footprint.

In 2021, we announced new science-based targets (SBTs), which give us a roadmap for reducing GHG emissions to levels aligned with the Paris Agreement.

Yum! partnered with FAI Farms to identify and eliminate deforestation risk in our supply chain.
Less Carbon

One of Yum! Brands’ greatest opportunities for positive impact—and therefore one of the top priorities for our business—is reducing GHG emissions from our restaurants and supply chain. We’ve been on a journey to reduce our carbon footprint for more than 15 years and continue to elevate our climate ambitions. In 2021, our near-term climate target was approved by the Science Based Targets initiative (SBTi). Using 2019 as our baseline year, these SBTs commit us to:

Reduce absolute Scope 1 and 2 GHG emissions

46% from corporate restaurants and offices by 2030

Reduce Scope 3 GHG emissions

46% per franchise restaurant by 2030

Reduce Scope 3 GHG emissions

46% per metric ton of beef, poultry, dairy and packaging by 2030
Yum! Climate Transition Action Plan

To achieve our SBTs, we need a clear plan. Yum!’s climate action plan, detailed below, illustrates where we will focus in the coming years—and how much we expect each area to contribute to emissions reduction. The reduction pathway is grounded on baseline data from 2019 that was used when setting our approved science-based targets.

We recognize that our strategy and supporting actions will likely evolve based on a number of factors such as improved economics, technology and innovation.

**Climate Transition Strategy**

**Focus Areas**

- Building Efficiency
- Renewable Energy
- Poultry
- Beef & Dairy
- Land Use, Biodiversity & Agricultural Practices

**Actions**

- Building Efficiency:
  - Reduce electricity, natural gas and hydrofluorocarbons (HFCs) consumption with focus on heating, ventilation and air conditioning (HVAC), exhaust hoods, equipment, refrigeration and lighting
  - Explore and implement renewable energy through a mix of on-site virtual power purchase agreements (vPPAs) and energy attribute certificates

- Poultry:
  - Improved feed practices: Optimized diets
  - Sustainable soy and corn
  - Improved waste practices: Manure management

- Beef & Dairy:
  - Improved feed practices: Improved health monitoring
  - Feed additives storage covering
  - Increased milk production
  - Feed additives: Tannins and nitrates addition
  - Improved waste practices: Manure management
  - Manure digesters

- Land Use, Biodiversity & Agricultural Practices:
  - Deforestation and land use change: Pilot and implement practices such as regenerative agriculture
  - Work with suppliers to end deforestation and land conversion

**Governance, Data & Transparency**

- Oversight from board, global leadership, ESG Council and brand steering committees
- Improve tracking of building efficiency, grid greening and integration of renewable energy
- Engage with industry groups and trade associations for tracking life cycle emissions from beef, poultry and dairy to improve monitoring, reporting and verification
- Commitment to transparency through continued CDP Climate, Forest, Water disclosures and alignment to TCFD framework
- Third-party verification of annual GHG data

**GOALS:**

- Reduce absolute Scope 1 and 2 GHG emissions 46% from corporate restaurants and offices by 2030
- Reduce Scope 3 GHG emissions 46% per franchisee restaurant by 2030

**Supply Chain**

**Goal:** Reduce Scope 3 GHG emissions 46% per metric ton of beef, poultry, dairy and packaging by 2030
CORPORATE RESTAURANTS & OFFICES
Reduce Absolute Scope 1 & 2 GHG Emissions by 46% by 2030 Compared to 2019

Reduction target is 101,802 mtCO₂e by 2030. This is an absolute reduction, based on 2019 emissions.

Note: Baseline year 2019 has been restated and received external assurance to account for acquisitions, divestitures and required updates, in accordance with the GHG Protocol. All figures are market-based emissions. For a full breakdown, view our ESG Library.

Our Scope 1 and 2 emissions cover our corporate-owned restaurants in addition to our corporate offices. Since 2019, we’ve decreased energy consumption at corporate restaurants by 57% through restaurant energy conservation measures like high-efficiency HVAC systems, kitchen equipment, refrigeration equipment, lighting and building management systems. Beyond reducing the amount of energy used, we must also transform the types of energy we source. We have used renewable energy for our U.S.-based offices through open market renewable energy certificates since 2019. We continue to transform the types of energy we source and look at alternative options to further contribute to the development of new forms of renewable energy.
As a next step on our decarbonization journey, in 2022 we worked with a third-party organization on a global study of renewable energy markets. Through this study, we examined renewable energy opportunities and challenges in 10 key markets worldwide in terms of cost, complexity, risk, scalability and impact. We also explored possible solutions for each unique market dynamic, including physical and VPPAs, on-site solar installations and energy attribution certificates.

Franchisee input was an important part of the process, and our next steps involve finding more ways to engage franchisees in bringing the renewable energy roadmap to life. Emerging government regulations and technological advances are also helping drive the transition to renewable energy. For example, a franchisee in Indonesia has entered into a joint partnership with a national solar power company to add rooftop solar panels to its entire portfolio of restaurants.

Since 2019, franchisee GHG emissions decreased by 28% per restaurant on average, which gives us a good start toward meeting our 2030 goal.

Yum! has a long history of designing, building and operating sustainable and efficient restaurants, having opened our first green building, certified using the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) program, more than a decade ago. KFC has adopted proven approaches into a collection of must-have processes that serve as a common baseline for global development. Pizza Hut has also adopted a list of must-haves for its restaurants in its focus countries. Take Pizza Hut in Brazil, where the brand has adopted and implemented elevated standards for its HVAC equipment, lighting and water use. A franchisee in India built a new Pizza Hut restaurant which generates solar power, practices rainwater harvesting, uses wastewater from reverse osmosis for cleaning purposes and deploys an environmental management system to control power usage.

These projects serve as a roadmap for franchisees in reaching their environmental and business goals, including reducing GHG emissions. We also continue to investigate building conservation measures such as automation technologies and Internet of Things (IoT)-based solutions, including connected temperature sensors for coolers and fryers that will help franchisees reduce their footprints, keep food safe and deliver a great customer experience.

Note: Baseline year 2019 has been restated and received external assurance to account for acquisitions, dispositions and required updates, in accordance with the GHG Protocol. All figures are market-based emissions. For a full breakdown, view our ESG Library.
SUSTAINABLE RESTAURANTS AROUND THE WORLD

Our brands have emissions-reduction activities taking place at restaurants across the world and are hopeful that these improvements and innovations can be applied across the Yum! network. A few ways we're making progress include:

- **Solar power**
  
  Both KFC's corporate and franchise-owned restaurants are adding solar panels to their rooftops and now have them on every continent where the brand operates. Locations include France, India, Indonesia, LA&C, Philippines, South Africa, South Pacific and the U.S. In the U.S., a KFC franchisee has also installed a solar-powered drive-thru canopy.

- **Electric vehicles (EVs)**
  
  In the U.K. and Ireland, KFC is adding EVs to its delivery fleet. In select U.S. states, a Pizza Hut franchisee piloted a delivery EV with a dedicated, insulated cabin for product.

- **Net-zero restaurants**
  
  KFC U.K. & Ireland is reviewing the carbon footprint of its restaurants with the goal of making future restaurants net-zero carbon through sustainable design, operations and integration of renewable energy technology.

- **University partnerships**
  
  Pizza Hut is working with undergraduate and graduate students to gather data and develop concepts for more sustainable restaurant design, which could inform future builds.

- **Zero-waste initiatives**
  
  KFC Thailand has opened multiple “Green Stores,” which are built with zero-waste material and offer plant-based poultry menu items.

- **Sustainable furnishings**
  
  The Habit Burger Grill continues to incorporate sustainable upholstery, lighting and equipment into its restaurants, including energy-saving technology in walk-in coolers, ENERGY STAR and Green Guard-certified machines and fixtures and floor tiles made of recycled content. Similarly, KFC is developing a new line of restaurant furniture made of lightweight, recovered materials.
SUPPLY CHAIN

Reduce Scope 3 GHG Emissions 46% per Metric Ton of Beef, Poultry, Dairy and Packaging by 2030

The majority of Yum!’s GHG emissions come from the food we purchase, namely our core proteins of poultry, beef and dairy. When we set our SBTs, we prioritized these proteins, along with packaging, as areas for action.

When it comes to calculating the emissions, we use standardized factors from Agri-footprint. Agricultural industries are continuing to refine approaches to calculating emissions. In 2019, our combined intensity for our primary GHG emitters was 6.2 mt CO₂e per mt of product purchased. In 2022, our emissions intensity was 6.4 mt CO₂e per mt of product purchased based on recently updated emissions factor updates.

Making continued progress on our supply chain goal requires a multipronged approach: partnering with our suppliers to address emissions from land use to animal feed and working across the industry to align on the data and reporting behind agricultural and packaging emissions. As you will see on the following page, emissions from our key proteins can range greatly depending on several factors, including land use and feed efficiency.

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ACTING ON CLIMATE IN OUR SUPPLY CHAIN

Targeted pilots

Strategies for reducing emissions will vary by core proteins and the regions they are sourced from, as well as producers and production models. We are working with partners on specific projects to define pathways for emissions reduction.

Sector engagements

Climate action in our supply chain will require partnering with industry peers, as well as processors, farmers and retailers, to advance awareness and align on areas of focus and desired results.

Data development

Tracking and calculating emissions in food systems is difficult, especially in regard to above ground carbon cycles. However, we continue to work on gathering complex data from our protein and packaging supply chain to estimate emissions. Currently, our reporting approach uses standardized emissions factors applied to the quantities of commodities procured for beef, dairy and poultry, as well as packaging. However, we know the approach of using averages has limitations and we continue to look for ways to address them.

Research from the World Wildlife Fund (WWF), shown in the below charts, gives a breakdown of emissions when it comes to beef and poultry sourcing and supports our focus areas of land use, enteric fermentation and feed. Their research also affirms that Yum! is sourcing primarily from highly efficient regions that have lower emissions such as North America. Global emissions averages are approximately 76 kgCO₂E/kg edible weight (EW) for beef and 7 – 10 kgCO₂E/kg EW for poultry. For North America, one of our largest sourcing regions, beef averages 40 kgCO₂E/kg EW and poultry (meat) averages 4 kgCO₂E/kg EW. Per below, land use and feed can more than double the entire life cycle emissions of beef or poultry.

Source: WWF Measuring and Mitigating GHGs - Beef and WWF Measuring and Mitigating GHGs - Chicken
**Engaging Suppliers**

Through participation in the Supplier Leadership on Climate Transition (Supplier LoCT) consortium, Yum! suppliers gain access to classes where they can learn to calculate GHG emissions, set their own SBTs and access climate roadmaps and playbooks. We follow up on the progress they are making by conducting an annual sustainability survey and are seeing an increase in target-setting as a result of this program. To date, 40% of our suppliers of poultry, beef and dairy in the U.S., Canada, Western Europe and Australia have set emissions-reduction goals or have joined the Supplier LoCT program.

**Reducing Emissions on the Farm**

How will farmers meet the goals they set? Pizza Hut U.S. is partnering with the Dairy Farmers of America (DFA) to provide the technology and data needed to help answer that question. Over the past year, Pizza Hut has been working alongside DFA and dairy suppliers to conduct farm-level GHG and energy assessments through the Farmers Assuring Responsible Management and Environmental Stewardship (FARM ES) evaluation. The brand set a goal to source 50% of the dairy used to make its pizza cheese in the U.S. from dairy farms enrolled in the FARM ES program by 2025, and met this goal in 2023, achieving 60% sourcing from enrolled farms.

One of the most significant ways farmers can reduce emissions is changing animals’ diets. The brand is helping them do this by providing all FARM ES-enrolled farmers with a SCiO cup, a lab-grade dry matter analyzer. The SCiO cup is a handheld device that resembles a large coffee mug. Farmers place a scoop of cattle feed into the cup as a sample, and the SCiO Cup uses near-infrared spectroscopy to determine levels of dry matter in the feed, which affects cows’ methane output. Using this information, farmers will be able to deliver precise nutrition to their cows, leading to a reduction in methane emissions and waste. In addition, Pizza Hut is helping implement farm-level projects such as cover crop planting and energy-efficient lighting and ventilation equipment.

In 2023, Taco Bell announced an exciting new partnership with long-time supplier Cargill and NFWF to address the environmental impacts of cattle grazing. Cargill and Taco Bell will jointly commit $2 million and leverage an additional $2 million in federal funds to provide grants to beef producers in the U.S. Intermountain West. These grants will equip ranchers with the technical and financial tools to expand their regenerative ranching practices, from conserving grassland ecosystems to improving river water quality and biodiversity, with the goal of sequestering up to 44,000 metric tons of CO₂e per year by 2030.
Deforestation

LIMITING DEFORESTATION THROUGH SOURCING PRACTICES

Beyond producing methane emissions, another way that raising animals for food can contribute to climate change is by accelerating deforestation. When forests are cleared to make room to grow crops or raise animals, sequestered carbon is released. Deforestation can also impact biodiversity by destroying the habitats that native animals and plants depend on and has been linked to human rights violations against indigenous peoples. We seek to minimize or avoid sourcing livestock that is raised and feed that is grown in areas at risk of deforestation. Many other businesses source the same commodities as we do—therefore, the primary way we are tackling this issue is through collaboration. It will take all parties, including NGOs, companies, governments and more, to move successfully in this area.

Examples of our engagement include endorsing the New York Declaration on Forests (NYDF) and the private-sector goal of eliminating deforestation from the production of agriculture commodities such as palm oil, soy, paper and beef products and striving to end natural forest loss by 2030. We also recognize that there are increasing demands to move even faster and continue to monitor what this means for us. Yum! is a member of the Tropical Forest Alliance and UK Roundtable on Sustainable Soya (KFC U.K. & Ireland). We are also tracking the newly released Forest, Land and Agriculture Guidance from the SBTi.

Due to the complexity of our supply chains, this work is more straightforward for some commodities than for others. For example, soy, which is a primary ingredient in poultry feed, has a supply chain involving soybean farmers, processors, feed mills, poultry suppliers and finally Yum! restaurants. While our business is at least five steps removed from the soybean field, we continue to work across our supply chain to achieve greater levels of visibility and accountability. Through our 2022 feed mill audit, we determine that 100% of our feed mills in Brazil are aligned with the Amazon Soy Moratorium. In 2022, we expanded our data collection process to better understand the use of soy by our supply chain partners. Given that we are not buying soy for animal feed, it is challenging to measure. All global soy information is shared through our CDP reporting as a part of Yum!'s global disclosure. In addition, annual data of Brazilian feed mill performance, reflecting the production of poultry in Brazil relative to the Amazon Soy Moratorium, is reported annually as a part of the Yum! sustainability reporting process.

KFC Western Europe has made progress by incorporating a soy sourcing policy into its Sourcing Code of Practice, aiming for 100% sustainable soy by 2030 (2025 for KFC U.K. & Ireland). The market also conducted a soy mapping exercise with poultry suppliers to identify gaps in its soy supply chain and released its findings in its first soy report for the KFC U.K. & Ireland market, with the aim to extend disclosure for the entire region in 2023. Additionally, in line with our Accountability Framework initiative (AFi) plan, KFC Western Europe has engaged suppliers on sustainability programs, including their soy sourcing strategy.

We are also working to ensure responsible sourcing of other raw materials whose cultivation can contribute to deforestation, including palm oil and fibers used for packaging (read more about our Better Packaging efforts). As a member of the RSPO, we are committed to sourcing all palm oil used for cooking from responsible and sustainable sources and give preference to suppliers that are certified by the RSPO. In 2022, volatile markets and disruptions, especially from global conflicts, created significant challenges and slightly reduced our use of RSPO-certified palm oil. Still, our supply chain and sustainability teams remain dedicated to partnering on this issue. We use satellite technology to review palm mill exposure to deforestation risks and continue to look for opportunities to reduce the environmental footprint of our palm oil use.
Better Packaging

Another important way we can make a positive environmental impact is by transitioning to more sustainable packaging for the food we serve. In 2022, Yum! introduced a harmonized packaging policy that built upon our brands’ existing packaging goals, providing an aligned aspiration for all brands to work toward by 2025 and beyond. To develop this policy, we engaged with brands, NGOs, investors and regulators to ensure our goals capture the full complexity of packaging opportunities at the local, national and global levels.

YUM!’S SUSTAINABLE PACKAGING FOCUS AREAS

As part of our harmonized packaging policy, Yum! established four focus areas and goals within each to achieve by 2025. Our focus areas are:

- **Eliminating unnecessary packaging**—By removing products with Styrofoam and expanded polystyrene (EPS) and reducing overall packaging materials and use

- **Shifting materials**—By transitioning to reusable, recyclable or compostable content and removing substances of concern

- **Supporting better recovery & recycling systems**—By forming partnerships to improve local infrastructure

- **Investing in circularity**—By exploring concepts like reusability and repurposing of materials that would otherwise go to waste
This harmonized policy recognizes that while our brands vary in their menu items, and therefore in the types of packaging they use, there is still much they can learn from each other. Since setting the policy, we have identified areas in which our three largest brands can lead, tasking each brand with exploring more sustainable packaging solutions. Each brand will share its learnings with the others, allowing us to move faster toward solutions than any brand could on its own.

Yum! is evaluating progress toward our goals with a self-assessment scorecard for each market and across all of our focus areas. We are proud of the progress we’ve made to date in each area over the past year, including:

**Eliminating Unnecessary Packaging**
Unrecoverable plastic items, including straws, cup lids, stirrers and cutlery, are prevalent around the world due to their convenience and low cost. But they are too small for recycling facilities to process, which makes them a key focus area of Yum!’s new policy, as well as of emerging legislation worldwide. We have phased out 99% of Styrofoam and EPS from our brands’ packaging, marking the third year in a row with the remaining amounts being de minimis. We will keep working to remove the remaining levels in our system. Now, many of our markets are finding ways to remove other unrecyclable items. For example, Pizza Hut restaurants in India, Australia and Japan have eliminated plastic straws, plastic cups and plastic cutlery.

**Shifting Materials**
As we remove unrecoverable plastics and other compounds from our packaging, we are making a transition to materials that use recycled content and are compostable or recyclable. In many cases, this means using paper fibers, which can be recycled and reused many times over. In 2022, 70% of our fiber-based packaging and servicewares were from certified virgin or recycled paper sources. Our strategy is to continue to work toward our published goals to prevent deforestation, in line with our endorsement of the NYDF. Taco Bell has transitioned to recyclable paper wraps in the U.S. and is piloting a 30 oz polypropylene beverage cup made with 10% recycled content. At Taco Bell restaurants in Brazil and the South Pacific, new fiber-based products include paper straws, wraps and bags and wooden cutlery. The Habit Burger Grill transitioned to-go bags from plastic to paper, eliminating 330,000 pounds of plastic. In 2023, the Habit is testing molded fiber packaging for salad bowls and exploring paper-based packaging solutions. Pizza Hut is focused on making its packaging, primarily made up of corrugated cardboard, more recyclable. Pizza boxes in Australia are made from 100% recycled content, while that number is up to 70% in the U.K.

**Supporting Better Recovery & Recycling Systems**
For packaging to actually be recycled or composted, municipalities must have recovery infrastructures, and consumers must understand how to recycle or compost properly. Yum! is a member of How2Recycle, the leading recycling labeling system in North America, which provides instructions on packaging to enable more and better recycling. We have begun the journey to implement How2Recycle’s standardized labeling system on our packaging and continue work to apply to more of our packaging suite.

As a member of the NextGen Consortium, Yum! stays current on what materials are most widely recyclable and has the opportunity to work with other companies to support the development of sortation and recycling infrastructure. Globally, it is estimated that at least 27% of plastics used in our consumer packaging are considered widely recyclable. For example, in 2022, polypropylene rigid containers, a material used in our brands’ packaging, were upgraded to be considered “widely recyclable” in the U.S. Taco Bell’s corporate-owned restaurants have added three-stream recycling bins to provide in-restaurant access to consumers in efforts to collect as much material as possible for recycling.

**Investing in Circularity**
Supporting a truly circular economy means considering what happens to materials at the end of their life. Taco Bell continues its partnership with TerraCycle in the U.S. to upcycle used sauce packets. Most recently, the brand elevated the program scope beyond Taco Bell sauce packets and now accepts condiment packets from any brand. KFC South Pacific has partnered with a supplier in Australia who manufactures sustainable, affordable and high-performance building materials made from hard-to-recycle packaging. Materials like milk and juice cartons are upcycled into a construction board that has been installed in a new KFC restaurant for testing. We are also learning from reusable dishware and silverware programs for dine-in customers in locations such as California and France.
Water Security

Yum! uses water to prepare our food and keep restaurants clean and safe. We have a long history of working to reduce water consumption and are 40% of the way toward our 2025 goal of reducing average restaurant water consumption by 10% from our 2017 baseline. We also continue to focus our efforts on areas of high water stress.

We conduct a regular risk assessment using the World Resources Institute's Aqueduct tools to determine areas at highest water risk. We evaluate both water access and water quality due to their importance to restaurant operations and food production. For the first time in 2021, we included a portion of our supply chain assessing risks to our beef, poultry, dairy and fiber suppliers and found that 82% of our supply chain components have low to moderate risk. The assessment also concluded which brands and countries have the highest level of water risk. For more information, see our latest CDP Water Security response.
## Performance Summary

### People

<table>
<thead>
<tr>
<th>GOAL</th>
<th>PROGRESS</th>
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| Significantly increase the number of women in senior leadership globally and achieve gender parity in leadership globally by 2030 in alignment with Paradigm for Parity®. | In 2022, 43% of global corporate leadership roles were held by women, and approximately 52% of our global workforce was comprised of women.    
*Yum! is among OneTen Coalition’s **highest-performing partners** in terms of the number of new hires and promotions at our company-owned restaurants and corporate offices.  
*Yum! remains committed to the **Hispanic Promise** and the **CEO Action for Diversity & Inclusion.** |
| Significantly increase diverse representation of people of color in the U.S. among corporate employees.                  | *Yum! is among OneTen Coalition’s highest-performing partners in terms of the number of new hires and promotions at our company-owned restaurants and corporate offices.  
*Yum! remains committed to the Hispanic Promise and the CEO Action for Diversity & Inclusion. |
| Continue rolling out Inclusive Leadership training across our system including company-owned and franchise restaurants.   | We expect to have the program **rolled out globally** by the end of 2025.                                                                                                                                                                                                                                           |
| Provide system employees with training and development that builds world-class leaders and business results.              | Employees participated in almost **260,000** training instances in 2022. Nearly **5 million** hours of operational training were completed.  
Since Yum! acquired Heartstyles in 2020, more than **600** Certified Practitioners have been trained and **30,000** Indicators have been completed across six continents.  
KFC U.S. is putting college degrees in reach for its restaurant employees with team members able to earn degrees at Western Governors University (WGU) with **tuition 100% covered.** |
| Measure our employee engagement.                                     | *Yum!’s last biennial employee engagement survey, which was conducted in 2021, revealed an **engagement level of 88%** for all corporate employees, well above industry benchmarks.                                                                                                              |
| Remain committed to our Global Code of Conduct and Supplier Code of Conduct, which addresses guidelines for working conditions consistent with frameworks such as those of the International Labour Organization and the United Nations Guiding Principles on Human Rights. | Published updated version of Yum!’s **Human Rights & Supply Chain policy.**  
Through Yum!’s membership with Sedex, a leading ethical trade membership organization that works with businesses to improve working conditions in global supply chains, **6,000** core category supplier sites were pre-screened for indicators of inherent responsible sourcing risk.  
Developing **strategic implementation plan** to drive adoption of responsible sourcing assessment processes and supplier engagement tools.  
Nearly **30,000** corporate employees participated in compliance training including our Global Code of Conduct. |
| Fight inequality through our Unlocking Opportunity Initiative (UOI) by investing $100 million over five years for employees and communities around the world. | As of the end of 2022, approximately **$50 million** in funding has been committed to over **30 social impact programs** across 11 countries through our UOI to fight inequality inside and outside Yum! through entrepreneurship, education and equity and inclusion. |
| Donate food, funds, time and talent to help local and global communities.                                               | *Our global organization donated **$34 million** in 2022, supporting brand efforts such as KFC Foundation charitable assistance programs, Pizza Hut’s BOOK IT! Program and the Taco Bell Foundation’s Live Más Scholarship and Community Grants program.  
We continue to create opportunities for all people interested in franchising through the Yum! Center for Global Franchise Excellence and Yum! Franchise Accelerator.  
Yum! and our franchisees donated **4.2 million** pounds of food through our Harvest program in 2022. |
### Food

<table>
<thead>
<tr>
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<tr>
<td>Through food safety audits, we provide restaurant team member training on employee health, product handling, ingredient and product management and prevention of cross-contamination.</td>
<td>Since 2016, Yum! has conducted more than <strong>699,000</strong> restaurant food safety audits.</td>
</tr>
<tr>
<td>Transition to 100% Global Food Safety Initiative (GFSI) Recognized Certification for all supplier and distributors over the next several years.</td>
<td>More than <strong>50%</strong> of Yum! approved suppliers have achieved GFSI Recognized Certification to date.</td>
</tr>
<tr>
<td>Offer lower calorie menu options across main dishes, combos and sides, consistent with Yum!‘s global nutrition standards that align with the World Health Organization and the Dietary Guidelines for Americans, to continue to improve our food’s nutrition. By 2030, we intend to represent 50% of menu food offerings to be consistent with Yum! global nutrition criteria for meal options.</td>
<td>Together, the brands reported that they are <strong>82%</strong> on the way to meeting the goal.</td>
</tr>
<tr>
<td>Provide consumers with convenient access to food information regarding menu labeling and allergens.</td>
<td>Continue publishing online nutrition calculators for the brands’ U.S. menus and providing consumers with convenient access to allergen and nutrition information. Details can be accessed online: <a href="#">KFC</a>, <a href="#">Pizza Hut</a>, <a href="#">Taco Bell</a>, <a href="#">The Habit Burger Grill</a>.</td>
</tr>
</tbody>
</table>
| Offer plant-forward product innovations to meet the lifestyle choices of consumers. | • In 2022, **23%** of menu items sold at Taco Bell were vegetarian. The brand offers over **30 vegetarian** ingredients on its menu, which can be combined for nearly 1 million combinations.  
• Increased plant-based protein options including in Pizza Hut’s markets globally. Plant-based cheeses are available in **17 countries** with vegan cheeses in select markets including Europe.  
• Customers of The Habit Burger Grill can select the vegetarian Impossible burger. |
| Continue clean label efforts to remove artificial colors, artificial flavors and partially hydrogenated oils (PHOs) from core food ingredients globally by 2025. | • Removed **94%** of artificial coloring  
• Removed **88%** of artificial flavors  
• Removed **95%** of PHOs |
| Continue engaging with beef, dairy and poultry suppliers to gather robust data on animal welfare and sustainable production systems as well as to educate them on the Five Freedoms and our Sustainable Animal Protein Principles. | • In 2022, KFC rolled out a global chicken welfare platform that highlights key welfare issues, the principles they follow and how they evaluate suppliers.  
• In 2022, KFC U.S. published its first chicken welfare report, and KFC Western Europe (including the U.K. & Ireland) launched its third annual report. |
| Source 100% cage-free eggs across at least 25,000 restaurants, including the U.S., Western Europe and other leading markets by 2026 on the way to sourcing 100% cage-free eggs in all markets by 2030 | For our **25,000** restaurants with a 2026 goal of cage free, **90%** of the egg volume came from cage-free sources in 2022. |
| Source chicken raised without antibiotics important to human medicine in the U.S. | • Yum! continues to use the United States Department of Agriculture (USDA) Process Verified Program (PVP) to verify poultry is produced without antibiotics important to human health. This verification process included third party auditing and assures our antibiotics claims and standards are met.  
• In 2022, Pizza Hut reached its goal of removing antibiotics important to human medicine from chicken used for wings in the U.S. |
| Taco Bell will reduce antibiotics important to human medicine in its U.S. and Canada beef supply chain by 25% by 2025 | • Taco Bell continues to partner with the International Consortium for Antimicrobial Stewardship in Agriculture (ICASA) to promote the judicious use of antibiotics in the beef supply chain across the food industry.  
• According to the U.S. FDA Summary Report on Antimicrobials Sold or Distributed for Use in Food-Producing Animals, there has been a **32%** reduction in antibiotic use industrywide between 2016 and 2021. |
| Limit marketing communications to children under 12. | Followed U.S. and international guidelines to **avoid marketing** to children. |
### GOAL

In line with our approved science-based targets (SBTs), cut greenhouse gas (GHG) emissions generated by:

- Company restaurants and offices (Scope 1 and 2) 46% below 2019 levels by 2030.
- Franchisee restaurants (Scope 3) 46% below 2019 levels by 2030 on a per-restaurant basis for franchisees.

### PROGRESS

- Our Scope 1 and 2 emissions for buildings have decreased approximately **57%**, on an absolute basis, as compared to our baseline year 2019. Franchisee restaurant emissions (Scope 3), measured on an intensity basis, have decreased approximately **28%**.
- We increased renewable energy investment and conducted a **global renewable energy** prioritization study covering key markets and are developing a roadmap for transitioning our restaurants.
- Yum!’s offices in the U.S. have been using **100%** renewable electricity since 2020 through the use of Green-e certified Renewable Energy Certificates (RECs).

#### Less Carbon - Restaurants

- Divert 50% of back-of-house operational waste, measured by weight, generated in our U.S. restaurants by the end of 2025.

#### Less Carbon - Supply/Chain

- As part of our efforts to emit less carbon and end deforestation efforts, Yum! Brands endorsed the New York Declaration on Forests (NYDF) and strives to meet the private sector goal of eliminating deforestation from the production of agricultural commodities such as palm oil, soy, paper and beef products well before 2020, and striving to end natural forest loss and degradation by 2030.

- As part of this work, we will purchase **100%** of our paper-based packaging with fiber from responsibly managed forests and recycled sources by the end of 2022.

- In 2022, an estimated **70%** of fiber came from certified forests or recycled sources. The Habit Burger Grill and Taco Bell led the way with **100%** and **99%** attainment, respectively.

- In 2022, 96% of palm oil used for cooking supported the production of sustainable palm oil and deforestation-free supply chains.

#### Better Packaging

- Remove Styrofoam and Expanded Polystyrene (EPS) across all brands by 2022.

<table>
<thead>
<tr>
<th>GOAL</th>
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<tbody>
<tr>
<td>In line with our approved SBTs, cut GHG emissions generated by: suppliers (Scope 3) 46% below 2019 levels by 2030 on per-metric ton basis of beef, poultry, dairy and packaging procured.</td>
<td>• 40% of our suppliers of chicken, beef and dairy in the U.S., Canada, Western Europe and Australia have set SBTs or have joined the Supplier Leadership on Climate Transition program to learn how to take action. • In the U.S., Pizza Hut is partnering with the Dairy Farmers of America (DFA), and dairy suppliers on a joint dairy project to provide participating farmers with technology and data needed to help reduce GHG emissions. Pizza Hut set a goal to source 50% of the dairy used to make its pizza cheese in the U.S. from dairy farms enrolled in an environmental stewardship program by 2025, and is already sourcing 60% from enrolled farms. • In partnership with the National Fish and Wildlife Foundation (NFWF), Taco Bell and Cargill jointly committed $2 million to U.S. beef producers to help equip ranchers with technical and financial tools to expand their regenerative ranching practices with the goal of sequestering up to 44,000 mt of CO₂e per year by 2030. This funding will supplement the $2 million in federal funds secured by the NFWF, for a total of $4 million over the course of the partnership.</td>
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<td>Remove Styrofoam and Expanded Polystyrene (EPS) across all brands by 2022.</td>
<td>In 2022, an estimated 70% of fiber came from certified forests or recycled sources. The Habit Burger Grill and Taco Bell led the way with 100% and 99% attainment, respectively.</td>
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<td>Eliminate unnecessary plastics across all brands by 2025.</td>
<td>In 2022, 96% of palm oil used for cooking supported the production of sustainable palm oil and deforestation-free supply chains.</td>
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<tr>
<td>Reduce virgin plastic content by 10% by 2025 across all brands.</td>
<td>100% of Brazilian feed mills audited as compliant in aligning with the Amazon Soy Moratorium.</td>
</tr>
<tr>
<td>Move consumer-facing plastic packaging to be reusable, recyclable or compostable by 2025 across all brands.</td>
<td>We estimate that 98% of our beef supply was sourced from regions of lower risk of tropical deforestation in 2022, with about 81% coming from the U.S. and Canada.</td>
</tr>
<tr>
<td>Divert 50% of back-of-house operational waste, measured by weight, generated in our U.S. restaurants by the end of 2025.</td>
<td>Disclosed progress to CDP Forests on palm oil, soy, paper and beef.</td>
</tr>
<tr>
<td>Reduce food loss waste by 50% by 2030 in accordance with U.S. Food Loss and Waste 2030 Champions.</td>
<td>For 2022, we were 40% toward reaching our goal to reduce water withdrawals on a per-restaurant basis.</td>
</tr>
<tr>
<td>Reduce average restaurant water withdrawals by 10%, from 2017, by the end of 2025.</td>
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## United Nations Sustainable Development Goals

<table>
<thead>
<tr>
<th>GOAL</th>
<th>MATERIAL ISSUES</th>
<th>YUM!'S CONTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Community &amp; Philanthropy</td>
<td>Harvest, Yum!’s prepared food donation program, continues to feed people through donations to hunger relief organizations.</td>
</tr>
<tr>
<td>3</td>
<td>Food Safety • Food Technology &amp; GMOs</td>
<td>Through our food safety program, as well as our engagement on use of antibiotics relevant to human medicine for animals raised for food, we are helping prevent the spread of communicable diseases.</td>
</tr>
<tr>
<td>4</td>
<td>Community &amp; Philanthropy • Equity, Inclusion &amp; Belonging</td>
<td>Education is one of the focus areas of the Unlocking Opportunity Initiative (UOI), through which we make investments to help system employees and community members grow their skills.</td>
</tr>
<tr>
<td>5</td>
<td>Water</td>
<td>We conduct global water risk assessments regularly to understand our footprint and determine how to reduce water use, with a focus on our restaurants in higher-risk locations.</td>
</tr>
<tr>
<td>6</td>
<td>Employee Health &amp; Safety • Talent Attraction, Engagement &amp; Retention • Human Rights &amp; Labor Practices • Equity, Inclusion &amp; Belonging</td>
<td>Our franchise restaurants provide jobs for more than 1 million people worldwide, and we’re constantly evaluating opportunities to support our franchisees as they address the development needs and aspirations of system restaurant teams and leaders.</td>
</tr>
<tr>
<td>7</td>
<td>Community &amp; Philanthropy • Equity, Inclusion &amp; Belonging</td>
<td>As part of the UOI, key markets for each brand are implementing programs that address local inequities in communities. Within our company, we’ve set aspirational goals to increase representation of women in leadership roles.</td>
</tr>
<tr>
<td>8</td>
<td>Operational Waste &amp; Recycling • Packaging • Sustainable Sourcing</td>
<td>By focusing on sustainable packaging across our brands, we are helping ensure smart use of materials. The Harvest Program allows us to address the challenge of food waste by diverting food from the landfill and reducing greenhouse gas (GHG) emissions.</td>
</tr>
<tr>
<td>9</td>
<td>Climate Impact</td>
<td>In 2021, we announced science-based targets, which give us a roadmap for reducing GHG emissions to levels aligned with the Paris Agreement. Now, we are taking action to reduce our emissions both in our restaurants and throughout our supply chain, with a focus on beef, dairy and poultry.</td>
</tr>
<tr>
<td>10</td>
<td>Sustainable Sourcing</td>
<td>Yum! partnered with FAI Farms to help identify and eliminate deforestation risk in our supply chain by 2030.</td>
</tr>
</tbody>
</table>
Materiality

Regular materiality assessments help us identify and prioritize our most significant citizenship and sustainability impacts, risks and opportunities. We conducted our most recent assessment in 2021, soliciting input from a diverse range of key internal and external stakeholders that have expertise and a vested interest around these issues and their impact on our industry, including company leaders, investors, franchisees, suppliers, nongovernmental organizations (NGOs), industry associations and thought leaders. Animal Welfare was categorized under the Planet pillar when this materiality assessment was conducted; however, it is now captured within the Food section of our report.

While all topics are important and can impact business success, the most important outcome of our assessment was the emergence of five clear Tier I topics: Climate Impact; Equity, Inclusion & Belonging; Food Safety; Packaging; and Operational Waste & Recycling. Each of these topics was judged to be highly important both to Yum! and our stakeholders, which is why we provide the most robust discussion on these topics in our reporting.
Stakeholder Engagement

Our key stakeholders include system employees, customers, franchisees, shareholders, suppliers, NGOs and communities. We follow a process for identifying, prioritizing and engaging with stakeholders on a range of issues that aligns with our materiality assessment in addition to a number of other factors such as brand alignment, potential impact, risk mitigation and shared values. The following table provides examples of ongoing interactions with each of these groups and issues that are most relevant to them.

<table>
<thead>
<tr>
<th>STAKEHOLDER</th>
<th>TYPES OF ENGAGEMENT</th>
<th>MOST IMPORTANT ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advocacy Groups/NGOs</td>
<td>• Direct Engagement</td>
<td>• Animal Welfare</td>
</tr>
<tr>
<td></td>
<td>• Organizational Membership</td>
<td>• Choice &amp; Nutrition</td>
</tr>
<tr>
<td></td>
<td>• Roundtable Events</td>
<td>• Climate Impact</td>
</tr>
<tr>
<td></td>
<td>• Shareholder Meetings</td>
<td>• Equity, Inclusion &amp; Belonging</td>
</tr>
<tr>
<td></td>
<td>• Strategic Issue Partnership</td>
<td>• Ethics &amp; Compliance</td>
</tr>
<tr>
<td>Communities</td>
<td>• Corporate &amp; Employee Giving</td>
<td>• Human Rights &amp; Labor Practices</td>
</tr>
<tr>
<td></td>
<td>• Employee Volunteerism</td>
<td>• Food Safety</td>
</tr>
<tr>
<td></td>
<td>• Local Nonprofit Partnerships</td>
<td>• Sustainable Sourcing</td>
</tr>
<tr>
<td>Consumers</td>
<td>• Social Media</td>
<td>• Community &amp; Philanthropy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Choice &amp; Nutrition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Climate Impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Equity, Inclusion &amp; Belonging</td>
</tr>
<tr>
<td>Employees</td>
<td>• Anonymous Hotline</td>
<td>• Food Safety</td>
</tr>
<tr>
<td></td>
<td>• Development &amp; Training Programs</td>
<td>• Sustainable Sourcing</td>
</tr>
<tr>
<td></td>
<td>• Employee Engagement Survey</td>
<td>• Community &amp; Philanthropy</td>
</tr>
<tr>
<td></td>
<td>• Quarterly Global Employee Webcasts</td>
<td>• Choice &amp; Nutrition</td>
</tr>
<tr>
<td></td>
<td>• Town Hall Meetings</td>
<td>• Climate Impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Equity, Inclusion &amp; Belonging</td>
</tr>
<tr>
<td>Franchisees</td>
<td>• Annual Franchise Conventions</td>
<td>• Talent Attraction, Engagement &amp; Retention</td>
</tr>
<tr>
<td></td>
<td>• Direct Engagement</td>
<td>• Food Safety</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Community &amp; Philanthropy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Equity, Inclusion &amp; Belonging</td>
</tr>
<tr>
<td>Government Agencies</td>
<td>• Direct Engagement</td>
<td>• Climate Impact</td>
</tr>
<tr>
<td></td>
<td>• Yum! Political Action Committee</td>
<td>• Equity, Inclusion &amp; Belonging</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Food Safety</td>
</tr>
<tr>
<td>Industry Associations</td>
<td>• Annual Conferences</td>
<td>• Human Rights &amp; Labor Practices</td>
</tr>
<tr>
<td></td>
<td>• Industry Memberships</td>
<td>• Choice &amp; Nutrition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Climate Impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ethics &amp; Compliance</td>
</tr>
<tr>
<td>Investors</td>
<td>• Annual Report</td>
<td>• Climate Impact</td>
</tr>
<tr>
<td></td>
<td>• Brand/Yum! Investor Days</td>
<td>• Equity, Inclusion &amp; Belonging</td>
</tr>
<tr>
<td></td>
<td>• Direct Engagement</td>
<td>• Talent Attraction, Engagement &amp; Retention</td>
</tr>
<tr>
<td></td>
<td>• Earnings/Investor Calls</td>
<td>• Climate Impact</td>
</tr>
<tr>
<td></td>
<td>• Ratings/Rankings &amp; Indices</td>
<td>• Ethics &amp; Compliance</td>
</tr>
<tr>
<td>Suppliers</td>
<td>• Annual Supplier Awards</td>
<td>• Climate Impact</td>
</tr>
<tr>
<td></td>
<td>• Restaurant Supply Chain Solutions™</td>
<td>• Food Safety</td>
</tr>
<tr>
<td></td>
<td>• Supplier Audits</td>
<td>• Waste &amp; Recycling</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Water</td>
</tr>
<tr>
<td>Thought Leaders</td>
<td>• Leverage Experts on Councils</td>
<td>• Human Rights &amp; Labor Practices</td>
</tr>
<tr>
<td></td>
<td>• Participate in Research &amp; Studies</td>
<td>• Climate Impact</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Ethics &amp; Compliance</td>
</tr>
</tbody>
</table>

Key stakeholders with which we engage include:

- 3Degrees
- Academy of Nutrition and Dietetics
- American Potato Trade Alliance
- American Vegetarian Association
- Ashoka
- CEO Action for Diversity & Inclusion™
- Clean Energy Buyers Association
- Conference for Food Protection
- Consortium for Graduate Studies in Management
- Consumer Goods Forum
- Dairy Farmers of America
- Dairy Management Incorporated™
- FAI Farms Ltd
- Food Donation Connection
- Food Industry Asia
- Food Waste Reduction Alliance
- Hatch Enterprise
- Initiative for a Competitive Inner City
- Innovation Center’s Dairy Sustainability Alliance®
- Institute for Food Technologists
- International Consortium for Antimicrobial Stewardship in Agriculture
- International Franchise Association
- International Poultry Council
- International Poultry Welfare Alliance
- Louisville Sustainability Council
- Multicultural Foodservice & Hospitality Alliance™
- National Chicken Council
- National Pork Board
- National Restaurant Association®
- National Retail Federation®
- New York Declaration on Forests
- NextGen Consortium
- Ocean Plastics Leadership Network
- OneGen Coalition
- Paradigm for Parity®
- Roundtable on Sustainable Palm Oil™
- Sedex
- Serving Europe
- Sevalanka Foundation
- Social bee
- STOP THE TRAFFIK
- Sustainable Packaging Coalition
- Tropical Forest Alliance
- The UK Roundtable on Sustainable Soya
- University of Louisville
- USA Poultry & Egg Export Council
- U.S. Chamber Business Councils
- U.S. Green Building Council
- U.S. Roundtable for Sustainable Beef
- U.S. Roundtable for Sustainable Poultry & Eggs
- We Are All Human—Hispanic Promise
- Women’s Foodservice Forum
- World Wildlife Fund
## 2022 GRI Index

### GRI 1 - FOUNDATION 2021

Yum! Brands has reported the information cited in this Global Reporting Initiative (GRI) content index for the period January 1, 2022 to December 31, 2022 in accordance to the GRI Universal Standards. We recognize GRI as a leading standard for reporting on ESG issues, and this index reflects the results of our most recent materiality assessment. GRI had not released the sector standards for the food and beverage industry as of our publication date of July 11, 2023. No sector standards were applicable.

### Disclosure

<table>
<thead>
<tr>
<th>GRI 2</th>
<th>Response</th>
</tr>
</thead>
</table>

### General Disclosures 2021: Organizational Details

2-1 Organizational details

Yum! Brands, Inc.

2022 Form 10-K, Title Page, p. 1
Louisville, Kentucky, USA
2022 Form 10-K, Business, p. 3
Locations:
- KFC
- Pizza Hut
- Taco Bell
- The Habit Burger Grill

2-2 Entities included in the organization’s sustainability reporting

2022 Form 10-K, Business, p. 3
Year End: December 31, 2022
2022 Form 10-K, Business, p. 3

2-3 Reporting period, frequency and contact point

Annual
Year End: December 31, 2022
Publication Date: July 11, 2023
citizenship@yum.com

2-4 Restatements of information

Greenhouse gas emissions for our baseline year of 2019 have been restated in accordance with the Greenhouse Gas Protocol to account for material changes in the business including the addition of Habit Burger Grill, and divestiture in Russia.

2-5 External assurance

Greenhouse gas emissions and water withdrawals have been externally assured for the reporting year in accordance with the listed assurance standard established by the American Institute of Certified Public Accountants. Greenhouse gas emissions and water withdrawals have been externally assured for the reporting year.

2-6 Activities, value chain and other business relationships

2022 Form 10-k, Business, p. 3-11
Locations:
- KFC
- Pizza Hut
- Taco Bell
- The Habit Burger Grill

### General Disclosures 2021: Activities & Workers

2-7 Employees

2022 Form 10-K, Human Capital Management, p. 7

2-8 Workers who are not employees

2022 Form 10-K, Human Capital Management, p. 7
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<thead>
<tr>
<th>Disclosure</th>
<th>Response</th>
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</thead>
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<tr>
<td><strong>General Disclosures 2021: Governance</strong></td>
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</tr>
<tr>
<td>2-9 Governance structure and composition</td>
<td>2023 Proxy, pp. 7-15 Introduction &gt; Corporate &amp; Sustainability Governance</td>
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<tr>
<td>2-10 Nomination and selection of the highest governance body</td>
<td>2023 Proxy, pp. 7-10, 18</td>
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<td>2-11 Chair of the highest governance body</td>
<td>2023 Proxy, pp. 19-20</td>
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<tr>
<td>2-12 Role of the highest governance body in overseeing the management of impacts</td>
<td>2023 Proxy, pp. 19-22, 24-25</td>
</tr>
<tr>
<td><strong>General Disclosures 2021: Governance</strong></td>
<td></td>
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<tr>
<td>2-13 Delegation of responsibility for managing impacts</td>
<td>2023 Proxy, pp. 21-22, 24-25</td>
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<tr>
<td>2-14 Role of the highest governance body in sustainability reporting</td>
<td>2023 Proxy, pp. 21-22</td>
</tr>
<tr>
<td>2-15 Conflicts of interest</td>
<td>Code of Conduct, p. 15</td>
</tr>
<tr>
<td>2-16 Communication of critical concerns</td>
<td>2023 Proxy, p. 23</td>
</tr>
<tr>
<td>2-17 Collective knowledge of the highest governance body</td>
<td>2023 Proxy, p. 10</td>
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<tr>
<td>2-18 Evaluation of the performance of the highest governance body</td>
<td>2023 Proxy, pp. 19-20</td>
</tr>
<tr>
<td>2-19 Remuneration policies</td>
<td>2023 Proxy, pp. 16-18, 22</td>
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<tr>
<td>2-20 Process to determine remuneration</td>
<td>2023 Proxy, pp. 16-18</td>
</tr>
<tr>
<td>2-21 Annual total compensation ratio</td>
<td>2023 Proxy, CEO Pay Ratio, pp. 81-82 CEO pay is calculated per SEC requirements. Factors impacting annual performance compensation are published in Yum!'s 10k, pp. 7-8.</td>
</tr>
<tr>
<td><strong>General Disclosures 2021: Strategy, Policies &amp; Practice</strong></td>
<td></td>
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<tr>
<td>2-22 Statement on sustainable development strategy</td>
<td>CEO Letter</td>
</tr>
<tr>
<td>2-23 Policy commitments</td>
<td>ESG Library</td>
</tr>
<tr>
<td>2-24 Embedding policy commitments</td>
<td>Introduction &gt; Corporate &amp; Sustainability Governance People &gt; Our Team &amp; Business &gt; Ethics &amp; Human Rights Planet &gt; Better Packaging Food &gt; Animal Welfare Food &gt; Limiting Antibiotic Use</td>
</tr>
<tr>
<td>2-25 Processes to remediate negative impacts</td>
<td>Code of Conduct, pp. 29-33</td>
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<tr>
<td>2-26 Mechanisms for seeking advice and raising concerns describe the mechanisms for individuals</td>
<td>Code of Conduct, pp. 29-33</td>
</tr>
<tr>
<td>2-27 Compliance with laws and regulations</td>
<td>2022 Form 10-K, Note 20: Contingencies, pp. 99-100.</td>
</tr>
<tr>
<td><strong>General Disclosures 2021: Stakeholder Engagement</strong></td>
<td></td>
</tr>
<tr>
<td>2-28 Membership associations</td>
<td>Appendix &gt; Stakeholder Engagement</td>
</tr>
<tr>
<td>2-29 Approach to stakeholder engagement</td>
<td>Appendix &gt; Stakeholder Engagement</td>
</tr>
<tr>
<td>2-30 Collective bargaining agreements</td>
<td>As of December 31, 2022, approximately 12% of employees reported to be represented by an independent trade union or covered by collective bargaining agreements while 88% of employees’ working conditions and terms were not covered by collective bargaining agreements.</td>
</tr>
</tbody>
</table>
## Disclosure

### GRI 3

<table>
<thead>
<tr>
<th>General Disclosures 2021: Material Topics</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>3-1 Process to determine material topics</td>
<td>Appendix &gt; Materiality Reporting &amp; Materiality</td>
</tr>
<tr>
<td>3-2 List of material topics</td>
<td>Appendix &gt; Materiality Reporting &amp; Materiality</td>
</tr>
<tr>
<td>3-3 Management of material topics</td>
<td>Appendix &gt; Materiality Reporting &amp; Materiality</td>
</tr>
</tbody>
</table>

### GRI 200 ECONOMIC

#### 201: Economic Performance 2016

- **Management of the material topic**
  - 2022 Form 10-K, Financial Statements and Supplementary Data, pp. 50-58

- **201-1 Direct economic value generated and distributed**
  - 2022 Form 10-K, Financial Statements and Supplementary Data, pp. 50-110

- **201-2 Financial implications and other risks and opportunities due to climate change**
  - 2022 Form 10-K, Risk Factors, pp. 9-23

- **201-3 Defined benefit plan obligations and other retirement plans**
  - 2022 Form 10-K, Pension, Retiree Medical and Retiree Savings Plans, pp. 84-89

- **201-4 Financial assistance received from government**
  - 2022 Form 10-K, Income Taxes, pp. 93-96


- **Management of the material topic**
  - 2022 Form 10-K, Human Capital, pp. 7-8

- **202-1 Ratios of standard entry level wage by gender compared to local minimum wage**
  - People > Our Team & Business > Paying Employees Equitably

- **202-2 Proportion of senior management hired from the local community**
  - People > Our Team & Business

#### 205: Anti-corruption 2016

- **Management of the material topic**
  - Global Code of Conduct
  - Supplier Code of Conduct

- **205-1 Operations assessed for risks related to corruption**
  - People > Our Team & Business > Ethics & Human Rights

- **205-2 Communication and training about anti-corruption policies**
  - People > Our Team & Business > Ethics & Human Rights
  - 100% of Yum! employees, including our Board of Directors, are annually trained in anti-corruption practices.

- **205-3 Confirmed incidents of corruption and actions taken**
  - There were no confirmed instances of corruption, as reported as breaches in our Code of Conduct which would include occurrences including but not limited to corruption, bribery, conflicts of interest, money laundering, insider trading or harassment, in 2022.
## Disclosure

### 206: Anti-Competitive Behavior 2016

<table>
<thead>
<tr>
<th>Management of the material topic</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Global Code of Conduct</em></td>
<td></td>
</tr>
</tbody>
</table>

206-1 Legal actions for anti-competitive behavior, anti-trust and monopoly practices

There were no confirmed instances of anti-competitive behavior, anti-trust and monopoly practices in 2022.

### 207: Tax Governance, Control & Risk Management 2019

| Management of the material topic | 2022 Form 10-K, Income Taxes, pp. 93-96  
2023 Proxy, pp. 23-25, 87-88  
Tax and Trade Policy |
|----------------------------------|------------------------------------------|
| 207-1 Approach to Tax            | 2023 Proxy, pp. 87-88  
Political Contributions Policy  
Tax & Trade Policy |
| 207-2 Tax governance, control and risk management | 2023 Proxy, pp. 23-25, 87-88 |
| 207-3 Stakeholder engagement and management of concerns related to tax | 2023 Proxy, p. 23  
Political Contributions & U.S. Government Advocacy Policy  
Tax & Trade Policy |
| 207-4 Country-by-country reporting | 2022 Form 10-K, Income Taxes, pp. 93-96 |

### GRI 300: ENVIRONMENTAL

#### 301: Materials 2016

| Management of the material topic | Planet > Better Packaging  
Sustainable Packaging & Waste Reduction  
CDP Forests 2023 Response  
Global Forest Stewardship Policy  
Palm Oil Policy  
Paper-based Packaging Sourcing Policy  
Sustainable Packaging Policy |
|----------------------------------|---------------------------------------------------------------|

301-1 Materials used by weight or volume

It is estimated that 423,069 metric tons of fiber (renewable) and 108,084 metric tons of plastic (non-renewable) based consumer facing packaging and customer servicewares were used. This is a directional estimate, and we expect refinements of data collection in the future. Our primary product is food and we consider it to be a renewable resource.

301-2 Recycled input materials used

It is estimated that 28% of fiber-based and 15% of plastic-based packaging and customer servicewares are from recycled sources. This is a directional estimate, and we expect refinements of data collection in the future.

301-3 Reclaimed products and their packaging materials

As part of our approach to sustainable materials, we encourage the use of recycled sources of material in packaging and servicewares as feasible and as allowed by local regulations. Data is collected through our survey of fiber-based and plastic-based packaging. Quantities must be considered as a directional estimate, and we expect refinements of data collection in the future.
## Disclosure

### 302: Energy 2016

**Management of the material topic**

**CDP Climate Change 2023 Response**

<table>
<thead>
<tr>
<th>Energy Consumption from Renewable Sources</th>
<th>Energy Consumption from Non-Renewable Sources</th>
<th>Total Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption of Fuel (MWh)</td>
<td>-</td>
<td>205,814</td>
</tr>
<tr>
<td>Consumption of purchased or acquired electricity (MWh)</td>
<td>174,597</td>
<td>61,961</td>
</tr>
<tr>
<td>Consumption of purchased or acquired heat (MWh)</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Consumption of purchased or acquired steam (MWh)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Consumption of purchased or acquired cooling (MWh)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Consumption of self-generated non-fuel renewable energy (MWh)</td>
<td>521</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total energy consumption (MWh)</strong></td>
<td>175,118</td>
<td>267,778</td>
</tr>
<tr>
<td><strong>Total energy consumption (GJ)</strong></td>
<td>630,425</td>
<td>964,001</td>
</tr>
<tr>
<td><strong>Total percentage of renewable energy vs. non-renewable energy</strong></td>
<td>40%</td>
<td></td>
</tr>
</tbody>
</table>

For information regarding standards, methodologies, assumptions and calculations, refer to our 2023 CDP Climate Change response.

### 302.1 Energy consumption within the organization

<table>
<thead>
<tr>
<th>Country</th>
<th>Consumption of Electricity (MWh)</th>
<th>Consumption of Fuel (MWh)</th>
<th>Total Energy Consumption (MWh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>19,678</td>
<td>1,492</td>
<td>21,170</td>
</tr>
<tr>
<td>Canada</td>
<td>388</td>
<td>80</td>
<td>468</td>
</tr>
<tr>
<td>France</td>
<td>51</td>
<td>80</td>
<td>130</td>
</tr>
<tr>
<td>Germany</td>
<td>105</td>
<td>269</td>
<td>374</td>
</tr>
<tr>
<td>India</td>
<td>4,669</td>
<td>2,607</td>
<td>7,276</td>
</tr>
<tr>
<td>Israel</td>
<td>18</td>
<td>80</td>
<td>98</td>
</tr>
<tr>
<td>Italy</td>
<td>69</td>
<td>129</td>
<td>198</td>
</tr>
<tr>
<td>Netherlands</td>
<td>157</td>
<td>248</td>
<td>405</td>
</tr>
<tr>
<td>Singapore</td>
<td>274</td>
<td>80</td>
<td>354</td>
</tr>
<tr>
<td>South Africa</td>
<td>15,475</td>
<td>3,980</td>
<td>19,455</td>
</tr>
<tr>
<td>Spain</td>
<td>73</td>
<td>158</td>
<td>231</td>
</tr>
<tr>
<td>Switzerland</td>
<td>79</td>
<td>164</td>
<td>244</td>
</tr>
<tr>
<td>Thailand</td>
<td>97</td>
<td>-</td>
<td>97</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>167</td>
<td>218</td>
<td>385</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>19,951</td>
<td>1,160</td>
<td>21,111</td>
</tr>
<tr>
<td>United States</td>
<td>175,217</td>
<td>194,892</td>
<td>370,108</td>
</tr>
<tr>
<td>Vietnam</td>
<td>92</td>
<td>177</td>
<td>269</td>
</tr>
</tbody>
</table>
## Disclosure

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>302-2 Energy consumption outside of the organization</td>
<td>Total energy consumption for franchise restaurants is estimated to be 54,928,818 GJ. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2023 Response.</td>
</tr>
<tr>
<td>302-3 Energy intensity</td>
<td>Based on the total energy consumed for company-owned and franchise restaurants (including company offices), the energy intensity ratio is 1,047.67 GJ/restaurant. This includes all types of energy that we use.</td>
</tr>
<tr>
<td>302-4 Reduction of energy consumption</td>
<td>The anticipated annual quantity of reductions in energy consumption that will be achieved as a result of conservation and efficiency measures are 1,109,606 GJ. This includes company-owned and franchise restaurants and includes all types of energy that we use. This estimation does not include materialized savings realized from activities contributing to savings from prior years. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2023 Response.</td>
</tr>
<tr>
<td>302-5 Reductions in energy requirements of products and services</td>
<td>Omission: this disclosure is not applicable to Yum! Brands products and services.</td>
</tr>
<tr>
<td><strong>303: Water 2018</strong></td>
<td></td>
</tr>
<tr>
<td>Management of the material topic</td>
<td>Planet &gt; Water Security CDP Water Security 2023 Response</td>
</tr>
<tr>
<td>303-1 Interactions with water as a shared resource</td>
<td>Planet &gt; Water Security CDP Water Security 2023 Response</td>
</tr>
<tr>
<td>303-2 Management of water discharge related impacts</td>
<td>CDP Water Security 2023 Response</td>
</tr>
<tr>
<td>303-3 Water withdrawal</td>
<td>Total company withdrawals for the reporting year are estimated to be 2,366.7 ML. Of that amount, 2,249.9 ML are estimated to have been for restaurants. All material withdrawals are from freshwater, third-party systems. Total water withdrawal for company locations located in water-stressed areas, as defined by WRI Aqueduct, is estimated to be 495.6 ML according to our 2021 analysis. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Water Security 2023 Response.</td>
</tr>
<tr>
<td>303-4 Water discharge</td>
<td>Total company discharges for company locations for the reporting year are estimated to be 2,011.9 ML. Material discharges to third-party water systems are estimated to be 1,183.34 ML and discharges to groundwater are 828.34 ML. Total water discharges for company locations located in water-stressed areas, as defined by WRI Aqueduct, are estimated to be 247.8 ML to third-party water systems and 173.4 ML to groundwater according to our 2021 analysis. Groundwater discharges are for irrigation. Discharges are fresh water. We seek to follow all local laws and regulations for frequency of monitoring, should it be required. Restaurants are designed to produce discharges of an acceptable quality for treatment by municipal facilities. Municipalities test discharge according to their regulations. Adherence to local laws is typically controlled by regulatory permits. The organization was not subject to any material penalties relating to wastewater regulations in the reporting year. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Water Security 2023 Response.</td>
</tr>
<tr>
<td>303-5 Water consumption</td>
<td>Total company water consumption for the reporting year is estimated to be 355 ML. Total consumption for company locations in water-stressed areas, as defined by WRI Aqueduct, is estimated to be 74.3 ML according to 2021 analysis. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Water Security 2023 Response.</td>
</tr>
</tbody>
</table>
### Disclosure

**305: Emissions 2016**

<table>
<thead>
<tr>
<th>Management of the material topic</th>
<th>Gross Direct (Scope 1) GHG emissions: 42,919.18 MT CO₂e (location based), CDP Climate Change 2023 Response</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GHG emissions include four of the seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), nitrogen trifluoride (NF₃) and sulphur hexafluoride (SF₆) emissions are not included in our reporting, as we do not use coolants that generate these greenhouse gases. Biogenic carbon is not relevant to our Scope 1 GHG emissions. Source emission factors can be viewed in our <a href="#">Statement of Greenhouse Gas Emissions and Water Withdrawal</a>. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2023 Response.</td>
</tr>
<tr>
<td></td>
<td>Location Based Scope 1 emissions by country are as follows (mtCO₂e):</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Country</th>
<th>Scope 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>886.50</td>
</tr>
<tr>
<td>Canada</td>
<td>79.66</td>
</tr>
<tr>
<td>France</td>
<td>79.65</td>
</tr>
<tr>
<td>Germany</td>
<td>192.32</td>
</tr>
<tr>
<td>India</td>
<td>611.97</td>
</tr>
<tr>
<td>Israel</td>
<td>79.65</td>
</tr>
<tr>
<td>Italy</td>
<td>69.24</td>
</tr>
<tr>
<td>Netherlands</td>
<td>109.70</td>
</tr>
<tr>
<td>Singapore</td>
<td>79.65</td>
</tr>
<tr>
<td>South Africa</td>
<td>1,306.02</td>
</tr>
<tr>
<td>Spain</td>
<td>93.66</td>
</tr>
<tr>
<td>Switzerland</td>
<td>94.83</td>
</tr>
<tr>
<td>Thailand</td>
<td></td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>71.76</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>456.53</td>
</tr>
<tr>
<td>United States</td>
<td>38,610.88</td>
</tr>
<tr>
<td>Vietnam</td>
<td>97.16</td>
</tr>
</tbody>
</table>
Disclosure

Response

Gross Indirect (Scope 2) GHG emissions: 100,477.74 MT CO₂e (location based), CDP Climate Change 2023 Response
Gross Indirect (Scope 2) GHG emissions: 37,856.11 MT CO₂e (market based), CDP Climate Change 2023 Response

GHG emissions include four of the seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs). Per the GHG Protocol, biogenic emissions are omitted since grid factors are used. Source emission factors can be viewed in our Statement of Greenhouse Gas Emissions and Water Withdrawal. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2023 Response.

Location Based Scope 1 emissions by country are as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Scope 2 (location based)</th>
<th>Scope 2 (market based)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>13,404.46</td>
<td>13,404.46</td>
</tr>
<tr>
<td>Canada</td>
<td>46.64</td>
<td>46.64</td>
</tr>
<tr>
<td>France</td>
<td>2.60</td>
<td>2.96</td>
</tr>
<tr>
<td>Germany</td>
<td>32.86</td>
<td>61.88</td>
</tr>
<tr>
<td>India</td>
<td>3,234.94</td>
<td>3,234.94</td>
</tr>
<tr>
<td>Israel</td>
<td>8.54</td>
<td>8.54</td>
</tr>
<tr>
<td>Italy</td>
<td>18.24</td>
<td>31.48</td>
</tr>
<tr>
<td>Netherlands</td>
<td>47.56</td>
<td>70.95</td>
</tr>
<tr>
<td>Singapore</td>
<td>105.64</td>
<td>105.64</td>
</tr>
<tr>
<td>South Africa</td>
<td>14,368.48</td>
<td>14,368.48</td>
</tr>
<tr>
<td>Spain</td>
<td>11.28</td>
<td>20.98</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1.97</td>
<td>2.40</td>
</tr>
<tr>
<td>Thailand</td>
<td>46.45</td>
<td>46.45</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>88.10</td>
<td>88.10</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>3,896.38</td>
<td>6,304.43</td>
</tr>
<tr>
<td>United States</td>
<td>65,105.82</td>
<td>-</td>
</tr>
<tr>
<td>Vietnam</td>
<td>57.78</td>
<td>57.78</td>
</tr>
</tbody>
</table>

Other indirect (Scope 3) GHG emissions: 29,451,002.10 MT CO₂e (market based), CDP Climate Change 2023 Response

This total is comprised of the applicable category totals as follows:
- Purchased Goods and Services (Food, Cooking Oil, Plastic Service Wares, Fiber-Based Packaging): 21,477,531.15
- Franchisees (Buildings Scope 1 and 2, market based): 6,731,877.53 MT CO₂e
- Upstream Transportation and Distribution: 134,341.33 MT CO₂e
- Waste Generated in Operations: 752,299.20 MT CO₂e
- Downstream Transportation and Distribution: 134,341.33 MT CO₂e
- End of Life Treatment of Sold Products: 35,380.45 MT CO₂e
- Business Travel: 12,124.50 MT CO₂e

GHG emissions include four of the seven greenhouse gases covered by the Kyoto Protocol – carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O) and hydrofluorocarbons (HFCs). Perfluorocarbons (PFCs), nitrogen trifluoride (NF₃) and sulphur hexafluoride (SF₆) emissions have been omitted from our reporting, as we do not generate material quantities of these greenhouse gases. Biogenic emissions, included in the totals above, resulting from Waste Generated in Operations and End of Life Treatment, are estimated at 785,577.17 MT CO₂e. Source emission factors can be viewed in our Statement of Greenhouse Gas Emissions and Water Withdrawal. For information regarding standards, methodologies, assumptions and calculations, refer to our CDP Climate Change 2023 Response.
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Response</th>
</tr>
</thead>
</table>
| 305-4 GHG emissions intensity                                             | GHG emissions intensity, metric 1: 0.0000012 MT CO₂e per unit total company revenue (market based).  
GHG emissions intensity, metric 2: 0.000039 MT CO₂e per unit total company sales for Scope 1 and 2 emissions (market based).  
GHG emissions intensity, metric 3: 78 MT CO₂e per restaurant (based on average restaurant count for the reporting year) Scope 1 and 2 emissions (market based), including office support emissions. For information regarding standards, methodologies, assumptions and calculations, refer to our [CDP Climate Change 2023 Response](#).  
GHG emissions intensity, metric 4: 127 MT CO₂e per restaurant (based on average restaurant count for the reporting year) Scope 3 emissions (market based), including franchisee restaurants only. For information regarding standards, methodologies, assumptions and calculations, refer to our [CDP Climate Change 2023 Response](#). |
| 305-5 Reduction of GHG emissions                                          | The anticipated annual quantity of reductions in GHG emissions that will be achieved as a result of conservation measures as well as the procurement of renewable energy, implemented during the reporting year was 1,020,208 MT CO₂e. This estimation includes equity and franchise restaurants with resulting material gases (Scopes 1, 2 and 3). This estimate does not include materialized savings realized from activities contributing to savings from prior years. For information regarding standards, methodologies, assumptions and calculations, refer to our [CDP Climate Change 2023 Response](#). |
| 305-6 Emissions of ozone-depleting substances (ODS)                       | We do not produce ozone depleting substances (ODS). However, we do use refrigeration and air conditioning that contains ODS, and as while the equipment is operating according to manufacturer specifications, small amounts of leakage does occur. We estimate the following:  
• Scope 1 HFC: 3,987 MT CO₂e  
• Scope 2 HFC: not applicable  
• Scope 3 HFC (franchise restaurants): 528 MT CO₂e  
Source emission factors can be viewed in our [Statement of Greenhouse Gas Emissions and Water Withdrawals](#). |
| 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | The release of nitrous oxide and methane are calculated and included in our total MT CO2e calculations. The mass of these gases are estimated to be as follows:  
• Scope 1 CH₄: 0.77 MT  
• Scope 2 CH₄: 5.82 MT  
• Scope 3 CH₄: 173.59 MT  
• Scope 1 N₂O: 0.1 MT  
• Scope 2 N₂O: 1.3 MT  
• Scope 3 N₂O: 53.96 MT  
Perfluorocarbons (PFCs), nitrogen trifluoride (NF₃) and sulphur hexafluoride (SF₆) emissions is not included in our reporting, as we do not knowingly generate material quantities of these greenhouse gases. Source emission factors can be viewed in our [Statement of Greenhouse Gas Emissions and Water Withdrawals](#). |
### Disclosure

<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>306: Waste 2020</strong></td>
<td></td>
</tr>
</tbody>
</table>
| Management of the material topic | Planet > Less Carbon  
Planet > Better Packaging |
| **306-1 Waste generation and significant waste-related impacts** | Planet > Less Carbon  
Planet > Better Packaging |
| **306-2 Management of significant waste related impacts** | Planet > Better Packaging > Investing in Circularity |
| **306-3 Waste generated** | |
| The collection of data regarding waste is challenging, and estimates provided are based on sample data submitted by Australia, Canada, Ecuador, France, Hong Kong, India, Malaysia, Taiwan, United Kingdom, United States and Vietnam and extrapolated, on a per-restaurant average basis, to provide a global view. The total weight of nonhazardous waste removed from restaurants, both company-owned and franchised, is an estimated 2,456,311 MT. We do not generate material quantities of hazardous waste. It does not account for products and packaging intended for consumer consumption outside of the restaurants. Although there is variation between brands and geographic localities, our analysis yields the following order of magnitude divisions, based on percentages, of generated waste from within restaurants. Variations in totals are expected year-over-year as refinement of methodology occurs. |
| • Organic waste: 32%  
• Corrugated cardboard: 16%  
• Paper packaging and other paper: 18%  
• Mixed plastics: 18%  
• Used cooking oil: 11%  
• Other: 6% |
| **306-4 Waste diverted from disposal** | |
| The collection of data regarding waste is challenging, and estimates provided are based on sample data submitted by Australia, Canada, Ecuador, France, Hong Kong, India, Malaysia, Taiwan, United Kingdom, United States and Vietnam. This data has not been extrapolated due to the extreme variation in global diversion infrastructure. The total weight of non-hazardous waste diverted in reporting markets is estimated to be 265,771 MT with a total diversion rate of about 26% for reporting markets. This does not include diverted waste from other markets, although it is known to occur. We do not generate material quantities of hazardous waste. Total does not account for products and packaging intended for consumer consumption outside of the restaurants. The recovery options include the following: |
| • Recycling: 237,244 MT  
• Biofuel and/or animal feed: 26,619 MT  
• Food donation (in markets listed above): 1,908 MT |
| In the United States, we are committed to the 2030 Food Loss and Waste Reduction goal. Since 2017, we estimate a directional reduction of food waste generated through restaurant operations of 32% on the way to the national target of 50%. |
| **306-5 Waste directed to disposal** | |
| Non-recycled, non-hazardous waste is directed to municipally available disposal operations. Given the nature of our business we do not track third-party disposal methodologies. We have roughly estimated waste directed to disposal operations based on publicly available geographic representations at the country level (primarily from What a Waste, published by the World Bank) and as such it is a global approximation so it may or may not reflect actual disposal operations. |
| • Waste recycled, composed: 514,523 MT  
• Waste landfilled controlled, with gas recovery, unspecified: 1,201,017 MT  
• Waste incinerated with energy recovery: 308,629 MT  
• Waste incinerated without energy recovery: 101,465 MT  
• Waste otherwise disposed: 263,744 MT  
• Waste unable to be associated with likely disposal method: 66,933 MT |
| We do not generate material quantities of hazardous waste. All waste disposal is done in accordance with local laws and regulations. |
Disclosed

308: Supplier Environmental Assessment 2016

Management of the material topic

Yum! new food suppliers are assessed on: Food Safety Audit, Quality Process and Systems Assessment, Quality Issues, KPI Reports and Product Evaluations. Yum! tracks the status of audits and evaluations using a global Food Safety & Quality Management System (FSQMS) platform (TrueView).

308-1 New suppliers that were screened using environmental criteria

Yum!’s current supply chain strategy focuses on: climate change, food safety, supply continuity, cost effective innovation and sustainability. This strategy is evolving as our business model moves to a predominantly franchised operation around the world. We rely increasingly on third-party audits to monitor our supply chain. We also are building our supply chain risk assessment with Sedex. Our risk assessments identify and evaluate the risk profile of key countries, commodities and product categories. Depending on the assessment's findings, we will develop enterprise-wide recommendations for our supply chain strategy. Restaurant Supply Chain Solutions (RSCS) provides Yum! Brands supply chain management services in the U.S.

GRI 400: SOCIAL

401: Employment 2016

Management of the material topic

The estimated global employee turnover for above-restaurant employees across all brand management groups was 16%. For breakdown by gender, see 405-1.

401-1 New employee hires and employee turnover

Yum! and our franchisees offer restaurant employees a range of medical benefits, health initiatives, childcare discounts, educational scholarships and tuition reimbursement, and gym discounts, as well as training and development opportunities. Our corporate above-restaurant employees benefit from a total rewards package that includes wellness programs, flexible working hours, working from home arrangements, parental leave for primary and non primary caregivers, lactation facilities, a generous 401(k) match and more. Most of the employee programs and benefits are applicable in the U.S. and subject to change in other markets.

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees

While Yum! doesn’t have a global primary leave policy, the organization follows all applicable laws and regulations where it operates and in many cases goes beyond. Based on information from key markets, Yum! estimates that its global above-restaurant employees and restaurant general managers/assistant managers at company-owned restaurants, receive a minimum of six weeks of paid time off. In the U.S., Yum! offers eligible birth mothers and fathers, and adoptive and foster parents who are restaurant area coaches and above with six weeks of paid time off under Yum!’s Baby Bonding Policy. Certain U.S. restaurant employees are also eligible for baby bonding benefits. Those who are not eligible for Baby Bonding are eligible for leave based on both the Family and Medical Leave Act and applicable state law. It is estimated that 83% of employees who returned from parental leave remained employed by the company 12 months after returning.

401-3 Parental leave

402: Labor/Management Relations 2016

Management of the material topic

Yum! is committed to maintaining a work environment that respects and supports human rights around the world. Our ethics and compliance program, based on our Global Code of Conduct, demands the highest ethical standards in all of our operations globally. This policy applies to all directors, officers and employees of Yum!, as well as to our international agents, consultants, joint venture partners and any other third-party representatives acting on our behalf. We respect the right of all employees to associate or not to associate with any group, as permitted by applicable laws and regulations. We require compliance with all local labor laws in every market where we operate. We have and will continue to partner with various stakeholders to collect input and help guide our human rights efforts.

402-1 Minimum notice periods regarding operational changes

Yum! new food suppliers are assessed on: Food Safety Audit, Quality Process and Systems Assessment, Quality Issues, KPI Reports and Product Evaluations. Yum! tracks the status of audits and evaluations using a global Food Safety & Quality Management System (FSQMS) platform (TrueView).
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>403: Occupational Health &amp; Safety 2018</strong></td>
<td>People &gt; Our Team &amp; Business &gt; Ethics &amp; Human Rights Food &gt; Food Safety</td>
</tr>
</tbody>
</table>

**Management of the material topic**

The Yum! Code of Conduct highlights our safety commitments. Employees participate in PPE pilots, safety rewards program, monthly safety topics and meetings. We continually improve OHS systems to provide focus and assistance to outlier Brands and restaurants based on injury trend analysis and benchmark results in the U.S. and other larger global business units. Yum! Enterprise Risk assessments include prioritization, quarterly injury trend reviews with action plans and follow-up. Yum! is committed to continuous improvement; metrics we track include: quarterly injury rate trends, safety awards participation rates, risk/injury costs included in Yum!, brand and restaurant level financials. Our Code of Conduct contains numerous safety commitments and is endorsed by the Board of Directors and Executive Team.

**403-1 Occupational health and safety management system**

Yum! has extensive programs in place to support occupational health and safety. Yum! conducts periodic hazard assessments in the U.S. with a third party. Company owned units and larger markets in the U.S. also generate quarterly trend analysis and action plans targeted at reducing prior year injury rates. Yum! Brands’ Enterprise Risk Management process includes tabletop exercises to be better prepared for crisis. At the brand level, each brand conducts operational inspections and cleanliness review and internal inspections to ensure, among other things, safety and security. Brands are also responsible for investigating work related injuries and illness. Systems are in place for Area or District and Assets Protection managers to receive electronic notice of injury for their immediate follow-up prevention. Employees are also trained during orientation and other relevant training sessions on safety and security.

**403-2 Hazard identification, risk assessment and incident investigation**

Yum! has extensive programs in place to support occupational health and safety. Yum! conducts periodic hazard assessments in the U.S. with a third party. Company owned units and larger markets in the U.S. also generate quarterly trend analysis and action plans targeted at reducing prior year injury rates. Yum! Brands’ Enterprise Risk Management process includes tabletop exercises to be better prepared for crisis. At the brand level, each brand conducts operational inspections and cleanliness review and internal inspections to ensure, among other things, safety and security. Brands are also responsible for investigating work related injuries and illness. Systems are in place for Area or District and Assets Protection managers to receive electronic notice of injury for their immediate follow-up prevention. Employees are also trained during orientation and other relevant training sessions on safety and security.

**403-3 Occupational health services**

Food > Food Safety Global Code of Conduct, p. 22

**403-4 Worker participation, consultation and communication on occupational health and safety**

Food > Food Safety Global Code of Conduct, p. 22

**403-5 Worker training on occupational health and safety**

Food > Food Safety Global Code of Conduct, p. 22

**403-6 Promotion of worker health**

Food > Food Safety Global Code of Conduct, p. 22

**403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships**

Food > Food Safety Global Code of Conduct, p. 22

**403-8 Workers covered by an occupational health and safety management system**

All company restaurants are governed by safety standards and employees undertake training on those standards.

**403-9 Work-related injuries**

There were no known work-related fatalities for employees or contractors. The lost-time injury frequency rate (LTIFR) for employees was approximately 3.38.

**403-10 Work-related ill health**

Omission: Yum! Brands does not disclose this information due to confidentiality constraints.
### 404: Training & Education 2016

**Management of the material topic**
People > Our Team & Business

**404-1 Average hours of training that the organization's employees have undertaken during the reporting period**
On average, each employee received an estimated 27 hours of training during the year (26 hours for restaurant employees and 37 hours for above-restaurant employees). On a full time equivalents (FTE) basis, that is equivalent to approximately 91 hours per person.

**404-2 Programs for upgrading employee skills and transition assistance programs**
People > Our Team & Business

**404-3 Percentage of employees receiving regular performance and career development reviews**
All employees are expected to participate in annual performance and career reviews. Performance of the individual and of the teams are included in appraisals to further development of associates and achievement of management objectives. Multidimensional performance appraisals are part of employee development.

### 405: Diversity & Equal Opportunity 2016

**Management of the material topic**
People > Our Team & Business

**Introduction > Corporate & Sustainability Governance > Board Diversity**

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percent Female</th>
<th>Percent Male</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>30%</td>
<td>70%</td>
</tr>
<tr>
<td>Executive (top management)</td>
<td>39%</td>
<td>61%</td>
</tr>
<tr>
<td>Leadership</td>
<td>43%</td>
<td>57%</td>
</tr>
<tr>
<td>All Management (Restaurant and Above-Restaurant)</td>
<td>47%</td>
<td>52%</td>
</tr>
<tr>
<td>Junior Management</td>
<td>49%</td>
<td>50%</td>
</tr>
<tr>
<td>Management in Revenue Generating Functions</td>
<td>55%</td>
<td>44%</td>
</tr>
<tr>
<td>Non-Management (Above-Restaurant)</td>
<td>51%</td>
<td>48%</td>
</tr>
<tr>
<td>Non-Management (Restaurant)</td>
<td>52%</td>
<td>47%</td>
</tr>
<tr>
<td>All Employees</td>
<td>52%</td>
<td>47%</td>
</tr>
<tr>
<td>New Hires</td>
<td>49%</td>
<td>51%</td>
</tr>
</tbody>
</table>

Sums may be less than 100% due to non-binary populations and employees not reporting.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Percent Under 30</th>
<th>Percent 30&gt;50</th>
<th>Percent over 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Directors</td>
<td>0%</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Above-Restaurant Employees</td>
<td>15%</td>
<td>70%</td>
<td>15%</td>
</tr>
<tr>
<td>Restaurant Employees</td>
<td>66%</td>
<td>27%</td>
<td>7%</td>
</tr>
<tr>
<td>Total Employees</td>
<td>59%</td>
<td>33%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Sums may be less than 100% due to employee populations not reporting.

[Workforce Diversity Report]
<table>
<thead>
<tr>
<th>Disclosure</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>405-2 Ratio of basic salary and remuneration of women to men</td>
<td>At Yum!, we are committed to paying our employees fairly and equitably. Our pay practices are grounded in market-competitive and performance-based principles to attract, retain and reward world-class talent. We leverage tools and processes to establish equitable pay decisions, including salary ranges and bonus targets by level, objective performance goals and ratings, and clear guidelines for merit increases, bonuses and long-term incentives tied to performance. In the U.S., where a significant portion of our population resides, we run an annual statistical regression analysis to establish that pay disparities by gender and ethnicity do not exist. Taking into account all job- and performance-related factors used in making pay decisions, the analysis finds we do not have any statistically significant variances in pay for any gender or ethnic group. We are committed to continuing to review and refine our practices and processes to establish we are rewarding our employees fairly.</td>
</tr>
</tbody>
</table>
| 406: Non-discrimination 2016 | People > Our Team & Business > Ethics & Human Rights  
Global Code of Conduct  
Supplier Code of Conduct |
| Management of the material topic | There were eight confirmed incidences of employment violations related to discrimination. These resulted in corrective actions, remediation with additional training and settlements. The incidents have been resolved. |
Global Code of Conduct  
Supplier Code of Conduct  
Human Rights & Labor Practices Policy |
| Management of the material topic | Maintaining a work environment that respects and supports human rights for all our employees around the world has always been non-negotiable. We assess both direct and indirect human rights risks throughout our value chain through our materiality assessment, which is conducted every two to three years, and our annual internal enterprise risk management procedures. We use these assessments to inform corrective actions and/or updates necessary as new impacts arise. Our risk assessments indicate that within our system, the highest relative levels of inherent risk relating to human rights exist within our supply chain, predominately among suppliers operating within developing geographies and within the manufacturing and agriculture, forestry and fishing industries, specifically meat packaging and processing, palm oil and hand-picked produce (as defined by the International Standard Industrial Classification of All Economic Activities). We remain committed to strengthening our due diligence efforts with focus in these key areas, and annually, we require each of our suppliers to commit to our Supplier Code of Conduct. For more information on how human rights are assessed and protected in our value chain, see our Human Rights & Labor Practices Policy. |
| 408: Child Labor 2016 | People > Our Team & Business > Ethics & Human Rights  
Global Code of Conduct  
Supplier Code of Conduct  
Yum! Human Rights & Labor Practices Policy |
| Management of the material topic | Maintaining a work environment that respects and supports human rights for all our employees around the world has always been non-negotiable. We assess both direct and indirect human rights risks throughout our value chain through our materiality assessment, which is conducted every two to three years, and our annual internal enterprise risk management procedures. We use these assessments to inform corrective actions and/or updates necessary as new impacts arise. Our risk assessments indicate that within our system, the highest relative levels of inherent risk relating to human rights exist within our supply chain, predominately among suppliers operating within developing geographies and within the manufacturing and agriculture, forestry and fishing industries, specifically meat packaging and processing, palm oil and hand-picked produce (as defined by the International Standard Industrial Classification of All Economic Activities). We remain committed to strengthening our due diligence efforts with focus in these key areas, and annually, we require each of our suppliers to commit to our Supplier Code of Conduct. For more information on how human rights are assessed and protected in our value chain, see our Human Rights & Labor Practices Policy. |
### Disclosure

#### 409: Forced or Compulsory Labor 2016

<table>
<thead>
<tr>
<th>Management of the material topic</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>People &gt; Our Team &amp; Business &gt; Ethics &amp; Human Rights</td>
<td>People &gt; Our Team &amp; Business &gt; Ethics &amp; Human Rights</td>
</tr>
<tr>
<td>Global Code of Conduct</td>
<td>Global Code of Conduct</td>
</tr>
<tr>
<td>Supplier Code of Conduct</td>
<td>Supplier Code of Conduct</td>
</tr>
</tbody>
</table>

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor

Maintaining a work environment that respects and supports human rights for all our employees around the world has always been non-negotiable. We assess both direct and indirect human rights risks throughout our value chain through our materiality assessment, which is conducted every two to three years, and our annual internal enterprise risk management procedures. We use these assessments to inform corrective actions and/or updates necessary as new impacts arise. Our risk assessments indicate that within our system, the highest relative levels of inherent risk relating to human rights exist within our supply chain, predominately among suppliers operating within developing geographies and within the manufacturing and agriculture, forestry and fishing industries, specifically meat packaging and processing, palm oil and hand-picked produce (as defined by the International Standard Industrial Classification of All Economic Activities). Suppliers must not use any forced, involuntary or indentured labor, nor should threats of violence, physical punishment, confinement or other forms of physical, sexual, psychological or verbal harassment, abuse or control be used as a method of discipline, coercion or detention. For more information on how human rights are assessed and protected in our value chain, see our Human Rights & Labor Practices Policy.

#### 413: Local Communities 2016

<table>
<thead>
<tr>
<th>Management of the material topic</th>
<th>People &gt; Communities &amp; Society</th>
</tr>
</thead>
<tbody>
<tr>
<td>People &gt; Our Team &amp; Business &gt; Ethics &amp; Human Rights</td>
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</tr>
<tr>
<td>Global Code of Conduct</td>
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</tr>
</tbody>
</table>

413-1 Operations with local community engagement, impact assessments and development programs

413-2 Operations with significant actual and potential negative impacts on local communities

#### 414: Supplier Social Assessment 2016

<table>
<thead>
<tr>
<th>Management of the material topic</th>
<th>People &gt; Our Team &amp; Business &gt; Ethics &amp; Human Rights</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Supplier Code of Conduct</td>
<td>Supplier Code of Conduct</td>
</tr>
</tbody>
</table>

414-1 New suppliers that were screened using social criteria (percentage)

Yum! new food suppliers are assessed on: Food Safety Audit, Quality Process and Systems Assessment, Quality Issues, KPI Reports and Product Evaluations. Yum! tracks the status of audits and evaluations using a global Food Safety & Quality Management System (FSQMS) platform (TrueView). We are also working with Sedex to monitor for social criteria.

414-2 Negative social impacts in the supply chain and actions taken

Yum!’s current supply chain strategy focuses on: climate change, food safety, supply continuity, cost effective innovation and sustainability. This strategy is evolving as our business model moves to a predominantly franchised operation around the world. We rely increasingly on third-party audits to monitor our supply chain. We also are building our supply chain risk assessment with Sedex. Our risk assessments identify and evaluate the risk profile of key countries, commodities and product categories. Depending on the assessment’s findings, we will develop enterprise-wide recommendations for our supply chain strategy. Restaurant Supply Chain Solutions (RSCS) provides Yum! Brands’ supply chain management services in the U.S.

#### 415: Public Policy 2016

<table>
<thead>
<tr>
<th>Management of the material topic</th>
<th>People &gt; Our Team &amp; Business &gt; Ethics &amp; Human Rights</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>Global Code of Conduct</td>
<td>Global Code of Conduct</td>
</tr>
</tbody>
</table>

415-1 Political contributions

We believe that it is important to openly discuss policies that may impact our business operations, franchisees, industry and stakeholders. We adhere to all applicable laws that govern our interactions with public officials as well as our own Code of Conduct. Direct political contributions made by our PAC (January 1 - December 31, 2022) totaled $10,000. For detailed information regarding the contributions, please visit the Federal Election Commission website.
## Disclosure

### 416: Customer Health Safety 2016

**Management of the material topic**

Yum! is committed to following all laws and providing guests with accurate information. Customers rely on that information to make decisions on where to dine as well as to make menu selections. Promoting transparency about our food empowers the customer to make personal choices. We follow U.S. and international guidelines to avoid marketing to children and are committed to our goal of limiting marketing communication to children under 12.

**Food > Food Safety**

Food > Balanced Choices

#### 416-1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Our first priority is to maintain an industry-leading, safe, high-quality food supply from farm to fork. Our vision is to deliver to society “Trust in Every Bite.” To achieve this, we have strong food safety management systems in place to evaluate each step of the supply chain. We utilize internationally recognized industry standards and Yum! food safety standards in tandem. These standards address areas where key risk factors exist, such as employee health and hygiene, product handling, product temperature management, cross-contamination and more. Since 2016, Yum! has conducted more than 699,000 restaurant food safety audits. In 2022, we met our target of 80% of Yum! tier 1 suppliers undergoing a food safety audit by achieving 82.5%.

#### 416-2 Incidents of non-compliance concerning the health and safety impact of products and services

In 2022, there were no food safety-related recalls or confirmed foodborne illness outbreaks resulting in U.S. Center for Disease Control and Prevention (CDC) investigation.

### 417: Marketing & Labeling 2016

**Management of the material topic**

Yum! is committed to following all laws and providing guests with accurate information. Customers rely on that information to make decisions on where to dine as well as to make menu selections. Promoting transparency about our food empowers the customer to make personal choices. We follow U.S. and international guidelines to avoid marketing to children and are committed to our goal of limiting marketing communication to children under 12.

**Food > Food Safety**

Food > Balanced Choices

#### 417-1 Requirements for product and service information and labeling

Food

#### 417-2 Incidents of non-compliance concerning product and service information and labeling

There were two incidents of non-compliance concerning product and service information and labeling in 2022. One resulted in a warning but no fine.

#### 417-3 Incidents of non-compliance concerning marketing communications

There were three incidents of non-compliance concerning marketing communications in 2022. One incidents resulted in a warning and fine of $5,000.

### 418: Customer Privacy 2016

**Management of the material topic**

Yum! understands that in today’s digital environment, customer and employee privacy is important, and we are committed to treating personal information with care. We invest significantly in tools, systems and people to help keep information secure as threats continue to evolve.

**Yum! Privacy Policy**

Global Code of Conduct

#### 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

Yum! maintains a program to address potential security and privacy incidents. The program includes processes to meet notification or other reporting obligations under applicable local laws. During the reporting year, Yum! received two substantiated complaints regarding breaches of customer privacy from outside parties and five complaints originating from regulatory bodies. There were eight identified losses of customer data during the reporting period.
### 2022 SASB Index

This disclosure marks Yum!’s third response to the SASB Restaurants Standard. We are in the process of developing our approach to collecting data for the accounting metrics, first for corporate-owned restaurants and then at the franchise level. For metrics for which data is not yet available, we offer information on our approach to and targets for these topics.

<table>
<thead>
<tr>
<th>Accounting Metric</th>
<th>Unit of Measure</th>
<th>Code</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Energy Management</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable</td>
<td>Gigajoules (GJ)</td>
<td>FB-RN-130a.1</td>
<td>Energy data is available within the GRI Index and our CDP Climate Change response. Our <a href="#">CDP Climate Change 2022</a> response achieved a score of B. To learn more about our approach to energy management, please see: Planet &gt; Less Carbon. The energy initiatives described therein will help us to achieve our climate goals, detailed under Appendix &gt; Performance Summary. Additionally, we have conducted a climate change analysis in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The analysis identified actions our company can take to be more resilient to the physical risks of climate change, such as diversifying energy sources and lowering the energy demands of restaurants. See the <a href="#">TCFD report</a> on our website.</td>
</tr>
<tr>
<td>(1) GRI 302-1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) GRI 302-1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) GRI 302-1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Water Management</strong></td>
<td></td>
<td>FB-RN-140a.1</td>
<td>Water data is available within the GRI Index and our CDP Water Security response. Our <a href="#">CDP Water Security 2022</a> response achieved a score of A-.</td>
</tr>
</tbody>
</table>
| (1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress | Thousand cubic meters (m), Percentage (%)    |                 | (1) GRI 303-3
(2) GRI 303-5
Yum! conducted a global water risk assessment using the WRI Aqueduct Water Risk Atlas in 2021 to better understand water stress. Please see our CDP Water Security response for more information. We have a goal to reduce average water consumption by 10% by the end of 2025, using a 2017 baseline. |
**Food & Packaging Waste Management**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric tons (t)</td>
<td>(1) Total amount of waste</td>
<td>FB-RN-150a.1</td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>(2) Percentage food waste</td>
<td></td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>(3) Percentage diverted</td>
<td></td>
</tr>
</tbody>
</table>

See Planet > Better Packaging for a summary of our circular approach to food and packaging waste reduction, as well as for details on brand-level packaging and waste goals. Our approach spans operational waste diversion, sustainably designed packaging and donating food waste to nonprofits through the Harvest Program (see People > Communities & Society for more).

- (1) GRI 306-3
- (2) GRI 306-3
- (3) GRI-306-4

**Food Safety**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage (%)</td>
<td>(1) Percentage of restaurants inspected by a food safety oversight body</td>
<td>FB-RN-250a.1</td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>(2) Percentage receiving critical violations</td>
<td></td>
</tr>
</tbody>
</table>

Yum! delivers “Trust in every bite.” See Food > Food Safety for the measures we take together with our suppliers and franchisees to uphold our industry-leading food safety program.

- (1) Consistent high levels of performance in restaurants, with currently over 86% of restaurants at standard despite challenging labor markets.
- (2) Significant issues, currently at less than 0.21 average significant deviations per audit.

**Food & Packaging Waste Management**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metric tons (t)</td>
<td>(1) Total weight of packaging</td>
<td>FB-RN-150a.2</td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>(2) percentage made from recycled and/or renewable materials</td>
<td></td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>(3) percentage that is recyclable, reusable, and/or compostable</td>
<td></td>
</tr>
</tbody>
</table>

(1) Estimated total 531,153 metric tons of fiber plastic-based packaging and customer servicewares. This is only a directional estimate, and we expect refinements in data collection in the future.

- (2) It is estimated that 28% of fiber-based and 15% of plastic-based packaging and customer servicewares are from recycled sources. This is only a directional estimate, and we expect refinements in data collection in the future.
- (3) Globally, it is estimated that at least 27% of plastics used in our consumer packaging are considered widely recyclable.

**Food Safety**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>(1) Number of recalls issued</td>
<td>FB-RN-250a.2</td>
</tr>
<tr>
<td>Metric tons (t)</td>
<td>(2) total amount of food product recalled</td>
<td></td>
</tr>
</tbody>
</table>

There were no recalls issued.

**Food Safety**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Number of confirmed foodborne illness outbreaks</td>
<td>FB-RN-250a.3</td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>percentage resulting in U.S. Centers for Disease Control and Prevention (CDC) investigation</td>
<td></td>
</tr>
</tbody>
</table>

There were no confirmed illness outbreaks resulting in U.S. CDC investigation during the reporting year.
### Nutritional Content

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Reporting Currency</th>
<th>GRI Code</th>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Percentage of meal options consistent with national dietary guidelines and (2) revenue from these options</td>
<td>Percentage (%)</td>
<td>FB-RN-260a.1</td>
<td>Yum! publishes online nutrition calculators for all four brands’ U.S. menus and provides consumers with convenient access to allergen and nutrition information. By 2030, 50% of our menu items will be consistent with our global nutrition criteria of side menu items being 200 calories or less, main menu items being 400 calories or less and combo/meal menu items being 750 calories or less. For the 2022 reporting year, 41% of meal options were consistent with our global nutrition criteria, putting us 82% of the way to meeting our goal. See Food &gt; Balanced Choices across our Portfolio for more.</td>
</tr>
<tr>
<td>(1)</td>
<td>Percentage of children’s meal options consistent with national dietary guidelines for children and (2) revenue from these options</td>
<td>Percentage (%)</td>
<td>FB-RN-260a.2</td>
<td>Yum! follows U.S. and international guidelines to avoid marketing to children and is committed to our goal of limiting marketing communication to children under 12.</td>
</tr>
<tr>
<td>Number of advertising impressions made on children, percentage promoting products that meet national dietary guidelines for children</td>
<td>Number Percentage (%)</td>
<td>FB-RN-260a.3</td>
<td>Yum! follows U.S. and international guidelines to avoid marketing to children and is committed to our goal of limiting marketing communication to children under 12.</td>
<td></td>
</tr>
</tbody>
</table>

### Labor Practices

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Reporting Currency</th>
<th>GRI Code</th>
<th>Reporting</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Voluntary and (2) involuntary turnover rate for restaurant employees</td>
<td>Rate</td>
<td>FB-RN-310a.1</td>
<td>In building a workplace for everyone, Yum! seeks to retain and support restaurant employees. Read about our Unlocking Opportunity Initiative, established to positively impact restaurant team members and communities through equity and inclusion, education and entrepreneurship. As an input to the Initiative, we have engaged with restaurant workers to understand the challenges they face. Additionally, we provide training and scholarship programs. (1) The voluntary turnover rate for restaurant employees at company-owned locations, globally, was 133%. (2) The involuntary turnover rate for restaurant employees at company-owned locations, globally, was 52%.</td>
<td></td>
</tr>
<tr>
<td>(1) Average hourly wage, by region and (2) percentage of restaurant employees earning minimum wage, by region</td>
<td>Reporting currency Percentage (%)</td>
<td>FB-RN-310a.2</td>
<td>Our pay philosophy centers around market competitiveness, which is reviewed each year. Taco Bell has committed to pay an average minimum wage of $15 per hour in company restaurants by mid-year 2024.</td>
<td></td>
</tr>
<tr>
<td>Total amount of monetary losses as a result of legal proceedings associated with (1) labor law violations and (2) employment discrimination</td>
<td>Reporting currency</td>
<td>FB-RN-310a.3</td>
<td>It is our policy to deal fairly with employees; provide equal opportunity for all in recruiting, hiring, developing, promoting and compensating without regard to race, religion, color, age, gender, disability, genetic information, military or veteran status, sexual orientation, gender identity and/or expression, citizenship, national origin or other legally protected status; maintain a professional, safe and discrimination free work environment; and recognize and compensate employees based on their performance. (1) The total monetary losses resulting from legal proceedings associated with labor law violations in 2022 were approximately $57,000. (2) The total monetary losses resulting from legal proceedings associated with employment discrimination in 2022 were approximately $228,000.</td>
<td></td>
</tr>
</tbody>
</table>
## Supply Chain Management & Food Sourcing

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage (%)</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of food purchased that (1) meets environmental and social sourcing standards and (2) is certified to third-party environmental and/or social standards</td>
<td>by cost</td>
<td>FB-RN-430a.1 In recent years, Yum! has strengthened commitments to social and environmental standards in key areas of our supply chain, including vegetables, fresh produce, palm oil and animals. Our practices are aligned with third parties such as the Fair Food Standards Council, the Roundtable for Sustainable Palm Oil and the U.S. Roundtable for Sustainable Poultry &amp; Eggs. See also People &gt; Unlocking Opportunity for our Team &amp; in our Business; Food &gt; Animal Welfare; Limiting Antibiotic Use; Planet &gt; Less Carbon</td>
</tr>
<tr>
<td>Percentage of (1) eggs that originated from a cage-free environment and (2) pork that was produced without the use of gestation crates</td>
<td>by number</td>
<td>FB-RN-430a.2 We actively promote good stewardship of the animals raised for food throughout our supply chain. We have a goal to source 100% cage-free eggs across at least 25,000 restaurants, including the U.S., Western Europe and other leading markets for all menu items and ingredients by 2026 and achieve 100% cage-free eggs for all menu items and ingredients by 2030. For our 25,000 restaurants with a 2026 goal of cage free, 90% of the egg volume came from cage-free sources in 2022.</td>
</tr>
<tr>
<td>Percentage (%)</td>
<td>by weight</td>
<td>Appendix &gt; Performance Summary; Planet &gt; Supply Chain; Food &gt; Animal Welfare; Limiting Antibiotic Use</td>
</tr>
</tbody>
</table>

### Activity Metrics

<table>
<thead>
<tr>
<th>Description</th>
<th>Type</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of (1) company-owned and (2) franchise restaurants</td>
<td>Number</td>
<td>FB-RN-000.A (1) On December 31, 2022, there were 990 company-owned restaurants. (2) On December 31, 2022, franchisees owned 54,372 restaurants.</td>
</tr>
<tr>
<td>Number of employees at (1) company-owned and (2) franchise locations</td>
<td>Number</td>
<td>FB-RN-000.B (1) On December 31, 2022, Yum! had approximately 35,000 employees at the restaurant and above-restaurant level. (2) We do not track the number of employees at franchise-owned locations, but we would expect there to be more than 1 million restaurant employees.</td>
</tr>
</tbody>
</table>
About This Report

We are committed to the accurate and transparent disclosure of our sustainability progress. This report covers key commitments and initiatives made by Yum! Brands and its subsidiaries. Throughout this report, references to Yum! may include activities performed by subsidiaries of Yum! Brands, Inc., including, but not limited to KFC, Pizza Hut, Taco Bell and The Habit Burger Grill entities. Reported data represents full year, January 1–December 31, 2022, unless otherwise noted. It is collected to represent results from corporate operations, as well as select franchisees and suppliers. Collected sustainability data is subject to measurement uncertainties resulting from limitations inherent in the nature and the methods of determining such data. The selection by management of different but acceptable measurement techniques could have resulted in materially different measurements. The precision of different measurement techniques may also vary.

The Yum! Franchise Accelerator Fellowship is open to all eligible students regardless of race, color, national origin, sex, disability or age.

This report has been prepared in accordance to the GRI Universal Standards. We recognize GRI as a leading standard for reporting on ESG issues reflecting the results of a materiality assessment. This report also contains Yum!'s disclosure to the SASB Restaurant Standards and is also aligned with the TCFD’s guidance for reporting on climate risk.

For more information about our citizenship and sustainability work, visit www.yum.com/citizenship.

Please send comments or questions about this report to citizenship@yum.com.

FORWARD-LOOKING STATEMENTS

This report may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. We intend all forward-looking statements to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally can be identified by the fact that they do not relate strictly to historical or current facts and by the use of forward-looking words such as “expect,” “expectation,” “believe,” “anticipate,” “may,” “could,” “intend,” “belief,” “plan,” “estimate,” “target,” “predict,” “likely,” “seek,” “project,” “model,” “ongoing,” “will,” “should,” “forecast,” “outlook,” “new restaurant opening goals” or similar terminology. These statements are based on and reflect our current expectations, estimates, assumptions and/or projections, our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. Forward-looking statements are neither predictions nor guarantees of future events, circumstances or performance and are inherently subject to known and unknown risks, uncertainties and assumptions that could cause our actual results to differ materially from those indicated by those statements. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance or capital structure of Yum!, will prove to be correct or that any of our expectations, estimates or projections will be achieved. The forward-looking statements included in this report are made only as of the date of this report, and we disclaim any obligation to publicly update any forward-looking statement to reflect subsequent events or circumstances.
OUR RECIPE FOR
GOOD GROWTH
FEEDING THE
FUTURE