

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

Yum! Brands, Inc., based in Louisville, Kentucky, has over 50,000 restaurants in more than 150 countries and territories primarily operating the Company's brands – KFC, Pizza Hut, and Taco Bell – global leaders of the chicken, pizza, and Mexican-style food categories. Starting at end of the first quarter of 2020 the Company's family of brands includes The Habit Burger Grill, a fast-casual restaurant concept specializing in made-to-order chargrilled burgers, sandwiches and more. Yum! Brands was included on the 2021 Bloomberg Gender-Equality Index. In 2020, Yum! Brands was named to the Dow Jones Sustainability Index North America and was ranked among the top 100 Best Corporate Citizens by 3BL Media.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	No	<Not Applicable>

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

- Australia
- Canada
- France
- Germany
- India
- Italy
- Netherlands
- Russian Federation
- Singapore
- South Africa
- Spain
- United Arab Emirates
- United Kingdom of Great Britain and Northern Ireland
- United States of America
- Viet Nam

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

- USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

- Operational control

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	As the top operational decision-maker and member of the Board of Directors, the CEO has ultimate responsibility for climate-related issues. This reflects the importance that the company gives to the topic as part of our citizenship and sustainability strategy called the Recipe for Good. A climate related decision that the CEO would be involved is the setting of a strategy such as science-based targets. The Audit Committee of the Board of Directors is also updated annually on the Company's environmental commitments and progress. Within the management structure, the CEO entrusts the Chief Sustainability Officer to drive company strategy relating to climate change. Together they are responsible for: • Leveraging sustainability to promote business growth, drive brand equity and minimize business, social and financial risks of Yum! Brands' global business enterprise including climate change; • Focusing on the scope of the business model for the entire business enterprise globally (Franchisee and Corporate); • Ensuring Yum! Brands operates efficiently and sustainably to drive shareholder value and brand positioning. • Updating of the Audit Committee on an annual basis regarding the Company's environmental commitments and progress on our climate commitments.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	Yum! Brands believes that good corporate governance is a critical factor in achieving business success and embraces practices that align with management and shareholder interests. Oversight for environmental, social and governance (ESG) issues ultimately resides with the Yum! Brands Board of Directors, which is briefed through its Audit Committee on an annual basis. Issues related to climate change are brought to their attention as warranted and elevated by governance and management mechanisms within the company. In addition, the Board of Directors receives weekly updates on Environment, Social and Governance (ESG) issues, news, and trends that are occurring within our sector. Not all climate-related issues are elevated nor do all business actions have material climate-related impact. Historically, the brief has been conducted by our Chief Sustainability Officer and/or General Counsel. Key topics for the reporting year included setting of our updated sustainability strategy, and reporting progress against goals including our energy and climate targets.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Sustainability Officer (CSO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The Chief Sustainability Officer (CSO) is responsible for leading the execution of ESG, including climate-related issues. Oversight of climate-related issues falls within this individual's responsibilities to promote centralized alignment and execution of our strategy, including collaboration with other position(s) and/or committees, as appropriate. This position reports to the Global Chief Communications and Public Affairs Officer, with whom ESG strategy is set, and ultimately to the Chief Executive Officer. The CSO chairs the ESG Council which consists of senior leaders across the company including:

- Vice President, Supply Chain
- Chief Food Safety Officer
- Chief Food Innovation Officer
- Chief Transformation & People Officer
- General Counsel/Associate General Counsel
- Chief Equity & Inclusion Officer
- Chief Development Office

Oversight for environmental, social and governance (ESG) issues ultimately resides with the Yum! Brands Board of Directors, which is briefed through its Audit Committee on an annual basis. The brief, on behalf of the ESG Council, typically is performed by our Chief Sustainability Officer and/or General Counsel. In support of climate-related issues the team of the Chief Sustainability Officer conducts an annual survey of the company to assess progress made. Climate related risks, opportunities, trends are monitored, and if appropriate issues are elevated for further discussion.

Additional duties of the Chief Sustainability Officer include the representation of sustainability issues, such as climate change, on the Yum! Risk Committee. This senior level committee is responsible for the evaluation and reporting (as appropriate) of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. This committee, which looks at short, medium- and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors. More specifically, the size and scope of the potential impact are considered as are the possible duration, and whether the impact is likely to be a one-time occurrence or recurring in nature. The effect of the risk on business strategy given the risks and opportunities in both the short and long term is then considered.

Our global citizenship and sustainability strategy reflects Yum! Brands' priorities for socially responsible growth, risk management and sustainable stewardship of our food, planet and people. We call it our Recipe for Good.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	Incentives for the management of climate-related issues are incorporated into the remuneration structure at different levels of the organization to promote performance and achievement of our Recipe for Good. These include the Chief Sustainability Officer and the environmental managers.

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target Energy reduction target	The Chief Sustainability Officer is responsible for leading the execution of the Yum! sustainability strategy, including climate change. Performance of the corporation is factored into incentives.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	2	All time horizons are intended to be directional in nature. Forward looking time frames or statements are not predictions nor guarantees of future events or performance. They are subject to change and no assurance that they will represent future outcomes or events is provided.
Medium-term	2	5	All time horizons are intended to be directional in nature. Forward looking time frames or statements are not predictions nor guarantees of future events or performance. They are subject to change and no assurance that they will represent future outcomes or events is provided.
Long-term	5	25	All time horizons are intended to be directional in nature. Forward looking time frames or statements are not predictions nor guarantees of future events or performance. They are subject to change and no assurance that they will represent future outcomes or events is provided.

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

For the current reporting cycle, CDP has requested information regarding risks that are substantive at the corporate level and not those at the facility or business unit level. As a global, decentralized, and franchise-focused organization with a diverse supply chain, many risks can be important yet not rise to the provided benchmark of being financially important at a material, substantive level to the corporation. There is no single definition of what would rise to this level but for a corporation such as Yum!, a system impact (including our direct operations, supply chain, or both) of approximately 5% of net income for the annual reporting period could be considered financially substantive at the corporate level. The definition of what would be considered as substantive for the company is reviewed at least annually and updated as necessary. However, we do consider climate change to be of strategic importance and include it in evaluations of risks and opportunities for the corporation.

The Board maintains overall responsibility for overseeing Yum!'s risk management, and delegates specific risk-related responsibilities to the Audit Committee and to the Management Planning and Development Committee. The Audit Committee discusses risk management during regular committee meetings and receives risk review reports covering significant areas of risk from senior managers responsible for these functional areas, as well as reports from the General Counsel, Internal Audit. The Audit Committee then provides a summary to the full board.

The duties of Chief Sustainability Officer include the representation of sustainability issues, such as climate change, on the Yum! risk committee. This senior level committee is responsible for the evaluation and as appropriate, reporting of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. This committee, which looks at short, medium and long-term risks, prioritizes risks based on a number of factors that impact the business including, but not limited to, financial, operational and reputational factors. More specifically, the size and scope of the potential impact are considered as are the possible duration, and whether the impact is likely to be a one-time occurrence or recurring in nature. We then consider the effect of the risk on business strategy given the risks and opportunities in both the short and long term. Therefore, water related risks, which are embodied at the restaurant and supply chain level, are incorporated into the Company's broader risk management process.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

Annually

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

We disclose annually on our sustainability progress and include risk evaluation into our standard review processes to better manage our environmental footprint as a global company. Our Risk Committee addresses a wide range of topics including food safety, nutrition, operations, and other environmental and social factors. Exercises conducted by the committee contain a certain level of stress testing on a number of items on our risk spectrum. This senior level committee is responsible for the evaluation and reporting (as appropriate) of possible corporate risk to the Audit Committee of the Board of Directors for inclusion in our public filings. Our Chief Sustainability Officer represents sustainability issues, such as climate change, on the Yum! Risk Committee. In addition to the risk assessment described above, we prepare a TCFD disclosure to identify and evaluate climate-related risks. Our approach is structured around the four pillars of the TCFD framework. We look at physical and transition risks as they apply to our individual restaurants as well as supply chain partners.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Our Government Affairs, Sustainability and Supply Chain teams consistently monitor for adopted climate related regulations to include in our corporate risk analysis. Our Risk Assessment process for current regulatory risks is consistent with our overall risk management framework: corporate and brand cross-functional teams collaborate to identify, study, and rank new and/or emerging risks. Once risks are identified, teams will develop mitigation plans. These risk assessments are then included in strategic business reviews as well as Compliance Oversight Committee and Audit Committee meetings as appropriate. One example of a current regulatory risk is increased regulation around packaging. To proactively address and account for such regulatory risks, Yum! Brands has established increased focus teams to address solutions that are currently available and proactively develop new solutions. For example, we recently replaced plastic straws and provided more environmentally-friendly alternatives in our Taiwanese restaurants in response to the Taiwan Environmental Protection Agency's planned ban on the use of single-use plastic drinking straws. We also participate in the Next Gen Consortium to help advance food-service packaging solutions that are recoverable. These actions will hopefully promote continued regulatory compliance, a reduction of climate-related risks, and reduced emissions in the long-term. Both KFC and Taco Bell have set packaging goals as a result to further drive progress and respond to current and emerging regulations.
Emerging regulation	Relevant, always included	Our Government Affairs, Sustainability and Supply Chain teams monitor for adopted climate related regulations to include in our corporate risk analysis. Our Risk Assessment process for emerging regulatory risks is consistent with our overall risk management framework: corporate and brand cross-functional teams collaborate to identify, study, and rank new and/or emerging risks. Once risks are identified, teams develop mitigation plans. These risk assessments are then included in strategic business reviews as well as Compliance Oversight Committee and Audit Committee meetings as appropriate. Emerging regulatory risk potential from climate change is acknowledged and reflected in our work to undertake a study and recently setting of our science-based targets. One example of an emerging regulatory risk is increased regulation around packaging, including straws. To proactively address and account for such regulatory risks, Yum! Brands has established increased focus teams to address solutions that are currently available and proactively develop new solutions, such as implementing alternatives to plastic straws in our Pizza Hut UK restaurants. We also participate in the Next Gen Consortium to help advance food-service packaging solutions that are recoverable. These actions will hopefully promote continued regulatory compliance, a reduction of climate-related risks, and reduced emissions in the long-term. Both KFC and Taco Bell have set packaging goals as a result to further drive progress and respond to current and emerging regulations.
Technology	Relevant, always included	Our Yum! Chief Information Security Officer is responsible for risk evaluation and deploying a number of strategies consistent with common industry practices to mitigate cybersecurity risk, including: companywide policies and standards, risk assessments, and risk-based security and encryption protocols. Our Risk Assessment process for Technology risks is consistent with our overall risk management framework: corporate and brand cross-functional teams collaborate to identify, study, and rank new and/or emerging risks. Once risks are identified, teams will develop mitigation plans. These risk assessments are then included in strategic business reviews as well as Compliance Oversight Committee and Audit Committee meetings as appropriate. Supply Chain and Sustainability teams look for new technology to address risks. We participate in the Next Gen Consortium to help advance food-service packaging solutions that are recoverable. The sustainability team and partnering departments evaluate new technologies and approaches that address climate change and other climate related issues. Each year Yum! surveys our markets to account for energy saving technologies (i.e. efficient cooking equipment, building HVAC, etc.) that have been deployed. These actions will hopefully promote collaborative technology developments, a reduction of climate-related risks, and reduced emissions in the long-term.
Legal	Relevant, always included	Our Concepts and their franchisees are subject to numerous laws and regulations around the world. These laws change regularly and are increasingly complex. These include many areas of sustainability including but not limited to environmental laws and regulations, health, sanitation, food, and workplace safety. Our Risk Assessment process for Legal risks is consistent with our overall risk management framework: corporate and brand cross-functional teams collaborate to identify, study, and rank new and/or emerging risks. Once risks are identified, teams will develop mitigation plans. These risk assessments are then included in strategic business reviews as well as Compliance Oversight Committee and Audit Committee meetings as appropriate. One example of a current legal risk is increased regulation around packaging. To proactively address and account for such regulatory risks, Yum! Brands has established increased focus teams to address solutions that are currently available and proactively develop new solutions. We have replaced plastic straws as current regulations require, resulting in continued regulatory compliance, a reduction of climate-related risks, and reduced emissions in the long-term.
Market	Relevant, always included	The Chief Sustainability Officer works with sustainability leads at KFC, Pizza Hut, Taco Bell and Habit Burger to develop and lead the execution of our climate strategy which addresses risks and opportunities. Brand sustainability leads work within individual markets and departments including Development, Operations, and Supply Chain. Our Risk Assessment process for market risks is consistent with our overall risk management framework: corporate and brand cross-functional teams collaborate to identify, study, and rank new and/or emerging risks. Once risks are identified, teams will develop mitigation plans. These risk assessments are then included in strategic business reviews as well as Compliance Oversight Committee and Audit Committee meetings as appropriate. For example, consumers are showing preferences for sustainable packaging, and the resulting market forces have encouraged us to take action. KFC announced a global pledge that all plastic-based, consumer-facing packing will be recoverable or reusable by 2025. Taco Bell also set its own packaging and waste goals. Such actions will hopefully promote continued customer preference, a reduction of climate-related risks, and reduced emissions in the long-term. Market risk potential from climate change is acknowledged and reflected in our first TCFD report and in our setting of science-based targets.
Reputation	Relevant, always included	There has been growing interest in climate change action and taking steps to be a part of a global solution, such as our setting of science-based targets, which helps to respond to increased stakeholder pressure and avoid reputational damage. Through our insights team, called Collider Lab, we look for the emergence of trends and risks that could influence the business. An example of how reputational risks can impact the business included same-store sales in China declining 18% in the fourth quarter of 2014 following a supply chain issue in July of that year which adversely impacted our reputation with our customers. Following this incident, we took actions that included removal of the supplier, increased oversight, and communications to earn the trust of consumers. Our Risk Assessment process for reputational risks is consistent with our overall risk management framework: corporate and brand cross-functional teams collaborate to identify, study, and rank new and/or emerging risks. Once risks are identified, teams will develop mitigation plans. These risk assessments are then included in strategic business reviews as well as Compliance Oversight Committee and Audit Committee meetings as appropriate.
Acute physical	Relevant, always included	Acute physical risks resulting from climate change can impact the availability and price of our products that are contingent on agricultural patterns, and acute risks can also impact the operations of restaurants. To study this, we conducted our first TCFD study. Acute physical risk potential from climate change is acknowledged. An example of the potential impact of an acute physical risk was hurricane Harvey that resulted in 878 cumulative closed store days over a 9-week period. A significant amount of our annual spend in our U.S. supply chain is with food products. Impacts of acute events can occur but the extent would be determined by geographical extent and severity of the drought. Our large supply chain helps us to continue to source from a diversified supplier base which helps to respond to potential impacts. Our Risk Assessment process for acute physical risks is consistent with our overall risk management framework: corporate and brand cross-functional teams collaborate to identify, study, and rank new and/or emerging risks. Once risks are identified, teams will develop mitigation plans. These risk assessments are then included in strategic business reviews as well as Compliance Oversight Committee and Audit Committee meetings as appropriate.
Chronic physical	Relevant, always included	Chronic physical risks resulting from climate change can impact the availability and price of our products that are contingent on stable precipitation patterns and can also impact the operations of restaurants. To study this, we conducted our first TCFD study. Chronic physical risk potential from climate change is acknowledged. In recent years drought in South Africa and Australia have impacted business operations. Restaurants are a relatively energy-intensive business based on the size of our operations, and cost to procure energy varies significantly in different countries across the globe. Disruptions in energy supply and general cost increases can lead to financial burdens on restaurants, such as down-time, loss of product, and operational interruptions. Climate change can exacerbate these chronic issues. Examples of markets for our restaurants that tend to be subject to high energy prices or supply disruptions are India, South Africa and numerous countries in our Latin America and Caribbean markets. In India, where the availability of grid electrical power is a chronic problem in many locations, restaurants have taken action to provide alternative means of procuring power such as generators, as well maintain procedures for adjusting to outages. The result is our ability to often stay in operation during outages and continue to serve our customers. Our Risk Assessment process for chronic physical risks is consistent with our overall risk management framework: corporate and brand cross-functional teams collaborate to identify, study, and rank new and/or emerging risks. Once risks are identified, teams will develop mitigation plans. These risk assessments are then included in strategic business reviews as well as Compliance Oversight Committee and Audit Committee meetings as appropriate.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?
 Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Emerging regulation	Mandates on and regulation of existing products and services
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Our Concepts and their franchisees are subject to numerous laws and regulations around the world. These laws change regularly and are increasingly complex. These include many areas of sustainability including but not limited to environmental laws and regulations, health, sanitation, food, and workplace safety such as GHG regulations in the U.K. One example is the ongoing development of single use plastic bans that impact restaurants. We have seen this in state and city jurisdictions in the United States as well as overseas such as the plastic bag, utensils and straw ban in Taiwan. As a result, we recently replaced plastic straws, purchased paper bags in certain areas of the United States, and provided more environmentally-friendly alternatives in our Taiwanese restaurants in response to the Taiwan Environmental Protection Agency's planned ban on the use of single-use plastic drinking straws. We are also members of the Next Gen Consortium to help advance food-service packaging solutions that are recoverable. These actions will hopefully promote continued regulatory compliance, a reduction of climate-related risks, and reduced emissions in the long-term.

Time horizon

Long-term

Likelihood

More likely than not

Magnitude of impact

Low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1200000

Potential financial impact figure – maximum (currency)

4300000

Explanation of financial impact figure

Compliance with new or existing laws and regulations could impact our Concepts' franchisees' operations. Compliance costs associated with these laws and regulations can be variable depending on the law and regulation. Increased regulation could result in higher energy costs at a local, national or international level. This could either directly impact restaurants or be embedded in the supply chain. Increase energy costs could adversely affect the financial performance of franchisees. A CDP-specific, climate change risk financial impact model was employed to calculate this figure. The figures used in the calculation include G&A expenses as a proxy of indirect costs (\$312 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impact presented as a range reflects that as a probability of "more likely than not" there is a 50%-60% chance of occurrence.

Cost of response to risk

2900000

Description of response and explanation of cost calculation

Our Government Affairs and Sustainability teams routinely work with key stakeholders to understand current and potential future regulations regarding greenhouse gas emissions and climate change. Our Global Sustainability team developed a green restaurant design standard that has been implemented in the U.K., reducing carbon emissions by over 20% and resulted in a reduction in the carbon taxes paid. One contributing cost factor can be increased costs resulting from transitory risks as government adjust to addressing climate change. We have adopted science-based targets and will be increasing use of renewables. We met our 2020 goal of 100% renewable energy for U.S. corporate offices. In addition, we have set a target of using renewables for our first 1,000 restaurants. A CDP-specific, climate change risk financial impact model was employed to calculate the estimated cost of responding to this risk. The figures used in the calculation include G&A expenses as a proxy of indirect costs (\$312 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial figures reflect that as a probability of "more likely than not" there is a 50%-60% chance of occurrence.

Comment

A CDP-specific, climate change risk financial impact model was employed to calculate the estimated financial figures. The figures used in the calculation include G&A expenses as a proxy of indirect costs (\$312 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impacts reflect that as a probability of "more likely than not" there is a 50%-60% chance of occurrence. Please note that reported financial figures have been estimated to the best of our ability, intended to be directional in nature and to represent a hypothetical possible event. Due to the diverse and broad nature associated with this risk it is not possible to quantify an exact figure. Yum! Brands and its franchise partners operate over 50,000 restaurants in more than 150 countries worldwide, supported by thousands of suppliers. Each are subject to varying regulatory risks that could impact our market share, stock price and brand equity. As such, we cannot predict the exact impact of regulatory changes that may or may not occur in the future.

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Reputation	Shifts in consumer preferences
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Our success depends in large part upon our ability and our Concepts' franchisees' ability to maintain and enhance the value of our brands and our customers' loyalty. Brand value is based in part on consumer perceptions on a variety of subjective qualities. There has been an increased public focus on environmental sustainability matters, including climate change, greenhouse gases, water resources, packaging and waste, animal health and welfare, deforestation and land use. We endeavor to conduct our business in a manner which reflects our priority of sustainable stewardship (including environmental matters) and are working to manage the risks and costs to us, our franchisees and our supply chain. As the result of such heightened public focus on environmental sustainability matters, we may face increased pressure to provide expanded disclosure, make or expand commitments, set targets, or establish additional goals and take actions to meet such goals. These matters and our efforts to address them could expose us to market, operational, reputational and execution risks or costs. Business incidents, whether isolated or recurring, and whether originating from us, franchisees, competitors, suppliers or distributors, can significantly reduce brand value and consumer trust, particularly if the incidents receive considerable publicity or result in litigation. For example, our Concepts' brands could be damaged by claims or perceptions about the quality or safety of our products or the quality or reputation of our suppliers, distributors or franchisees, regardless of whether such claims are true. Similarly, entities in our supply chain may engage in conduct, human rights abuses or environmental wrongdoing, and any such conduct could damage our or our Concepts' brands' reputations. The risk for this driver occurs in both Direct Operations and in the Supply Chain as reputation is important for all components of our value chain. As such it is important to all of our stakeholders including customers and investors. Examples of actions that we have undertaken to manage brand reputation in regard to sustainability (including climate change) includes our joining of the NextGen Consortium to help advance food-service packaging solutions that are recoverable across global infrastructure. KFC and Taco Bell have also announced a global sustainability pledge that all plastic-based, consumer-facing packaging will be recoverable or reusable by 2025.

Time horizon

Long-term

Likelihood

Unlikely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

5800000

Potential financial impact figure – maximum (currency)

30700000

Explanation of financial impact figure

The financial implications of a damaged reputation could negatively impact our market share, stock price and brand equity. A CDP-specific, climate change risk financial impact model was employed to calculate this figure. The figures used in the calculation include Net Revenue (\$5,652 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our revenue that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impact presented as a range reflects that as a probability of "unlikely" there is a 30%-40% chance of occurrence.

Cost of response to risk

17300000

Description of response and explanation of cost calculation

Our brands put choice and consumer preferences at the forefront of their work. Taco Bell has a robust offering on non-beef-based menu items, including vegetarian, that provides consumer options. They are making vegetarian options easier to access with "Veggie Mode", a single-swipe feature that instantly transforms the menu on self-service kiosks in the U.S. to show only vegetation items. Our brands also continue to explore sustainable meat substitutes. Taco Bell, our leader in beef volume, is also our leader in beef substitutes with menu items such as the "Oatrageous Taco" which is sold in Europe. We have resources including our Chief Sustainability Officer, Chief Communications and Public Affairs Officer as well as General Counsel to actively monitor and engage in this area. Brand teams are focused on building four iconic brands people trust and champion. To deliver this commitment to our consumers, our teams focus on developing great-tasting product options at affordable prices built on our rigorous quality and safety standards. Oversight for environmental, social and governance (ESG) issues ultimately resides with the Yum! Brands Board of Directors, which is briefed through its Audit Committee on an annual basis. The Board also receives weekly updates on the ESG issues, news and trends that are applicable to our sector. The brief typically is performed by our General Counsel and/or our Chief Sustainability Officer. We proactively communicate the Company position on being good corporate stewards through our Citizenship and Sustainability Report and other public disclosures such as CDP. For example, when launching we have held multiple Twitter Chats through a third-party media company called Triple Pundit to share our progress against key environmental goals to engaged stakeholders to demonstrate our commitment to transparency and maintaining a positive brand position. A CDP-specific, climate change risk financial impact model was employed to calculate the associated cost in response to this risk. The figures used in the calculation include Net Revenue (\$5,652 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our revenue that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated cost reflects that as a probability of "unlikely" there is a 30%-40% chance of occurrence.

Comment

A CDP-specific, climate change risk financial impact model was employed to calculate the financial figures associated with this risk. The figures used in the calculation include Net Revenue (\$5,652 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our revenue that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impact and cost presented reflects that as a probability of "unlikely" there is a 30%-40% chance of occurrence. Please note that reported financial figures have been estimated to the best of our ability, intended to be directional in nature and to represent a hypothetical possible event. Due to the diverse and broad nature associated with this risk it is not possible to quantify an exact figure. Yum! Brands and its franchise partners operate over 50,000 restaurants in more than 150 countries worldwide, supported by thousands of suppliers. Each are subject to varying reputational risks that could impact our market share, stock price and brand equity. As such, we cannot predict the exact impact of reputational changes that may or may not occur in the future.

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

The products sold by our Concepts and their franchisees are sourced from a wide variety of domestic and international suppliers. We, along with our Concepts' franchisees, are also dependent upon third parties to make frequent deliveries of food products and supplies that meet our specifications at competitive prices. A shortage or interruption in the availability of certain food products or supplies could increase costs and limit the availability of products critical to restaurant operations, which in turn could lead to restaurant closures and/or a decrease in sales. This risk can impact the availability and price of our products that are contingent on stable precipitation patterns. Our ability to source from a diversified supplier base helps to minimize potential impacts. Shortages or interruptions in the supply of food items and other supplies to our Concepts' restaurants could adversely affect the availability, quality and cost of items we use and the operations of our restaurants. Such shortages or disruptions could be caused by inclement weather, natural disasters, other a variety of other issues. One example of an extreme weather event was the derecho in the Midwest United States in August 2020. Approximately 850,000 acres of corn were lost, resulting in increased corn costs for our Concepts brands and their franchisees. Please note that an advantage of our global supply chain is the ability to adapt to localized shortages and/or interruptions, if needed.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

1800000

Potential financial impact figure – maximum (currency)

4700000

Explanation of financial impact figure

A shortage or interruption in the availability of certain food products or supplies could increase costs and limit the availability of products critical to restaurant operations, which in turn could lead to restaurant closures and/or a decrease in sales. This risk can impact the availability and price of our products that are contingent on stable precipitation patterns. Our ability to source from a diversified supplier base helps to minimize potential impacts. A CDP-specific, climate change risk financial impact model was employed to calculate this figure. The figures used in the calculation include COGS as a proxy of direct costs (\$3,721 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impact presented as a range reflects that as a probability of "very likely" there is a 75%-85% chance of occurrence.

Cost of response to risk

3500000

Description of response and explanation of cost calculation

We continually work to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters. We continually evaluate the impact climate change has on our business and understand that as a large food retailer, changes in precipitation extremes have the potential to influence the price, quality and supply of materials in targeted regions. A CDP-specific, climate change risk financial impact model was employed to calculate this figure. The figures used in the calculation include COGS as a proxy of direct costs (\$3,721 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impacts reflect that as a probability of "very likely" there is a 75%-85% chance of occurrence.

Comment

A CDP-specific, climate change risk financial impact model was employed to calculate the financial figures. The figures used in the calculation include COGS as a proxy of direct costs (\$3,721 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impacts reflect that as a probability of "very likely" there is a 75%-85% chance of occurrence. Please note that reported financial figures have been estimated to the best of our ability, intended to be directional in nature and to represent a hypothetical possible event. Due to the diverse and broad nature associated with this risk it is not possible to quantify an exact figure. Yum! Brands and its franchise partners operate over 50,000 restaurants in more than 150 countries worldwide, supported by thousands of suppliers. Each are subject to varying acute physical risks that could impact our market share, stock price and brand equity. As such, we cannot predict the exact impact of physical risks that may or may not occur in the future.

Identifier

Risk 4

Where in the value chain does the risk driver occur?

Upstream

Risk type & Primary climate-related risk driver

Chronic physical	Changes in precipitation patterns and extreme variability in weather patterns
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Our and our Concepts' franchisees' businesses depend on reliable sources of large quantities of raw materials such as proteins (including poultry, pork, beef and seafood), cheese, oil, flour and vegetables (including potatoes and lettuce). Raw materials purchased for use in our Concepts' restaurants are subject to price volatility caused by any fluctuation in aggregate supply and demand, or other external conditions. Our supply chain group monitors potential adverse cost factors so that alternative supply sources can be obtained if needed. An advantage of our global supply chain is the ability to adapt to better adapt to localized fluctuations.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

2100000

Potential financial impact figure – maximum (currency)

7600000

Explanation of financial impact figure

Historical prices of raw materials used in the operations of our Concepts' restaurants have fluctuated for a variety of reasons. We cannot provide assurance that our Concepts' franchisees will continue to be able to purchase raw materials at reasonable prices, or that the cost of raw materials will remain stable in the future. If we and our Concepts' franchisees are unable to manage the cost of raw materials or to increase the prices of products proportionately, our and our franchisees' profit margins may be adversely impacted. A CDP-specific, climate change risk financial impact model was employed to calculate this figure. The figures used in the calculation include COGS as a proxy of indirect costs (\$3,721 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impact presented as a range reflects that as a probability of "about as likely as not" there is a 50%-60% chance of occurrence.

Cost of response to risk

4700000

Description of response and explanation of cost calculation

We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters. We continually evaluate the impact climate change has on our business and understand that as a large food retailer, changes in precipitation extremes have the potential to influence the price, quality and supply of materials in targeted regions. A CDP-specific, climate change risk financial impact model was employed to calculate this figure. The figures used in the calculation include COGS as a proxy of indirect costs (\$3,721 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impacts reflect that as a probability of "about as likely as not" there is a 50%-60% chance of occurrence.

Comment

A CDP-specific, climate change risk financial impact model was employed to calculate the financial figures associated with this risk. The figures used in the calculation include COGS as a proxy of indirect costs (\$3,721 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impacts reflect that as a probability of "about as likely as not" there is a 50%-60% chance of occurrence. Please note that reported financial figures have been estimated to the best of our ability, intended to be directional in nature and to represent a hypothetical possible event. Due to the diverse and broad nature associated with this risk it is not possible to quantify an exact figure. Yum! Brands and its franchise partners operate over 50,000 restaurants in more than 150 countries worldwide, supported by thousands of suppliers. Each are subject to varying chronic physical risks that could impact our market share, stock price and brand equity. As such, we cannot predict the exact impact of physical risks that may or may not occur in the future.

Identifier

Risk 5

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market	Increased cost of raw materials
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Primary potential financial impact

Increased indirect (operating) costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Restaurants are a relatively energy intensive business based on the size of our operations. Costs to procure energy vary significantly in different countries across the globe. Disruptions in supply and general cost increases can lead to financial burdens on restaurants. Examples of markets for our restaurants that tend to be subject to high prices or supply disruptions are India, South Africa and numerous countries in our Latin America and Caribbean market. Although these impacts are acute at one scale they tend to be widespread and persistent.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

400000

Potential financial impact figure – maximum (currency)

2100000

Explanation of financial impact figure

An increase in operational costs from a variety of factors (including energy) could adversely affect our operating results. Given the franchise nature of our business, increased costs would more directly impact franchisees and therefore remains a risk for our organization. Increased energy costs for the supply chain could also adversely affect operation results. For example, a significant increase in gasoline prices could result in the imposition of fuel surcharges by our distributors. A CDP-specific, climate change risk financial impact model was employed to calculate this figure. The figures used in the calculation include G&A expenses as a proxy of indirect costs (\$312 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impact presented as a range reflects that as a probability of "about as likely as not" there is a 50%-60% chance of occurrence.

Cost of response to risk

1200000

Description of response and explanation of cost calculation

Continue to monitor policy closely and its impact on our business, while continuing to manage sustainability impacts that are most material to our supply chain. One example is that our purchasing co-op in the U.S. actively manages electricity contracts in deregulated markets to secure competitively priced sources of power. One factor in increasing energy costs can be increased costs resulting from transitory risks as governments adjust to addressing climate change. We have adopted science-based targets and will be increasing use of renewables. We met our 2020 goal of 100% renewable energy for U.S. corporate offices. In addition, we have set a target of using renewables for our first 1,000 restaurants by the end of 2021. A CDP-specific, climate change risk financial impact model was employed to calculate this figure. The figures used in the calculation include G&A expenses as a proxy of indirect costs (\$312 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impacts reflect that as a probability of "about as likely as not" there is a 50%-60% chance of occurrence.

Comment

A CDP-specific, climate change risk financial impact model was employed to calculate the financial figures associated with this risk. The figures used in the calculation include G&A expenses as a proxy of indirect costs (\$312 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our operating expenses that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impacts reflect that as a probability of "about as likely as not" there is a 50%-60% chance of occurrence. Please note that reported financial figures have been estimated to the best of our ability, intended to be directional in nature and to represent a hypothetical possible event. Due to the diverse and broad nature associated with this risk it is not possible to quantify an exact figure. Yum! Brands and its franchise partners operate over 50,000 restaurants in more than 150 countries worldwide, supported by thousands of suppliers. Each are subject to varying market risks that could impact our market share, stock price and brand equity. As such, we cannot predict the exact impact of market risks that may or may not occur in the future.

Identifier

Risk 6

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Market	Other, please specify (Health concerns arising from outbreaks of viruses or other diseases)
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Primary potential financial impact

Decreased revenues due to reduced demand for products and services

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

While many factors contribute to disease outbreaks, it has been reported that changes in global climate can bring about the spread of diseases into new, previously impacted areas. Our business could be materially and adversely affected by the outbreak of a widespread health epidemic, including various strains of avian flu or swine flu, such as H1N1. The occurrence of such an outbreak of an epidemic, illness or other adverse public health developments could materially disrupt our business and operations. Such events could also significantly impact our industry and cause a temporary closure of restaurants, which would severely disrupt our operations and have a material adverse effect on our business, financial condition and results of operations.

Time horizon

Long-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

81600000

Potential financial impact figure – maximum (currency)

277400000

Explanation of financial impact figure

Although not currently proven to be linked to climate-change, the COVID-19 pandemic provides a case study for the potential impact of this risk. As a result of the ongoing pandemic, at the end of Q2 2020 we experienced a quarterly decline of system sales of 12%. At the peak in mid-April, Yum! experienced temporary closures of 11,000 restaurants. This reflects past statements that operations and supply chains can be disrupted as the result of human and animal illnesses. Outbreaks of avian flu occur sporadically around the world, including confirmed human cases. Public concern over avian flu may cause fear about the consumption of chicken, eggs and other products derived from poultry, which could cause customers to consume less of our products. Outbreaks could also adversely affect the price and availability of poultry, which could negatively impact our profit margins and revenues. We could also be adversely affected if governments impose mandatory closures, seek voluntary closures or impose restrictions on operations of restaurants. A CDP-specific, climate change risk financial impact model was employed to calculate this figure. The figures used in the calculation include Net Revenue (\$5,652 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our revenue that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial impact presented as a range reflects that as a probability of "very likely" there is a 75%-85% chance of occurrence.

Cost of response to risk

192200000

Description of response and explanation of cost calculation

Our brands have the ability to adapt with remarkable agility to promote employee and customer safety as well as to leverage digitally enabled off-site capabilities to adjust operations and provide food. This was demonstrated as part of the COVID-19 pandemic. As we continue to reopen our restaurants across the globe, we remain focused on our Recipe for Growth and Good strategy and on ensuring customers can access our delicious food in a safe, low-contact manner with outstanding value. Leveraging our scale and capabilities as the world's largest restaurant company, our four iconic brands are optimally positioned to drive profitable system sales growth in the new customer environment. Food safety starts with our leadership and cascades to our franchise partners and restaurant employees. Our approach is a holistic one, ensuring that food safety is considered at every step along the value chain. The Yum! Brands Crisis Management Program is dedicated to anticipating, identifying and managing potential emerging food safety issues at the local, regional and global levels to protect the health and safety of our consumers and employees. We have global Crisis Core Teams (CCTs) and a community outbreak detection system in place that constantly monitors foodborne illnesses, contamination and other food safety issues worldwide. CCTs monitor potential risks for appropriate mitigation and response coordination. A CDP-specific, climate change risk financial impact model was employed to calculate the cost of responding to this risk. The figures used in the calculation include Net Revenue (\$5,652 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our revenue that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated cost reflects that as a probability of "very likely" there is a 75%-85% chance of occurrence.

Comment

A CDP-specific, climate change risk financial impact model was employed to calculate the financial figures associated with this risk. The figures used in the calculation include Net Revenue (\$5,652 MM in 2020), modified by several assumptions including the likelihood that it will happen over the given time horizon, the percentage of our revenue that may be impacted over that time horizon, and the level of control we have over mitigating the risk. The estimated financial figures reflect that as a probability of "very likely" there is a 75%-85% chance of occurrence. Please note that reported financial figures have been estimated to the best of our ability, intended to be directional in nature and to represent a hypothetical possible event. Due to the diverse and broad nature associated with this risk it is not possible to quantify an exact figure. Yum! Brands and its franchise partners operate over 50,000 restaurants in more than 150 countries worldwide, supported by thousands of suppliers. Each are subject to varying market risks that could impact our market share, stock price and brand equity. As such, we cannot predict the exact impact of market risks that may or may not occur in the future.

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

As a growth company we understand the built environment has a climate change impact. Our fundamental approaches to designing and building more efficient new buildings is contained in our global green building standard called BlueLine. Our brands use this playbook as a framework for our system to build restaurants with reduced environmental impact.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

15800000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

New building financial savings are dependent on current market design, green approaches selected and local utility costs. Savings come from either full implementation of the Blueline standard or partial as reported by the market. For full implementation, it is expected, based on detailed study and test projects that between 10% and 30% utility savings will be realized per restaurant. In 2020, it is estimated that we and our franchise partners implemented technologies in new buildings that are expected to save \$15.8 MM over the first year of their use. This number is an approximation based on market reports and included both Blueline implementation and approaches reported through our annual conservation survey.

Cost to realize opportunity

24700000

Strategy to realize opportunity and explanation of cost calculation

Implementation is conducted by local development teams in conjunction with corporate brand oversight. Yum! global sustainability maintains the Blueline standard using a website. Brands may also incorporate standards into their Development guidelines. Brands conduct periodic market reviews to access compliance and provide feedback. Brands and markets are responsible for execution of the standards. The foundation of this whole-building solution for new restaurants are third party systems such as LEED as well as detailed in-restaurant testing and sub-metering conducted throughout the world. The cost to realize this opportunity has been calculated based on implementation costs for each technology type as reported in our annual Blueline analysis and Conservation survey. The costs associated with the implementation of these methods primarily represent the initial capital costs. In 2020, it is estimated that we and our franchise partners invested approximately \$24.7 MM in new green building development throughout our global system. The cost to realize this opportunity has been calculated based on implementation costs for each technology type as reported in our annual Blueline analysis and conservation survey which include a global survey of Development teams.

Comment**Identifier**

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Resource efficiency

Primary climate-related opportunity driver

Move to more efficient buildings

Primary potential financial impact

Reduced indirect (operating) costs

Company-specific description

More energy efficient approaches implemented in our existing restaurants enable Yum! Brands and its franchisees to take advantage of energy savings and opportunities thereby endeavor to reduce greenhouse gas output. The establishment of product efficiency standards for equipment and products has incentivized the market to develop more efficient products. We and our franchisees have invested in these technologies and look for additional opportunities. Examples of our approaches include more efficient hoods and walk-in refrigeration equipment.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

6282000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Since 2006, Yum! Brands has been actively implementing energy conservation projects in existing buildings. Savings vary according to market and technology used. In 2020 it is estimated that we and our franchise partners implemented technologies that are expected to save \$6.3 MM over the first year of their use. This number is an approximation based on market reports and included both Blueline implementation and approaches reported through our annual conservation survey.

Cost to realize opportunity

12600000

Strategy to realize opportunity and explanation of cost calculation

Yum! Brands employs sub-metering to identify the largest areas of opportunity in our restaurants. Once the areas of opportunity are identified, energy conservation measures are thoroughly researched and tested. Once these measures are validated, they are retrofitted into existing restaurants throughout the system by our markets where feasible. The cost to realize this opportunity has been calculated based on implementation costs for each technology type as reported in our annual BlueLine analysis and Conservation survey. The costs associated with the implementation of these methods are the initial capital costs. In 2020, it is estimated that we and our franchise partners implemented technologies that cost an estimated \$12.6 MM for existing and or remodeled buildings. The cost to realize this opportunity has been calculated based on implementation costs for each technology type as reported in our annual BlueLine analysis and conservation survey. In addition to these projects, we also complete other approaches that do not include added capital expense. An example of this was the energy management program that has been implemented in 92 restaurants throughout India.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Increased revenues resulting from increased demand for products and services

Company-specific description

Renewable energy projects, enabled by renewable energy regulations, may create opportunities that result in lower electricity costs over time for restaurants and increased goodwill.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

14300

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

The exact financial implications vary according to market and the scope of the installation. The financial estimate provided is based on the average savings from test buildings in Australia that were added in 2020 and may or may not be indicative of future results. Reduced operational costs as well increased resilience in some markets may be opportunities in the upcoming years.

Cost to realize opportunity

88300

Strategy to realize opportunity and explanation of cost calculation

The ability to source energy from renewable sources may result in a positive financial return for Yum and its franchisees. However, there are inherent limitations for our application of on-site solar due to the small size of our buildings. We are currently testing on-site solar energy at KFC Australia and it is now installed at 15 corporate locations. We have also contracted in a PPA agreement for our Plano, TX office as well as have secured green-e certified RECs for our other offices. The costs associated with the implementation of these methods are primarily the initial capital costs although maintenance costs may be expected. The financial estimates provided are based on cost and savings averages from test buildings in Australia that were added in 2020 and may or may not be indicative of future results.

Comment

Increasing the use of renewable energy can help reduce our emissions. We created and achieved a goal to shift to 100% renewable energy in our U.S. corporate offices by the end of 2020. We have also created our second renewable energy goal which is convert the first 1,000 restaurants to renewable power by the end of 2021.

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes

C3.1b

(C3.1b) Does your organization intend to publish a low-carbon transition plan in the next two years?

	Intention to publish a low-carbon transition plan	Intention to include the transition plan as a scheduled resolution item at Annual General Meetings (AGMs)	Comment
Row 1	No, we do not intend to publish a low-carbon transition plan in the next two years	<Not Applicable >	Our fundamental, long term strategy in addressing climate change under our science-based targets is twofold: First, is to address buildings. We will continue to design, build and operate restaurants to be measurably more sustainable using green building standards to drive efficiency, in addition to increasing the use of renewable energy. Secondly, we will work to reduce emissions within the supply chain with a focus on our most material areas of beef, dairy, poultry and packaging. We have achieved multiple energy and emissions reduction targets over the last decade including reducing 22% of our Scope 1 and 2 emissions by the end of 2017 as compared to our 2005 base year. We continued to work on energy conservation and GHG emission reduction by striving to reduce average restaurant energy and GHG emissions by 10% from our 2017 levels by the end of 2025, which was achieved in 2020. Although we do not currently plan to publish a formal low-carbon transition plan in the next two years, we have completed a TCFD report and have set the following approved science-based targets: Target 1: Cut greenhouse gas emissions generated by company restaurants and offices (scope 1 and 2) 46% below 2019 levels by 2030; Target 2: Cut greenhouse gas emissions generated by franchisee restaurants (scope 3) 46% below 2019 levels by 2030 on a per restaurant basis for franchisees; and Target 3: Cut greenhouse gas emissions generated by suppliers (scope 3) 46% below 2019 levels by 2030 on per metric ton basis of beef, poultry, dairy and packaging procured. In addition to our SBTs, we have committed to the aspirational target of reaching net-zero emissions no later than 2050 by adopting the Business Ambition for 1.5% Commitment. Our progress against these goals is currently reported to the Board which is briefed through its Audit Committee on an annual basis. Issues related to climate change are brought to their attention as warranted and elevated by governance and management mechanisms within the company.

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, qualitative and quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
RCP 2.6 RCP 4.5 RCP 6 IEA Sustainable development scenario IEA CPS Nationally determined contributions (NDCs)	Our 2030 science-based targets (SBTs) are consistent with reductions required to keep warming to 1.5°C and have been approved by the Science Based Targets initiative (SBTi). Yum! also aspires to reach Net-Zero emissions by 2050. Furthermore, Yum! has reviewed different scenarios and have identified that combinations of physical and transition risks will vary by geography versus being globally harmonized. This insight was used as a fundamental component of our comprehensive TCFD-aligned global risk and opportunity assessment of global restaurants and suppliers. If a business as usual (BAU) or Current Policy (CP) scenario plays out, then global temperatures will be well above 2°C and physical climate risks could be more frequent and intense. If, on the other hand, the transition to a low carbon economy is significantly accelerated, then global warming will be slowed and ultimately reversed. This scenario could result in physical risks being less frequent or intense with companies facing greater transition risks. The Yum! approach to assessing and managing climate-related risks and opportunities accounts for these different climate-related scenarios.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Our brands put choice and consumer preferences at the forefront of their work. Taco Bell has a robust offering on non-beef-based menu items, including vegetarian, that provides consumer options. They are making vegetarian options easier to access with "Veggie Mode", a single-swipe feature that instantly transforms the menu on self-service kiosks in the U.S. to show only vegetation items. Our brands also continue to explore sustainable test meat substitutes. Taco Bell, our leader in beef volume, is also our leader in beef substitutes with menu items such as the "Oatrageous Taco" which is sold in Europe. In the United States, Pizza Hut was the first national pizza company to offer plant-based meat across the country. One of the benefits us using non-beef products is reduced greenhouse gas emissions. The timeframe for this is dependent on consumer preferences and varies in markets around the world.
Supply chain and/or value chain	Yes	Climate related risks and opportunities in the supply chain have led us to focus on efforts to eliminate deforestation. We have set goals, such as to purchase 100% of our paper-based packaging from with fiber from responsibility managed forests and recycled sources. We also met our goal of sourcing RSPO certified palm oil for cooking. To show our support Yum! Brands endorsed the New York Declaration on Forests (NYDF) and the provide sector goal of eliminating deforestation from the production of agricultural commodities such as palm oil, soy, paper and beef products no later than 2020, and striving to end natural forest loss by 2030. We continually evaluate the impact climate change has on our supply chain. Increases in food and packaging pricing resulting from climate change directly or indirectly impact the supply chain through commodity prices that impacts our concepts' franchisees' profit margins. These can include impacts from events such as drought or impact through infectious diseases. We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters.
Investment in R&D	Yes	Recognizing the opportunity for energy conserving, GHG reducing technologies and approaches resulted in increased R&D. During the preparation of our green building standard, BlueLine, Yum! our brands and selected franchisees invested in building R&D. This included extensive sub-metering of utilities and green and not green buildings to gather and study the most effective approach. Together we built a series of 35 LEED certified to test our approaches. The result of this work was the creation of our green building standard, BlueLine, and the inclusion of sustainably measures into thousands of our restaurants. Now KFC is requiring components of green building in all of their new restaurants under the Building Green program. In partnership with industry peers, we have joined the NextGen Consortium to help advance food-service packaging solutions that are recoverable thereby contributing to greenhouse gas mitigation efforts. We have set climate-based targets for the corporation. Achieving these goals, which focus both on our buildings and supply chain, will require additional investment in R&D over the time frame of our commitment (2030).
Operations	Yes	GHG and energy reducing technologies and approaches as identified as opportunities are being implemented in thousands of our restaurants. These include more efficient hoods, refrigeration equipment, HVAC and lighting. Higher efficiency equipment increases our resiliency to adapt to specific events including challenges with local utility supplies. Our efforts to realize this opportunity are an ongoing focus our development teams and efforts are measured, including GHG avoidance, energy savings and investment, on an annual basis.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Revenues Indirect costs Capital expenditures Capital allocation Acquisitions and divestments Access to capital Assets Liabilities	Revenues: One identified risk was health concerns arising from outbreaks of viruses or other diseases. While many factors contribute to disease outbreaks, it has been reported that changes in global climate and bring about the spread of diseases into new, previously unimpacted areas. Our business could be materially and adversely affected by the outbreak of a widespread health epidemic. The occurrence of such an outbreak of an epidemic, illness or other adverse public health developments can materially disrupt our business and operations as has been the case with COVID 19 as an example. Although not currently proven to be linked to climate-change, the COVID-19 pandemic provides case study. As a result of the ongoing pandemic at the end of Q2 2020 experienced a quarterly decline of system sales of 12%. At the peak in mid-April, Yum! experienced temporary closures of 11,000 restaurants. This is a case study of the impact of a pandemic. This reflects past statements that operations and supply chains can be disrupted as the result of human and animal illnesses. Outbreaks of avian flu occur sporadically around the world, including confirmed human cases. Public concern over avian flu may cause fear about the consumption of chicken, eggs and other products derived from poultry, which could cause customers to consume less of our products. Outbreaks could also adversely affect the price and availability of poultry, which could negatively impact our profit margins and revenues. We could also be adversely affected if governments impose mandatory closures, seek voluntary closures or impose restrictions on operations of restaurants. Due to the diverse and broad nature associated with this risk, it is not possible to estimate the potential financial impact. Operating Costs: Energy conserving, GHG reducing technologies and approaches as identified as opportunities are being implemented in thousands of our restaurants. These include more efficient hoods, refrigeration equipment, HVAC and lighting. Higher efficiency equipment increases our resiliency to adapt to specific events including challenges with local utility supplies. In 2020, we estimate that we and our franchise partners implemented green building technologies and approaches that saved an estimated \$22.1 MM. The risk of changes in operating costs due to energy our factored into our standard planning proses as energy is a component of the restaurant profit and loss statement. Restaurants are a relatively energy intensive business based on the size of our operations. Cost to procure energy vary significantly in different countries across the globe. Disruptions in supply and general cost increases can lead to financial burdens on restaurants. Examples of markets for our restaurants that tend to be subject to high prices or supply disruptions are India, South Africa and numerous counties in our Latin America and Caribbean market. Although these impacts are acute at one scale they tend to widespread and persistent. We have also identified risks or shortage or interruptions in the availability and delivery of food and other supplies as well as increased food prices. We work continually to maintain a diverse supply chain and positive relationships with supply chain partners by proactively establishing mitigation practices that include menu management and portfolio diversification. During the COVID-19 pandemic our system was able to provide products in the restaurants despite supply change challenges. This minimizes the impacts on any one part of a country or distribution system due to changes in physical climate parameters. We continually evaluate the impact climate change has on our business and understand that as a large food retailer, changes in precipitation. Capital expenditures / capital allocation: Taking advantage of more efficient new buildings and incorporating energy savings approaches into existing buildings is factored into capital expenditures during the annual planning process. The costs associated with the implementation of these methods are primarily the initial capital costs. These are planned for on an annual basis. In 2020, an estimated 39.4 MM dollars were invested in new green building development as well as existing building renovations in our system throughout the world by the company and franchisees. This number is an approximation based on market reports. Acquisitions and divestments: The risks and opportunities that have been identified are not typically impacting acquisition and divestment. Access to capital: The risks and opportunities that have been identified have not historically impacted our access to capital. Assets: Energy conserving, GHG reducing technologies and approaches as identified as opportunities are being implemented in thousands of our restaurants. These include more efficient hoods, refrigeration equipment, HVAC and lighting. Higher efficiency equipment increases our resiliency to adapt to specific events including challenges with local utility supplies. Liabilities: The risks and opportunities that have been identified have not had a material impact on our liabilities.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

i. Yum! Brands' business strategy is focused on building four global iconic brands that people trust and champion. In 2010, our business made the strategic decision to establish the Yum! Global Sustainability team with alignment from our then CEO and Chairman of the Board. In 2016, the importance of sustainability was further recognized within the Company. As part of our transformational reorganization designed to focus efforts enabling delivery of ongoing, long-term results, each of our four brands now have dedicated resources to further drive sustainability, including climate change, within the Company and with our franchise partners. Our sustainability strategy is fundamentally linked our corporate strategy that is designed to unlock our potential. It is called our "Recipe for Growth and Good" and begins sets our shared values. Our values challenge and inspire us to elevate our brands, our culture, our performance and our impact on customers and the communities that we serve. This is our sustainability strategy and can be found online. This strategy focuses uses the strength of our brands and franchisees to make a powerful impact on the world.

ii. Working to reduce greenhouse gas emissions is part of our mission to build the world's most loved, trusted & fastest growing restaurant brands. We have achieved multiple energy and emissions reduction targets over the last decade including reducing 22% of our Scope 1 and 2 emissions by the end of 2017 as compared to our 2005 base year. We continued to work on energy conservation and GHG emission reduction by striving to reduce average restaurant energy and GHG emissions by 10% from our 2017 levels by the end of 2025. This was achieved in 2020. We have now completed a TCFD report and have set the following approved science-based targets:

Target 1: Cut greenhouse gas emissions generated by company restaurants and offices (scope 1 and 2) **46%** below 2019 levels by 2030

Target 2: Cut greenhouse gas emissions generated by franchisee restaurants (scope 3) **46%** below 2019 levels by 2030 on a per restaurant basis for franchisees

Target 3: Cut greenhouse gas emissions generated by suppliers (scope 3) **46%** below 2019 levels by 2030 on per metric ton basis of beef, poultry, dairy and packaging procured

In addition, we have committed to the aspiration target of reaching net-zero emissions no later than 2050 by adopting the Business Ambition for 1.5% Commitment.

iii. The most substantial business decision made has been influenced has been the setting of science-based targets. This is in support of our long-term sustainability strategy. Working to reduce greenhouse gas emissions is part of our mission to build the world's most loved, trusted & fastest growing restaurant brands. This business decision was directly influenced by stakeholder feedback that was incorporated into our materiality assessment, which identified our three top ESG topics to address: Food Safety; Diversity, Equity and Inclusion; and Climate Change. We acknowledge the global trend as demonstrated by the Paris Agreement, and growing expectations from investors and consumers for businesses to address global climate change.

iv. Our sustainability strategy is influenced by our overarching belief that we have a responsibility to reduce our environmental impact and the resulting greenhouse gas emissions that contribute to climate change. We do so in order to build and maintain trust with our stakeholders, comply with the law, and realize cost savings accompanied with environmental efficiency projects. The resulting strategy includes several climate-related aspects, including energy reductions, GHG emissions, and sustainable sourcing. Working to reduce greenhouse gas emissions is part of our mission to build the world's most loved, trusted & fastest growing restaurant brands.

v. Our fundamental, long term strategy in address climate change under our science-based targets is twofold: First, is to address buildings. We will continue to design, build and operate restaurants to be measurably more sustainable using green building standards to drive efficiency. In addition to energy efficiency, we will increase the use of renewable energy. In 2020 we set and achieved a goal to convert our U.S. corporate offices to renewable power. The new goal is to convert the first 1,000 restaurants to renewable power by the end of 2021.

vi. Secondly, we will work to reduce emissions within the supply chain with a focus on our most material areas of beef, dairy, poultry and packaging. This will build on our current supply chain objectives to address deforestation though objectives including the sourcing 100% of palm oil used for cooking and paper-based packaging from responsible and sustainable sources. To demonstrate our commitment to minimizing deforestation risk, we endorsed the New York Declaration on Forests (NYDF).

vii. Our commitment to a process of continual improvement in all that we do, including efforts to reduce our impact on the environment, gives us a strategic advantage over our competitors. We continually seek means of addressing margin improvement and the wishes of customers who desire to enjoy our products while minimizing our impact on the climate. Being responsive to shareholder, customer and NGO interests contribute to our achieving our mission to build the world's most loved, trusted & fastest growing restaurant brands which a strategic advantage.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Both absolute and intensity targets

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Base year

2018

Covered emissions in base year (metric tons CO2e)

223372

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2025

Targeted reduction from base year (%)

10

Covered emissions in target year (metric tons CO2e) [auto-calculated]

201034.8

Covered emissions in reporting year (metric tons CO2e)

140646

% of target achieved [auto-calculated]

370.350804935265

Target status in reporting year

Achieved

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

<Not Applicable>

Please explain (including target coverage)

Working to reduce greenhouse gas emissions is part of our mission to build the world's most loved, trusted & fastest growing restaurant brands. We have achieved multiple energy and emissions reduction targets for our restaurants over the last decade including reducing 22% of our Scope 1 and 2 emissions by the end of 2017 as compared to our 2005 base year. We continued to work on energy conservation and GHG emission reduction by striving to reduce average restaurant energy and GHG emissions by 10% from our 2017 levels by the end of 2025. This restaurant-focused goal was achieved in 2020. Please note that our baseline for this target was restated as the result of the acquisition of Habit Burger. In addition, we have also set approved science-based targets (see other goals).

Target reference number

Abs 2

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (market-based)

Base year

2019

Covered emissions in base year (metric tons CO2e)

167857.63

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

46

Covered emissions in target year (metric tons CO2e) [auto-calculated]

90643.1202

Covered emissions in reporting year (metric tons CO2e)

166055.86

% of target achieved [auto-calculated]

2.33346038803709

Target status in reporting year

New

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

Working to reduce greenhouse gas emissions is part of our mission to build the world's most loved, trusted & fastest growing restaurant brands. We have achieved multiple energy and emissions reduction targets over the last decade including reducing 22% of our Scope 1 and 2 emissions by the end of 2017 as compared to our 2005 base year. We continued to work on energy conservation and GHG emission reduction by striving to reduce average restaurant energy and GHG emissions by 10% from our 2017 levels by the end of 2025. This was achieved in 2020. We now have set approved science-based targets (see other goals). The emissions in the reporting year include our recent acquisition, Habit Burger. Our baseline for this goal will be updated to include Habit Burger in the future as the integration of systems is ongoing.

C4.1b

(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).

Target reference number

Int 1

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1+2 (location-based)

Intensity metric

Other, please specify (Metric tons of CO2e per Restaurant)

Base year

2018

Intensity figure in base year (metric tons CO2e per unit of activity)

174

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

100

Target year

2025

Targeted reduction from base year (%)

10

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

156.6

% change anticipated in absolute Scope 1+2 emissions

-10

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO2e per unit of activity)

140

% of target achieved [auto-calculated]

195.402298850575

Target status in reporting year

Achieved

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

<Not Applicable>

Please explain (including target coverage)

Working to reduce greenhouse gas emissions is part of our mission to build the world's most loved, trusted & fastest growing restaurant brands. We have achieved multiple energy and emissions reduction targets over the last decade including reducing 22% of our Scope 1 and 2 emissions by the end of 2017 as compared to our 2005 base year. We continued to work on energy conservation and GHG emission reduction by striving to reduce average restaurant energy and GHG emissions by 10% from our 2017 levels by the end of 2025. This was achieved in 2020. Please note that our baseline for this target was restated as the result of the acquisition of Habit Burger. In addition, we have also set approved science-based targets (see other goals).

Target reference number

Int 2

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3: Franchises

Intensity metric

Other, please specify (Metric tons of CO2e per Restaurant)

Base year

2019

Intensity figure in base year (metric tons CO2e per unit of activity)

163

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

22

Target year

2030

Targeted reduction from base year (%)

46

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

88.02

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO2e per unit of activity)

136

% of target achieved [auto-calculated]

36.0096025606828

Target status in reporting year

New

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

Working to reduce greenhouse gas emissions is part of our mission to build the world's most loved, trusted & fastest growing restaurant brands. We now have set approved science-based targets that cover our franchise restaurant operations (Scope 3) as this has been a significant source of emissions.

Target reference number

Int 3

Year target was set

2021

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 3: Purchased goods & services

Intensity metric

Metric tons CO2e per metric ton of product

Base year

2019

Intensity figure in base year (metric tons CO2e per unit of activity)

13.5

% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure

72

Target year

2030

Targeted reduction from base year (%)

46

Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]

7.29

% change anticipated in absolute Scope 1+2 emissions

0

% change anticipated in absolute Scope 3 emissions

0

Intensity figure in reporting year (metric tons CO2e per unit of activity)

15

% of target achieved [auto-calculated]

-24.1545893719807

Target status in reporting year

New

Is this a science-based target?

Yes, and this target has been approved by the Science Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

Working to reduce greenhouse gas emissions is part of our mission to build the world's most loved, trusted & fastest growing restaurant brands. We have achieved multiple energy and emissions reduction targets over the last decade. We now have set approved science-based targets that cover our beef, dairy, poultry and packaging emissions. These include the most significant purchased goods and services emission.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

Net-zero target(s)

Other climate-related target(s)

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2019

Target coverage

Site/facility

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2020

Figure or percentage in base year

0

Target year

2020

Figure or percentage in target year

100

Figure or percentage in reporting year

100

% of target achieved [auto-calculated]

100

Target status in reporting year

Achieved

Is this target part of an emissions target?

Renewable energy is an important tool in reducing greenhouse gas emissions. As we have set science-based targets, we are studying ways of increasing our renewable energy. The first step is to use 100% renewable energy for our U.S. corporate offices. We achieved this through a PPA for our Plano offices and RECs in other remaining offices.

Is this target part of an overarching initiative?

Science-based targets initiative

Please explain (including target coverage)

Renewable energy is an important tool in reducing greenhouse gas emissions. As we have set science-based targets, we are studying ways of increasing our renewable energy. The first step is to 100% use renewable energy for our U.S. corporate offices. We achieved this through a PPA for our Plano offices and RECs in other remaining offices.

Target reference number

Low 2

Year target was set

2021

Target coverage

Site/facility

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Consumption

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2020

Figure or percentage in base year

0

Target year

2021

Figure or percentage in target year

100

Figure or percentage in reporting year

0

% of target achieved [auto-calculated]

0

Target status in reporting year

New

Is this target part of an emissions target?

Renewable energy is an important tool in reducing greenhouse gas emissions. As we have set science-based targets, we are studying ways of increasing our renewable energy. The second step is to use 100% for our first 1,000 restaurants.

Is this target part of an overarching initiative?

Science-based targets initiative

Please explain (including target coverage)

Renewable energy is an important tool in reducing greenhouse gas emissions. As we have set science-based targets, we are studying ways of increasing our renewable energy. The second step is to use 100% for our first 1,000 restaurants.

C4.2b

(C4.2b) Provide details of any other climate-related targets, including methane reduction targets.

Target reference number

Oth 1

Year target was set

2018

Target coverage

Business division

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Waste management	metric tons of waste diverted from landfill
------------------	---

Target denominator (intensity targets only)

<Not Applicable>

Base year

2018

Figure or percentage in base year

0

Target year

2025

Figure or percentage in target year

50

Figure or percentage in reporting year

24

% of target achieved [auto-calculated]

48

Target status in reporting year

Revised

Is this target part of an emissions target?

We use the EPA's WARM tool to calculate the CO2e avoidance related to our waste diversion activities. Results are included in our reporting for emissions reduction initiatives.

Is this target part of an overarching initiative?

Other, please specify (U.S. EPA Food Recovery Challenge (FRC))

Please explain (including target coverage)

Yum! Brands is committed to first reducing, and then mindfully reusing or recycling, the waste generated at our restaurants. We set an aspirational goal to divert 50% of the back-of-house operational waste generated by weight in our U.S. restaurants by 2020. Although we have been able to achieve an estimated 24% reduction level, we have not been able to meet our objective by the target date. We will continue to work on this goal and have extended the timeline to 2025. To calculate progress for this goal, we first determined our heaviest sources of waste: spent cooking oil, cardboard and food. Our baseline for this is rolling. In other words, we seek to divert 50% of the waste generated in the reporting year. In 2020, 24% of total waste was diverted. Reducing wasted food—our highest emitter of methane—is where Yum! Brands has made the most significant strides. We adhere to the EPA's Food Recovery Hierarchy, which shows that there are much better places for leftover food than the landfill or even the compost bin. According to this hierarchy, reducing food waste begins at the source. We work with suppliers to purchase only as much fresh food as we expect to sell to customers based on our projections. The next best use for surplus food is to feed hungry people. That's exactly what Yum! has been doing for more than 25 years through our Harvest program. Through Harvest, Pizza Hut and KFC stores donate surplus food from our restaurants to food banks, soup kitchens and other nonprofits.

Target reference number

Oth 2

Year target was set

2018

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify	Other, please specify (Sustainable Palm Oil)
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Target denominator (intensity targets only)

<Not Applicable>

Base year

2019

Figure or percentage in base year

100

Target year

2020

Figure or percentage in target year

100

Figure or percentage in reporting year

100

% of target achieved [auto-calculated]

<Calculated field>

Target status in reporting year

Achieved

Is this target part of an emissions target?

Yum! Brands is committed to eliminating deforestation. We have endorsed the New York Declaration on Forests. Our sustainable paper-based packaging and palm oil sourcing strategies and policies are important parts of this commitment. We disclose progress toward meeting our commitments to sustainable sourcing of paper-based packaging and palm oil in our CDP responses on Climate Change and Forests, as these policies contribute directly to reducing our environmental impact. Pursuant to the CDP Guidance for year-on-year rolling targets, we have reported our base year as the previous reporting year (2019) and the start year and target year as the reporting year (2020). Sustainable palm oil sourcing is a priority at Yum! Brands. In 2019 and 2020 we met our goal of sourcing 100% of palm oil used for cooking from sustainable and responsible sources. Our Sustainable Palm Oil Policy gives preference to third-party certification by the Roundtable on Sustainable Palm Oil (RSPO). We will continue to

strive to meet this goal on an annual basis.

Is this target part of an overarching initiative?

Other, please specify (New York Declaration on Forests-Palm Oil)

Please explain (including target coverage)

Yum! Brands is committed to eliminating deforestation. We have endorsed the New York Declaration on Forests. Our sustainable paper-based packaging and palm oil sourcing strategies and policies are important parts of this commitment. We disclose progress toward meeting our commitments to sustainable sourcing of paper-based packaging and palm oil in our CDP responses on Climate Change and Forests, as these policies contribute directly to reducing our environmental impact. Pursuant to the CDP Guidance for year-on-year rolling targets, we have reported our base year as the previous reporting year (2019) and the start year and target year as the reporting year (2020). Sustainable palm oil sourcing is a priority at Yum! Brands. In 2019 and 2020 we met our goal of sourcing 100% of palm oil used for cooking from sustainable and responsible sources. Our Sustainable Palm Oil Policy gives preference to third-party certification by the Roundtable on Sustainable Palm Oil (RSPO). We will continue to strive to meet this goal on basis.

Target reference number

Oth 3

Year target was set

2014

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: category & Metric (target numerator if reporting an intensity target)

Other, please specify	Other, please specify (New York Declaration on Forests-Fiber-Based Products)
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Target denominator (intensity targets only)

<Not Applicable>

Base year

2018

Figure or percentage in base year

70

Target year

2022

Figure or percentage in target year

100

Figure or percentage in reporting year

81

% of target achieved [auto-calculated]

36.6666666666667

Target status in reporting year

Revised

Is this target part of an emissions target?

Yum! Brands is committed to eliminating deforestation. We have endorsed the New York Declaration on Forests. Our sustainable paper-based packaging and palm oil sourcing strategies and policies are important parts of this commitment. We disclose progress toward meeting our commitments to sustainable sourcing of paper-based packaging and palm oil in our CDP responses on Climate Change and Forests, as these policies contribute directly to reducing our environmental impact. Our public goal is to purchase 100% of our paper-based packaging from responsibly managed forests and recycled sources by the end of 2022.

Is this target part of an overarching initiative?

Other, please specify (New York Declaration on Forests)

Please explain (including target coverage)

Yum! Brands is committed to eliminating deforestation. We have endorsed the New York Declaration on Forests. Our sustainable paper-based packaging and palm oil sourcing strategies and policies are important parts of this commitment. We disclose progress toward meeting our commitments to sustainable sourcing of paper-based packaging and palm oil in our CDP responses on Climate Change and Forests, as these policies contribute directly to reducing our environmental impact. Our public goal is to purchase 100% of our paper-based packaging from responsibly managed forests and recycled sources by the end of 2022. Although 81% of our paper-based packaging came from responsibly managed forests and recycled sources in 2020, we have not been able to meet our objective of 100% by the target date. We will continue to work on this goal and have extended the timeline to 2022.

C4.2c

(C4.2c) Provide details of your net-zero target(s).

Target reference number

NZ1

Target coverage

Company-wide

Absolute/intensity emission target(s) linked to this net-zero target

Abs2

Int2

Int3

Target year for achieving net zero

2050

Is this a science-based target?

Yes, and this target has been approved by the Science-Based Targets initiative

Please explain (including target coverage)

We have committed to the aspirational target of reaching net-zero emissions no later than 2050 by adopting the Business Ambition for 1.5% Commitment Letter.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	0	0
Implemented*	77313	1289514
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (New Construction)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

481

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

121844

Investment required (unit currency – as specified in C0.4)

204528

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Using our global green building standard, called Blueline, technologies and practices that reduce energy consumption and greenhouse gas emissions from design and construction or new restaurants are being used globally. Designing and constructing these buildings is a focus of reducing our environmental impact. We include energy reducing technologies in areas including high-efficiency HVAC, optimized hoods, interior lighting, parking lot lighting, signage lighting, hot water generation, cooking equipment as well as key construction practices such as HVAC. Our goal is to have equity restaurants comply with the standards. Brands and countries incorporate standard components into their templates as feasible. As we do not track Scope 1 and Scope 2 savings and investment specifically, we have allocated a percentage of overall savings and investment levels as reported together and divided according to the percentage of GHG emissions reported for Scope 1 and Scope 2.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (New Construction - Combination of approaches)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

2525

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

639681

Investment required (unit currency – as specified in C0.4)

639681

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Using our global green building standard, called Blueline, technologies and practices that reduce energy consumption and greenhouse gas emissions from design and construction or new restaurants are being used globally. Designing and constructing these buildings is a focus of reducing our environmental impact. We include energy reducing technologies in areas including high-efficiency HVAC, optimized hoods, interior lighting, parking lot lighting, signage lighting, hot water generation, cooking equipment as well as key construction practices such as HVAC. Our goal is to have equity restaurants comply with the standards. Brands and countries incorporate standard components into their templates as feasible. As we do not track Scope 1 and Scope 2 savings and investment specifically we have allocated a percentage of overall savings and investment levels as reported together and divided according to the percentage of GHG emissions reported for Scope 1 and Scope 2.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (New Construction - Combination of Approaches)
--------------------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

66705

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

15095344

Investment required (unit currency – as specified in C0.4)

24507542

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

Using our global green building standard, called Blueline, technologies and practices that reduce energy consumption and greenhouse gas emissions from design and construction or new restaurants are being used globally. Designing and constructing these buildings is a focus of reducing our environmental impact. We include energy reducing technologies in areas including high-efficiency HVAC, optimized hoods, interior lighting, parking lot lighting, signage lighting, hot water generation, cooking equipment as well as key construction practices such as HVAC. Our goal is to have equity restaurants comply with the standards. Brands and countries incorporate standard components into their templates as feasible, Franchisees are encouraged to participate.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Existing Construction - Combination of Approaches)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

269

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

58160

Investment required (unit currency – as specified in C0.4)

135178

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

The principles that we use to reduce emissions in new buildings also apply in existing buildings. During remodel programs and retrofitting projects these are implemented in restaurants across the globe. The nature and scope of these projects vary from year to year, but data is reported annually. For this reporting cycle examples include LOW fryers in the United States.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Existing Construction - Combination of Approaches)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

1411

Scope(s)

Scope 2 (location-based)

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

305342

Investment required (unit currency – as specified in C0.4)

709687

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

The principles that we use to reduce emissions in new buildings also apply in existing buildings. During remodel programs and retrofitting projects these are implemented in restaurants across the globe. The nature and scope of these projects vary from year to year, but data is reported annually. For this reporting cycle an example includes high efficiency HVAC in the United States.

Initiative category & Initiative type

Energy efficiency in buildings	Other, please specify (Existing Construction - Combination of Approaches)
--------------------------------	---

Estimated annual CO2e savings (metric tonnes CO2e)

26455

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

5918622

Investment required (unit currency – as specified in C0.4)

12862051

Payback period

1-3 years

Estimated lifetime of the initiative

6-10 years

Comment

The principles that we use to reduce emissions in new buildings also apply in existing buildings. During remodel programs and retrofitting projects these are implemented in restaurants across the globe. The nature and scope of these projects vary from year to year, but data is reported annually. For this reporting cycle examples include heat pump water heaters in Pizza Hut China, high efficiency HVAC units in KFC India as well as LED lighting in KFC South Africa.

Initiative category & Initiative type

Waste reduction and material circularity	Waste reduction
--	-----------------

Estimated annual CO2e savings (metric tonnes CO2e)

12584

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Reducing wasted food—our highest emitter of methane—is where Yum! Brands has made the most significant strides. We adhere to the EPA’s Food Recovery Hierarchy, which shows that there are much better places for leftover food than the landfill or even the compost bin. According to this hierarchy, reducing food waste begins at the source. We work with suppliers to purchase only as much fresh food as we expect to sell to customers based on our projections. The next best use for surplus food is to feed hungry people. That’s exactly what Yum! has been doing for more than 25 years through our Harvest program. Through Harvest, Pizza Hut and KFC stores donate surplus food from our restaurants to food banks, soup kitchens and other nonprofits. Emissions reduction calculated used EPA Waste Reduction Model (WARM) spreadsheet. Cost and savings not calculated.

Initiative category & Initiative type

Waste reduction and material circularity	Product/component/material recycling
--	--------------------------------------

Estimated annual CO2e savings (metric tonnes CO2e)

1179084

Scope(s)

Scope 3

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

0

Payback period

<1 year

Estimated lifetime of the initiative

Ongoing

Comment

Yum! Brands is committed to first reducing, and then mindfully reusing or recycling, the waste generated at our restaurants. We have set an aspirational system goal to divert 50% of the back-of-house operational waste generated by weight in our U.S. restaurants by 2025. To achieve this goal, we first determined our heaviest sources of waste: spent cooking oil, cardboard and food. Emissions reduction calculated used EPA Waste Reduction Model (WARM) spreadsheet. Cost and savings not calculated.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Financial optimization calculations	For both holistic green buildings and individual energy efficiency measures, financial calculations are completed to determine the financial payback and confirm that the initiative has an acceptable ROI. One example comes from the development building standard, BlueLine. During this process the sub-metering of both green and non-green restaurants, in nearby locations, allowed for detailed utility consumption measurements. These measurements were normalized for factors including sales levels when appropriate so that financial calculations could be done. This process was repeated in countries such as the U.S., Australia, China, France and the U.K. The results of this work assists in driving investment in emission reduction activities.
Internal incentives/recognition programs	At Yum! our values challenge and inspire us to elevate our brands, our culture, our performance and our impact with customers and in the communities, that we serve. Providing recognition to those who lead with heart and courage to drive results is a valued part of what it means to be part of the Yum! family. Achievements that drive business results, including those that reduce the Company’s environmental impacts, are recognized by non-monetary recognition awards. Recognition is an integral part of the Yum! Brands culture and everyone across the Company is encouraged to celebrate the achievements of others. All leaders in the Company have unique personal recognition awards. Awards that have been given for progress in achieving sustainability targets include our “Positive Spark” award which has been presented to employees for their contributions toward our sustainability targets. For example, associates in China and France have received the “Positive Spark” award for sustainability initiatives such as LEED restaurant development. We also have given our “Green Apple” award for contributions toward sustainability education within the company. Individuals in the U.K., China, Australia and the U.S. have received this recognition. In addition, project that have demonstrated commitment and achievement receive our BlueLine award in recognition to their dedication to our green building initiative.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

No

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

23544.71

Comment

Working to reduce greenhouse gas emissions is part of our mission to build the world's most loved, trusted & fastest growing restaurant brands. We have achieved multiple energy and emissions reduction targets over the last decade including reducing 22% of our Scope 1 and 2 emissions by the end of 2017 as compared to our 2005 base year. We continued to work on energy conservation and GHG emission reduction by striving to reduce average restaurant energy and GHG emissions by 10% from our 2017 levels by the end of 2025. This was achieved in 2020. We have now completed a TCFD report and have set approved science-based targets. In addition, we have committed to the aspiration target of reaching net-zero emissions no later than 2050 by adopting the Business Ambition for 1.5% Commitment. As part of or science-based target initiative we have reset our baseline to 2019. Our baseline for this goal will be updated to include Habit Burger in the future. Integration of systems is ongoing.

Scope 2 (location-based)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

144312.92

Comment

Working to reduce greenhouse gas emissions is part of our mission to build the world's most loved, trusted & fastest growing restaurant brands. We have achieved multiple energy and emissions reduction targets over the last decade including reducing 22% of our Scope 1 and 2 emissions by the end of 2017 as compared to our 2005 base year. We continued to work on energy conservation and GHG emission reduction by striving to reduce average restaurant energy and GHG emissions by 10% from our 2017 levels by the end of 2025. This was achieved in 2020. We have now completed a TCFD report and have set approved science-based targets. In addition, we have committed to the aspiration target of reaching net-zero emissions no later than 2050 by adopting the Business Ambition for 1.5% Commitment. As part of or science-based target initiative we have reset our baseline to 2019. Our baseline for this goal will be updated to include Habit Burger in the future. Integration of systems is ongoing.

Scope 2 (market-based)

Base year start

January 1 2019

Base year end

December 31 2019

Base year emissions (metric tons CO2e)

140341.33

Comment

Working to reduce greenhouse gas emissions is part of our mission to build the world's most loved, trusted & fastest growing restaurant brands. We have achieved multiple energy and emissions reduction targets over the last decade including reducing 22% of our Scope 1 and 2 emissions by the end of 2017 as compared to our 2005 base year. We continued to work on energy conservation and GHG emission reduction by striving to reduce average restaurant energy and GHG emissions by 10% from our 2017 levels by the end of 2025. This was achieved in 2020. We have now completed a TCFD report and have set approved science-based targets. In addition, we have committed to the aspiration target of reaching net-zero emissions no later than 2050 by adopting the Business Ambition for 1.5% Commitment. As part of or science-based target initiative we have reset our baseline to 2019. Our baseline for this goal will be updated to include Habit Burger in the future. Integration of systems is ongoing.

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

US EPA Mandatory Greenhouse Gas Reporting Rule

Other, please specify ((International Energy Agency (IEA 2018) (Published 2020) and RE-DISS - European Residual Mixes (Published 2020))

C5.2a

(C5.2a) Provide details of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

In addition to The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition) and The US EPA Mandatory Greenhouse Gas Reporting Rule, we have also utilized International Energy Agency (IEA 2018) (Published 2020) and RE-DISS - European Residual Mixes (Published 2020) for the calculation of our Scope 1 and Scope 2 emissions.

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)

38907

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Emissions for 2020 included our newest acquisition, Habit Burger, for the first time. Gross global Scope 1 emissions for 2020 were 38,907.00 MT CO2e.

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We are reporting a Scope 2, market-based figure

Comment

Utilized residual mix emission factors for markets in Europe.

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

128128.97

Scope 2, market-based (if applicable)

130953.39

Start date

<Not Applicable>

End date

<Not Applicable>

Comment

Emissions for 2020 included our newest acquisition, Habit Burger, for the first time. Scope 2, location-based emissions for 2020 were 128,128.97 MT CO2e. Scope 2, market-based emissions for 2020 were 130,953.59 MT CO2e.

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, calculated

Metric tonnes CO2e

27351971

Emissions calculation methodology

In 2020, we estimated GHG emissions for purchased goods and services based on direct data from select global markets. Extensive global data was available for plastic, services wares, cooking oil and fiber packaging. Although more data was available for food purchased in the reporting year, more extensive extrapolation was required. Extrapolation in all areas are done by calculating a per restaurant average, by brand and if possible, by region and/or country and applied global store count for company owned and franchise restaurants. We anticipate refining our process in upcoming years.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

51

Please explain

We recognize that purchased goods and services are a source of Scope 3 emissions for Yum! Brands. Our large and decentralized supply chain presents challenges in the collection of this data. We focus on the significant and core areas of food, cooking oil plastic packaging and service wares, and fiber packaging in this in our data collection and estimates. It should be anticipated that reported emissions from purchased good and services will vary as we continue refining our process in upcoming years.

Capital goods

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

We are not a manufacturer of products. Our organization is 98% franchise-based organization and as such, capital goods are largely procured by franchisees.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Energy related activities are included in Scope 1 and 2.

Upstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO2e

1188304

Emissions calculation methodology

In 2020 we estimated upstream transportation by including transportation from the manufacturer to distribution warehouses, when transportation provided by the distributor, as well as transportation from the warehouses to the restaurants. Due to data availability, U.S. data has served as the basis of the estimate with select inputs from other equity markets. A per restaurant average, by brand, was calculated based on fuel per store and applied to our global store count for company owned and franchise restaurants. All calculations were completed utilizing emission factors presented in EPA Federal Register; Revisions to the Greenhouse Gas Reporting Rule, 2013.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

24

Please explain

We recognize that transportation is a source of Scope 3 emissions for Yum! Brands. Our large and decentralized system presents challenges in the collection of this data. It should be anticipated that reported emissions from transportation will vary as we continue refining our process in upcoming years.

Waste generated in operations

Evaluation status

Relevant, calculated

Metric tonnes CO2e

914506

Emissions calculation methodology

In 2020, we estimated waste generated in operations. Due to data availability, U.S., U.K., Australia, France and Russia data has served as the basis of the estimate. A per restaurant average, by brand, was calculated based on waste generated per store in our sample and applied to our global store count for company owned and franchise restaurants. Please note that this value represents operational waste disposed, operational waste recycled, food donated, and products and not packaging removed by customers. GHG emissions have been estimated using the EPA's WARM tool using the best available categories. We anticipate refining our process in upcoming years.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

47

Please explain

In 2020, we estimated waste generated in operations. Due to data availability, U.S. data has served as the basis of the estimate. A per restaurant average, by brand, was calculated based on waste generated per store in our sample and applied to our global store count for company owned and franchise restaurants. Please note that this value represents operational waste disposed, operational waste recycled, food donated, and products and packaging removed by customers. GHG emissions have been estimated using the EPA's WARM tool using the best available categories. We anticipate refining our process in upcoming years.

Business travel

Evaluation status

Relevant, calculated

Metric tonnes CO2e

2519

Emissions calculation methodology

Emissions include air and ground travel for all corporate employees as reported in our 2020 Global Surveys. For non-reporting markets, an estimate of emissions was calculated using U.S. data. All calculations were completed utilizing emission factors presented in EPA Federal Register; Revisions to the Greenhouse Gas Reporting Rule, 2013 and DEFRA UK Government Greenhouse gas reporting: conversion factors 2020.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Employee commuting

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

As part of our analysis for setting science-based targets, employee commuting was explored, and it was determined that it accounted for 0.0001% of emissions in the baseline year. Therefore, it has been deemed not relevant.

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Emissions from leased assets for offices, warehouses and other uses are reflected in our scope 1 and 2 values.

Downstream transportation and distribution

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

791496

Emissions calculation methodology

In 2020, we estimated downstream transportation, otherwise known as delivery from the restaurant to consumers. Due to data availability, primary market data within the U.S., Australia, U.K, South Africa, and India have served as the basis of the estimate. A per restaurant average, by brand, was calculated based on fuel per store and applied to our global store count for company owned and franchise restaurants. All calculations were completed utilizing emission factors presented in EPA Federal Register; Revisions to the Greenhouse Gas Reporting Rule, 2013.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

25

Please explain

Processing of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

All the products sold by our restaurants are consumed immediately without any further processing.

Use of sold products

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

All the products sold by our restaurants are consumed immediately.

End of life treatment of sold products

Evaluation status

Relevant, calculated

Metric tonnes CO₂e

66145

Emissions calculation methodology

Total represents 2020 emissions resulting from the end of life treatment of packaging. A per restaurant average, by brand, was calculated based on waste generated per store in our sample and applied to our global store count for company owned and franchise restaurants. GHG emissions have been estimated using the EPA's WARM tool using the best available categories. We anticipate refining our process in upcoming years.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

95

Please explain

We recognize that waste generated as a result of end-of-life treatment of packaging waste is a source of Scope 3 emissions for Yum! Brands. Our large and decentralized system presents challenges in the collection of this data. It should be anticipated that reported emissions from end of life treatment of sold products will vary as we continue refining our process in upcoming years.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Yum! Brands does not lease any material downstream assets.

Franchises

Evaluation status

Relevant, calculated

Metric tonnes CO2e

6676155

Emissions calculation methodology

We have estimated franchise restaurant GHG emissions for all countries. These estimates were calculated on a per restaurant average for energy use and GHG emissions according to data provided from our global survey. The survey included equity restaurants and a sampling of franchise units and included emissions data for electricity, fuels, heating/cooling, HFC, and distribution. We anticipate refining our process in upcoming years.

Percentage of emissions calculated using data obtained from suppliers or value chain partners

28

Please explain

We recognize that franchise restaurants is a source of Scope 3 emissions for Yum! Brands. Our large and decentralized system presents challenges in the collection of this data. It should be anticipated that reported emissions from transportation will vary as we continue refining our process in upcoming years.

Investments

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (upstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.00003

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

167036

Metric denominator

unit total revenue

Metric denominator: Unit total

5652000000

Scope 2 figure used

Location-based

% change from previous year

3.4

Direction of change

Increased

Reason for change

This slight increase in the emissions figure is largely (but not solely) attributable to the acquisition of our newest brand, The Habit Burger which accounted for 26% of our 2020 Scope 1 and 2 (location-based) emissions.

Intensity figure

148

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

167036

Metric denominator

Other, please specify (Per Equity Location)

Metric denominator: Unit total

1132

Scope 2 figure used

Location-based

% change from previous year

17

Direction of change

Decreased

Reason for change

The decrease in emissions is likely related to ongoing energy conservation measures as well as to operational impacts resulting from COVID 19.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	33813.67	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	16.87	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	17.25	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	5059.21	IPCC Fifth Assessment Report (AR5 – 100 year)

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Australia	526.14
Canada	70.57
France	31.19
Germany	66.14
India	1770.92
Italy	8.97
Netherlands	25.23
Russian Federation	1214.03
Singapore	44.94
South Africa	2146.2
Spain	11.76
United Arab Emirates	26.78
United Kingdom of Great Britain and Northern Ireland	1714.06
United States of America	31235.37
Viet Nam	14.7

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
KFC	7387.26
Pizza Hut	2181.97
Taco Bell	14399.43
Habit Burger	9840.32
Corporate	5098.02

C7.5

(C7.5) Break down your total gross global Scope 2 emissions by country/region.

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
Australia	14237.05	14237.05	19996	0
Canada	95.67	95.67	725	0
France	17.66	13.84	321	0
Germany	272.87	414.24	680	0
India	12555.35	12555.35	16698	0
Italy	28.38	42.94	92	0
Netherlands	108.32	143.94	259	0
Russian Federation	6124.99	6136.71	17162	0
Singapore	179.69	179.69	462	0
South Africa	12648.47	12648.47	14120	0
Spain	31.36	41.42	121	0
United Arab Emirates	156.86	156.86	275	0
United Kingdom of Great Britain and Northern Ireland	5079.63	7694.74	22143	0
United States of America	76523.97	76523.97	185378	0
Viet Nam	68.7	68.7	151	0

C7.6

(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

By business division

C7.6a

(C7.6a) Break down your total gross global Scope 2 emissions by business division.

Business division	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
KFC	45491.42	47452.53
Pizza Hut	2532.02	3160.5
Taco Bell	50960.7	50960.7
Habit Burger	10237.68	10237.68
Corporate	18907.15	19142.18

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Increased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption		<Not Applicable >		
Other emissions reduction activities	2858	Decreased	1.81	Other emissions reduction activities for new and existing equity locations provided an annualized reduction of 2,857.67 MT CO2e in 2019. Our gross total Scope 1 and 2 emissions were 163,886.04 MT CO2e in 2019 and 169,860.59 MT CO2e in 2020, Per CDP Guidance, we calculated the emissions reduction attributed to other emissions reduction activities as follows: $(2,858.67 / 163,886.04) * 100 = 1.81\%$.
Divestment		<Not Applicable >		
Acquisitions	20078	Increased	12.25	The acquisition of The Habit Burger Grill provided an annualized increase of 20,078.00 MT CO2e in 2020. Our gross total Scope 1 and 2 emissions were 163,886.04 MT CO2e in 2019 and 169,860.59 MT CO2e in 2020, Per CDP Guidance, we calculated the emissions reduction attributed to acquisitions as follows: $(20,078.00 / 163,886.04) * 100 = 12.25\%$.
Mergers		<Not Applicable >		
Change in output		<Not Applicable >		
Change in methodology		<Not Applicable >		
Change in boundary		<Not Applicable >		
Change in physical operating conditions	11145.78	Decreased	6.8	The change in physical operating conditions related to the COVID-19 pandemic provided an annualized decrease of 11,145.78 MT CO2e in 2020. Our gross total Scope 1 and 2 emissions were 163,886.04 MT CO2e in 2019 and 169,860.59 MT CO2e in 2020, Per CDP Guidance, we calculated the emissions reduction attributed to acquisitions as follows: $(11,145.78 / 163,886.04) * 100 = 6.80\%$.
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	HHV (higher heating value)	0	178581	178581
Consumption of purchased or acquired electricity	<Not Applicable>	76668	212674	289342
Consumption of purchased or acquired heat	<Not Applicable>	0	131	131
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	285	<Not Applicable>	285
Total energy consumption	<Not Applicable>	76953	391386	468339

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Natural Gas

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

160998

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

160998

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.17931

Unit

metric tons CO2e per MWh

Emissions factor source

Federal Register EPA; 40 CFR Part 98; e-CFR, March 20, 2020. Table C-1, Table C-2, Table AA-1.

Comment

Natural gas represents 28,868 MT CO2e of emissions.

Fuels (excluding feedstocks)

Diesel

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

12465

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

12465

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.25439

Unit

metric tons CO2e per MWh

Emissions factor source

Federal Register EPA; 40 CFR Part 98; e-CFR, March 20, 2020. Table C-1, Table C-2, Table AA-1.

Comment

Diesel represents 3,171 MT CO2e of emissions.

Fuels (excluding feedstocks)

Liquefied Petroleum Gas (LPG)

Heating value

HHV (higher heating value)

Total fuel MWh consumed by the organization

5118

MWh fuel consumed for self-generation of electricity

0

MWh fuel consumed for self-generation of heat

5118

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration

<Not Applicable>

Emission factor

0.2128

Unit

metric tons CO2e per MWh

Emissions factor source

Federal Register EPA; 40 CFR Part 98; e-CFR, March 20, 2020. Table C-1, Table C-2, Table AA-1.

Comment

LPG Represents 1,089 MT CO2e of emissions.

(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	386	386	386	386
Heat	178572	178572	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

C8.2e

(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.

Sourcing method

None (no purchases of low-carbon electricity, heat, steam or cooling)

Low-carbon technology type

<Not Applicable>

Country/area of consumption of low-carbon electricity, heat, steam or cooling

<Not Applicable>

MWh consumed accounted for at a zero emission factor

<Not Applicable>

Comment

There are no electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3. Please note that our gross generation from onsite renewable resources (solar) has been accounted for in C8.2a and C8.2d.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place Annual process

Status in the current reporting year Complete

Type of verification or assurance
Limited assurance

Attach the statement
[2020 GHG Statement with KPMG Opinion.pdf](#)

Page/ section reference
Entire Document

Relevant standard
Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)
100

C10.1b

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Scope 2 approach
Scope 2 location-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
[2020 GHG Statement with KPMG Opinion.pdf](#)

Page/ section reference
Entire Document

Relevant standard
Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)
100

Scope 2 approach
Scope 2 market-based

Verification or assurance cycle in place
Annual process

Status in the current reporting year
Complete

Type of verification or assurance
Limited assurance

Attach the statement
[2020 GHG Statement with KPMG Opinion.pdf](#)

Page/ section reference
Entire Document

Relevant standard
Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)
100

C10.1c

(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Scope 3 category
Scope 3: Purchased goods and services

Verification or assurance cycle in place
Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[2020 GHG Statement with KPMG Opinion.pdf](#)

Page/section reference

Entire Document

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Upstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[2020 GHG Statement with KPMG Opinion.pdf](#)

Page/section reference

Entire Document

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Waste generated in operations

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[2020 GHG Statement with KPMG Opinion.pdf](#)

Page/section reference

Entire Document

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Business travel

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[2020 GHG Statement with KPMG Opinion.pdf](#)

Page/section reference

Entire Document

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Downstream transportation and distribution

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[2020 GHG Statement with KPMG Opinion.pdf](#)

Page/section reference

Entire Document

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: End-of-life treatment of sold products

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[2020 GHG Statement with KPMG Opinion.pdf](#)

Page/section reference

Entire Document

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

Scope 3 category

Scope 3: Franchises

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

Limited assurance

Attach the statement

[2020 GHG Statement with KPMG Opinion.pdf](#)

Page/section reference

Entire Document

Relevant standard

Attestation standards established by AICPA (AT105)

Proportion of reported emissions verified (%)

100

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, we do not verify any other climate-related information reported in our CDP disclosure

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, but we anticipate being regulated in the next three years

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

The Yum! Government Affairs team actively monitors developing climate regulations. Any developments are brought to the attention of the Yum! and brand sustainability teams. At warranted, pending developments are reviewed and if deemed necessary included in our corporate risk analysis process. As done with other risks they are evaluated by the Yum! Risk Committee and elevated as necessary to the Audit Committee. For regulations already enacted, our market financial, tax and legal team work to promote our compliance with all laws. The U.K. Carbon Price Floor is a good example of how this has worked in the past and we have integrated fulfillment of our obligations into our standard procedures.

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, and we do not currently anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Engagement & incentivization (changing supplier behavior)

Details of engagement

Other, please specify (Included climate change in supplier selection / management mechanism; Code of conduct featuring climate change KPIs; Collect climate change and carbon information at least annually from suppliers; Suppliers follow our policy to remain suppliers.)

% of suppliers by number

28

% total procurement spend (direct and indirect)

54

% of supplier-related Scope 3 emissions as reported in C6.5

74

Rationale for the coverage of your engagement

Our Global Supplier Code of Conduct requires suppliers to promote compliance with Yum's sustainability policies and positions in our Global Citizenship and Sustainability Report. Suppliers are also expected to develop appropriate environmental management systems that recognize the environmental impacts of their specific business processes and monitor and report performance against improvement targets. Suppliers are expected to be leaders in meeting or exceeding environmental standards and demonstrating year-over-year progress towards reducing the relative environmental footprint of their operations. We engage with suppliers where we feel that we have the most potential to have impact. Our engagement, through our sustainability survey is to drive progress. Palm oil and timber are two key supplier groups for Yum! that have the potential to impact deforestation and impact climate change. Therefore, we have prioritized these suppliers. We have long standing and clear policies and goals associated for each of these areas and have a clear definition of success. Success is defined by meeting our goals. We believe that working with our peers, suppliers, NGOs, and other internal and external stakeholders is essential to achieving our goal. That's why we give preference to suppliers who are certified by the Roundtable on Sustainable Palm Oil (RSPO) field. Yum! Brands will not knowingly buy paper-based packaging products that were made with fiber that comes from illegal or the following unwanted sources: a. Wood harvested from forests that have been converted to plantations or non-forest use b. Wood from high conservation value forests, unless those forests are credibly certified c. Wood where the source forest and species are unknown d. Wood harvested in a manner that violates human rights e. Wood harvested that violates local or international laws

Impact of engagement, including measures of success

We are engaging with markets and suppliers on compliance with our policy to transition to sustainable palm oil and paper-based packaging. This policy contributes to reducing our environmental impact from undesirable palm in agricultural processes that have a negative impact on climate change. We conduct an annual survey of suppliers to measure progress, identify issue and create corrective actions. Results are reported in CDP-Forests. As a result of this process we have removed suppliers from our value chain and encouraged others to act more sustainability. Increasing procurement of certified fiber sources as well as recycled content is one of our climate change strategies. Success of this engagement is measured via our annual surveys which inform our progress against our fiber and palm oil goals. This is a very measurable outcome driven effort.

Comment

Scope 3 emissions are estimated for corporate restaurants only. It is an approximation and subject to refinement as methods of estimation improve.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

In addition to engaging with our suppliers on climate-related issues, Yum! Brands also engages with other stakeholders in the value chain, such as customers, shareholders and NGOs. Shareholder engagement occurs during the annual Proxy Vote as proposals are received and also occurs on an as-needed basis as groups bring relevant areas of interest to our attention. Our engagement strategy typically includes a comprehensive review of shareholder and NGO positions, often completed through conversations and written correspondence.

For example, in November 2018 Yum! Brands received a shareholder proposal from The Sisters of Charity of the Blessed Virgin Mary, with a request for Yum! Brands to issue a report on climate change mitigation strategies, assessing the feasibility of adopting quantitative, company-wide goals for increasing Yum! Brands' use of renewable energy and any other measures to substantially reduce the company's greenhouse gas emissions. We reviewed, discussed and explored the proposal with the shareholder and associated groups. We now have approved science-based targets. As part of this we are undertaking a program to inform suppliers about science-based targets and how to establish baselines. As part of this our ongoing journey, we keep shareholders informed through reporting to CDP as well as our own Citizenship and Sustainability report. Both public reports, which we post online, contain a summary of goals and progress. Our work also extends to NGO partners who are active in the climate change space. For example, we worked with WWF on a Brazil landscape analysis.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Direct engagement with policy makers

Trade associations

Other

C12.3a

(C12.3a) On what issues have you been engaging directly with policy makers?

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Climate finance	Support	Petitioning Congress with other large corporate consumers of energy	Enact legislation to support the creation of a direct pay option for the production tax credit (PTC)/investment tax credit (ITC) value to address liquidity and tax equity availability issues for those same projects. In addition, it included request that Congress delay the PTC and ITC phasedowns to account for COVID-19 related economic and workforce impacts.
Other, please specify (Food Donation, energy efficiency and GHG Reduction)	Support	Our food donation program, Harvest, is focused on donating wholesome, surplus food from our restaurants to local food agencies, which diverts food waste from our restaurants and landfills. To encourage food donation programs like Harvest, we engage with policy makers at the local, state and federal level, in addition to trade associations and other industry partners to enact policy that not only addresses food insecurity, but also supports a sustainable environment.	In 2015, legislation providing a permanent food donation tax deduction was passed at the federal level and similar legislation has been proposed in Kentucky, Massachusetts, Minnesota, New Jersey, New York, Ohio and Pennsylvania. The enactment of a restaurant charitable food donation tax credit helps address food insecurity, assists in moving towards a more sustainable environment and streamlines small business restaurant operations. Yum! Brands is also seeking ways to expand the Harvest program overseas. For example, in 2017 our Government Affairs team, in conjunction with our global consultants and trade association partners, undertook education efforts in Italy to raise awareness for the Harvest program. The efforts highlighted both the economic and environmental opportunities the program provides and potential legislative changes required for wide-scale implementation. Our hope is to broaden the work out across the EU in upcoming years.

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

U.S. Green Building Council

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The USGBC is committed to the development of green buildings with one of the goals being to combat global climate change. The promotion of the LEED rating system helps to mitigate the contribution of buildings to climate change by promoting reductions through building operations energy use, transportation energy use, embodied energy and materials, water use, use of clean energy supplies, and promoting non-energy related drivers such as reforestation and refrigerant purchases.

How have you influenced, or are you attempting to influence their position?

We have met with the USGBC in support of the development of the LEED rating system and sat on the Retail User Group-Retail and the LEED Pilot Credit Committee in the past.

Trade association

National Restaurant Association (NRA)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The NRA is committed to educating their members about environmental sustainability in the restaurant business and including how to minimize food waste. That's why they have taken a leadership role, in partnership with the Food Waste Reduction Alliance, Grocery Manufacturers Association and the Food Marketing Institute, to reduce food waste in our industry. One of the main objectives of the group is to recycle unused food waste by diverting it from landfills.

How have you influenced, or are you attempting to influence their position?

We partner closely with the NRA to encourage more food donation. Specifically, the NRA succeeded in getting Congress and the White House to encourage more food donation by permanently extending the enhanced tax deduction for food donations to smaller corporations. We currently serve on a number of committees including Sustainability Education, Supply Chain and Federal Affairs. Additionally, we partner with state and local restaurant associations to explore how the federal tax credit can apply at the state level.

Trade association

Roundtable for Sustainable Palm Oil (RSPO)

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Roundtable for Sustainable Palm Oil pursues the use of sustainable palm oil products across the globe. They maintain environmental and social criteria which companies must comply to produce sustainable palm oil. RSPO looks to prevent tropical rainforest deforestation and peatland conversion which are contributors to global climate change.

How have you influenced, or are you attempting to influence their position?

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

Trade association

US Chamber of Commerce

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The Chamber believes that the climate is changing and humans are contributing to the changes. They also would like to see policymakers "seize on an approach that rises to the challenge of climate change, leveraging business leadership and expertise."

How have you influenced, or are you attempting to influence their position?

We look for every opportunity to engage with stakeholders to educate and elaborate on our sustainability vision, strategy, and goals to make a positive impact.

C12.3e

(C12.3e) Provide details of the other engagement activities that you undertake.

We communicate with the United States Department of Energy through the Better Building Alliance via conferences and seminars on ways to measure energy consumption and reduce the use of energy by retail businesses. In particular, among other topics we discuss are issues related to sustainable, recyclable or decreased takeout food packaging. Overall, we advocate for public policy that addresses climate change in a way that recognizes the real economic and operational challenges faced by our business.

Yum! Brands has been a member of the U.S. Green Building Council since 2008 and supports their mission to transform the design and construction industry to provide for a greener future. Our support includes participation in ongoing continuous improvement efforts in support of the LEED rating system through past participation in the LEED User Group-Retail and LEED Pilot Committee where we advocate for clarity of process and the inclusion of sustainability issues relevant to the restaurant industry. We are also engaged in creating connecting and convening businesses, non-profits, government agencies and individuals in support of sustainability in our corporate hometown of Louisville, Kentucky where actively support the efforts of the Louisville Sustainability Council. The efforts of this organization along with Metro Louisville, enabled the city to be recognized for its four-star sustainability efforts, including on climate change action, by Star Communities, now LEED for Cities. We support the community's goal of reducing greenhouse gas emissions by 80% by 2050.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

Our sustainability governance structure helps to assure that any activities which may influence policy (direct or indirect) are consistent with our overall environmental sustainability strategy. The Yum! Brands Government Affairs and Global Sustainability teams are closely linked and managed by our Chief Sustainability Officer and Vice President of Global Government Affairs and Sustainability. In addition, our Yum! Communications team manages communications to coordinate consistent communications regarding ESG issues such as climate change. All three groups are part of our broader ESG Council that involves representatives of our brands. This group works on collective strategy and KPI execution and is responsible for communications up and down their portion of the business, regardless of geographic location, so that sustainability discussions and decisions can be communicated across the organization. Our strategy is influenced by our belief that we have a responsibility to reduce our environmental impact and the resulting greenhouse gas emissions that contribute to climate change, and we recognize that direct engagement with policy makers has the potential to drive changes in legislation that will support our efforts along this journey.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In mainstream reports

Status

Complete

Attach the document

2020 Definitive Proxy Statement.pdf

Page/Section reference

2020 Proxy Statement, Matters Requiring Shareholder Action Section

Content elements

Governance
Strategy
Risks & opportunities

Comment

Yum! Brands takes our role as a global citizen and our impact on society and the environment seriously. In addition to our CDP disclosures, we report in mainstream reports such as our Annual Report. Our 2020 Annual Report included the risks from Climate change in our 10K, Item 1A as well as in our Proxy Statement where deforestation is discussed.

Publication

In voluntary sustainability report

Status

Complete

Attach the document

2020 Global Citizenship and Sustainability Report.pdf

Page/Section reference

Planet and Citizenship Sections

Content elements

Governance
Strategy
Risks & opportunities
Emissions figures
Emission targets
Other metrics

Comment

Yum! Brands takes our role as a global citizen and our impact on society and the environment seriously. In addition to our CDP disclosures, we report our progress and performance in voluntary communications such as our biennial Global Citizenship & Sustainability Report.

Publication

In voluntary communications

Status

Complete

Attach the document

Yum! Brands Announces Approved Science-Based Targets to Address Climate Change.pdf

Page/Section reference

Entire Article

Content elements

Strategy

Comment

We announced our approved science-based target to reduce greenhouse gas emissions from our operations, franchises and supply chain. We also announced our intent to switch our first 1,000 restaurants to renewable energy in 2021.

Publication

In voluntary communications

Status

Complete

Attach the document

Taco Bell Announces New Packaging Commitments.pdf

Page/Section reference

Entire Article

Content elements

Strategy

Comment

Taco Bell announced that it will make all consumer-facing packaging recyclable, compostable or reusable by 2025 as well as add recycling/composting bins in restaurants, where infrastructure permits, by the same year.

Publication

In voluntary communications

Status

Complete

Attach the document

Yum! Brands Named to 3BL Media's 100 Best Corporate Citizens List.pdf

Page/Section reference

Entire Article

Content elements

Other, please specify (Recognition)

Comment

Yum! Brands has been named to the 100 Best Corporate Citizens list by Corporate Responsibility Magazine for our continued commitment to being a good corporate steward.

C15. Signoff

C-FI

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

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 store 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! Brands, 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 only made 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.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

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

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

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

Please confirm below

I have read and accept the applicable Terms